Entrepreneurship plays an eminent function in creating an avenue for employability for rural communities, providing self-employment for those who have started-up a business of their own and enhancing the economic status of the rural sector as well. Entrepreneurship has transformed many entrepreneurs into successful business persons and generated income for rural communities. Entrepreneurs in rural area have transformed their vicinity into trading hubs thus enabling them to become urbanized areas.

Conducting a literature review is a vital component of the research process. Familiarity with the previous research and theory in the area of the study would help in conceptualizing the problem, conducting the study and interpreting the findings. The literature studies that have been conducted reveal the impact of entrepreneurial activities in India as well as other countries. During the literature review, it is noticed that the term “entrepreneurship” has been used in different senses by researchers from India and other countries. This chapter will be covering the historical events and the research on entrepreneurial development activities both abroad and in India.

A study by Christopher (1968) of 65 small industry entrepreneurs in and around Hyderabad disclosed the reasons for starting the industries, encouraging and discouraging factors, awareness, background and risk taking capacity - social and psychological factors influencing the adoption of innovation in starting small industry.

Akhouri (1975) undertook an evaluation study in Assam specifically to assess the performance of the centres, performance of the individual officers, locate the strong and weak points of the programme and also suggest methods to overcome the bottlenecks for further sharpening the entrepreneurial developing programmes in the state.
Biological Theory of Entrepreneurship According to Eagly (1995) several of the academic theories of gender differences offer explanations based on deeply seated cultural or even biological differences between men and women. The practitioner literatures are also particularly likely to emphasize gender differences, construing them as core aspects of what it means to be a man or a woman in the entrepreneurial process. However, other especially role-based theories emphasize that gender differences in behavior should be expected to change along with other social changes. Moreover, even theories of more stable gender differences generally also admit the co-existence of more malleable gender differences (Udry, 2001). Risk has long been a central concept in the entrepreneurship literature suggested by Adam Smith and J.S. Mill (Schumpeter, 1999) Entrepreneurial activities are frequently assumed to involve risk-taking, especially relative to managerial activities within established corporations. However, research has failed to consistently find risk-taking propensity to be a trait distinguishing entrepreneurs from others (Brockhaus, 1980; Aldrich and Wiedenmeyer, 1993; Gartner, 1989). A more promising recent line of research has suggested that entrepreneurs differ in cognitive style from others and that they may be more likely to make particular cognitive errors (Baron, 1998; Kahneman and Lovallo, 1994; Palich and Bagby, 1995), especially errors of overconfidence (Busenitz and Barney, 1997, Cooper, Dunkelberg & Woo, 1988; Manimala, 1992). Psychologists have documented moderate and consistent levels of differences between men and women in risk-taking behaviors. An analysis of 150 studies examining such differences found some evidence of a temporal trend toward smaller differences, but still found that men were significantly more likely than women to engage in 14 of 16 types of risky activities. Their results showed that “males took more risks even when it was clear that it was a bad idea to take a risk,” and that females “seemed to be disinclined to take risks even in fairly risky situations or when it was a good idea,” leading to the speculation that “men and boys would tend to encounter failure or other negative consequences more often than women and girls” and that “women and girls would tend to experience success less often than they should” (Byrnes et al., 1999, p.378).
can propel a business to growth and innovation that ultimately may make a business enterprise to be successful. Risk averseness may contribute immensely to business failure and collapse. This might explain why women enterprises fail within five years of their establishment/start up. Powell and Ansic (1997) studied business decision-making and their research suggested that women prefer lower risks than men, especially in financial contexts. Their own experimental study of business students showed that women preferred less financial risk than men across a variety of framing scenarios. These views are consistent with those of Sexton and Bowman-Upton (1990), whose study suggested a lower preference for financial risks among female than among male entrepreneurs. It is also consistent with a perspective that views financial leverage as risky, women are also less likely to apply for a loan and are more likely to use personal assets to finance the enterprise or as collateral (Van Auken, 1999; Sexton and Bowman-Upton, 1990). This situation is similar to the Kenyan situation where women are more comfortable with the merry-go-round funding and micro-financing as opposed to borrowing from commercial banks as this is perceived to be less risky. Practitioner-oriented entrepreneurship writers have frequently commented that women entrepreneurs perceive or evaluate risk differently than men, suggesting that women may be less likely to voluntarily undertake very high-risk business activities (Scollard, 1989, 1995). It has also been suggested that women may be less willing to undertake activities-such as raising external financing-that put them at risk of losing control of their business to outside stakeholders (Stolze, 1989, 1995). Scollard suggests that small elite groups of women entrepreneurs approach risk-taking in a manner similar to men, but that on average, women entrepreneurs are much less willing to undertake substantial business risks. She suggests that men build businesses of all sizes, but most women build only very small businesses, with a few building large firms: “A chasm divides the two ends of the spectrum. That chasm is the fear of risks (Stolze, 1995: 78).” 3.9 Sociological Theories of Entrepreneurship Entrepreneurial ventures are clearly social entities from the very beginning, because even solo ventures implicitly involve a choice not to share ownership with others in the founding process. How a venture begins and whether others are recruited to join the effort can have lasting consequences for its performance and survival. Enterprises can be formed as a result of teams. Three principles underlying team formation may be distinguished: choice on the basis of homophily, purposive choice, and choice constrained by context or opportunity structure.
Homophily refers to the tendency of people to associate with others similar to themselves, such as choosing others on the basis of gender or ethnicity. Purposive choice reflects people’s tendencies to choose others who possess valuable skills, such as education or experience. Finally, opportunity structures set a context within which the first two principles operate. Founders cannot choose someone whom they have not met or have no way to reach, such as a person who works in another organization or lives in another city (Ruef et al. 2002).

