1 Introduction of the Study

Entrepreneur means ‘To Undertake’. Gathering resources along with innovations in finance and business insight in order to convert those for economic goods are core of entrepreneurship. According to Schumpeter, entrepreneurship is “focused and systematic innovation”. Entrepreneurship refers to ability to think of and start new business. Concept of Entrepreneurship development is Employment creation and Economic growth, in turn means enhancing Entrepreneurial skills.

1.1 Statement of problem

It is known that Latur district is one of the dry regions of Maharashtra state. Hence young generation from Latur is shifting to metropolitan cities because of no employment opportunity in Latur. These cities could not tolerate furthermore population due to huge stress on fundamental facilities. Every city has its limited resources. And as population get transformed demand of everything gets raised so prices of goods and services, houses are increasing, so it is not very beneficial to increase metropolitans. So to stop population migration and to alleviate people life style there is need of entrepreneurship development. In sub-urban/rural areas cheap labour available, Low cost of land, government’s special incentives, in opposite in metropolitans high cost of Land, labour’s high wages, natural resources scarcity. So researcher recognised there is need of entrepreneurship development. The present researcher belongs to Latur region. Therefore, he felt an urge to study development of entrepreneurs, entrepreneurship development specifically in MIDC Latur. Concerning this problem researcher tried to find out relationships & effects regarding following aspects.

- Is there any significant relationship between Socio-Economic Profile of an Entrepreneur and Entrepreneurial capabilities of an Entrepreneur at Latur MIDC?
- Is there any significant effect of Government initiatives and policies on Entrepreneurship Development at Latur MIDC?
- Is there any significant effect of problems faced by entrepreneurs on Entrepreneurship Development at Latur MIDC?
1.2 Need/ Significance of the Study

Latur is in a state of transition so such a transition is possible only with the rise of small scale and rural enterprise in all works of life. Maharashtra Government granted three additional MIDC for plot allotment viz. MIDC-1, MIDC-2, MIDC-3, which means very large land is acquired. Every youth from Maharashtra is going to Mumbai-Pune for job and in these cities employment is available according to qualification means from 10\textsuperscript{th} failed up to PG qualified. Because of that reason, these metro cities have much stress on providing fundamental needs viz (water-light-food-traffic facility) and exactly opposite situation in Latur, where nobody from young generation is willing to settle in Latur. Ultimately there is transformation at all which is very dangerous for future. Hence, there is need of Entrepreneurship development in Latur so that industries will come and youth will not have to leave their native place. The low cost production in Latur will also result in final product price being cheaper as compare to metro-Politian cities. Government has sanctioned water facility from other district dams’ viz. Ujani Solapur to Latur. The thermal electricity station at Parali and Power grid at Ausa, nearby Latur provides adequate electricity to the area. Strong political will power sanctioned many projects for Latur, only there is need of implementation of the same. Latur district has highly productive black soil for agriculture. And nowadays, raw agricultural products produced from Latur are being sent to Pune, Mahabaleshwar etc. for food processing, instead of which, processing is possible in Latur only if the availability of basic infrastructures provided for the same. Most developed industry is sugar industry (on cooperative basis) but establishment of Pvt. Ltd. Industries or sole proprietorship is also possible. Nowadays, businesses or industries are mainly operated by Marwari community, so other castes are prefer to shift at metropolitan cities but it can be minimised by entrepreneur ship development. So researcher recognised need of the study about entrepreneurship development at Latur MIDC.

1.3 Objectives of the study

The topic is related with entrepreneurship development and entrepreneur’s problems therefore objectives are stated with a focus on subject matter under study.

The objectives of present research work are as follows.
1. To understand concept of Entrepreneur, Entrepreneurship and Entrepreneurship Development.

2. To study socio-economic profile of Entrepreneurs at Latur MIDC.

3. To identify problems faced by Entrepreneurs and provide solutions at Latur MIDC.

4. To study the Government’s initiatives and policies for Entrepreneurship Development.

5. To draw conclusions and recommendations for Entrepreneurs in Latur MIDC.

1.4 Scope of the study

The objectives for the study have already been stated earlier. The need of study considered mainly survey of growth and development of entrepreneurship. In this context, the scope of the study is described.

