CHAPTER I

INTRODUCTION

1.1 Meaning and Definition of Entrepreneurship

(a) What is an entrepreneur?

The term entrepreneur originated in France as early as 17th and 18th century. The concept entrepreneur has shown its close association with general understanding of starting a business, had much relevant meaning in the past. But its general meaning has shifted to wider application into an area of providing high yield through better productivity for economic development. Entrepreneurship has obtained a great deal of focus over the past years considering the significant benefit realized by small and medium firms in overall development of national economy. (Kijima, Y. (2006))

Entrepreneurs are the catalysts who foster the economic growth in the society. Entrepreneurs are the architects of the destiny who design the future with great courage and ability to sustain the development. The entrepreneurship in the Indian context is built on the basis of the strong caste and communities who are closely knit and they support each other through the exchange process in the business gang rise to build the trust and faith in the society. (Mathur A., 2010)

Entrepreneurship is the act of being an entrepreneur - a French word meaning one who undertakes an endeavour. Entrepreneurs assemble resources including innovations, finance and business acumen in an effort to transform innovations into economic goods. This may result in new organizations or may be part of revitalizing mature organizations in response to a perceived opportunity. The most obvious form of entrepreneurship is that of starting new businesses; however, in recent years, the term has been extended to include social and political forms of entrepreneurial activity (Sinha M., 2010)

An entrepreneur is the career of 'the spirit of entrepreneurship'. Entrepreneur may be defined as the agent through whom the spirit of enterprise gets expression. The power of entrepreneurship in economic development gives competitive edge to an enterprise, absorbs human resources, and brings in economic and social change. Indian experiences reveal that the entrepreneurship came to be used as a tool to widen and deepen the economic benefits of growth.
In the mixed economy model of economic growth, in India the state played the role of entrepreneur. It was only after the second five year plan that the government felt the need for a strong Small Scale Industry (SSI) to provide backward and forward linkages to the Large-Scale Industries developing in the country. Consequently, strategies were designed to develop entrepreneurs through training intervention. Even at this stage, entrepreneurs did not form a part of curricula in higher education.

Entrepreneurship is a multi-faceted phenomenon. In simple words, we define an entrepreneur as “an individual who establishes and manages a business for profit and growth.” Entrepreneurs do entrepreneurship.

Entrepreneurship is more than mere creation of business. It is a dynamic process of vision, change, and creation. It requires an application of energy and passion towards the creation and implementation of new ideas and creative solutions. An environment where entrepreneurship can prosper and where entrepreneurs can try new ideas and empower others needs to be ensured. Education needs to address the development of skills required to generate an entrepreneurial mind set and to prepare future leaders for solving more complex, interlinked and fast-changing problems. (Rehman Anis ur and Elahi Yasir Arafat (2002))

The key word circling around development of economy in many countries is entrepreneurial education. The significance of entrepreneurship and entrepreneurial education ranges from commencing a small scale unit to build up big business concerns. Incorporating new entrepreneurial modules in current educational system, it not only paves ways to development of economy but also gives more job opportunities to young entrepreneurial aspirants who start up small scale ventures. The scope of entrepreneurial education and training is having much scope in rural and semi urban localities where many small and medium scale industrial firms operate. Indian small and medium scale industrial scenario observes more women participation both as employees and employers recently. (Kalyani. Brinda P. R. and Dileep Kumar M., 2011)

Entrepreneurship is a multi-faceted phenomenon. In simple words, we define an entrepreneur as “an individual who establishes and manages a business for profit and growth.” Entrepreneurs do entrepreneurship. Entrepreneurship is more than mere creation of business. It is a dynamic process of vision, change, and creation. It requires an application of energy and passion towards the creation and implementation of new ideas and creative solutions. Entrepreneurs are people who turn dreams to reality. They supply goods and services, which increase the standard of
living of the entire population substantially. They are wealth creators. This self-created wealth insulates the economy from recession and helps strengthen local economy. Global downturns will not affect the economy, as much as it would have in other circumstances. According to ‘Special Report: A Global Perspective on Entrepreneurship Education and Training’, GEM, 2008, Entrepreneurship education is defined in broad terms as the building of knowledge and skills for the purpose of entrepreneurship generally, as part of recognized education programs at primary, secondary or tertiary-level educational institutions. An environment where entrepreneurship can prosper and where entrepreneurs can try new ideas and empower others needs to be ensured. Education needs to address the development of skills required to generate an entrepreneurial mindset and to prepare future leaders for solving more complex, interlinked and fast-changing problems. Education needs to come back to the top of the priorities of governments and the private sector and be seen as the fundamental mechanism for attaining sustainable economic development and societal progress.

(b) Evolution and various definitions of Entrepreneurship

The word “entrepreneur” is derived from the French verb “entreprdre”. It means “to undertake”. The Frenchmen who organized and led military expeditions were referred to as “entrepreneurs”. Around 1700 A.D. the term was used for architects and contractor of public works. In many countries, the term entrepreneur is often associated with a person who starts his own new business. Business encompasses manufacturing, transport, trade and all other self-employed vocation in the service sector. Entrepreneurship has been considered as the propensity of mind to take calculated risk with confidence to achieve predetermined business objectives. There are many views and opinions on the concept of entrepreneurship forwarded by some of the world famous management gurus and economists as mentioned below which will help in understanding this concept.

The Oxford Dictionary (2014) defines an entrepreneur as “A person who sets up a business or businesses, taking on financial risks in the hope of profit”. International Encyclopedia (2014) defines an entrepreneur as “An individual who bears the risk of operating a business in the face of uncertainty about the future conditions”.

Schumpeter says that the entrepreneur in an advanced economy is an individual who introduce something new in the economy- a method of production not yet tested by experience in the branch of manufacturing, a product with which
consumers are not yet familiar, a new source of raw material or of new markets and the like.

Drucker P. (1977) defines an entrepreneur as “An entrepreneur is the one who always searches for change, responds to it and exploits it as an opportunity. Innovation is the specific tool of entrepreneurs, the means by which they exploit changes as an opportunity for a different business or different service”

Cantillon R. (2009) defines an entrepreneur as “A person who pays certain price for a product to resell it at an uncertain price thereby making decision about obtaining and using resources while assuming the risk of enterprise”

Smith A. (2009) defines an entrepreneur as an individual who forms an organization for commercial purpose. He / She is proprietary capitalist, a supplier of capital and at the same time a manager who intervenes between the labour and the consumer.

Hoselitz (2011) explains that “Entrepreneur is an employer, master, merchant but explicitly considered as a capitalist”. According to him, in an underdeveloped economy, not to speak of the Schumpeterian innovators, even imitator-entrepreneurs had a distinct role to play. In underdeveloped economy resources are limited and cannot be utilized for further developments of products. Developing or underdeveloped countries always have potential for imitated products because of huge demand in market. Imitating entrepreneurs have great opportunities in such market and can create more number of jobs for others.

(c) History of Entrepreneurship in India

The history of entrepreneurship is important worldwide, even in India. In the pre-colonial times the Indian trade and business was at its peak. Indians were experts in smelting of metals such as brass and tin. Kanishka Empire in the 1st century started nurturing Indian entrepreneurs and traders.

Following that period, in around 1600 A.D., India established its trade relationship with Roman Empire. Gold was pouring from all sides. Portuguese came to India, followed by the English. They captured the Indian sea waters and slowly entered the Indian business. They forced the entrepreneurs to become traders and they themselves took the role of entrepreneurs. This was the main reason for the downfall of Indian business in the colonial times which had its impact in the post-colonial times too. The colonial era make the Indian ideas and principles rigid.

A region of historic trade routes and vast empires, the Indian subcontinent was identified with its commercial and cultural wealth for much of its long history.
Gradually annexed by the British East India Company from the early eighteenth century and colonized by the United Kingdom from the mid-nineteenth century, India became an independent nation in 1947 after a struggle for independence that was marked by widespread nonviolent resistance. It has the world's twelfth largest economy at market exchange rates and the fourth largest in purchasing power. Economic reforms since 1991 have transformed it into one of the fastest growing economies however, it still suffers from high levels of poverty, illiteracy, and malnutrition. For an entire generation from the 1950s until the 1980s, India followed socialist-inspired policies. The economy was shackled by extensive regulation, protectionism, and public ownership, leading to pervasive corruption and slow growth. Since 1991, the nation has moved towards a market-based system. (Pahurkar R.N. (2012))

India has a pioneering status among developing countries for its early start on a variety of entrepreneurship education programs. In the 1960s and 70s, entrepreneurship education was almost exclusively delivered in the form of training programs, offered by institutions under the aegis of State and Central Governments, and by financial institutions receiving support from the Government.

Education is an important factor in determining the entrepreneurial orientation in individuals. Education may be in the form of informal or formal. The informal form of learning stresses the importance of early role models and reinforcement patterns on the acquisition and maintenance of entrepreneurial behavior. Role models could be parents or peer groups that provide socialization training in entrepreneurship. Formal education is also positively correlated with entrepreneurship. It has also been reported that entrepreneurs of healthy units, on an average, had a higher level of education compared to those who own sick units.

The education sector in India is experiencing rapid expansion and change. Governments have implemented new initiatives and increased spending to encourage greater enrolment and attendance at the school level. In higher education they are seeking to implement wide-ranging changes to the regulatory framework.

In higher education, the expansion of privately-financed institutions has led to a significant shift in cost sharing towards households. From an efficiency and equity perspective this might be justified on the grounds that returns to higher education, in particular, are skewed towards private agents (Kijima Y., 2006).

Change is a barometer of life, whereas stagnation is a sure symptom of death. Transformation of Indian economy from under – developed stage to developing and
now to the top club of fastest moving economies is a sure indicator of significant change and bubbling economic life. Larger presence of private enterprise in service sector including higher technical education is of recent origin. 15 to 20 – fold growth in management & other technical education in Rajasthan in less than 20 years is a sure sign of phenomenal increase in number of students and technical colleges in Rajasthan. This could be possible only in a liberalised economy, supportive environment and through entrepreneurial zeal of socially- conscious individuals and groups.

Pre-Liberalisation era: During first forty years of independent India’s planned development, focus was on Public Sector due to faith in socialist policies. Emphasis was laid on developing huge public sector enterprises, which would be torch-bearers of growth of Indian Economy and would generate employment to larger numbers. Our thinking and planning were influenced by success of communist experiment in U.S.S.R. We did achieve significant success by following this philosophy in initial period through establishment of large steel plants, power projects, expansion of rail and air transport network etc.

But over a period of time, these huge giants became ‘white elephants’ due to heavy investments, low productivity, labour unrest, strikes and needed bailout packages, loans, additional capital investments. These enterprises seldom became self-sufficient & dynamic.

Corruption, inefficiency, monopoly made our public sector products uncompetitive. Our balance of payment position became precarious with foreign exchange reserves dropping to a level of being sufficient only for less than 15 days. We were on the verge of a major international financial crisis of default on commitments. Government realized the urgency and seriousness of situation and changed policy approach.