Entrepreneurship has a psychological contract involving a give and take "transactional" relationship in form of teamwork involving two or more individuals who jointly establish a business in which they have an equity (financial) interest. These individuals are present during the pre-start-up phase of the firm, before it actually begins making its goods or services available to the market.” By this definition, a person must be involved from the beginning and also must have an equity stake in the venture to be considered a "member of the team. Much of the literature is based on the assumption that teams are a deliberate choice of a lead entrepreneur or set of founders (Kamm et al. 1990: 7). Bird (1989) postulate that there are psychological benefits derived from relationships between team members. Unlike a solo entrepreneur, who must bear the burden of making decisions and facing their consequences with no one else to blame, entrepreneurial teams spread the responsibility across individuals. Having to defend decisions to other individuals also having an equity stake in the venture can make team members more confident in their decisions. Francis and Sandberg (2000: 6) noted that friendships “may hold teams together and stimulate heroic efforts during difficult times.” The Biological perspective of entrepreneurship involves a psychological satisfaction and differences in behaviors in their exhibited by different gender in their endeavors as entrepreneurs.

4. Strategic Orientation and Resource Recombination

Innovative resource recombination has been suggested to be the result of a high alertness to new opportunities (Zahra & Wiklund, 2000). The ability to identify and commit oneself to new opportunities has been seen as key entrepreneurial features of individuals (Casson, 1982; Kirzner 1973; Knight, 1942; Schumpeter, 1934) and firms (Stevenson 1983; Wiklund, 1998; Zahra, 1991). Stevenson (1983) suggests that entrepreneurial firms base their strategies solely on
opportunities that exist in the environment, using opportunities as a starting point for developing strategies. They tend to pursue new opportunities without regard to resources currently controlled, identifying the resources necessary to exploit an opportunity after they have assessed a new strategy. Administratively managed companies, on the other hand, tend to look more at the resources they already control when developing strategies. They may be aware of the opportunities in the environment but tend to think in terms of how to best utilize and exploit the resources they already control as efficiently as possible in order to exploit new opportunities. 5. Recent Theories Recent theories of entrepreneurship build on the works described above. Shane and Venkataraman (2000) state that "entrepreneurship involves the nexus of two phenomena: the presence of lucrative opportunities and the presence of enterprising individuals" (Shane and Venkataraman, 2000). Their theory is inspired by the "Kirznerian" entrepreneurial discovery process but they emphasize that prior information is needed to complement the new information in the discovery of business opportunities. In this respect, they are similar to Schultz who argues that human capital is an important determinant of entrepreneurial ability. Casson (2003) tries to encompass both the Schumpeterian and the "Knightian" definitions by arguing that entrepreneurs are individuals who specialize in decision making. The Schumpeterian entrepreneur applies information about inventions to create new combinations and is ultimately the one who decides if the new combinations are profitable. 5.1 Modern theories of entrepreneurship

