INTRODUCTION

"Accelerating Employment through New-age Entrepreneurship"
1.1 ENTREPRENEUR AND ENTREPRENEURSHIP

The concept of entrepreneurship originated in the 1700s, and the meaning has evolved ever since. It is derived from the French word 'entreprendre' which means, 'to undertake' (Kirby 2003). Many researchers basically associate it with starting one's own business. But most of the economists consider it is more than that. There are three important characteristics of entrepreneurial activity from the point of view of the economic functions, i.e., risk taking, innovation and venturing into new business activities for profit (McGraw et al, 1999). According to some economists an entrepreneur is one who is ready to bear the risk of a new venture if there are considerable chances for profit. On the other hand, others lay emphasis on the role of entrepreneur as an innovator who markets his innovation. However, other economists say that entrepreneurs develop new goods or processes that the market demands and are not currently being supplied (Daniel, 2011).

The concept of entrepreneur was first introduced by a French economist, Richard Cantillon and later in the year 1776, Adam Smith defined an entrepreneur as a person who acts as agent in transforming demand into supply. Jean Babtiste Say (1803) described an entrepreneur as a person who shifts resources from an area of low productivity to high productivity. John Stuart Mill (1848) termed an entrepreneur as the prime mover in the private enterprise. The entrepreneur is the fourth basic factor of production after land, labour and capital. Carl Menger (1871) stated that the entrepreneur acts as an economic agent who transforms resources into products and services. David C. McClelland (1961) described the entrepreneur as person with a high need for achievement. This need for achievement is directly related to the process of entrepreneurship.

According to Max Weber, entrepreneurs are a product of particular social condition in which they are brought and it is the society which shapes individuals as entrepreneurs. Knight (1921) defined entrepreneur as a specialized group of persons who bear risks and deal with uncertainty. An entrepreneur, according to R.E.Nelson, is a person who is able to look at the environment, identify opportunities to improve the environment, organize resources and implement action to maximise those opportunities. International Labour Organization (1982) has defined entrepreneurs as those people who have the ability to see and evaluate business opportunities, together with the necessary resources to take advantage of them and to initiate appropriate action to ensure success.
Joseph Schumpeter (1912), an economist in the 20th century, highlighted on how the entrepreneur's drive for innovation and improvement creates disruption and change. Schumpeter regarded entrepreneurship as a force of "creative destruction." The idea was supplemented further by the management guru, Peter Drucker (1970) who described entrepreneur as someone who in fact looks for a change, responds to it and exploits change as an opportunity. The change in ways of communications, i.e., from typewriters to personal computers to the Internet exemplifies these ideas.

According to Higgins, entrepreneurship is the function of seeking investment and production opportunity, organizing an enterprise to undertake a new production process, raising capital, hiring labor, arranging the supply of raw materials, finding site, introducing a new technique and commodities, discovering new sources of raw materials and selecting top managers of day-to-day operations of the enterprise. J. A. Timmons has defined entrepreneurship as "the ability to create and build something from practically nothing. Basically, it is a creative human activity, it is also searching of personal energy by initiating, building and achieving an enterprise or organization rather than by watching, analyzing or describing one. It requires the capability to take calculated risk and to reduce the chance of failure". Similarly, A. H. Cole (1959) is of the view that "entrepreneurship is the purposeful activity of an individual or a group of associated individuals, undertaken to initiate, maintain or aggrandize profit by production or distribution of economic goods and services."

Entrepreneurship as innovativeness, an urge to take risk in face of uncertainties, and an intuition, i.e., a capacity of seeing things in a way which later on proves to be true was viewed by V. R. Gaikwad. According to Musclemom and Jackson, entrepreneurship is investing and risking of time, money and efforts to start a business and making it successful. H. N. Pathak described entrepreneurship as a wide range of areas in which series of decisions are required which can be grouped into three categories, i.e., perception of opportunity, organizing an industrial unit and running the industrial unit as a profitable, going and growing concern.

The definitions as narrated above reveal that entrepreneurship is an essential ingredient for stimulating economic growth and employment opportunities in all societies. In the developing world, successful small businesses are the prime engines of job creation, income growth and poverty reduction.
Moreover, entrepreneurship can be explained as a process of action in which an entrepreneur agrees upon to establish his/her enterprise. It is the capacity to make and build something from practically nothing. It is the ability of sensing opportunity where others see threats, contradiction and confusion. Entrepreneurship is the outlook of mind to seek opportunities, take calculated risks and receive benefits by setting up a venture. It includes several activities involved in conception, creation and running of an enterprise.