Revolutionary policy change initiatives: The new economic policy of 1991 – 1992 ended licence-raj and ushered in liberalization and brought dramatic changes in our economy with private sector playing a major role. ‘Globalisation’, ‘Liberalisation’ and ‘Privatisation’ became the buzz words of new policy initiatives. Profit-making was no longer a taboo. Business men and entrepreneurs were welcome and bureaucracy started recognizing their contribution to growth of Indian economy.

We could see ‘Rate of inflation’ decreasing to single digit from double digit figures. GDP showed progress. Exports increased as a result and we had more foreign reserves. Balance of Payment situation improved.

(d) Approaches to Entrepreneurship
To understand the nature of entrepreneurship, it is important to consider some of the theory development so as to better recognize the emerging importance of entrepreneurship. The research on entrepreneurship has grown dramatically over the years. As the field has developed, research methodology has progressed from empirical surveys of entrepreneurs to more contextual and process-oriented research. As yet, no comprehensive theory base has emerged, however.

A theory of entrepreneurship is defined as a verifiable and logically coherent formulation of relationships, or underlying principles that either explain entrepreneurship, predict entrepreneurial activity (for example, by characterizing conditions that are likely to lead to new profit opportunities to the formation of new enterprises), or provide normative guidance (that is, prescribe the right action in particular circumstances). As we are now in the new millennium, it has become increasingly apparent that we need to have some cohesive theories or classifications to better understand this emerging field.

In the study of contemporary entrepreneurship, one concept recurs: Entrepreneurship is interdisciplinary. As such it contains various approaches that can increase one's understanding of the field. Thus we need to recognize the diversity of theories as an emergence of entrepreneurial understanding.

The subject of this research breaths in freedom and grows in a facilitating environment. It excels in healthy competition when there are no obstacles or restrictions. In fact laissez faire; the theory and practice of government abstention from interference in the working of market forces, is the soul of entrepreneurship.

Investigation in the process of enormous development of technical education institutes in Rajasthan, their financial health, quality and performance must be made on the litmus test of existence or otherwise of fundamental concept of laissez – faire, even if one were to avoid the rigours of orthodox version of laissez – faire.

The macro – policy decision of Central Government in early nineties regarding liberalisation and privatisation of economy and resultant need to unshackle excessive control regime of previous four decades of planned development with dominant public sector thrust and distrust in integrity of private enterprise, whose profit motive was often perceived as immoral, faced insurmountable difficulties and obstacles at various levels. Vested interests and corrupt beneficiaries of license raj tried their best to torpedo logical imperatives of liberalised policy by framing difficult rules, regulations, fixing multiple fees for different permissions and approvals. These moves resulted in partial stalemate and slow growth in pseudo – liberalized economy in the
first decade of post–liberalisation era as genuine entrepreneurs found the lurking hurdles insurmountable.

Hue and cry over slower growth, public disenchantment, development & expansion of telecommunication, active role of electronic and print media in highlighting failure, success stories of private sector including engineering, management & I.T. Colleges in forward-looking states like Karnataka, Andhra Pradesh and Maharashtra led to review of recent policy decisions and performance. As a result the new decade (2001 – 11) witnessed gradual loosening of controls, easier approvals of entrepreneurs’ proposals and projects as road to faster growth of economy became wider and hassle–free. It is during this decade that phenomenal growth and expansion of technical Colleges, private universities and huge enrolment of students for this programme has taken place.

It is proposed that an objective empirical study be made of the 15-20-fold growth in Technical Institutes & Management students in the state of Rajasthan in the post–liberalization period of 20 years (1991 – 92 to 2011 – 12), driven by private entrepreneurs as also their motivations, hurdles faced by them, their role, performance, viability and future trends.

Entrepreneurship is the driving human spirit, supported by suitable action to find or avail of an opportunity, to undertake risks of a venture, by providing required resources to achieve goal or object.

The word entrepreneur is derived from French word ‘entreprendre’ which means ‘to undertake’. According to Harvard Business School, ‘Entrepreneurship is the process of creating or seizing an opportunity and pursuing it regardless of the resources currently controlled (Timmons, 1994)’. Webster Dictionary refers to entrepreneur as one who organizes, manages and assumes risks of a business enterprise.

Motivation for an entrepreneur is the hope of reward for efforts and risks undertaken. Reward could be monetary or achievement of a purpose or goal, though more often it is pecuniary.

Austrian economist Schumpeter J. (1883 – 1950) in his work in 2004 ‘The theory of Economic Development’ aptly defines an entrepreneur as ‘an innovator playing the role of a dynamic businessman adding material growth to economic development.’

In general, it is important to understand that entrepreneurs have a vision for a
better way of doing things, thinking beyond the constraints of current rules and resources. Perhaps more importantly, they have the passion and sense of urgency that literally compels them to take the risks necessary to realize that vision. They create new organizations to make the changes they want to see in the world—and by doing so, they inspire others to follow.

(e) Education Entrepreneur

Why do prospective entrepreneurs risk entry in unchartered, unknown fields? The reasonable man adapts himself to the world; the unreasonable one persists in trying to adapt the world to him. Therefore, all progress depends on the unreasonable man—George Bernard Shaw (Edited by Frederick M. Hess, Harvard Education Press, 2006) Education entrepreneur is one who ventures in field of education to establish it and run it smoothly and at profit.

Ascertaining Motivations of Entrepreneurs In Field Of Technical Education

Entrepreneurs create wealth. They take calculated risks. They may even be tempted to gamble if stakes and expected rewards are high. They are driven by instincts or gut feeling or they could be hard-core calculating business magnates. They have a keen discerning eye for opportunities.

An attempt will be made to delve deeper in the conscious and sub–conscious mind of entrepreneurs involved in Technical Education in Rajasthan to find out different motivations that drove them to take risks in hope of rewards. Motivations could be one or more of the following drives:

1. Self – interest

Man is commonly perceived to be selfish. The biggest temptation for a person can be hope for reward for self – enjoyment and / or pride of possession. Urge to own is a great propeller engine for exertion. Hence self – interest is a major motivator.

2. Family – an extension of self

Man is not an island. The closest social group which is included in his concept of larger self is family. For a wife / husband & children and possibly parents & siblings, one could go to any length to exert, risk and bring returns.

3. Service to community

Man, according to sociologists, is a social animal. His identity, esteem and sense of belonging are determined by larger social group to which he owes a lot. Once self – interest and family interests are addressed people wish to be recognized by the community they are identified with and for its well – being, they take bigger risks and start larger projects which could offer employment or benefit to community.
4. Basic inborn drive within to explore and achieve

Even a child shows restlessness with the familiar objects and wishes to explore new path or objects irrespective of risk involved. This trait, unless curbed or crushed in childhood and sometimes in spite of that, blossoms into initiative, drive, exploration, enterprise and is a powerful seed of entrepreneurship.

5. Ambition

“To be or not to be” is never the dilemma of an ambitious person. He is always full of energy and keen to explore alternate options which could enable him to achieve something significant in life. He is determined to achieve and fulfil his ambition. He is a dreamer and therefore achievement of one goal propels him to greater enterprises.

6. Longing for Recognition

After bread and butter, all facilities and comforts, family requirement and luxuries are met, man longs for public acclaim and recognition from society, trade and government. For achieving this satisfaction, he keeps expanding his entrepreneurial empire so as to stand tall and command recognition.

7. Risk – taking, in the hope of higher returns

Many people are not satisfied with routine work and normal payments. They want some challenges, some thrills in life, for which they are prepared to take some risks in the hope of higher rewards. They have ability, acumen and readiness to take risk. They have entrepreneurial potential and zeal.

8. Frustrations of competent intrapreneurial managers having sufficient capital of their own

Large corporations prosper due to initiative, competence and calibre of highly accomplished managers. While the corporations endeavour to keep them in good humour with hefty compensations, yet a stage comes when frustrations creep in and faster & higher growth is not possible for such talented managers with by dynamism and initiative. Armed with new skills, confidence from success in companies and pockets full with significant amounts as well as sound knowledge for capital – raising, they take risks and take a plunge in new enterprises of their own for higher returns and better satisfaction.

9. Satisfaction of Creation of something own as a driver for entrepreneurship

Satisfaction of a builder on completion of a building, that of a painter when his creation is ready, that of a mother on seeing the face of ‘long – awaited’ first child is fulfilling and inspiring. It is this desire for creating something significant of one’s own
with resultant high satisfaction is an important motivator for an entrepreneur for entering field of technical education.

10. Desire for perfection and uniqueness

Human soul (Atma) is a drop in a larger ocean of perfection – the Param – atma, deeply conscious of its roots which contain seeds of perfection, often fancies itself to find perfection in this imperfect world. It does contain potential for perfection as it is a part of universal intelligence. It is this enterprising potential – a power which propels a human being to create instrumentalities for flying and reaching the moon.

11. Wealth Creation

Human lust and avarice are endless. Satiety is an illusion, a mirage which evades him since it is not in the realm of achievement. Yet a human being wants more and more material objects as he feels satisfaction will come from them. Wealth is the tool for buying goods and services which could give satisfaction. Hence an endless desire for creating more and more of wealth inspires him to expand empire of his enterprise.

12. Perception of working for someone else as slavery

In certain communities doing service (employment) under somebody else is considered demeaning and below dignity. Hence sense of self – pride inspires people to start something of one’s own.

13. Concept of sva – dharma

Some people have perennial inspiration for starting some enterprise. Some groups in the Hindu Varna System belonging to ‘Vaish’ business community, consider it as their religious or pre-ordained duty (Sva – dharma) to start some business or big or small industry. This concept of duty inspired by religion is a motivator for enterprise.

14. Law of karma and expectation of higher returns in the other world

Last, but not the least is the desire to risk investment in this world for being eligible for higher returns in the next birth as indicated by the Law of Karma. Creating wealth through industry to be spent on well – being of down – trodden, providing job opportunities to many, offering alms and donations from such earnings are deemed to be a two – way proposition of discharging previous debts and investing for higher returns in future births.

(f) What motivates an entrepreneur?

There are varied approaches to understanding why some individuals decide to venture into Entrepreneurship and, thereby, 'break through traditional ways of doing
things’. Notwithstanding numerous studies on ‘entrepreneurial traits’, there are no ‘well-defined psychological attitudes or profiles that describe all entrepreneurs or characteristics to which entrepreneurs generally conform’. Entrepreneurs can be gregarious or taciturn, analytical or intuitive, cautious or daring’. Some theoretical explanations of what motivates entrepreneurs include the following:

- The ‘Achievement Orientation’ or the desire to achieve purely for the sake of achievement alone.
- The interrelation between religion, norms, values, behavior and the economy in a particular epoch.
- The ability to comprehend opportunity, i.e. ‘to reinterpret the meaning of things, fit them together in new ways’ and ‘see what others may have missed, such as an unsatisfied demand’.
- The capacity to sustain a high degree of interest in the advancement and technological development of the industrial process and in the improvement in the scale of industrial operations.
- The ability to make the best of what one has, in order to get what one needs, i.e. the capacity to innovate in figuring out the best ways to reach the market with minimum expenditure of time, effort and money.