New classical growth models do not derive growth and that they do not succeed in bringing population and households into the scene. To break through the development trap, a mathematical concept- "open set" is used. The approach of the open set unleashes the power for unlimited growth. In addition to www.ijbcnet.com International Journal of Business and Commerce Vol. 1, No.11: Jul 2012[81-96] (ISSN: 2225-2436) Published by Asian Society of Business and Commerce Research 89

productive entrepreneurs, it also describes the behaviors of those unproductive and destructive ones. These latter ones are responsible for many financial crises, including the current mortgage-back crisis. ( Hak Choi, Nov.2008). The theory of entrepreneurship and the economic theory of the firm thus have much to learn from each other. A good theory of entrepreneurship should explain the conditions under which entrepreneurship takes place: the concept of entrepreneurship as judgment
provides the clearest link between entrepreneurship, asset ownership, and economic organization. Similarly, the economic theory of the firm can be improved substantially by taking seriously the essential heterogeneity of capital goods and the subsequent need for entrepreneurial experimentation. 5.2 Management Economic Theories Management practices can facilitate such resource recombination. Top management can design several aspects of the firm in more or less entrepreneurial ways (Brown & Eisenhardt, 1998; Eisenhardt & Martin, 2000). A framework can be developed that addresses the degree of entrepreneurship in firm’s management practices along several different dimensions. A company’s management practices range along a spectrum from highly entrepreneurial to highly administrative. A “promoter” characterizes the entrepreneurial side of the spectrum and a “trustee” characterizes the administrative side (Stevenson, 1983; Stevenson and Gumpert, 1985; Stevenson and Jarillo, 1986; 1990). The promoter’s sole intent is to pursue and exploit opportunities regardless of resources currently controlled, while the trustee aims to efficiently use the resources currently controlled. Stevenson’s original description of entrepreneurial management consists of six different dimensions: Strategic Orientation, Commitment to Opportunity, and Commitment to Resources, Control of Resources, Management Structure and Reward Philosophy (Brown et al., 2001). 5.3 The Entrepreneur in Economic Modelling The economic models focused on the Knightian ideas of risks bearing, individuals are modelled as being heterogeneous with respect to risk aversion (Kanbur, 1979). Other discourse assumes that individuals have identical abilities, but differ in their perception of the risks involved in owning a business; the overly optimistic individuals become entrepreneurs (Meza and Southey, 1996). Entrepreneurial skills are a sort of human capital that can be acquired through practices such as education. While many of the general theories of entrepreneurship from the previous sections focus on a role of the entrepreneur that goes beyond that of business owner or an input in the static production function, most mathematical models of entrepreneurship treat it exactly as this. The endogenous Growth theory models supports Schumpeterian models that the reward and inducement to innovations and risk taking in entrepreneurial activities is profit (Aghion and Howitt, 1997).

There has never been a definite answer to the question of whether entrepreneurship can be taught (Harrison, 2014). Although many would argue that the entrepreneurial spirit is innate, the credence on effective entrepreneurial education to foster the right
entrepreneurial attitude with requisite training is gaining ground (Drucker, 1985; Trivedi, 2014). The development of entrepreneurship as a field of study in business courses has been largely inspired by the acceptance of entrepreneurship as a legitimate tool for economic growth (Arthur et al., 2012). The growth of corporate entrepreneurship as a valuable antecedent to the revitalization and enhanced performance of corporations, especially those in the developed markets, add to its merit (Bhardwaj & Sushil, 2012). Nevertheless, the effectiveness of entrepreneurship education is largely driven by the type and design of such education, as defined by the materials and modes of rendering the programs (Arthur et al., 2012).