Entrepreneurship is a field of study which results from complex socio-economic, psychological, technological, legal and other factors. It is an aggressive and risky process. It includes a fusion of capital, technology and human talent. Entrepreneurship is uniformly applicable to big and small businesses, to economic and non-economic activities. It may be stated that entrepreneurs might have some general traits but all of them will have some different and unique features. Therefore, if entrepreneurs are closely examined there will be as many models as the number of existing ventures.

Entrepreneurship is a process, not a combination of some stray incidents. It is the determined and planned search for change, carried out after systematic analysis of potential opportunities and threats as perceived. It is the professional utilization of knowledge, skills and competencies and/or of monetizing a new idea, by an individual or a set of people by initiating an enterprise afresh or alterations of an existing one. Entrepreneurial activity has been recognized as one resource that needs to be tapped by developing countries in order to enhance competing abilities in a globalizing market economy.

Entrepreneurs and entrepreneurship development have become the catch line of the 21st century. The waves of economic liberalization and globalization have opened up several opportunities to the potential entrepreneurs in the industrial, service and agriculture sectors. The new millennium is the age of entrepreneurship. Entrepreneur is a business leader who has a key role in fostering economic growth and development. On the whole the role of the entrepreneur in the context of economic development can be described as “entrepreneurship is the cause and growth of the economy is its effect”.

Desirable rate of economic growth of a country calls for a widespread development of enterprises in all sectors of the economy. This necessitates the creation of an environment which is not only favourable to the growth of existing enterprises but also facilitates those who venture to undertake entrepreneurial activities. There has been a great deal of attention paid to the subject
of entrepreneurship over the past few years, arising primarily from the fact that small firms contribute considerably to economic growth and progress. Furthermore, it is observed that in recent years, many people are opting entrepreneurial careers because it offers greater economic and psychological rewards than does the large company route.

1.2 ROLE OF ENTREPRENEURSHIP IN THE ECONOMY: CREATING VALUE

An entrepreneur employs new combinations of means of production and plays a vital role in disturbing the status quo through innovation or creative destruction and thereby becomes an instrument of change. Hence, the ‘dynamic equilibrium’ achieved by a persistently innovative entrepreneur can develop the conditions for:

❖ prospect of enhancing employment opportunities;
❖ wealth formation; and
❖ introduction and distribution of new methods and technology.

The relevance and importance of entrepreneurship lies in the creation of additional wealth and in the continuous innovation from prevailing to the next best practices. Essentially, the development of entrepreneurship in a given background depends not on a single overriding factor but rather on a group of factors at the individual, societal and national levels (Dwijendra Tripathy, 1984). Entrepreneurship relies upon individual motivations, experiences, socio-cultural (including family) traditions, educational opportunities, availability of pertinent skills and attitudes, supporting financial institutions and access to credit, presence of commercial trading centres, supporting infrastructure as well as trade routes with efficient transport and communication facilities, macro-economic environment and by and large the political stability. It has also been argued that innovation and entrepreneurship thrives best in decentralized systems by authorized people who are eager to search new ideas as well as willing to deal with external influence.

The task of entrepreneurship and, an entrepreneurial culture in economic and social development has often been undervalued. However, over the years it has become increasingly clear that entrepreneurship certainly does contribute to economic development. Transforming ideas into economic opportunities is the essence of entrepreneurship. History reveals that economic progress has been considerably advanced by people who are entrepreneurial and innovative, able to utilize opportunities and willing to take risks. Entrepreneurs provide solutions to the problem of unemployment and they always challenge the existing conditions. They are
risk takers who look after opportunities that others may fail to identify or may view them as problems or threats. Entrepreneurship is closely related with change, creativity, knowledge, innovation and flexibility factors that are increasingly imperative source of competitiveness in an increasingly globalized world economy. Therefore, fostering entrepreneurship means promoting competitiveness of the business.

Private sector development and entrepreneurship development are important ingredients for achieving Millennium Development Goal of reducing poverty. Whereas, sound macro-economic policies and providing market access are important, emerging markets need to cultivate and develop entrepreneurs capable of taking the advantage of opportunities created by globalization. For many developing countries, private sector development has been an effective engine of economic growth and wealth creation and been vital for improving the quality, quantity and variety of employment opportunities for the poor. The development of new business leads to job creation and has a multiplier effect on the economy. Generally, entrepreneurship makes citizens powerful, generates innovation and changes mindset. These changes have the potential to assimilate developing countries into global economy.