The NKC Study (2008) confirms that there is no single motivating factor that triggers the decision to become an entrepreneur. Significant ‘Motivation Triggers’ are: ‘Independence’ (stemming from the freedom to do ‘one’s own thing’), ‘Market Opportunity’, ‘Family Background’ in Entrepreneurship, a ‘New Idea’ (with business potential), the prospect of ‘Challenge’ offered by Entrepreneurship as well as a long cherished ‘Dream Desire’ to become an entrepreneur. ‘Internal’ factors (such as Independence, Challenge and Dream Desire, i.e. the idea that ‘by nature, man cannot but be an entrepreneur’) cumulatively account for the bulk of the total motivating triggers (42%). This lends credence to the argument that the entrepreneurs are driven more by their own inner drive rather than by external conditions. At the same time, as elaborated in the paragraphs that follow, ‘market opportunity’ as an additional motivating factor has also shown a steady rise over the last two decades. This fact gives rise to the argument that macro environment plays a crucial role in influencing the initial decision of an individual to become an entrepreneur.

(g) Reasons for becoming an Entrepreneur:

- Entrepreneurship offers the opportunity to create something of one’s own’.
Entrepreneurship allows people to think outside the box and make thoughts work’.

Entrepreneurs are not confined to a particular area of business; they need to know everything about how business runs’.

Entrepreneurship allows possibilities for constant self-actualization’.


(h) Principles of Entrepreneurship

1. What Is Entrepreneurship?

The concept of entrepreneurship was first established in the 1700s, and the meaning has evolved ever since. Many simply equate it with starting one’s own business. Most economists believe it is more than that.

To some economists, the entrepreneur is one who is willing to bear the risk of a new venture if there is a significant chance for profit. Others emphasize the entrepreneur’s role as an innovator who markets his innovation. Still other economists say that entrepreneurs develop new goods or processes that the market demands and are not currently being supplied.

In the 20th century, economist Joseph Schumpeter (1883-1950) focused on how the entrepreneur’s drive for innovation and improvement creates upheaval and change. Schumpeter viewed entrepreneurship as a force of “creative destruction.” The entrepreneur carries out “new combinations,” thereby helping render old industries obsolete. Established ways of doing business are destroyed by the creation of new and better ways to do them.

Business expert Drucker P. (1977) took this idea further, describing the entrepreneur as ‘someone who actually searches for change, responds to it, and exploits change as an opportunity’. A quick look at changes in communications—from typewriters to personal computers to the Internet—illustrates these ideas.

Qualities of an entrepreneur

The successful operation of educational companies requires a thorough comprehension of the relationship between individuals and the organization, which in turn balances the influence of the organizational structure on individual actions with the decision making behaviour on the organization. Strong leadership seems to be a critical success factor. The "preferences and style of the person in charge" will affect the type of projects undertaken and how the organization handles its relationship with
its various constituents. However, the entrepreneur’s vision can only be realized with the assistance of careful planning by professional managers, which is why professional managers are now a part of most successful educational companies. Most of the Owners of educational companies are “self-trained entrepreneurs”. A question then arises from interviews conducted for this research, which is: Can these entrepreneurs also act as professional managers? The behaviour of the entrepreneur has a direct impact on how far a private company can travel. The traditional concept of entrepreneurship includes activities such as: new business creation, purchase of existing business, new product development, creation of not-for-profit organizations, new project start-ups and business ownership. In general, the demand-side perspective emphasizes the deterministic role of history, social and political environments, while the newer supply-side school, focuses on the individual traits and behaviours of an entrepreneur. There are different types of entrepreneurs, each with a different personality type and a set of attributes and behaviours. Psychological literature also suggests that entrepreneurs possess certain characteristics or traits, such as risk-taking ability, need for achievement, creativity, opportunism and a highly refined intuition, as well as autonomous control of the business.

The various attributes of an edupreneur are Innovator, Imagination Originality, inspiration, love, transformation, new designer/enabler, Intuition, will to succeed, opportunity seeker, risk-taking, Sociability, Informality, shared values.

In general, a person who possesses a high degree of creativity and highly developed management skills and business know-how, along with well-developed networks, is a true entrepreneur. Among the executives and managers interviewed for this thesis, there were many entrepreneurs who were highly creative but lacked business know-how; as well as many administrators who had highly developed management skills but lacked the capacity for innovation.

The desirable attitudes and behaviours of an edupreneur are commitment, determination, Tenacious and decisive, able to recommit/commit quickly, intensely competitive in achieving goals, persistent in solving problems, disciplined, willing to undertake personal sacrifice.

In addition, a good entrepreneur needs to be able to deal with environmental pressures, which include an absence of predictable resources, both human and capital, the various organizational management tasks, as well as rapid changes in technology, consumer economics, social values and political dynamics. In a nutshell, the successful entrepreneur must be able to recognize opportunities, which require
meaningful insight in a socio-economic sense; be able to actualize the formation of the business through various legitimating steps and the exploitation of opportunities, where leadership and various dynamic capabilities are required to exploit the opportunity successfully.

Furthermore, given an option, people always choose the occupation which offers the highest return on their abilities. When the markets in a country are large and the people are encouraged to open their own businesses and are allowed to keep their profits, then many talented people get attracted towards entrepreneurship. The prime example of such behaviour is the Great Britain during the Industrial Revolution. The essence of the above argument is that which profession the talented lot in any economy chooses determines the allocation of resources. When they become entrepreneurs, they not only generate income but also invest in R&D in their respective business areas which increases the productivity and further accelerates growth. On the contrary, if they become rent-seekers then there is no wealth creation and the economy stagnates.

It is very difficult to measure the social returns of education investments. Some empirical papers have tried to capture that but the estimates vary widely. The social returns from education investments may also be regarded as spill-over effects as they spill over from the skilled workers to other members of the society.

Investments in education lead to human capital accumulation which, in turn, increases the productivity of the labour force. This encourages further exports and economic growth. Empirical studies for different countries suggest that trade promotes human capital accumulation and vice-versa.

A large fraction of those investments in India has gone into quantitative expansion rather than qualitative improvements. Such investments had no significant effects on growth. Moreover, the country adopted openness policies only after 1991.

2. What Makes Someone an Entrepreneur?

Who can become an entrepreneur? There is no one definitive profile. Successful entrepreneurs come in various ages, income levels, gender, and race. They differ in education and experience. But research indicates that most successful entrepreneurs share certain personal attributes, including: creativity, dedication, determination, flexibility, leadership, passion, self-confidence, and “smarts.”

Creativity is the spark that drives the development of new products or services or ways to do business. It is the push for innovation and improvement. It is continuous learning, questioning, and thinking outside of prescribed formulas.
Dedication is what motivates the entrepreneur to work hard, 12 hours a day or more, even seven days a week, especially in the beginning, to get the endeavor off the ground. Planning and ideas must be joined by hard work to succeed. Dedication makes it happen.

Determination is the extremely strong desire to achieve success. It includes persistence and the ability to bounce back after rough times. It persuades the entrepreneur to make the 10th phone call, after nine have yielded nothing. For the true entrepreneur, money is not the motivation. Success is the motivator; money is the reward. Flexibility is the ability to move quickly in response to changing market needs. It is being true to a dream while also being mindful of market realities. A story is told about an entrepreneur who started a fancy shop selling only French pastries. But customers wanted to buy muffins as well. Rather than risking the loss of these customers, the entrepreneur modified her vision to accommodate these needs.

Leadership is the ability to create rules and to set goals. It is the capacity to follow through to see that rules are followed and goals are accomplished. Passion is what gets entrepreneurs started and keeps them there. It gives entrepreneurs the ability to convince others to believe in their vision. It can’t substitute for planning, but it will help them to stay focused and to get others to look at their plans. Self-confidence comes from thorough planning, which reduces uncertainty and the level of risk. It also comes from expertise. Self-confidence gives the entrepreneur the ability to listen without being easily swayed or intimidated. “Smarts” consists of common sense joined with knowledge or experience in a related business or endeavour. The former provides a person good instincts, the latter, expertise. Many people have smarts they don’t recognize. A person who successfully keeps a household on a budget has organizational and financial skills. Employment, education, and life experiences all contribute to smarts.

Every entrepreneur has these qualities in different degrees. But what if a person lacks one or more? Many skills can be learned. Or, someone can be hired who has strengths that the entrepreneur lacks. The most important strategy is to be aware of strengths and to build on them.

3. Why Become an Entrepreneur?

Advantages of starting a business include: Entrepreneurs are their own bosses. They make the decisions. They choose whom to do business with and what work they will do. They decide what hours to work, as well as what to pay and whether to take
vacations. Entrepreneurship offers a greater possibility of achieving significant financial rewards than working for someone else.

It provides the ability to be involved in the total operation of the business, from concept to design and creation, from sales to business operations and customer response. It offers the prestige of being the person in charge. It gives an individual the opportunity to build equity, which can be kept, sold, or passed on to the next generation.

Entrepreneurship creates an opportunity for a person to make a contribution. Most new entrepreneurs help the local economy. A few—through their innovations—contribute to society as a whole. One example is entrepreneur Steve Jobs, who co-founded Apple in 1976, and the subsequent revolution in desktop computers.

Some people evaluate the possibilities for jobs and careers where they live and make a conscious decision to pursue entrepreneurship. No one reason is more valid than another; none guarantee success. However, a strong desire to start a business, combined with a good idea, careful planning, and hard work, can lead to a very engaging and profitable endeavour.

4. Decisions and Downfalls:

Entrepreneurship is an attractive career choice. But many decisions have to be made before launching and managing a new business, no matter its size. Among the questions that need to be answered are: Does the individual truly want to be responsible for a business? What product or service should be the basis of the business? What is the market, and where should it be located? Is the potential of the business enough to provide a living wage for its employees and the owner? How can a person raise the capital to get started? Should an individual work full or part time to start a new business? Should the person start alone or with partners?

Answers to these questions are not empirically right or wrong. Rather, the answers will be based on each entrepreneur’s judgment. An entrepreneur gathers as much information and advice as possible before making these and other crucial decisions. The entrepreneur’s challenge is to balance decisiveness with caution—to be a person of action who does not procrastinate before seizing an opportunity—and at the same time, to be ready for an opportunity by having done all the preparatory work possible to reduce the risks of the new endeavour.

Preparatory work includes evaluating the market opportunity, developing the product or service, preparing a good business plan, figuring out how much capital is needed and making arrangements to obtain that capital. Through careful analysis of
entrepreneurs’ successes and failures, economists have identified key factors for up-
and-coming business owners to consider closely. Taking them into account can reduce
risk. In contrast, paying them no attention can precipitate the downfall of a new
enterprise.

Motivation: What is the incentive for starting a business? Is it money alone? True, many entrepreneurs achieve great wealth. However, money is almost always
tight in the start-up and early phases of a new business. Many entrepreneurs do not
even take a salary until they can do so and still leave the firm with a positive cash
flow.