This study included entrepreneurs who started out their business units in between time period of year 2010-2014 at Latur MIDC. This study focussed on studying socio-economic profiles of these entrepreneurs, identifying specific problems faced by them, assessing government’s initiatives and policies for development of these entrepreneurship such as infrastructural facilities, financial credit facilities, studying effectiveness of training, guidance & EDP’s provided and eventually drawing certain conclusions and recommendations for future budding entrepreneurs and different governing bodies concerned with boosting entrepreneurial initiatives. This study identified entrepreneurs according to their investment in plant and machinery as micro, small, medium and large enterprises.

The study aimed at providing a co-relation of different factors, viz. socio-economic aspects, availability of Land, availability of Finance, operational and marketing problems, problems faced by entrepreneurs and initiatives taken by government for entrepreneurship development. Further, other questions as to the extent of supply of indigenous entrepreneurs, factor affecting supply, extent and quality of the efforts made to develop entrepreneurs and their impact, environmental factors; both as stimulants and constraints for development of entrepreneurship in the region. The study also focussed on critical appraisal of the government policies, organizations concerned with promotion and development of small enterprise. This study also assesses creation of opportunities,
extended facilities, requisite knowledge and qualification, allowing incentives entrepreneurs can be developed.

Latur comes in D + zone. There is scarcity of resources like land and labour in Cosmo Politian cities but in cities like Latur resources can be available in cheap rate. Due to cheaper rates of raw materials and air, train connectivity final price of product would become less, logistics of raw material & finished goods would also be possible. Government has sanctioned three divisions of additional MIDC viz. MIDC no.1, 2, and 3. Edible oil SEZ sanctioned, power grid established. Good agriculture production viz. Soyabean, Peanut, Sunflower, Dal, Sugarcane, etc. An Information Technology Park with 2560 Sq.fts. area and 31 offices is also ready in Latur city. For adequate Power facility to entrepreneur’s unit, central government sanctioned 1600 MW BHEL-MAHAGENCO power plant. This study helps to assess the effect of these entities on development of entrepreneurship in Latur district.

As we know entrepreneurship development principally relates with facilities offered by government. In Latur city more than 20 regional head offices of government have been established viz. Education, health, MSEDCL, agriculture, transport, cooperation, Social welfare, MIDC, Pollution. Sub-centre of SRTMU Nanded University is located at Latur so it is beneficial for research activities. This study thus demonstrates the effectiveness of these facilities on entrepreneurship development in Latur. The government policies like irrigation policy are also important for overall entrepreneurship development.

Disparities exist in social, economic and other fields of line vermin rural and urban areas of the district. It leads to unemployment under development, poverty, imbalance in industrial development etc. To reduce intensity of the socio-economic problems and give social justice with proper development of entrepreneurs, Bank and developmental agencies in the district are expected to accept emerging challenges for providing infrastructure facilities to entrepreneurs working in small, medium and few large units in Latur MIDC. This study also helps identify these problems, possible solutions & their effect on entrepreneurship development in Latur.

1.5 Formulation of Hypotheses

A hypothesis is an unverified assumption that uncertainly describes some facts or singularities. In generally, hypothesis is a prediction. However, Successful business
operations and legislative act demand strict observance of certain rules, ethics which remains substantially same.

**Hypothesis: 1:**

*Ho* - There is no significant relationship between Socio-Economic Profile of an Entrepreneur and Entrepreneurial capabilities of an Entrepreneur.

*Ha* - There is significant relationship between Socio-Economic Profile of an Entrepreneur and Entrepreneurial capabilities of an Entrepreneur.

**Hypothesis: 2:**

*Ho* - The Government initiatives and policies does not significantly affect Entrepreneurship Development at Latur MIDC.

*Ha* - The Government initiatives and policies significantly affect Entrepreneurship Development at Latur MIDC.

**Hypothesis: 3:**

*Ho* - The problems faced by entrepreneurs does not significantly affect Entrepreneurship Development at Latur MIDC.

*Ha* - The problems faced by entrepreneurs significantly affect Entrepreneurship Development at Latur MIDC.