Entrepreneurship is mainly concerned with generating wealth through production of goods and services. This eventuates in a process of upward change through which the real per capita income of a country increases overtime, in other words, economic development takes place. Therefore, entrepreneurial development is the key to economic development. Indeed it is one of the most vital inputs in the economic development of a region. It speedens up the process of activating factors of production inducing to a higher rate of economic growth, distribution of economic activities and growth of backward regions. If a region is incompetent to create an adequate number of entrepreneurs, then outside entrepreneurs usually step in to provide goods and services needed by the people. Besides, the profits earned by these entrepreneurs are usually not ploughed back but sent back to their place of origin. Thus, growth in that region does not take place. The above statement restates the importance of entrepreneurship development for stimulating economic growth of a region. India needs entrepreneurs to exploit new opportunities, to generate wealth and create new jobs.

1.3 IMPORTANCE OF ENTREPRENEURSHIP

In 1890 Alfred Marshall in his famous article Principles of Economics asserted that there are four factors of production: land, labour, capital and organization. Organization is the
integrating factor, which brings the other factors together, and he believed that entrepreneurship is the forceful element behind an organization. By creatively organizing, entrepreneurs produce new commodities or improve “the plan of producing an old commodity”. In turn, to do this, Marshall believed that entrepreneurs must have a detailed understanding about their industries, and they must be natural leaders. Moreover, he stated that entrepreneurs must have the ability to anticipate changes in supply and demand and be willing to act on such risky predictions in the absence of complete information.

Marshall also put forward that the skills related with entrepreneurship are rare and limited in supply. He stated that the abilities of entrepreneur are so great and so several that very few people can reveal them in all in a very high degree. Marshall suggested that people can be trained to acquire the abilities that are necessary to be an entrepreneur. Sadly, the opportunities for entrepreneurs are often limited by economic environment, which encircles them. Although entrepreneurs share some general abilities, all entrepreneurs are different, and their success depends on the economic situations in which they attempt their undertakings.

Researches on entrepreneurship put forth that role of the entrepreneur is that of a risk-bearer in the face of uncertainty and insufficient information. Knight states that an entrepreneur will be able to bear the risk of a new undertaking if he thinks that there is a significant chance of profits. Even though many recent theories on entrepreneurship agree that there is an inherent component of risk, the risk-bearer theory only cannot explain why some individuals become entrepreneurs while others do not. Hence, in order to build a development model of entrepreneurship it is vital to look at some of the other characteristics besides risk taking that can help to elucidate why some people are entrepreneurs.

Modern school of thought believes that the role of the entrepreneur is that of an innovator; though the definition of innovation is still widely debatable. Kirzner advocates that the process of innovation is actually of spontaneous “accidental learning”. Therefore, the essential characteristics of the entrepreneur are alertness, and no inherent skills other than that of recognizing opportunities are necessary. Other schools of economists argue that entrepreneurs have special skills that facilitate them to participate in the process of innovation. Leibenstein suggests that the foremost, necessary characteristics of entrepreneurs are that they are gap-fillers, i.e., they have the capability to recognize where market fails and to develop new goods or processes that the market demands but which are not presently being supplied. Hence,
entrepreneurs have the special aptitude to link different markets and make up for market failures and deficiencies.

While the idea that entrepreneurs are innovators is generally acceptable, it may be not easy to apply this theory of entrepreneurship to the Less Developed Countries (LDCs). Often in LDCs, entrepreneurs are not in fact innovators in the conventional sense of the word. Entrepreneurs in LDCs barely ever produce brand new products rather they imitate the products and production processes that have been invented somewhere else in the world (typically in developed countries). This process, which takes place in developed countries as well, is called “creative imitation”. Creative imitation takes place when the imitators better understand how an innovation can be applied, used, or sold in their particular niche market (namely their own countries) than do the people who actually created or discovered the original innovation. Therefore, the innovation process in LDCs is often that of imitating and adapting, instead of traditional conception of new product or process discovery and development.

By associating the above thoughts it can be derived that entrepreneurs are risk-bearers, coordinators, organizers, gap fillers, leaders, and innovators or creative imitators. So, by encouraging these qualities and abilities, governments can apparently alter their country's supply of domestic entrepreneurship.