Strategy: What is the strategy for distinguishing the product or service? Is the
plan to compete solely on the basis of selling price? Price is important, but most
economists agree that it is extremely risky to compete on price alone. Large firms that
produce huge quantities have the advantage in lowering costs.

Realistic Vision: Is there a realistic vision of the enterprise’s potential?
Insufficient operating funds are the cause of many failed businesses. Entrepreneurs
often underestimate start-up costs and overestimate sales revenues in their business
plans. Some analysts advise adding 50 percent to final cost estimates and reducing
sales projections. Only then can the entrepreneur examine cash flow projections and
decide if he or she is ready to launch a new business.

5. Go It Alone or Team Up?

One important choice that new entrepreneurs have to make is whether to start
a business alone or with other entrepreneurs. They need to consider many factors,
including each entrepreneur’s personal qualities and skills and the nature of the
planned business.

In the United States, for instance, studies show that almost half of all new
businesses are created by teams of two or more people. Often the people know each
other well; in fact, it is common for teams to be spouses.

There are many advantages to starting a firm with other entrepreneurs. Team
members share decision-making and management responsibilities. They can also give
each other emotional support, which can help reduce individual stress.

Companies formed by teams have somewhat lower risks. If one of the
founders is unavailable to handle his or her duties, another can step in. Team
interactions often generate creativity. Members of a team can bounce ideas off each
other and “brainstorm” solutions to problems.
Studies show that investors and banks seem to prefer financing new businesses started by more than one entrepreneur. This alone may justify forming a team. Other important benefits of teaming come from combining monetary resources and expertise. In the best situations, team members have complementary skills. One may be experienced in engineering, for example, and the other may be an expert in promotion.

In general, strong teams have a better chance at success. In Entrepreneurs in High Technology, Professor Edward Roberts of the Massachusetts Institute of Technology (MIT) reported that technology companies formed by entrepreneurial teams have a lower rate of failure than those started by individuals. This is particularly true when the team includes a marketing expert.

Entrepreneurs of different ages can create complementary teams also. Optimism and a “can-do” spirit characterize youth, while age brings experience and realism. In 1994, for example, Marc Andreessen was a talented, young computer scientist with an innovative idea. James Clark, the founder and chairman of Silicon Graphics, saw his vision. Together they created Netscape Navigator, the Internet-browsing computer software that transformed personal computing.

But entrepreneurial teams have potential disadvantages as well. First, teams share ownership. In general, entrepreneurs should not offer to share ownership unless the potential partner can make a significant contribution to the venture. Teams share control in making decisions. This may create a problem if a team member has poor judgment or work habits.

Most teams eventually experience serious conflict. This may involve management plans, operational procedures, or future goals. It may stem from an unequal commitment of time or a personality clash. Sometimes such conflicts can be resolved; in others, a conflict can even lead to selling the company or, worse, to its failure. It is important for a new entrepreneur to be aware of potential problems while considering the advantages of working with other entrepreneurs. In general, the benefits of teaming outweigh the risks.

(i) Choosing a Form of Business

In many countries, entrepreneurs must select a form of organization when they start a small business. The basic forms of organization are sole proprietorships, partnerships, and corporations. Each has advantages and disadvantages. Moreover, the laws and regulations that apply to business owners vary from country to country and by local jurisdiction. Entrepreneurs should consult an attorney or other expert to make
sure that they have all the necessary licenses and permits, and are aware of all their legal obligations. In many countries, the local Chamber of Commerce or local business council is also a good source of information.

Sole Proprietorship: In a sole proprietorship, the individual entrepreneur owns the business and is fully responsible for all its debts and legal liabilities. More than 75 percent of all U.S. businesses are sole proprietorships. Examples include writers and consultants, local restaurants and shops, and home-based businesses.

This is the easiest and least expensive form of business to start. In general, an entrepreneur files all required documents and opens a shop. The disadvantage is that there is unlimited personal liability — all personal and business assets owned by the entrepreneur may be at risk if the business goes into debt.

Partnership: A partnership consists of two or more people who share the assets, liabilities, and profits of a business. The greatest advantage comes from shared responsibilities. Partnerships also benefit by having more investors and a greater range of knowledge and skills.

There are two main kinds of partnerships, general partnerships and limited partnerships. In a general partnership, all partners are liable for the acts of all other partners. All also have unlimited personal liability for business debts. In contrast, a limited partnership has at least one general partner who is fully liable plus one or more limited partners who are liable only for the amount of money they invest in the partnership. The largest disadvantage of any partnership is the potential for disagreements, regardless of how well or how long the partners have known each other. Experts agree that a partnership agreement drawn up by an experienced lawyer is essential to a successful partnership. It is often used to create a mechanism for resolving disagreements; specify each partner’s contribution to the partnership; divide up management responsibilities; and specify what happens if a partner leaves or dies.

Corporations: Corporations are recommended for entrepreneurs who plan to conduct a large-scale enterprise. As a legal entity that has a life separate from its owners, a corporation can sue or be sued, acquire and sell property, and lend money.

Corporations are divided into shares or stocks, which are owned by one, few, or many people. Ownership is based on the percentage of stock owned. Shareholders are not responsible for the debts of the corporation, unless they have personally guaranteed them. A shareholder’s investment is the limit of her liability. Corporations can more easily obtain investment, raise capital by selling stock, and survive a change of ownership. They provide more protection from liability than other forms of
business. Their potential for growth is unlimited. However, corporations are more complex and expensive to set up than other forms of business and are usually subject to a higher level of government regulation.

(j) Essential ingredients of Entrepreneurship

Risk Taking

The most important and essential component of entrepreneurship is willingness to undertake a risk in the hope for future returns. A very apt common saying is “No risk, no gain”. A variation of this popular saying is “More risk more gains”. Willingness to suffer a loss comes from a conviction in the mind of an entrepreneur that the proposal is sound, viable and should fetch good rewards but should it not for any reason, it will be a part of the game.

Importance of Risk as an essential pre-requisite for undertaking an enterprise was identified by Frank H. Knight in "Risk uncertainty & Profit".

Innovation

An entrepreneur is a keen observer who is fond of newness, who creates opportunities from difficulties and obstacles. What 95% people would find normal happening, an enterprising person will see something different worth exploring and exploiting. They say, he converts dust into gold. It is newness of an idea or an intractable problem that inspires him to try to find a solution for it profitably. He is an inventor of ideas, a researcher, and a dogged pursuer of solutions for difficult problems. Newer is the idea, bigger the profits.

"Innovation" as an important ingredient of an entrepreneur's mind process was highlighted by Joseph A Schumpeter in "The Theory of Economic Development" (Oxford University Press, London 1974).

Early stage identification of opportunity

A potential entrepreneur has an eye for opportunities. He sees what others cannot see. For him an obstacle, which upsets other people, is an opportunity for exploration for finding a solution. He identifies people’s latent needs, even their incipient needs which they cannot feel, much less decipher and he works hard to create products that could satisfy those needs. He is the one who recognizes it at a very early stage and therefore the first to work on it and succeed before others can find it.

Distinct Managerial Capacities related to Organizational growth and Efficiency

Entrepreneurial stuff without requisite capabilities to convert ideas and obstacles into opportunities is unthinkable. Entrepreneurs are top managers endowed
with vision for organization’s growth and efficient enough to make that a reality. Thus they are effective and efficient too.

Dreamer with a vision

He is a day – dreamer. What others find as impossible is not only possible but probable also. He starts working on the subject. He has the vision to get a preview of shape his product would take, which is only in his mind. He converts ideas and dreams into reality.

Getting to know different shades of Entrepreneurship

The model of entrepreneurship education that we aspire should take into account the realities of the contemporary global scenario and the strategies to be adopted for a development that is sustainable. Education should enable an individual to explore the self and relate it with the outer world.

It is not necessary to load individuals with information. On the other hand, education should create opportunities for self-expression. Once an individual gets an opportunity to express the self, it becomes easier to scan the environment and find a suitable option to productively/creatively engage with. Most of the studies on entrepreneurship explicitly refer to business entrepreneurship or entrepreneurs who create wealth. If we take cognizance of the context in which the ‘spirit of entrepreneurship’ emerged it is apparent that entrepreneurship is a creative destruction that innovates something new by destroying the old. Therefore any study on entrepreneurship should invariably encourage an individual to unleash his creative potentialities.

Intrapreneurship

The global economy is creating profound and substantial changes for organizations and industries throughout the world. These changes make it necessary for business firms to carefully examine their purpose and to devote a great deal of attention to selecting and following strategies in their pursuit of the levels of success that have a high probability of satisfying multiple stakeholders. In response to rapid, continuous, and significant changes in their external and internal environments, many established companies have restructured their operations in fundamental and meaningful ways. In fact, after years of restructuring, some of these companies bear little resemblance to their ancestors in their business scope, culture, or competitive approach. The new century is seeing corporate strategies focused heavily on innovation. This new emphasis on entrepreneurial thinking developed during the entrepreneurial economy of the 1980s and 1990s. Drucker P., the renowned
management expert, de-scribed four major developments that explain the emergence of this economy. First, the rapid evolution of knowledge and technology promoted the use of high-tech entrepreneurial start-ups. Second, demographic trends such as two-wage-earner families, continuing education of adults, and the aging population added fuel to the proliferation of newly developing ventures. Third, the venture capital market became an effective funding mechanism for entrepreneurial ventures. Fourth, American industry began to learn how to manage entrepreneurship.

Continuous innovation (in terms of products, processes, and administrative routines and structures) and an ability to compete effectively in international markets are among the skills that increasingly are expected to influence corporate performance in the twenty-first century's global economy. Corporate entrepreneurship is envisioned to be a process that can facilitate firms' efforts to innovate constantly and cope effectively with the competitive realities that, companies encounter when competing in international markets. Entrepreneurial attitudes and behaviors are necessary for firms of all sizes to prosper and flourish in competitive environments.

The Nature of intrapreneurship: In recent years the subject of intrapreneurship has become quite popular, though very few people thoroughly understand the concept. Most researchers agree that the term refers to entrepreneurial activities that receive organizational sanction and resource commitments for the purpose of innovative results.

The major thrust of intrapreneuring is to develop the entrepreneurial spirit within organizational boundaries, thus allowing an atmosphere of innovation to prosper. Defining the Concept Operational definitions of corporate entrepreneurship have evolved over the last 30 years through scholars' work. For example, one researcher noted that corporate innovation is a very broad concept that includes the generation, development, and implementation of new ideas or behaviours. An innovation can be a new product or service, an administrative system, or a new plan or program pertaining to organizational members.

In this context corporate entrepreneurship centres on reenergizing and enhancing the firm's ability to acquire innovative skills and capabilities. Researcher Shaker A. Zahra observed that "corporate entrepreneurship may be formal or informal activities aimed at creating new businesses in established companies through product and process innovations and market developments. These activities may take place at the corporate, division (business), functional, or project levels, with the unifying objective of improving a company's competitive position and financial performance."
Corporate entrepreneurship encompasses two major phenomena: new venture creation without existing organizations and the transformation of organizations through strategic renewal.