**Nature of Problem**

Almost all the economists now conclude the need for entrepreneurship development of countries like India on following grounds.

- Raise per capita income
- Expands employment opportunities
- Increasing returns
- Builds a self-reliant and self-sustained economy
- Generates modern attitude
- Strengthening the economy
The achievement of India’s economic growth relates with capacity to produce and export goods in exceedingly competitive international market. In general, changing scenario in India is influenced by three driving forces- customer, competition, and change. The economic reforms that were launched in India were planned to shift economy into growth phase by relying more on market oriented course of action. The Indian economy grew by a brilliant 9.4 per cent in 2006-07, the fastest in 18 years. The growth was driven by excellent performance by manufacturing and service industry, in spite of a lag in agriculture sector. The Indian economy has thus seen a shift to a higher growth curve. According to J.K. Galbraith, three types of economic development that are currently in trend are symbolic modernisation, maximised economic growth and selective growth. The process of socio-economic change is a basic element of human civilization. Man has been motivated for ever to discover nature’s secrets and thereby benefit in creating a peaceful and wealthy life for himself. Man prospered a lot by agriculture, industrial and information activities.

1.6 Entrepreneurship Development in World Context

In an increasingly competitive world and with greater value created and delivered through intellectual capital, an important requirement of being a successful entrepreneur today is to have remarkably strong intellect supported by vision and a passion to add value through ‘thought’ leadership. Ability to spot, develop, nurture and preserve talent is another key skill for entrepreneurs of today and tomorrow. With increasing ambiguity and faster pace of change, leader must have an entrepreneurial streak in them if even working for large, diversified and publically held corporations. This would allow them to spot trends and opportunities before others can and then act promptly using a combination of sound business techniques. With flattened hierarchies and generally a younger talent pool, particularly in many of the new economy sectors as information technology, media, retail, telecom, financial services, biotechnology and entertainment. Today’s entrepreneurs must have capacity to understand and communicate at all levels. She or he must be able to bring together with the entire team rather than stick out like the well-known sore thumb. Strong communication and interpersonal skills is therefore important asset in the list of the skill set of successful entrepreneurs. The challenge of a more competitive operating environment needs tougher leaders. A successful entrepreneur must be result oriented and performance driven. If this means taking harsh decisions, an entrepreneur must be a highly result oriented and performance driven. If this means taking tough decisions may needs
personal unhappy or pain. This does not mean that an entrepreneur should not have care or a sense of understanding with their team. However, care should not get mixed with a tolerance of poor performance. In 21st century, the chance for growth, profits, success and the speed of development is increasing globally, and the capability to adopt changes and readiness to adopt best practices, will attain new value. This could only be added by the growth of entrepreneurship and increase of entrepreneurial behaviour. It is very important for people to understand the importance of being able to think from an entrepreneurial viewpoint. Entrepreneurship has been considered for long as a course of action primarily aimed at creating one’s own business venture and contributing to economic development and employment generation.

1.7 Entrepreneurship Development in Indian Context

Industrialisation today is the most patent engine in the hands of developing countries to put its economic growth into top gear. It is an effort on which India may pin its hopes of finding long-lasting solutions to their problem of poverty, insecurity and over population as well as ending their economic and social backwardness in the modern world. Entrepreneurship has been the main strength behind the economic growth of the western countries. The essential factor in the industrialization is entrepreneur. The part played by entrepreneurs in India has inspired under developed countries to know the importance of entrepreneurship in any programme of rapid economic development and needed to promote entrepreneurship in quality as well as quantity. India, after independence, adapted a mid-way for economic development. The roles of the public and private sector were clearly defined through industrial policy statements. Some industries were kept for public sector while some were assigned to private sector, rest were to be shared by both sectors. The enormous task for transformation was not achievable without the active co-operation of the private sector. The government undertook the initiative by creating infrastructure needed for quick industrial and economic growth. It also began helping entrepreneurs to arrange industrial inputs like raw material, fuel, finance. Different steps taken by the government helped a large number of entrepreneurs to come forward and give a boost to the overall growth of the country. It is argued often that the government’s involvement adversely affects entrepreneurship under the private sector. But there is enough proofs supporting the fact that government’s active involvement in business, trade, industry and
finance is essential for motivating technology and entrepreneurship in all developing countries including India.