**Basic Categories of Entrepreneurship**

Entrepreneurship can be basically divided into two categories:

- Opportunity based entrepreneurship – when an entrepreneur recognizes a business opportunity and decides to follow this as a career option.

- Necessity based entrepreneurship – when an entrepreneur is unable to find some decent work to earn a living which forces him/her to choose entrepreneurship as a career.

The vital role played by the entrepreneurs in the growth of developed countries has made the people of under developed countries aware of the importance of entrepreneurship for economic development. At present, people have begun to realize that for achieving the goal of economic development, it is necessary to increase entrepreneurship both qualitatively and quantitatively in the country. It is only the vibrant and ardent entrepreneurs who fully employ the potentialities of the country's available resources like labour, technology and capital. Schumpeter envisioned the entrepreneurs as a crucial factor in the economic development because of his role in introducing innovations.
Parsen & Smelser stated entrepreneurship as one of the two essential conditions for economic development, the other being the increased output of capital. Harbison embraces entrepreneurs among prime movers of innovations, and Sayingh describes entrepreneurship as an essential dynamic force on the whole. It is also clear that development does not occur suddenly as a natural outcome when economic conditions are in some sense right but a catalyst or an agent is needed and this calls for an entrepreneurial ability. Essentially, the entrepreneur looks for a change, sees need and then brings together the manpower, material and capital required to respond to the opportunities that he sees.

The role of entrepreneurship in economic development differs from economy to economy depending upon its material resources, industrial climate and receptiveness of the political system to the entrepreneurial function. The entrepreneurs supplement more in favourable opportunity conditions than in the economies with comparatively less favourable opportunity conditions. From the opportunity point of view, the underdeveloped regions are less favourable for the emerging particularly of innovative entrepreneurs, due to the scarcity of funds, lack of skilled labour and absence of minimum social and economic overhead. Hence, entrepreneurs, in such regions may not be “innovators” but “imitators” who would copy the innovations introduced by innovative entrepreneurs of the developed regions.

1.4 YOUTH ENTREPRENEURSHIP

Youth is the age when life is most resourceful and joyful. It is the age when idealism blooms and social consciousness is honed. It is when young people begin to dream and prepare themselves to struggle to realize those dreams. But all this is possible only if the minds and hands of young people are employed in productive work. Majority of human resources in the world is lying idle due to large-scale unemployment.

Youth form the biggest segment of the society faced with the depressing problem of unemployment and even when they are employed they often have insecure jobs which are poorly remunerative. The condition of young women and persons from socially disadvantaged groups is even more discouraging. Unemployment, underemployment and less productive employment can leave lasting marks on the leave of today and have serious impact on the national development.

The data on unemployment are truly stunning. Removal of unemployment in general but particularly of youth unemployment has become the biggest developmental challenge in almost every country in the world today. Although, there is adequate information supporting the vital
role played by entrepreneurship in inducing economic development and job creation, there has been little effort to look at it from a youth perspective.

In recent years, the promotion of entrepreneurship as a potential source of job creation, empowerment and economic dynamism in a rapidly globalising world has attracted scholarly attention. Still, there has been no systematic effort to look at it from a youth angle. The tendency has been either to include the youth into the general adult population or to ignore their endeavours to create a livelihood through enterprise activities. This has eventualized in the lack of a sufficient understanding of the potential benefits of youth entrepreneurship as a means of improving youth livelihoods. Employment is not simply a means of livelihood for young people it is also the facilitator of discovery, self discovery and self development.

No doubt youth are assets to our country and with right kind of support, favourable and enabling environment they can bring dynamism to our economies and become great job creators. Various stakeholders have their role in making this happen and together need to build effective partnership of support. Many educated youths of our countries who have been in the educational system have little practical knowledge of marketable skills and those who have had opportunities to attend vocational training institutions often do not acquire skills of self-employment. Hence, it is essential to address these limitations in an effective manner and to place focus on the need to build skills for self-employment and entrepreneurship amongst young people through the change of curriculum and training methodologies in schools and training institutions. Steps must be taken to improve mechanism for making technology and resources not only available to youth but also to encourage them. Policies and regulatory framework should be youth friendly, taking into consideration the specific needs of young women, as well as socially inclusive.

1.5 STUDIES ON YOUTH ENTREPRENEURSHIP

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 influence on youth entrepreneurship like socio-cultural attitude towards youth entrepreneurship, entrepreneurship education, start-up financing, administrative and regulatory framework and business assistance and support. 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.