Considering the importance of the right entrepreneurship culture and education for the growth and development of an emerging economy such as India (Todd & Javalgi, 2007), the present article aims to comprehend the nature of entrepreneurship as a field of study in comparison to a more fundamental business management subject such as marketing. The article also explores and assimilates various qualitative evidences to assess the prevalent status of imparting entrepreneurship education in India. The article culminates in the development of a proposed working framework for an effective entrepreneurship education ecosystem in India. More specifically, the article is structured to systematically explore the evidence base of concurrent practices in the country to map out a thematic system for fostering and promoting a sustainable entrepreneurial education system that can serve as a solid foundation for relevant business education in modern times.

A comprehensive institutional framework has been evolved over the years for promoting entrepreneurship in the state as well as in the country, GURPREET AND PARAMJIT S. JU. The entire state of Punjab as well as a few other neighbouring states experienced varying degrees of terrorist violence between 1988 and 1992. It was only in 1992 that the state showed a decrease in terrorist activities. The elected government of Chief Minister Beant Singh brought in normalcy to the state. During this one-and-a-half decade of political disturbance a large number of families migrated out of villages and cities to locations outside the Punjab state. Most of these migrant families belonged to the upper castes. These migrant families were mostly Hindus who were involved with small- and medium-level business and trade activities. The escalating violence imposed a threat to both the life and property of these Hindus and they chose to migrate out. The
migrations led to certain significant changes in the economic life of these villages in Punjab.

Gurpreet Bal, Department of Sociology, Guru Nanak Dev University, Amritsar quoting The Ad-dharmi are the most progressive and enterprising of all the scheduled castes. Sabarwal in *Mobile Men* (1990) has made a comparative study of Ramgarhia, Ad-dharmis and Balmikis in an urban area of Punjab. The Ad-dharmis have been found more open to new experiences and exposures, learning new skills, venturing into the industry by restricting their consumption and ploughing the savings back for expansion. Through their entrepreneurial skills they have moved up in the social and political hierarchy.

**Entrepreneurship Development Programmes (EDP) by Government and NGOs**

EDP programmes were conducted among the farmers to enhance their knowledge towards entrepreneurship and its benefits. The program covers such areas as acquiring of raw material up to final product manufacturing, traits of entrepreneurs, customer relationship, creative thinking, identifying the business opportunities and basic concepts of entrepreneurship.
conducted for women folks of the rural area to inculcate and promote home based business environment. This view coincides with those of O’Dwyer and Ryan (2000), Down (1999), Kelliher and Henderson (2006) and Greenbank (2000) that owner’s experiences, skills and competencies are key influencers upon business survival and development, and each describes the owner/manager as a central resource of a business, providing resources that they have acquired through education and experience. The characteristics of corporate entrepreneurship include: new business venturing, product/service innovation, process innovation, self-renewal, risk taking, proactiveness, and competitive aggressiveness. (Bostjan Antoncic and Robert D. Hisrich, 2004).

- **Skill Based Training (Management, Technological, Environment)**

The entrepreneur’s or entrepreneurial team’s know-how and characteristics, and vocational training helps the entrepreneur to understand the technical aspects of the operation. This view is supported by Evans and Leighton, 1990; Littunen and Virtanen, 2006; Macpherson, 2005; Ray, 1993; Storey, 1994; Stuart and Abetti, 1990; and Vesper, 1992. The entrepreneurial team understands the environment and the strategies of the firm well enough to make them fit and meld (Littunen and Virtanen, 2009). Mason (2000) mentioned that enterprise involves measures to encourage individuals to become entrepreneurs and equip them with the necessary skills to make a business successful. Vesala et al., (2007) suggested marketing, entrepreneurial orientation and entrepreneurial skills for farmers will be the possible solutions for emerging problems in entrepreneurial activity.