1.8 Concept of Entrepreneur

![Diagram](https://via.placeholder.com/150)

Figure 1: Basics of an Entrepreneur

Source: The Dynamics of Entrepreneurial Development and Project Management, Book by Vasant Desai, Pg.16

The concept of entrepreneur differs time to time with respect to different countries and also from level of economic development. Even the founder, creator and risk taker are called entrepreneurs. They have some qualities but they are not entrepreneurs in exactly. The term ‘entrepreneur’ can only be understood in its entirety, never in fabricated manner. In figure, it is shown that every entrepreneur has an organisation and that is to be managed by him. So for better management of organisation entrepreneur should possess certain aspects such as urge, skill, vision, risk and innovation in his/her enterprise.

Following figure shows some relationships regarding entrepreneurship. Risk taking is directly related to innovation and vision but innovation and vision are interdependent each other. Organisational skill is related to vision as well as operational excellence and Innovation and organising skills both leads to operational excellence.
1.9 Various authors view on term ‘Entrepreneur’

1.9.1 Schumpeter’s view on Entrepreneur

He writes, “The entrepreneur in progressive economy is a person who launches something new in market. It can be a new source of raw material or of new markets and alike.” In short, an entrepreneur is a person who innovates, raises money, assembles inputs, selects managers and establishes organization.

1.9.2 Drucker’s view on Entrepreneur

He explored that, “Innovation is particular action of entrepreneurs by which they use changes as an opportunity for a different business. It is capable of being presented as a discipline, capable of being learned and practised.” Entrepreneurs need to identify the sources of innovation, changes and their symptoms that show opportunities for successful innovation. And they are needed to know & apply the principles of successful innovation.

1.9.3 Walker’s view on Entrepreneur

According to him, an entrepreneur has more than average capacities in organising and co-ordinating the various factors of production. He must be a pioneer, a captain of industry. The supply of such entrepreneurship is however quite limited and enterprise consists of organisational skill and capability. The more efficient entrepreneurs receive a surplus rear over and above managerial wages and this sum constitutes true profit for superior talent.
1.10 Classification of Entrepreneurs

The classification of entrepreneurs is highlighting wide array of entrepreneurs found in various businesses and professions. Let us discuss each type of entrepreneur. Entrepreneurs are found in several forms of businesses occupation. They can be classified as follows:

Figure 3: Classification of Entrepreneurs

According to the Motivation

- Pure Entrepreneur
- Induced Entrepreneur
- Motivated Entrepreneur

According to the Growth

- Growth Entrepreneur
- Super growth Entrepreneur
- Business Entrepreneur
- Trading Entrepreneur
- Industrial Entrepreneur
- Corporate Entrepreneur
- Agricultural Entrepreneur
- Technical Entrepreneur
- Non-technical Entrepreneur
- Professional Entrepreneur
- First generation entrepreneur
- Modern Entrepreneur
- Classical entrepreneur
- Innovative entrepreneur
- Imitative entrepreneur

According to the stages of Development

- Business wise
- Technology wise

According to the stages of Development

- Business wise
- Technology wise
According to Area:
- Urban entrepreneur
- Rural entrepreneur

According to Organization:
- Individual entrepreneur
- Group entrepreneur
- Institutional entrepreneur
- Private entrepreneur
- Public entrepreneur
- Government entrepreneur

According to Gender and Age:
- Men entrepreneurs
- Women entrepreneurs
- Young entrepreneurs
- Old entrepreneurs
- Middle-aged entrepreneurs

Source: The Dynamics of Entrepreneurial Development and Project Management, Book by Vasant Desai, Pg.53