After a thorough analysis of the entrepreneurship construct and its dimensions, recent research has defined corporate entrepreneurship as a process whereby an individual or a group of individuals, in association with an existing organization, creates a new organization or instigates renewal or innovation within the organization. Under this definition, strategic renewal (which is concerned with organizational renewal involving major strategic and/or structural changes), innovation (which is concerned with introducing something new to the marketplace), and corporate venturing (corporate entrepreneurial efforts that lead to the creation of new business organizations within the corporate organization) are all important and legitimate parts of the corporate entrepreneurship process.

(k) Types of Entrepreneurs

Commercial Entrepreneurs

Those who take to enterprise as a business with the primary intention of making profits are the most common form of entrepreneurs.

Family Entrepreneurs

Those family owned, family run and/or family controlled enterprises which may have started as a small family business continue to expand in several areas. These are run without a break from generation to generation, even though they may drop some business or add new enterprises. They employ many non–family members in high and low positions, give them shares and stakes if necessary but control and strategic management remains in their hands. Birlas, Ambanis, Ford etc. come in this category.

Corporate Entrepreneurs

Successful businesses grow to become limited companies, corporations and multinational companies. Their success stories attract small investors, who trust them for security of their investments and good returns. They buy their shares and are happy with good dividends. Such companies get listed on stock exchange and get large funding from banks. 60% to 80% equity and/or funds come from small investors, banks, institutional investors. They employ competent top managers and run organizations with competence.

Trust earned by them enables them to expand and diversify in other areas and float new companies on the strength of their reputation. Such corporate organizations
grow and become corporate entrepreneurs when they float new companies encashing their name as promoters. Companies like ICICI Bank, ITC, HDFC Bank fall in this category.

Social Entrepreneurs

When promoters are motivated to start enterprises for social causes like education, health care for the poor, needy and aged and run these on professional lines, they become Social Entrepreneurs. In such cases, profits are not taken or used by promoters, but ploughed back in expansion of the same or similar cause. Promoters of Dayal Veena Diagnostic Centre, Sewa Mandir, Maheshwari Public School, Sophia group of Educational Institutions can be called social entrepreneurs.

Social Entrepreneurs in Education

Within education, social entrepreneurs create many different types of organizations that seek to have a positive impact on the broader system. Some do this by creating a new supply of public schools and school systems. For example, across the country, a number of non-profit charter management organizations have cropped up to address the diverse needs of underserved urban communities by creating new centrally-managed networks of small public charter schools.

Other education entrepreneurs instead create organizations that seek to enhance the capacity of the existing public school system. These include developers of alternative preparation or support programs for teachers and leaders, as well as creators of products and services that help teachers and leaders with instruction, administration, and management.

Social Entrepreneurship: Definition and Boundaries

Whenever society is stuck or has an opportunity to seize a new opportunity, it needs an entrepreneur to see the opportunity and then to turn that vision into a realistic idea and then a reality and then, indeed, the new pattern all across society. We need such entrepreneurial leadership at least as much in education and human rights as we do in communications and hotels. This is the work of social entrepreneurs (Bill Drayton, put year, Founder of Ashoka: Innovators for the Public). While individuals may be publicly recognized as social entrepreneurs for their contributions to improve the welfare of communities, the field of social entrepreneurship continues to struggle to gain academic legitimacy. Social entrepreneurship is a term in search of a good definition. The current use of the term seems vague and limitless; it needs boundaries to demarcate its function. The lack of a common definition hinders research and raises questions about which social or profit-making activities fall within the spectrum of
social entrepreneurship. To become an important stream in the entrepreneurship literature, social entrepreneurship needs to be properly defined and it requires a theoretical framework that links it to the theory of entrepreneurship, social entrepreneurship, boundaries of socially-oriented entrepreneurial activities and positions the social entrepreneur in the spectrum of entrepreneurship.

There is a need to better define what is meant by the term social entrepreneur. Social entrepreneurs are different from other entrepreneurs. Social entrepreneurs are different from managers of social workers. (Saifan S. A., (2012)).

Philanthropic Entrepreneurs

This class of entrepreneurs are motivated by consideration of charity, removing suffering of poor and needy. Such organizations take the shape of Trusts, Registered Societies and NGOs. Such Organizations are run with ‘Sewa’ as a predominant motto and are funded by a large number of supporters through donations. These are non – profit organizations. Promoters of such ventures are philanthropic entrepreneurs.

Mayani Hospital & Research Centre, Arya Putri Hr. Secondary School, Deaf and Dumb School are run on these lines by philanthropic enterprise of promoters and office bearers.

(l) What Makes an Entrepreneurial Career:

Entrepreneurship plays an important role in the economic growth and development of nation. It is a purposeful activity includes in initiation, promotion and distribution of wealth and service. An entrepreneur is a critical factor in economic development and an integral part of the socio-economic transformation. It is a risk taking activity and challenging tasks, needs utmost devotion, total commitment and greater sincerity with fullest involvement for his personal growth and personality. The entrepreneurial career is not a one day job nor is it a bed of roses. Prosperity and success never come easily. It takes time and needs hard work systematic planning and business acumen to be successful entrepreneur.

Therefore, before choosing this path one should be very careful in knowing about his own self. This introspection process helps him in knowing about himself. Every person has his own potentiality and resource. How he looks in to this aspect. If the person can understand or identify his inner traits then it helps him choosing the right path for which he should look into his beliefs, faith values etc. For an entrepreneur it is of great importance to know about self on the basis of above mentioned individual consideration. These consideration give him ample scope to face
his own self by asking the question “Who I am?” If he can give meaningful answer to this complex question with exemplary courage and utter personal disregard to being exposed, then it helps him in getting a fair idea about himself. On the whole it helps him to making the right decision in choosing the right path for getting involved for deciding the future course of action. This is nothing but a self-identification process. After having being proper identified his strength, weakness and ability, he can make a decision of his choice, whether he will take up entrepreneurship as a career or not. If yes, then in which entrepreneurial area.

Choosing entrepreneurial career is like choosing a life partner. The person has to be there in the job forever and may have to continue in that chosen line for generations to generation and grows in this process if it is matching; if it mismatches it goes the other way round.

Considering this aspect he should always be governed by three basic qualitative instincts to serve in the world of uncertainty. These are – (1) Will, (2) Zeal, and (3) Skill.

Literate and skilled population is the foundation stone of a growing economy. This creates a need for establishing and developing an education system that prepares our future generations in a proficient manner. Most of the schools and colleges, with socially driven mission statements, portray to be non-profit and social service ventures, but in reality have turned into educational factories where no serious attention is given to quality, but only the numbers matters. Today there is a great need for individuals with entrepreneurial minds and social sensitivity to penetrate into this sector and bring about a change. The term `Edupreneur` means Educational Entrepreneur, this is a person who ventures into the entrepreneurial aspects of the educational domain.

The Entrepreneurship ‘Pyramid’ in India (in terms of sectors and numbers of people engaged) is made up of the following:

- Level 1: Agriculture and other activities: Crop production, Plantation, Forestry, Livestock, Fishing, Mining and Quarrying.
- Level 2: Trading services: Wholesale and retail trade; Hotels and restaurants.
- Level 3: Old economy or traditional sectors: Manufacturing, Electricity, Gas and Water supply.
- Level 4: Emerging sectors (including knowledge intensive sectors): IT, Finance, Insurance and Business services, Construction, Community, Social and Personal Services, Supply Chain, Transport-Storage-Communications etc.
Fig. 1.1: Entrepreneurship Pyramid

Good employees often evolve into great entrepreneurs but that to become an entrepreneur one has to first adopt a perspective and seek out a role above and beyond that of an employee.

- The employee sets goals mainly to impress others, to avoid confronting fears – including the fear of personal freedom and success – and to conform to a comfort zone rather than pushing to learn more and gain new experiences.
- Because of self-imposed limitations, employees prefer to follow someone else’s game plan, and they lack the desire to become a self-motivated and self-reliant entrepreneur.
- They focus primarily on personal security and their emotional motivation derives from a fear of insecurity and a desire to be within the comfort zone of a secure situation.

Those who want a greater sense of responsibility and control over their lives and have the confidence to experiment with that possibility often rise up from the ground level of employee status to the first level of entrepreneurship. They do this by becoming self-employed.

Level One: The Self-Employed Mind set

The emotional driving force behind the self-employed person is not security but a desire for greater control over his or her life, career, and destiny. Relinquishing that control to a boss every day from nine to five is not their idea of happiness, and they believe that they could do their job just as well without an employer – and perhaps without the need for other employees. They want more autonomy. They want to do things their own way. And they usually begin by creating a situation where they do the same type of work they did while an employee, but they figure out how to do it by themselves and for themselves. Unfortunately, many of the primary objectives of the person setting off to become an entrepreneur with the self-employment mind set are pitfalls or traps. Because they want to go it alone, they often do so at their own peril.

By not taking help from others they not only cut themselves off from valuable talent, intelligence, feedback, and experience that others could offer in the form of assistance, but they also create a situation where they will never entrepreneurship.
Level Two: The Managerial Perspective

Those with a managerial outlook are often in a great position to succeed as entrepreneurs, expect for two big misconceptions that lead to massive problems. Many managers believe that if a business is not working, the solution lies in hiring more employees. They throw extra bodies at the problem, but this only aggravates the situation because it fails to address the underlying root cause of the difficulty or lack of profitability. Another mistaken belief that is common to this mindset is that the route to success is through growth – not profit growth but overall structural growth of the enterprise itself. Once again, bigger is not necessarily better unless and until the fundamentals are sound and efficient. Growing larger to fix the problems of a small business only generates a much bigger company with problems that are expanded, magnified, and much more expensive to remedy. Managerial entrepreneurs go into bankruptcy thanks to vigorous growth, but they never figure out why. A third misstep common to the managerial attitude is that the entrepreneur wants to be the boss, even if that means sacrificing the talent or potential of employees. To give orders and be in charge requires no great skill or aptitude, but to be a leader – one who knows how to inspire and train others to rise to greater heights – is a rare quality. Managers who become leaders succeed because they accept the challenge and responsibility of ensuring that others under their wings also succeed and flourish.

By getting the most out of employees, managers themselves are able to delegate aspects of their business to others and set higher goals. Those who say they can’t find good employees usually mean they lack what it takes to attract or create good employees – and as a consequence they also lack what it takes to succeed as an entrepreneur. But those who not only manage but also lead can rise to the next level and become owner/leaders – one step closer to the real definition of an entrepreneur.

Level Three: The Attitude of Owner/Leader

The entrepreneur who attains the level of an owner/leader enjoys remarkable benefits by knowing how to step aside and let the business – and those employees working in it – operate as a profit centre not reliant upon the owner’s constant hands-on participation. This kind of entrepreneur has created an organization that is more self-sufficient and self-sustaining, and by doing so has created more wealth, personal freedom, and free time.

Rather than being the only person who could get the job done the best, this leader has passed that torch of responsibility and expertise along to others who now enjoy for themselves a greater level of career achievement. The owner/leader can
therefore focus not so much on sales and revenues, but on net profits. While the business continues to run smoothly – and generate more transactions – the owner/leader concentrates on fine tuning it for increased profitability while letting others handle the day-to-day operational details.