**Rural Marketing and Farm Management**

Rural products of India are unique and innovative and have good utility and values. Large number of these rural products (like handicraft items, food products, embroidery, clothes and other products) sustains a significant segment of the population in the rural areas. Several attributes of rural products can be identified, for which, they have a demand in the market. Out of the lots, ‘ethnic origin’ and ‘indigenous design and appearance’ are two traits of rural products, attracting a premium in the market. Srinivas G.R. (2002) explained that rural sector is now poised for offering a vast potential to markets which promises to be an opportunity which is to be grabbed by facing the
challenges and surmounting the threats. Gopalasawamy (2005) said the market process is a two way process which encompasses the direct discharge of business activities that cover that the flow of goods from urban to rural area for manufacturing. As such, rural marketing and farm management are essential to the villagers. A number of marketing interventions have been made for marketing of rural non-farm products since marketing is a key factor in the sustainability of any such endeavour. With the financial support of NABARD under its promotional programmes like Rural Haats, Rural Marts, and participation in fairs, exhibitions and marketing melas, rural artisans and entrepreneurs can get a larger market for their produce and showcase their talent to urban and upcountry markets. The promotion and growth of small scale industries. The Ministry also performs the functions of policy advocacy on behalf of small scale industries (SSI) sector with other Ministries/Departments such as:

- Small Industries Development Organisation (SIDO)
- The National Small Industries Corporation Limited (NSIC)
- National Institute for Small Industry Extension Training ( NISIET )
- The Indian Institute of Entrepreneurship (IIIE)
- Small Industries Development Bank of India (SIDBI)
- The Khadi and Village Industries Commission (KVIC)
- National Bank for Agriculture and Rural Development (NABARD)


Women entrepreneurship has been recognised as an essential ingredient of economic development in Kozhikode, Palakkard and Thissur districts of Kerala. Sindhu and Geethakutty studied the factors that contribute to the economic growth in these
districts. The researchers developed the entrepreneurial success index to measure the level of success in agribusiness by the women entrepreneurs. Result revealed that majority of women were self-initiated and innovative and these factors coupled with support from the financial institutions were the factors that led these women entrepreneurs to be successful. (Sindhu S. Narayan and P.S. Geethakutty, 2003)

The rural industrial entrepreneurship through non-farm entrepreneurship has contributed to the economic development in Bengal Region of India. Subrata D., examined the influence of rural industries by dividing the district into five administrative blocks and collected data from each block by schedule interviews. Using the Linear Structural Model, The Ministry also performs the functions of policy advocacy on behalf of small scale industries (SSI) sector with other Ministries/Departments such as:

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The market reforms in India have encouraged individual enterprises to enhance their economic growth. Anil and Ronald examined the individual enterprises in the government controlled environment and their response to market based environment. Education in entrepreneurial skills, financial support and net-working have enabled the individual enterprise to be successful (Anil K Lai and Ronald W. Clement 2005).

Kalyan S and Atish C investigated the marketing strategies of small scale bakery firms in the city of Kolkata in India. The researchers used the customers’ survey to verify the performance of the small scale bakery industry in the light of their business strategies. The result divulged that the small scale bakery firms have aligned their operations with their business strategy (Kalyan Sengupta and Atish Chattopudhyay, 2006).

The skill-based technology in India has changed the artisans’ routine livelihood and economic growth. Arindam Banik et al developed a theoretical model based on conditions of government sponsored poverty reduction programme. The model was used in cross-examining the situation of the artisan. The result revealed that changes depended on wages, toolkits and working condition. (Arindam Banik et al 2007)

The determinants of entrepreneurship and role of the entrepreneurship were little known in less developed countries. Jagannaadha collected the data through National Sample Survey Organisation of India and analysed it by using Bayesian semi-parametric methods. The result revealed that the determinants were self-employment, firm formation and geographical location (Jagannaadha Pawan Tamvada, 2007).

Patricia R and Rajshekhar G J assessed the determinants that influenced the internationalization of small and medium sized enterprises in India. The importance of
developing and promoting all and medium sized enterprises in India was to position them in the international market place, which was dependent on the economic situation. The assessment of economic situation of small medium enterprises revealed that there were resource gaps. The researchers summarized that utilization of technology and special infrastructure could enable efficient use of resources and enhance the entrepreneurial activities among the small medium enterprise (Patricia R. Todd and Rajshekhar G. Javalgri, 2007).