**Unclassified**

1. Professional entrepreneurs
2. Philonthropreneurs
3. Non-professional entrepreneurs
4. Entrepreneur employees
5. Immigrant entrepreneurs
6. Creative entrepreneurs
7. Trading entrepreneurs
8. Multifaceted entrepreneurs
9. Skilled entrepreneurs
10. Promoter entrepreneurs
11. Non-skilled entrepreneurs
12. Innovative entrepreneurs
13. Imitating entrepreneurs
14. International entrepreneurs
15. Serial entrepreneurs
16. National entrepreneurs
17. Social entrepreneurs
18. Orthodox entrepreneurs
1.11 Nature and Importance of Entrepreneurs

The world is speedily transforming and we must capable to modify outlook and approach to prevent a country big and potential as India to exist on the edge of world's economy. Modification procedure involves formation of suitable infrastructure and establishing management of public services. According to requirements many activities need to happen. Non-conservative energy sources should start on commercial basis. In addition, recent practices in farming have become mandatory for progression of employment. Further requirement of land, labour and capital for growth of enterprises is crucial. In this context, an effort has been made to analyse nature and importance of entrepreneurs.

1.12 Functions of Entrepreneur

An entrepreneur is a chance hunter. He must carry out several worthy tasks for launching a start-up. He identifies the business prospects and assembles the other resources like 5 Ms — man, money, machine, materials and methods. Still, the leading functions of entrepreneurs are as below.

1. **Deciding the Project:** This is a significant virtue of entrepreneur. It can be done through the intuition, perception, opinion, knowledge, training and experience of the entrepreneur. Project can be decided through market review.

2. **Risk Taking:** It is a very imperative function of entrepreneur. This function is implied when entrepreneur starts his/her business. Depending upon nature of business and type of business risk can be taken.

3. **Raising Finance:** It is an essential function of an entrepreneur. Every undertakings of an enterprise relied on finance and its utilisation. It is accountability of an entrepreneur to generate finance. He must be alert of several sources of capital. He must have awareness about various government schemes such as PMRY, REGP, etc. by which he can get help.

4. **Planning Production:** This function facilitate entrepreneur for inventory management and scheduling. For this an entrepreneur should procure raw material, machinery, labor management, etc.
5. Managing Enterprise: By efficient utilization of all resources entrepreneur should manage enterprise. Acquiring raw material to completion of finished products everything comes under managing enterprise.

6. Innovation: It is a foremost vital function of an entrepreneur. Innovation leads to success of firms. In today’s competitive world product selling is depend upon uniqueness of product. It can be accomplished by only innovation, research and market analysis.

7. Earning Profits: It is a fundamental function performed by an entrepreneur. It results of entrepreneurial activity. In spite of all activities entrepreneur must earn profits. In initial days of start-up it may not possible but after setting of business profits must be earned for survival of business. In brief, all these functions of an entrepreneur can be categorised as: Innovation, Risk bearing, Organization and management.

1.13 Role of Entrepreneurs
Entrepreneurs plays significant role in economic growth of a nation. They are driving forces of innovation, wealth enrichment by implementing new ideas, new products. Entrepreneurs should form capital and generate employment. They should create backward and forward linkage to develop backward area.
1.14 Entrepreneurial capabilities

Entrepreneurial qualities and motivation are crucial functions of management. The entrepreneurs have some fundamental values and responsibilities. The precise approach is a winning combination of taking initiative, making right decisions at right time, being passionate about one's work, being innovative, analytical, focused, professional and intelligent with flawless behaviour, positive thinking, perseverance, hardworking and creativity. An entrepreneur can have some capabilities and remaining competencies has to develop by training, experience and guidance.

Figure 5: Entrepreneurial capabilities

Source: The Dynamics of Entrepreneurial Development and Project Management, Book by Vasant Desai, Pg.29
1.15 Characteristics of an Entrepreneur

The characteristics of an entrepreneur are essential for making him successful in business. A successful entrepreneur should be ambitious with clear vision of what to do. His value system must be honest, ethical. He should be flexible to adapt conceptual skill with maturity. Entrepreneur must be passionate, goal setter and must possess integrity for his business. His organizational skills, administrative ability, intelligence should be adequate to run business. Entrepreneur must be creative, innovative with clear objective to create demand for his products or services. He should have effective communication to maintain public relations.