Level Four: The Entrepreneurial Investor

With a business that generates profits, the entrepreneur who has succeeded this far can begin to accept another exciting challenge, that of managing money so that it works to produce more money. Investing for maximum returns involves smart leverage of assets, and the entrepreneurial investor will often leverage the success of the first business to create a second or third company based on the same model or system.

By franchising the original venture or buying other healthy businesses, the investor can get into the career of not just selling basic products and services, but of selling entire businesses. The goal, of course, is still to turn a profit. So rather than remaining at the helm of these companies the investor will buy them, ensure that they have valuable equity or attractive allure and potential, and then sell them to other entrepreneurs or would-be entrepreneurs. The focus becomes finding, buying (and perhaps refurbishing) businesses, in the same way that a real estate investor locates homes, rehabs them, and then flips them for a profit.

The challenge is to avoid falling back into the role of running a business as an administrator or manager, and to meet this problem with a viable solution the entrepreneur will typically appoint someone else to take the reins of the company as the president or CEO. Then the investor becomes more of a director or silent partner who shares in the profits while enjoying the relief of not having to share the routine responsibilities of running the business from the inside.

This all becomes possible because the entrepreneur has not just created a business but has also designed excellent systems for keeping it going. Rather than dealing on the level of isolated actions and reactionary tactics, in other words, the entrepreneurial investor has risen to the level of broad and comprehensive strategies that work across all sorts of products, services, and economic cycles. Working smart replaces working hard, and the rewards – both financial and personal – are abundant.

Level Five: The True Entrepreneur

Having learned new things every step of the way and evolved through various stages of entrepreneurial accomplishment and insight, it is possible to reach the ultimate goal and realize one’s dreams in a really life-changing way. The true
entrepreneur experiences a paradigm shift that involves a four-step process of changed thinking:

1: **Idealization** – Imagine gigantic, all-encompassing dreams for creating the ideal world.

2: **Visualization** – Picture the ideal world as a reality and begin to clarify this vision on a daily basis, filling in more details each day.

3: **Verbalization** – Begin to put words to the dream and talk of it as if it was already happening. Talk about it to others as if it were real and continue to have a personal dialog with the ideal to make it come true.

4: **Materialization** – Because the effort and intention of designing and believing in the ideal and the dream, things begin to fall into place and happen in a natural and automatic way. The idea becomes a real and tangible fact that materializes in the world and influences others while opening new doors to fresh opportunities and the birth of more dreams.

The true entrepreneur is a dreamer whose dreams come true, and an income earner whose income is passive. Money comes automatically from profitable ventures that feed success with more success but do not require extraneous work. The money made does all the work for the entrepreneur to create more money with a snowballing effect. These women and men profit in all situations and add to their wealth by acquiring more paper assets, more profit centres and more entrepreneurial power.

(Receivedities of an Entrepreneur, www.actioncoach.com).

1.2 Current scenario of Higher Education in India

Liberalisation began in 1991 in the economic sector. Liberalisation in education sector in true sense began at beginning of this century. A decade later, actual benefits of liberalization in education were noticed. Private investors looked to opportunities with interest and not only entered Manufacturing sector but also diversified into Services sector like Hospitality, Telecommunication, Higher education, Health, Insurance, Banking etc.

Expansion of industry and service sector required human resource with different skills. From around 100 Management Institutes / Departments of Management Education in Indian Universities in 1991-92, the number increased 10-fold to nearly 1000 management institutions in the country in 10 years’ period i.e. up to 2001-02. During next 10 years, the number has shot up to approximately 4,000 management institutes by 2011-12. Growth in other technical institutes like engineering, I.T. has been no less spectacular.
This tremendous growth became possible only through the entry of private sector entrepreneurs in technical education including management area. Today nearly 80% of such institutes are run by entrepreneurs in private sector.

Rajasthan which had lagged behind during the first decade of post–liberalization, made up for the initial sluggishness by over–zealous entry of private entrepreneurs in technical education during last 10 years to nearly 150 regular institutes and University management departments and about 200 institutes in Engineering & I.T. fields.

Such an unprecedented and far reaching change in field of technical education occurring in Rajasthan due to remarkable entrepreneurial zeal of variety of new and old private sector players, calls for systematic study of factors which led to increase in demand for technical education as also motivations of entrepreneurs which contributed to this growth, their present role, performance, viability, difficulties, challenges and future. It appears that not much exploration or systematic analytical study has been made on this subject of far reaching consequences so far. It is for this reason, that the researcher has selected this topic under inspiration from his worthy guide in the full knowledge of difficulties and challenges involved in the process.

A manager is one who manages all the resources to match with the organizational needs. In the managerial role resources are allocated to solve problems and improve the administrative efficiency. Entrepreneurship is a very old concept, according to which anyone who runs business is called an entrepreneur. The more precise meaning of entrepreneur is; one who perceives a need and then brings together manpower, material and capital required to meet that need. Entrepreneur is one who understands the market dynamics and searches for change respond to it and exploit it as an opportunity.

While travelling on an untrodden path is full of travails, yet it is always challenging and tempting for a researcher to probe the unknown. There are bound to be pitfalls, agonies, disclosure of half-truths, lies, refusals, lack of cooperation, even insults for having dared to probe private domain of motivation and expect disclosure of facts from managements, but a student has to seriously pursue his experiment with truth so as to reach it as closely as possible through survey, collection of empirical data, objective interviews and unbiased interpretation and weighted conclusions.

(a) Technical Education in India

Technical Education, as a formal discipline in India, began in middle of 19th century. However it acquired greater attention 100 years later in 1943 with the
constitution of Technical Education Committee of the Central Advisory Board of Education (CABE). AICTE was set up on the basis of recommendations of CABE in November 1945 and its mandate covered only Engineering and Technology programmes.

With the passage of AICTE Act 1987 by Indian Parliament, the All India Council for Technical Education was established to ensure proper planning and co-ordinate development of Technical Education system throughout the country. It was required to ensure:

(i) Qualitative improvement of Technical Education
(ii) Planned quantitative growth Regulation and maintenance of norms and standard in Technical Education System
(iii) Evolve performance and appraisal system of Technical Institutions and universities imparting Technical Education.

AICTE has defined Technical Education as programmes of Education, Research and Training in Engineering & Technology, Architecture, Town planning, Management, Pharmacy and Applied Arts & Crafts and such other programmes or areas as the central government may, in consultation with the council, by notification in the Official Gazette, declare. Computer Applications as a programme has since been included.

The scope of this study restrict the research to following disciplines of Technical Education:

Engineering & Technology
Management (Both M.B.A. and PGDM)
Computer Applications

Engineering Education:

Engineering is a systematic body of knowledge, a technical and applied science using design, tools, equipment, building, machine to achieve satisfaction of human needs efficiently.

Knowledge of Engineering is the backbone of industry and development. It would be inconceivable to talk of 9% growth in Indian economy without a sound infrastructure for engineering education.

From primitive hand tools, handicraft-based cottage industry suitable for village-centred economy, India has travelled a long way during last 150 years to jumbo machine-based factories, high-rise buildings, elevators etc. suitable for billion plus population of twenty-first century. This marvel owes its origin to invention of
machine and knowledge of engineering.

Although first engineering college was started in India in the British-era 165 years ago in 1847 at Roorkee. Yet today we are far ahead of U.K., U.S.A., Japan, Germany, Australia, South Korea in lakhs of Engineering graduates we produce every year in our engineering colleges and only second to China.

Engineering education includes several branches like Civil, Mechanical, Electrical, Computer-IT technology, agriculture, aeronautics, space technology, mining etc.

Both the national and state governments work for development of engineering education. Role of private sector in this field has grown tremendously during last 20-25 years.

Management Education:

Management practice is as old as human civilization. However ‘Management’ as an organised discipline, with its own body of knowledge, to be studied in detail, both extensively and intensively, developed in the beginning of twentieth century. Phenomenal growth in population development of large industries, employing thousands of people, technology, competition necessitated knowledge of managing people, machine, finance, marketing etc. Complexity of business called for efficient and effective management of resources. These led to birth of business or management education as a regular programme to be studied in universities and colleges.

Management Education is that branch of knowledge which provides a seeker with theoretical as well as practical/vocational exposure to learn to handle matters pertaining to business, industry and/or life efficiently and effectively. This subject has been extensively researched in U.S.A. and other advanced countries under its popular name “Business Education” and in India and other developing countries as “Management Education”. As an organised discipline of study, it started in U.S.A. over 100 years ago. Management Education started in a small way in India nearly 60 years ago. Beginning of IIMs in India came with the establishment of first IIM in Calcutta, 50 years ago in November 1961. Growth of management institutes during first 40 years after beginning in fifties was slow. Since early nineties, their expansion grew faster. Last decade (2001-2011) has seen phenomenal growth.

Primary raison d’etre of Management or Business Education is to facilitate aspiring students to acquire knowledge & skills which would equip them with capabilities suitable for productive and rewarding contribution to business and industry in achievement of goals of the organisation. Such programme not only
provides theoretical inputs but also ensures industry exposure through interactive process by organising industrial visits and hands-on industry training as also simulating industry environment in institutes. It is generally imparted at Post-Graduate level, though a trend towards its inclusion at under-graduate level is on the increase. Several diploma courses on specific aspects of management are also being offered.

Since essential ingredients of business and industry are man, machine, materials, money, marketing, production, systems, technology, costing, pricing etc., management education deals with these and other related subjects. Yet as a discipline, it is not limited to these fields alone. It has its own core body of knowledge and distinct methodology.

At present, Management Institutes fall in following major categories:

- I.I.M.s
- University Management departments in Public sector universities
- Govt. funded colleges
- Private Management colleges; stand alone or departments of private engineering colleges – approved by AICTE
- Management departments in Private Universities

Information Technology Education

Popularity of Information Technology during last 20 years has been phenomenal. It is the in-thing in youth of today. Every aspiring student wants to study IT or at least know something about it.

Information Technology (IT) is the science that investigates properties & behaviour of Information, the forces governing flow of information and the means of processing information for optimum accessibility and usability (Shamsa Emeneul, 2008). Field of I.T. is derived from mathematics, logic, linguistics, psychology, computer technology, graphic, arts, management etc. IT implies telecommunications involving combination of computers, networks, satellites, telephones, radio, television and the like. IT resources involve not only hardware (equipment) but also software (programmes), people, education, government and collaboration resources. IT education and its application involve many disciplines related to computers in handling, processing, management, automation and communication of information in the broader cultural and economic context of society.

IT education involves use of multi-media, Community interaction, audio-visuals, animations, digital devices, e-learning tools, online materials, database, e-
journals, digital libraries, online testing, websites and development of infrastructure.

(b) What Creates Opportunity For Education Entrepreneurs?

The individual entrepreneur is a person who perceives opportunity, finds the pursuit of opportunity desirable in the context of his or her life situation, and believes that success is possible (Howard H. Stevenson and William A. Sahlman, 2009).