The process of rural development is dependent on the support received from the members of rural cooperatives. Substantiating the facts, Amit and Krishnasamy collected the sample from 100 members. Data were collected from the published annual reports of rural co-operatives. Both the data were analysed and the result revealed that rural cooperatives have improved the living standard of rural people and accelerated the process of rural development of the study area (Amit K. Chakrabatty and Krishnamay Gosh 2009).

India has adopted policies that have stimulated consumer demand and fostered entrepreneurship, whereas China has adopted policies that have encouraged resource mobilization. Kalyanaram has attempted to benchmark India’s growth and development against China by comparing the growth models and market potential. He found that China and India have adopted two different models of growth and concluded that India’s model is likely to more sustainable (Kalyanaram G.K., 2009). mechanism and marketing of products were major problems faced by the entrepreneurs. (Lavvanya Latha K. and B.E.V.V. N. Murthy, 2009)

Madhavi S P. did a comparative study of rural and urban women entrepreneurs in Ahmednagar District of Andra Pradesh. Sampling and Garrent’s ranking technique were used in comparing the rural and urban women entrepreneurs. The finding disclosed that women from rural area were not doing well due to lack of financial support and inadequate demand from customers. (Madhavi, S.P. 2010)

The study by S. L. Aluru, NABARD in 2008, has come out with very enlightening observations about the progress and success of REDPs in Andhra Pradesh. About 36.9% of the total trainees settled with creation new enterprises/ job employment. Agency-wise, the settlement rate was higher for EDIs (67.5%) as compared to NGOs (24.8%). Activity-wise, the settlement rate was highest for embroidery (55.6%), followed
by computers (54.9%), electronics and electrical (37.7%) leather/rexine based activities (35.7%), etc.

Dr. K.G. Karmakar, MD, NABARAD (2011), emphasized that a carefully designed selection process to identify only interested and potential youths who have an aptitude for the activity would make the REDP a success. There is a need for a proactive role by Government agencies like the DIC, banks and involvement of NGOs in mapping of potential, identifying borrowers, imparting required entrepreneurial skills and providing enabling environment for conducting REDPs. He further observes that the incidence of discontinuation of the activity by the girls after their marriage is more. Hence, preference may be given to married women who most likely would continue with the activity for a longer period. The duration of the programme (4-6 weeks) in many activities seems to be inadequate.

Some scholars have prepared a list of environmental conditions that may play a role in developing entrepreneurship in a country or region (e.g., Bruno & Tyebjee, 1982; Gartner, 1985; Manning, Birley, & Norbum, 1989; Staley & Morse, 1971). Others have a more descriptive approach to show "what is out there" in a particular country or region (e.g., Dana, 1987, 1990; Davidsson, 1991; Doutriaux, 1988; Hawkins, 1993; Pennings, 1982; Swanson & Webster, 1992; Takyi-Asiedu, 1993). Still others have focused on what governments can do or have done to develop entrepreneurship (e.g., Goodman, Meany, & Pate, 1992; Mokry, 1988; Segura, 1988; Vesper, 1983; Westhead, 1990). Thus, while the role of environmental conditions in developing entrepreneurship has been recognized, most of these studies have been fragmented, highly descriptive, and focused on only a few aspects of the environment. More importantly, most of the literature has neither paid adequate attention to the needs of the entrepreneur—the main beneficiary of the environment—nor described the environmental conditions in terms of the process of new venture creation. Gaps are evident in the literature. First, a conceptual framework is lacking to integrate the available literature on entrepreneurial environments. Second, explicit link shave not been established between the needs of entrepreneurs and how environments can fulfil entrepreneurs' needs, induce or reinforce their desire to go into business, and thus facilitate the process of new venture creation. Third, limited guidelines exist to conduct

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empirical research on entrepreneurial environments. Finally, a limited body of literature addresses the needs of policy makers despite the recognition of this group as an important audience for research on entrepreneurship (Hoy, 1989).