Figure 6: Characteristics of an Entrepreneur

Source: The Dynamics of Entrepreneurial Development and Project Management, Book by Vasant Desai, Pg.31
1.16 Qualities of an Entrepreneur

It is misconception that entrepreneurial qualities are inborn and cannot be developed. Because up to certain level entrepreneurial qualities can be developed. For example, logical talent can be improved by education, while practical knowledge can be improved by experience in real life. Entrepreneur should be visionary, motivated, and dynamic in nature to adapt qualities of entrepreneurs. He would be innovative, risk taking and good organizer and determined to run enterprise. Entrepreneurs ought to have strong will power, tactfulness, self-confidence and inbuilt values to succeed in business. Following are some necessary qualities of entrepreneurs.

Figure 7: Qualities of a Successful Entrepreneur

Source: The Dynamics of Entrepreneurial Development and Project Management, Book by Vasant Desai, Pg.33
1.17 Need for Skills

We frequently talk about transfer of technology. In fact, the whole world is talking about it. There is barely any international event at the global and regional level where this subject does not rise for discussion. The development of entrepreneurial skill must come for transfer of technology if we do not wish to keep such technologies and equipment serving such technologies remains idle. Also one has to understand that technologies are developing very fast and the skills should match with this growth. An entrepreneur has to be conscious about updated technologies, modern tools and equipments, processes and system and skills. In this task his whole organization, however small it may be has to join the exercise. Here some entrepreneurial skills are elucidated.

Figure 8: Entrepreneurial Skills

<table>
<thead>
<tr>
<th>Skills</th>
</tr>
</thead>
<tbody>
<tr>
<td>Visualisation</td>
</tr>
<tr>
<td>Planning</td>
</tr>
<tr>
<td>Risk - taking</td>
</tr>
<tr>
<td>Ability to deal with situations</td>
</tr>
<tr>
<td>Organisation</td>
</tr>
<tr>
<td>Elicit positive response from administrators, bankers, infrastructure institutions, clients and employees</td>
</tr>
<tr>
<td>Awareness to technology, tools and equipment, machinery</td>
</tr>
<tr>
<td>Knowledge of the product, processes, packaging, advertising and market potential</td>
</tr>
</tbody>
</table>

Source: The Dynamics of Entrepreneurial Development and Project Management, Book by Vasant Desai, Pg.36
Entrepreneurs must be able to foresee, visualise his business in advance. He plans, takes risk and organise resources in such a way that enterprise will be succeeded in future. He should have skills to convince bankers, institutions, clients and employees to keep good and faithful relations with him. It is also a skill of entrepreneurs to understand the technical knowhow of the product, processes, packaging and advertising of goods/services in consumer market.

1.18 Features of Entrepreneurs

An effort to find out the secret of entrepreneurs' achievement has pre-occupied by writers and analysts from a variety of disciplines. Biographies of successful entrepreneurs and businessmen, for example, frequently reflect the tendencies of the subjects of such studies in terms of hard work and clean living. As an alternative to the biographical models are those studies that turn the entrepreneur into a superman, manipulating the complexities of an uncertain world with a sure and supreme touch. Thus emerges the idea of the "genius entrepreneur" whose achievement is in large measure caused by his dedication to setting high goals and reaching to them. He has vision of his own objectives and sets his own goals on the basis of his own perception, his own capabilities and to satisfy his own needs and not on last year's results.

1.19 The Concept of Entrepreneurship

![Concept of Entrepreneurship](image)

Source: The Dynamics of Entrepreneurial Development and Project Management, Book by Vasant Desai, Pg.125

Entrepreneurship is the active course of action for generating prosperity. Researcher study relates to entrepreneurship development. But firstly entrepreneur is a person that we
studied earlier. Entrepreneurship is a process of action performed by entrepreneur. And enterprise is an organization which is run by entrepreneur. So it is an object on which process of action is done by person. Thus process of an action which is called entrepreneurship is very important.