Change in Expectations: the public’s expectations of the system have ballooned, such that public schools are now expected to serve all children equally and well. This change in expectations demands innovative new approaches.

Change in Market Structure

Because public education is a public-sector institution charged with serving the public good, public policy is the most common tool for changing its structure. Whether at the federal, state, or local level, public policy shifts can create entrepreneurial opportunity by requiring the people within a system to think differently, and also by creating new “turf” to which nobody has yet laid claim.

One of the most significant policy shifts over the last several decades has been the movement toward standards and accountability. Accountability policies have introduced a number of opportunities—some might say “pain points”—that entrepreneurs can address. For example, the No Child Left behind Act (NCLB) has created opportunities for entrepreneurs to provide supplemental education services for students whose schools have not achieved adequate yearly progress.

Change in Availability of Resources Public policy can create new opportunities for entrepreneurs by changing the structure of the market. It can also create opportunity by reallocating resources—which usually means an increase or decrease in dollars available and who can access them. Recent examples include federal start-up grants that encourage the development of new charter schools and funds allocated for paying supplemental education service providers to tutor eligible students under the No Child Left behind Act.

New Knowledge Emerges

New knowledge creates opportunity for all kinds of change in education. Sometimes this new knowledge is generated from within the field of education, such as when entrepreneurs create a new organization based on a new (or underutilized) approach to teaching that they find to be effective.

Education is a very complex, highly skilled endeavour. We must develop new practices that support increased productivity and responsiveness. This includes a need for more research and development on effective instructional and management
In a system governed by the principles of dynamic equilibrium, entrepreneurs may be both important vehicles for getting there and permanent participants in this new environment. By imagining how education can be improved, thinking beyond the current rules and resources, creating new organizations to execute their vision and inspiring others to follow, entrepreneurs may be agents of continuous improvement in public schooling (edited by Frederick M. Hess, Harvard Education Press 2006).

Private entrepreneurship has fundamentally changed dimension of Management Education from being accessible to selected classes to being meant for all aspiring citizens. Expansion of private colleges has contributed significantly to providing qualified manpower with suitable skills to industry, facilitating in the process professional management and expansion of industry.

Entrepreneurship in technical education has facilitated greater employment, higher packages and rising expectations.

Quantitative expansion of technical education through private enterprise has not been matched by improvement in quality in Management Education in Rajasthan. It needs to be considered

(i) Whether the role of regulatory agencies should be as facilitator or restrictive or obstructive.

(ii) Whether concept of technical education through registered society or trust or limited company with no profit motive is viable.

Regulation of fee structure by state is against concept of freedom of enterprise or desirable or necessary evil.

Regulation of salary structure in private enterprise as per government scales goes against the spirit of free enterprise.

Significant freedom in fixing fee structure and salaries will help in development of quality of technical colleges and departments of Management in Universities and differentiation in quality of colleges and end-products (man power) as needed.

Existing philosophy and model of technical education being a charitable activity is flawed and unviable in the context of requirement of heavy investments. Private entrepreneurship in field of technical Education in Rajasthan has arrested significantly exodus of Management students to other states, making technical education more affordable for students in Rajasthan.
Concepts of free entrepreneurship and high level of regulation are paradoxical and unworkable. Existing regulatory framework of authority without responsibility breeds seeds of malpractices. Concept of technical education being a charitable activity is fundamentally flawed and needs a paradigm shift to enlightened pragmatism which marries merit with quality and makes the prospective beneficiaries pay the cost of learning skills even though deferred commitments and service provider (entrepreneur) fair and equitable returns on investment & risks undertaken and also facilitate the process of fair payments to those who impart knowledge and skills.

In concluding words, we can say that over the period of time, growth has taken place in higher education in terms of institutions, enrolments etc. but it is not sufficient. Indian economy is facing various challenges regarding higher education, which need to overcome through appropriate policy formation and their effective implementation. We need job led growth and for this, the thrust should be on quality and vocational/technical education. India has demographic advantage in the form of huge number of young people. To make the best, these young minds need to be provided opportunities for accessing quality higher education. Only quality human resource will ensure emergence of a true knowledge society which will ultimately enhance the country’s competitiveness in the global economy. For better contribution of higher education in Indian economy, there is emergence of paradigm shift from literature type education to productive, job oriented education as per requirements.

A well developed and equitable system of higher education that promotes quality learning as a consequence of both teaching and research is central for success in the emerging knowledge economy. It is widely acknowledged that education contributes significantly to economic development. The developed world understood much earlier the fact that individuals with higher education have an edge over their counterparts. They are the ones who always believed that any amount of investment in higher education was justifiable. It is, therefore, imperative for developing countries too, to give due importance to both the quantitative and qualitative expansion of higher education.

From 1950 to the late 1980s, the planning strategy in India was geared towards ensuring distributive justice, balanced regional growth and positive discrimination in favour of disadvantaged sections. However, with the adoption of new economic policies, since the early 1990s, the development approach has taken an about-turn with the enhanced role of the private sector and the diminishing role of the state. Such
an approach appears to be threatening the goals of social justice, equity and cultural diversity.

In the recent past, the growth trends in higher education seem to have found favour with those courses of study that have high economic payoffs. The participation of the private sector has resulted in the truncated growth of higher education. Besides, the implicit policy pursued by both central and state governments since the mid-1990s to promote school education at the cost of higher education has almost put the brakes on the expansion of public institutions. Such a policy has serious implications for making even existing institutions internationally competitive.

Indian higher education system is, indeed, facing several challenges like access, equity, relevance and quality. Even after significant expansion in the post-independence period, access to higher education in India continues to be poor and more so for the disadvantaged groups. Unfortunately, the country has no comprehensive database to help assess the response of the higher education system to the impact of globalization in the last one and a half decades. The present study makes a modest attempt to discuss the trends in the growth of higher education, besides highlighting some important issues regarding development of higher education in India.

1.3 Future and Challenges faced by Edupreneurs in India

Problems of Entrepreneurs in India

It is given to understand that environment plays an important role in the shaping of entrepreneurial personality. Socialization process, schooling and the brought up of an individual are some of the important variables in the formation of an entrepreneurial personality. An individual spends considerable part of life in educational institutions that too in the formative stages of one’s life. Therefore what is being taught, how, where and by whom one is being taught will have a telling effect on one’s personality.

Modern education in India was designed at providing very effective administrators to implement the ideas of rulers. It never allowed people to think creatively and be innovative. It allowed intelligent people to explore their economic sphere and not intellectual sphere.

Challenges Faced By Edupreneurs in India

Edupreneurs strive to make their educational venture successful. In this path they encounter new challenges and difficulties on a daily basis. They have the will power to overcome them. Some of the common challenges facing today’s edupreneurs
are: grants from Government bodies difficult to get; lack of action by Regulatory agencies against defaulters affects level playing field and hence admissions; bank funding for expansion is difficult to get; lack of clarity in rules and regulations amongst Regulatory agencies; exit barrier and entry barriers in education make it difficult to smoothly come out of education domain; exit barrier from Education Field; slump in economy affects placements hence future admissions. Arranging initial seed capital to start a educational venture is very crucial. Many educational entrepreneurs struggle to find the capital to start a new university / institute. There are many sources to consider, so it is important for an entrepreneur to fully explore all financing options. One begins with personal savings. Experts agree that the best source of capital for any new venture is the edupreneur’s own money. It is easy to use, quick to access, has no payback terms, and requires no transfer of equity (ownership). Also, it demonstrates to potential investors that the edupreneur is willing to risk own funds and will persevere during hard times. Then one takes from friends and family. These people believe in the entrepreneur, and they are the second easiest source of funds to access. They do not usually require the paperwork that other lenders require. However, these funds should be documented and treated like loans. Neither part ownership nor a decision-making position should be given to these lenders, unless they have expertise to provide. The main disadvantage of these funds is that, if the business fails and money goes lost, a valuable relationship may be jeopardized. Next is through credit cards. The entrepreneur’s personal credit cards are an easy source of funds to access, especially for acquiring business equipment such as photocopiers, personal computers, and printers. These items can usually be obtained with little or no money paid up front and with small monthly payments. The main disadvantage is the high rate of interest charged on credit card balances that are not paid off in full each month. Then one approaches banks. Banks are very conservative lenders. As successful entrepreneur Phil Holland explains, “Many prospective business owners are disappointed to learn that banks do not make loans to start-up enterprises. Many entrepreneurs simply do not have enough assets to get a secured loan from a lending institution. However, if an entrepreneur has money in a bank savings account, one can usually borrow against that money. If an entrepreneur has good credit, it is also relatively easy to get a personal loan from a bank. These loans tend to be short-term and not as large as business loans. Next type is venture investors. This is a major source of funding for new ventures that have a strong potential for growth. However, venture investors insist on retaining part ownership in new businesses that they fund.
Formal institutional venture funds are usually limited partnerships in which passive limited partners, such as retirement funds, supply most of the money. These funds have large amounts of money to invest. However, the process of obtaining venture capital is very slow. Several books, such as Galante’s Venture Capital and Private Equity Directory, give detailed information on these funds.

A challenge of major dimensions

Considering both the multitude and the magnitude of the difficulties that Indian higher education faces, it would be easy to be overwhelmed by the problems and to despair of finding solutions. At the same time, given the tremendous potential of India’s booming industry and technology and the considerable progress made in higher education and research in recent decades, it would also be easy to reach a state of exuberance and expect that, somehow, India will surmount these difficulties.

Neither of these two reactions appears warranted on the basis of a sober assessment of the situation. The problems India faces in higher education and research are, as this study and other analyses show, very real and very serious; they will not go away by themselves, nor are they amenable to easy and routine solutions. For them to be overcome seems to require not only massive rearrangements in both the provision and the utilization of public as well as private resources, but also profound and durable changes in institutional cultures inside and outside higher education.

At the same time, the gains to be derived from overcoming these problems and from moving boldly in the direction of an internationally competitive system of higher education and research are tremendous. Dr. Mashelkar’s vision on India becoming “the world’s number one knowledge production centre” is extraordinarily ambitious, but by no means beyond reach; for this vision to be achieved will require an unprecedented effort on the part of everybody concerned, especially if it is to be reached by as early as 2020.