In an attempt to bridge these gaps in the literature, we first develop a conceptual framework to integrate existing literature on entrepreneurship environments. Then, we introduce the core elements of the new venture creation process and explicitly link the environmental dimensions to the process of new venture creation and show how environment scan help increase peoples likelihood to go into business. We draw research implications of the integrated model, develop some propositions to facilitate future empirical research, and offer some guidelines for policy makers in developing entrepreneurship-supportive environments.

General environmental conditions discussed in the literature include legal and institutional frameworks for efficient functioning of private enterprises, presence of experienced entrepreneurs, presence of skilled labor force, accessibility of suppliers, accessibility of customers or new markets, high degree of competition among firms, favourable Government policies, provision of training and support services, and supportive infrastructure (Bruno & Tyebjee, 1982; El-Namaki, 1988; Gartner, 1985; Staley & Morse, 1971). In addition, the literature suggests that the characteristics of people, their skills, experience, and motivation, play important roles in new venture creation (Manning 'Birley, & Norburn, 1989). Empirical studies of entrepreneurial environments of various countries show that countries that keep rules and regulations at a minimum, offer tax and other incentives, and provide training and counselling services to start-up entrepreneurs increase the likelihood of new venture start-ups (Dana, 1987, 1990). Furthermore, factors such as availability of financial resources, large size urban areas, and presence of universities for training and research are found to be very important to increase the rate of new venture creation (Pennings, 1982). Studies also show that entrepreneurs face several obstacles such as lack of financial assistance, lack of information on various aspects of business excessive taxation, and high rate of inflation (e.g., Young & Weisch, 1993). Scholars that focused on the role of public policy (El-Namaki, 1988; Goodman Meany, & Pate, 1992; Mokry, 1988; Vesper, 1983; Westhead, 1990) suggest several policy options for developing entrepreneurship. These policy options include provision of venture capital funds, tax-based incentives, and Government procurement programs;
protection of proprietary ideas and innovations; investment in education and research explicit recognition of, and support for, entrepreneurship by Government agencies; fostering entrepreneurship by educational institutions; and minimization of entry barriers. [See Goodman, Meany, & Pate (1992) for a further review of activities Governments have undertaken to stimulate entrepreneurship.]

ENTREPRENEURSHIP THEORY and PRACTICE

Some commonalities exist among these streams of literature. First, there is agreement among scholars that the more conducive the business environment, the more likely that new businesses will emerge and grow. People will more likely be encouraged and feel competent to start a business when the social environment values entrepreneurship, when various opportunities are available for entrepreneurs, and when they have sufficient knowledge and skills required to start and manage a business. The willingness and capability to start a business may be further enhanced if potential entrepreneurs do not face hurdles during the start-up process and if they are confident that outside expertise could be obtained easily when necessary. Governments both directly and indirectly affect the development of an environment that could support entrepreneurship. This literature also suggests that the need for the development of a conducive environment may be greater in emerging market economies and in developing countries because of the low level of entrepreneurial activities and several environmental hostilities operating in these countries (El-Namaki, 1988; Segura, 1988). This is because “there is sufficient evidence that environmental forces ranging from purely cultural and social currents to ingrained government bureaucracy go quite a long way towards restraining the driving force behind entrepreneurs (El-Namaki, 1988, p. 101). Furthermore, compared to large-scale enterprises, the need for a conducive environment could be greater in the case of small-scale enterprises because such enterprises may have little control over the environment in which they operate (Pfeffer & Salancik, 1978). These enterprises may lack resources and "polITICAL clout" that usually are needed to influence an enterprise's environment. However, Brown, Hamilton, and Medoff (1990) have stirred a debate on this issue. They argue that organizations such as the National Federation of Independent Business and National Small Business United have a strong influence on public policy. While scholars generally agree on the importance of several environmental conditions for entrepreneurship development, the
list of environmental conditions is so fragmented that the available literature is of very little help in studying entrepreneurial environments or in developing policies and programs for entrepreneurial development.