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.

According to ILO Global trends for Youth (2004), the world is facing a growing youth employment crisis. Recent ILO data showed that out of the world’s estimated 191 million unemployed people in 2004, about half or nearly 86 million are aged between 15-24 years. In many countries, young people are three times more than adults to be out of work. Millions of young people are involved in temporary, involuntary part-time or casual work that offers few benefits and limited prospects for advancement.

Nancy et al (2003) stated that unemployment of youth has a far reaching effect on the labour market and society at large. Youth unemployment add-ons to economic exclusion, poverty and increases 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.

Mashelkar (2004) stated that changes can be made possible if the academia through a conscious process infuses in young minds a sense of self discovery, experimental learning and self determination to develop innovativeness for becoming an entrepreneur. For this India will have to be built by concentrating on youth, which represents the national strength, vitality and vigour.

Kirsty Baker (2008) studies the current challenge of youth unemployment and tries to examine the role that youth enterprise can play in addressing this challenge. 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 all have their part to play and each bring unique and complementary capabilities.

Youth Business International (2009) suggested that business, governments, and other sectors of society are gradually identifying that supporting young entrepreneurs can be an effective way to lessen youth unemployment and fuel growth in local communities. It was stated that it is an economic and social responsibility to address the youth unemployment challenge especially at a time of economic slowdown. Enhancing youth enterprise can bring considerable benefits both for the entrepreneur and for the society. Entrepreneurship is not for every person, but for many it can provide a long-term route out of poverty. Making entrepreneurship work is not the responsibility of one sector alone; it involves dedicated actions from all sectors of the community, young people need to be encouraged and supported to take advantage of the opportunities of entrepreneurship.

In the report given by ILO (2006) stated that creating jobs for youth is not enough. Across the globe, youth are not only finding it difficult if not impossible to find jobs, but also they cannot find decent jobs. Almost every country in the world has worked to undertake the youth employment challenge. However, many of these efforts have been limited to particular programmes that are narrow in scope and limited in time. Productive and long-term youth employment requires sustained, consistent and joint actions. Experience across countries explains that youth employment initiatives are more successful if they combine a range of measures spanning education and training, labour market services, support for gaining work experience and entrepreneurship development. These initiatives work best when designed and executed together with the social partners.

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.

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.

Devi Prasad Mahapatra (2005) in his study observes that the youths of Orissa have been facing the unemployment problem in addition to other problems. Life for an unemployed youth is very miserable in every aspect. They are in great pressure from all sides. The problem lies with the high expectation of the family member and the society, who always bother them without knowing the mental tensions of the youth concerned and the situation around them. He stated that government has taken initiatives to boost entrepreneurship and launched many programmes like ‘Swarnajayanti Gram Swarojgar Yojana (SGSY)’, Sampoorna Gramin Rozgar Yojana (SGRY), Prime Minister Rojgar Yojana (PMRY) has encouraged youth to take entrepreneurship as a career.

Levenburg and Schwarz (2008) analyzed the extent to which undergraduate 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 India and there were three reasons cited by the students: (i) greater focus and creativity in developing new products, (ii) greater initiative, and (iii) greater competition.

Blanchflower and Oswald (2007) investigated some of the patterns in modern micro-economic data on young people’s employment, attitudes and entrepreneurial behaviour. Besides other sources, the paper uses 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 factor of being self-employed is having a self-employed parent. This seems to help young people to set-up business themselves.

Agarwal and Upadhyay (2009) tried to examine the attitude of youth towards entrepreneurs and entrepreneurship, the preference of professions among youth and their perception 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 they 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.

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.

In a report presented by Aspen Youth Entrepreneurship Strategy Group (2008), stated that the unique characteristics of entrepreneurship education make it ideally suited to help address many aspects of the crisis facing America's work. Entrepreneurship Education helps instill an entrepreneurial mindset a critical mix of success-oriented attitudes of initiative, intelligent risk-taking, collaboration, and opportunity recognition. This mindset is one of the real "secrets" of America's prosperity as it helps drive the creativity and innovation of workers, companies and entrepreneurs. If America wants young people to be fully prepared to succeed in the 21st century, nurturing an entrepreneurial mindset via widespread use of youth entrepreneurship education programmes must become a core part of the American educational system.