All of the present problems notwithstanding, India has a number of assets that appear to bode well for living up to that challenge. Having built up a modern system of higher education and research virtually from scratch since independence has been a major achievement and should be a solid predictor of future growth. Furthermore, and especially for an outside observer, one of the most impressive aspects of the current situation in Indian higher education is the emergence of an extraordinarily lively and critical discourse on the further direction that the Indian system of higher education should take. It appears that, in many ways, the work of the National Knowledge Commission is aggregating this discourse into actionable proposals for India’s body
Edupreneurs have tried to highlight the efforts that the Government can take to encourage conducive business environment for entrepreneurs; and to ensure simplified start-up processes; improve the delivery time; reduce corruption; collate informational needs of start-ups; improve corporate governance norms; create an environment that will reduce risk, encourage more seed funds and corporate players to provide start-up funding. The government can create up-to-date information source for start-up entrepreneurs in the form of source books, web portals and 'one stop shops' and widen dissemination of all relevant information. It can introduce a Single Unique Company Number to be used by new businesses for company, social security and tax registrations. It can also improve the current Single Window System of getting clearances and introduce a Single Composite Application Form and ease the process of filing taxes by reducing the frequency of tax payments and multiplicity of procedures. It is advisable to create specialized commercial courts for speedy enforcement of contracts and reform bankruptcy laws to ease the process of closing down businesses. Efforts should be made to speed up development of world-class infrastructure. It is advisable to ensure proper publicity and implementation of various promotional schemes and policies, plus setting up a Public Fund for new entrepreneurs using innovative PPP mechanisms. The government should explore venture debt instruments with the help of innovative PPP mechanisms, through SIDBI and similar institutions and establish a secondary market for trade in stocks of smaller companies. The government should develop a comprehensive Incubation Policy at the national level, which would increase quantity, enhance quality and increase access to financing of enterprises. Efforts should be made to explore crucial incentive structures in Incubation such as land schemes (given the level of infrastructure problems that start-ups face), tax sops, banking policies, micro funds, innovative financial schemes, outcome measurement and delivery mechanisms. The government should also explore possibilities of PPP as well as private incubation centres as a way to increase the number of incubation centres in the country and thereby providing wider access to incubation opportunity for new entrepreneurs.

The Market

With a median age of 25 years, India has over 550 million people below the age of 25 years. According to Census figures, over 32 per cent of the 1.26 billion population is between the age group 0-14. This means that the number of people in
India needing primary and secondary education alone exceeds the entire population of the USA. Since these students will be seeking higher education in India over the next decade it illustrates the sheer size of the Indian education market. Presently about 11 million students are in the Higher Education system. This represents just 11% of the of the 17-23 year old population. The government hopes to increase this to at least 21% by 2017- a target which still falls short of the world average. With the emergence of India as a knowledge-based economy, human capital has now become its major strength. This has put the spotlight on severe inadequacies of India’s infrastructure for delivery of education, particularly higher and vocational education.

Demand-Supply Gap

Indian society puts a premium on knowledge and its acquisition - spending on education has figured as the single largest outlay for a middle class household after food and groceries. With its rapidly expanding middle class, India’s private expenditure on education is set to increase manifold. India’s public expenditure on education (centre plus state expenditure) has ranged between 3.26% and 3.85% from 2004-05 till 2009-10 and this needs to increase if it were to come at par with the expenditure incurred by the developed economies. While there has been some private investment in setting up educational institutions, there remains a glaring mismatch in demand and supply, particularly in high quality institutions. Example - only 1 out of approximately 150 applicants gets admission into the elite Indian Institute of Management (IIMs) compared with the ratio of 1:10 for MIT. It is therefore not surprising that an industry chamber has recently reported that 450,000 Indian students spend over USD 13 billion each year in acquiring higher education overseas. To reduce the demand supply gap in school education, it has been proposed in the 12th FYP (2012-17) to set up 6,000 schools at block level as model schools to benchmark excellence. Of these, 2500 will be set up under Public Private Partnership. Further, easy availability of education loans to students it has been proposed in the recent budget to set up a Credit Guarantee Fund for this purpose.

Policy regime

- 100% FDI in education allowed through automatic route.
- A high-powered advisory body - National Knowledge Commission (NKC) set up
- NKC recommendations tremendously successful in increasing Government’s focus and plan outlay on education
• NKC has recommended that the number of universities increase from the present 370 to 1500 by 2016, considered a highly ambitious target, but inadequate to meet demand for quality education
• Government has identified expansion, inclusion and rapid improvement in quality throughout higher and technical education system.
• For higher education, an expenditure of USD 37.13 billion has been projected to achieve the proposed objectives during the 12th Five Year Plan (2012-17)
• In December 2010, AICTE notified regulations for grant of approval of technical institutions. The AICTE permitted Section 25 Company to act as a sponsoring body of a technical institute with the rider that no foreign investment (directly or indirectly) will be permitted in such a company

The Opportunity for Private Participation

Government resource allocation is inadequate to meet its own targets (30% GER by 2020) leaving enough scope for private participation. The twelfth Five Year Plan (2012-17) allocation for technical and higher education has been raised by almost nine fold to ~USD 18.8 billion from ~USD 2.1 billion in the previous Plan. However, this is still a fraction of the estimated requirements for achieving the targets.

Central theme of Regulators and Courts:

"Education should be a not for profit activity". India has a federal set-up and the Indian Constitution places ‘Education’ as a concurrent responsibility of both the Centre and the State. While the Centre co-ordinates and determines standards in higher and technical education, school education is the responsibility of the State. The key policy making agencies for higher education are:

- Ministry of Human Resource Development (Higher Education Department) - lays down the National Policy on Education
- Central Advisory Board of Education (CABE) - coordination and cooperation between the Union and the States in the field of education
- State Councils for Higher Education – coordination of roles of Government, Universities and apex regulatory agencies in higher education within the State.

Though a significant part of the Indian higher education system is regulated, there are certain areas that are not.

Unregulated Institutions can be registered as private/public companies that can legitimately distribute dividends. Unregulated Sector Provision of innovative services to educational Institutions (school, higher and vocational) as well as students and corporations is a rapidly growing area of opportunity. There are a number of private
companies operating in this sector, some of which are listed. There have also been a number of M&As in this sector. Provided that such institutions do not provide education leading to award of a degree or certificate, they can be incorporated as a company, are beyond the regulatory regime described earlier and can distribute profits. Examples of such institutions include:

- Language Training
- Tutorials/Coaching
- Education services companies
- Content providers
- Corporate Training

University / College Education

A University can be set up only through a legislation passed by Parliament or a State Legislature. Alternately, UGC can confer ‘deemed/denovo university’ status to an institution which can then grant degrees. Colleges are either affiliated to a University or are independent. Only students of colleges affiliated to Universities can get degrees. Since these need to be registered as not for profit entities, they cannot distribute profits. However, it is possible to structure provision of services to them through private companies.

Vocational Education

The Government has been actively encouraging private participation in vocational education – both through private enterprises and public private partnerships. The government has also announced incentives including financial assistance for public private participation in Industrial Training Institutes. The All India Council for Technical Education (AICTE), Ministry of Human Resource Development (MHRD) recently launched the National Vocational Education Qualification Framework (NVEQF) which was implemented in polytechnics, engineering colleges and other colleges in the university system from 2012-13. This is expected to cater to at least 5 million students applying for vocational degrees and diplomas every year, which can provide self-employment or meaningful employment even if 1/3 of the institutions are approved to conduct these programmes. AICTE would provide the requisite statutory approvals to any institutions wishing to conduct these programmes from the academic year 2012 throughout the country. The institutions can choose a maximum of 500 students per institute with 100 students per sector in any five sectors out of the sectors identified.

Services in the Education Sector
There is a vast opportunity for provision of innovative services. Given regulatory constraints, lack of infrastructure and severe competition for quality education, there is a large and rapidly growing market for coaching and tutoring services imparted through new and innovative means, particularly the internet. In addition corporate are increasingly outsourcing skill training activities to specialized institutions.

Entry of Foreign Entities

While 100% FDI in companies engaged in higher education is allowed on the automatic approval route, regulatory issues have constrained the actual flow of FDI. The major bottle-necks have been the “not for profit principle” and lack of clarity on existing regulations. AICTE prohibits foreign investment either directly or indirectly in the sponsoring entity.

AICTE regulations for Foreign Universities

AICTE has in place regulations for Foreign Universities / Institutes which propose to collaborate / enter into twinning arrangement (where a student does a part of the course in India and part overseas) in Technical Education. The broad features of these regulations are: • Franchise is not permitted • Fee/seats prescribed by AICTE • Degree/institution to be recognized in the home country • Compliance with affirmative action mandatory • For degree granting institutions, affiliation / tie-up with Indian University mandatory

Foreign University Campuses – Legislation Awaited

The Foreign educational institutions (Regulation of entry and operations) Bill, 2010 has been tabled in Parliament. Key features of the Bill (based on newspaper reports) are:- • Own Campus • Franchise route not permitted • Prior Central government approval mandatory • Embassy to certify antecedents of the University • Reservation applicable • Fee and admission policy will be regulated • No profiteering/commercialization allowed • Some relaxations for universities of excellence if they fulfill certain conditions • Requirement of a deposit of INR 50 crore (~ USD 10 million) as corpus fund

Key Issues and Challenges for Foreign Participation

• The “Not-for-Profit” entry barrier for private capital.
• Regulatory framework is a major barrier. Multiple approvals are required.

Policies are also inconsistent. For instance, though the FDI Policy permits 100% FDI through automatic approval route in the education sector, AICTE prohibits foreign participation - direct and indirect in JVs in Indian institutions
• UGC is not open to recognizing Foreign Universities PwC’s Service offerings
• Limitations on intake of students (quotas, foreign students, mode of admission etc.) • Limited choice of entity – Trust, Society or Section 25 company
• Lack of availability of trained faculty
• Course content not in line with the expectations of the industry leading to poor employability • Low industry interface
• Excessive and multiple regulators and regulations
• High capital expenditure requirements for setting up Higher Education institution with quality infrastructure

By 2050 India’s working age population will amount to a staggering 900 million.

“The wealth and prosperity of a nation depend on the effective utilization of its human and material resources through industrialization (investment capital). Diversity of governance systems is truly mind-boggling and unlike in any other country.

☐ The best colleges in technical education account for less than 3%.
☐ System of accreditation is dysfunctional.
☐ Government support to private institutions should be seriously considered.
☐ Regional imbalance with impact on regional economy.
☐ 4 States (Andhra Pradesh, Karnataka, Tamil Nadu and Maharashtra) account for 57 % of ITES & BPO employment.
☐ Several large states are practically non-existent in the biotechnology scene.
☐ Faculty shortage and faculty dominated by B.Techs, poor quality of teaching; several graduates unemployable; failure rate high in some states. Data show that there is no dearth of employment opportunities for M.Techs and Ph.Ds in academic institutions.

Not a happy situation at Master’s and Ph.D. levels. Government support to PG education and Ph.D. research in private institutions - about 500 of them - could be considered. Going up the value chain in higher education and achieving higher outturns is a daunting challenge

International flavor in our academic institutions is nearly absent.

USA has flourished most because of the long practiced tradition of internationalization of their academic faculty and students.

Consequences of low research across disciplines
Desirable features of a role model institution for higher technical education and research

- Government’s role limited to facilitation
- Internationally acclaimed best practices
- Research intensive UG programme with strong foundation in Mathematics, Physics, Chemistry, Biology and Liberal Arts (e.g. 4-year B.Sc. programme at I.I.Sc. which allows easier migration between science and engineering streams)
- PG and Research degrees in advanced fields to serve high-tech indigenous programmes of public and private institutions
- Potential for India’s human capital to dominate in globalized knowledge economy
- India potentially could be the single largest producer of highly qualified engineers and an awesome possessor of the largest young workforce with the highest level of knowledge skills in the world.