F. Greene (2005) has highlighted on three aspects. Firstly, towards the international facts and figures which indicate that there is a large pool of entrepreneurial demand amongst young people. Secondly, it has also emphasized that there is significant affirmation which puts forth that the market failures continue and thus, restrains the awareness about entrepreneurship as a viable career amongst the people. Thirdly, it has been found that there are a number of comparatively stable factors such as age, gender, sector and ethnicity that justifies the self-employment choice by young people.
Rosemary Kamaumaina (2006) observed that in Kenya a small but increasing number of college graduates are opting to venture into small businesses after graduation. This study aimed at analyzing the relationship between the experience in colleges and the intentions towards entrepreneurship among college graduates. It investigates on how the environments and experiences in universities and colleges may have influenced their career choice of self employment. The researcher found that young entrepreneur’s experiences in college may have positively influenced their attitudes towards entrepreneurship.

Awogbenle and Iwuamadi (2010) tried to study the problem of youth unemployment in Nigeria and the deterrents that impede people from entering into the field of self employment. They emphasized that entrepreneurship development programme is an intervention mechanism for cubing 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.

Juan Jose Llisterri et al (2006) examines the importance of youth entrepreneurship in Latin America and the Caribbean, as well as the challenges and opportunities faced by young entrepreneurs. The data was collected from household surveys of 14 Latin American and Caribbean countries covering 80 percent of the population in the region. For the study, young entrepreneurs were defined as those who, at the time of the survey, were either self-employed or employers. The target group was separated into two categories, those youths who are driven by necessity to become self-employed, and those who are driven by business opportunities and personal initiative. It was found from the study that the most of the young entrepreneurs by necessity fail in their ventures because of the existence of barriers to business growth and to create additional jobs and becoming employers. Besides, they lack vocational and entrepreneurial skills, as well as resources and networks. Those who achieve something (survive) in this group are only able to create very few jobs and do not have a considerable impact on the economy in terms of creating sustainable jobs and income-generating opportunities. Young entrepreneurs play a comparatively larger role among high-growth entrepreneurs, who are generally well educated and belong to the middle or upper-middle class. The lack of access to finance is one of the major obstacles to the success and sustainability of new entrepreneurial activities.
1.6 NEED FOR THE STUDY

Reduction of youth unemployment is one of the major challenges facing most of the
governments in the world. With millions of young women and men worldwide unemployed, the
need for employment creation efforts focusing on youth is undeniable. According to a recent
study conducted by the International Labour Organization (ILO), youth are in general three and a
half times more likely than adults to be unemployed. In 2015, around 660 million young people
will either be working or looking for work. While adhering with the overall employment
situation, this challenge has its own specific dimensions and hence requires targeted responses.

Even though the significant role played by entrepreneurship in driving economic
development and job creation is increasingly understood, there has been little effort to look at it
from the youth perspective. Young people are mostly considered as part of the general adult
population, while their specific needs and particular entrepreneurial potential as well as their
critical contribution to economic and social progress are undervalued.

Sadly, there is still a general lack of in-depth research and concrete data on youth
entrepreneurship, especially as it relates to different (entrepreneurial) framework conditions and
to the creation of new firms. This study seeks to examine this research gap. The study tries to
provide a broader picture of youth entrepreneurship in general and of the challenges and
prospects to youth enterprise start-ups in particular. It also studies a range of key constraints that
impede young people from starting and maintaining a successful business and at the same time
various incentives, initiatives and measures that are being provided by the government to boost
youth entrepreneurship in the state.

With this backdrop, the present study makes an attempt to understand the dynamics of
youth entrepreneurship in Orissa and to draw lessons from such studies.

1.7 OBJECTIVES

The present study makes an attempt to assess the growth of entrepreneurship in India in
general and Orissa in particular in the pre and post liberalized era. Review of available literature
on entrepreneurship and entrepreneurial activities with special emphasis on youth was made to
arrive at specific objectives.

The present study is pursued with the following specific objectives:

1. To study the factors affecting youth entrepreneurship in India in general and Orissa in
   particular.
2. To identify the problems faced by the young entrepreneurs during their start ups of enterprise.

3. To evaluate the performance of the enterprises run by young people.

4. To examine the programmes aimed at promoting entrepreneurship in general and young people in particular in Orissa.

5. To identify the problems and prospects in Orissa that influences the young entrepreneurs.

6. To suggest the ways and means of promoting youth entrepreneurship and its contribution for the development of the economy.

1.8 HYPOTHESES

H1 Family occupational background of an individual does not motivate an individual’s perception towards entrepreneurship.

H2 Location of the organization and business performance are not mutually dependent.

H3 Young entrepreneurs are aware of the programmes initiated by government and other institutional agencies to promote youth entrepreneurship in Orissa.

H4 Enterprise product and the location of the organization are not interdependent.

H5 Institutional finance does not support capital investments made by young entrepreneurs initially.

H6 Education level of the entrepreneur is not significantly related to the performance of the enterprise.

1.9 RESEARCH METHODOLOGY

The validity of any research is based on the systematic data collection and analysis. The research design adopted for the present study is an exploratory research, which is carried out by the help of a field survey.

1.9.1 Sources of Data

In order to carry out the objectives of this study, widespread research has been done with the help of discussions, meetings and interviews with young entrepreneurs, and close collaboration with the organizations in the area of youth entrepreneurship.

The data for the present study have been collected from both primary and secondary sources. A well structured questionnaire was designed to collect information from the young entrepreneurs from the twin cities of Orissa, i.e., Bhubaneswar and Cuttack covering various aspects of the entrepreneurship and their enterprise. The questionnaire was subdivided into three

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parts, i.e., the enterprise background, family background and problems faced. The questionnaire was designed to cover and unlock local and situational knowledge and to obtain entrepreneurs' perceptions regarding the constraints, barriers and incentives to business engagement. The questionnaire serves to correlate the study with hands on experiences and comments of young entrepreneurs from Bhubaneswar and Cuttack. Informal discussions were made with the government and other institution officials regarding scope of youth entrepreneurship in Orissa, schemes laid by government to promote entrepreneurship and views on future growth of entrepreneurship in Orissa.

The major sources of secondary data are Economic Survey of Orissa, Statistical Abstracts of Directorate of Industries, Manual reports from District Industrial Centres, Institute of Entrepreneurship Development, State Employment Mission, Orissa State Financial Corporation (OSFC), Small Industries Development Bank of India (SIDBI), Micro, Small and Medium Enterprises Development Institute (MSME DI), Orissa Small Industries Corporation (OSIC) and Institute of Entrepreneurship Development (IED). Information has also been collected from Non Governmental Organizations like Jan Siksha Sansthan, Centre for Youth and Social Development (CYSD) and Udyog Vikas. Collected data are presented in form of suitable tables and graphical presentations.

1.9.2 Sampling Plan

In the present study, the young people between the age group of 18-35 years who have taken loan from banks, financial institutions, non governmental organizations, etc. for different business purposes, young people with small business of their own, enterprises registered with District Industries Centres (DIC), young people who have applied or taken training from various entrepreneurship development institutes like Institute of Entrepreneurship Development (IED), Micro, Small and Medium Enterprises Development Institute (MSME DI), Jan Siksha Sansthan and Udyog Vikas and have set up their own enterprise, have been taken as the sampling frame. A sample of 200 young entrepreneurs, i.e., 110 from Bhubaneswar and 90 from Cuttack were selected randomly for the present study.

1.9.3 Tabulation and Data Analysis

The data collected was entered into the excel sheet and then transferred to SPSS data sheet for further processing. Cross tabulations were made to understand the relationships among the variables under the study keeping the objectives in mind. The statistical tools like Chi square
test and ANOVA were used for the analysis. Besides, frequencies, graphs and charts were also used.

1.10 SCOPE AND LIMITATIONS

The study is limited to the twin cities of Orissa, i.e., Bhubaneswar and Cuttack. The term success or failure is defined by the young entrepreneurs as they perceive themselves. None of the institutions or other stated sources for database, maintain a separate list of young entrepreneurs enlisted or associated with that organization. Hence, to identify the young entrepreneurs was a difficult task.

The study is cross sectional one without having any past reference, as no research study on the promotion of young entrepreneurs of Orissa in general or in these two cities in particular is available. Hence, the comparability of the data is absent.

1.11 CHAPTER PLAN

Chapter I: Introduction
Chapter II: Review of Literature
Chapter III: Growth of Entrepreneurship and Economic Development of Orissa
Chapter IV: Youth and Entrepreneurship
Chapter V: Study of Prospects and Challenges
Chapter VI: Role of Government and Institutional Agencies
Chapter VII: Assessment of Performance
Chapter VIII: Findings, Suggestions and Conclusion

1.12 REFERENCES


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