1.19.1 What is Entrepreneurship?

![Figure 10: Characteristics of Entrepreneurship](source)

Entrepreneurship is recognised with some particular aspects. To accept challenges for attaining aims and objective is primary characteristics. In process of entrepreneurship decision –making is also crucial as at every stage he needs to decide. Risk taking and Innovations are foundations of entrepreneurship. Finally for making enterprise the success, skilful organizational management is needful. There are neither, for all-time, aggressive races nor commercial classes. Communities, which in the course of history once come into view to be aggressive, in later periods, emerged as commercial societies. Those who were once more concerned with and enjoyed in trade, later in history, seem to have taken to the profession of the sword. Today, it is quite evident to anyone that national communities which have developed world-wide industrial and consequent commercial interests are militarily powerful, great industrial powers have today become super-military powers as well. Enterprise finds expression in different ways. Enterprise, ready for seeking business and quick respond to profit by way of producing or marketing goods and commodities, to meet up the intensifying and diversifying actual and potential needs and demands of the
customers, is what comprises entrepreneurial objects. But this kind of feeling of enterprising citizens throws up a species of entrepreneurs, who are typically commercial in attitude and performance. In underdeveloped countries like India, a new class of entrepreneurs is wanted, because here the economic growth has to be brought about along with social justice. Entrepreneurship in India, therefore, has to endow with the national objective. There is clear argument between social objectives and economic importance. This conflict has to be resolved first by the individual entrepreneur in his own mind and make economic growth, which promotes industrial development, as one of the tool of accomplishing social objective. A high sense of accountability is thus necessary for nurturing entrepreneurship in India.

1.20 Entrepreneurship: Some Important Definitions

Joseph Alois Schumpeter: (1883-1950)
Entrepreneurship is a process to break the status quo through new combinations of resources and new methods of commerce.

Richard Cantillon:
Entrepreneurship is a topic of foresight and willingness to assume risks, which is not necessarily connected with the employment in some productive process.

Leon Walrus:
Entrepreneurship is not itself a factor of production, but somewhat a function that can be carried on by an agent.

William Diamond:
Entrepreneurship is equivalent to 'enterprise' which involves the willingness to presume risks in undertaking an economic activity particularly a new one.

Janil and Howard Stevenson:
Entrepreneurship is a process by which individuals — either on their own or inside organization — pursue opportunities without regard to the sources they currently control.

Isrel Kirzner:
Entrepreneurship means alertness towards profit opportunities.

Peter Drucker: 1909-2005
Entrepreneurship is neither a science nor an art. It is a practice. It has base of knowledge. Knowledge in entrepreneurship is a means to an end. It is not just concerning making money. It is about imagination, flexibility, creativity, willingness to think conceptually, readiness to take risks, ability to mobilize factors of production and capacity to see transform as an opportunity. It is also about marrying passion and process with a good dose of perseverance.

M. Low and J. McMillan:
Entrepreneurship is the formation of a privative economic organization for the purpose of gain or growth under conditions of risk and uncertainty.

H. Aldrich and C. Zimmer:
The definition of entrepreneurship comprises more than the simple creation of a business, it also includes the making and implementation of an idea.

Robert Ronstandt:
Entrepreneurship is the energetic process of creating incremental wealth. The wealth is created by individuals who take for granted the major risks in terms of equity, time, and career assurance or provide value for some product or service.

Robert K Lamb:
Entrepreneurship is that type of social decision which is performed by economic innovators.

V R Gaikwad:
Entrepreneurship connotes innovativeness; insist on to take risk in face of uncertainties and an intuition.

Musscleman and Jackson:
Entrepreneurship is the investing and risking of time, money and effort to start a business and make it successful.

H N Pathak:
Entrepreneurship involves, (i) awareness of an opportunity (ii) organizing an industrial unit, and (iii) running the industrial unit as a profitable.
The Global Entrepreneurship observer:

Entrepreneurship is the process of planning, organizing, operating and assuming the risk of a business. Monitor venture, is now a major activity. The ethnicity of entrepreneurship is deeply rooted: Entrepreneurs are celebrated role models, breakdown is seen as a learning experience, and the entrepreneurial career alternative is regarded as attractive. In today's economic environment, entrepreneurship is a key constituent of globalization.

1.20.1 Strategic Phases of Management

• Standardize strategies constantly with board members.
• Share the company's progress towards set objectives with employees.
• Honor employee stock options on a case-by-case basis.
• Encourage growth by tapping employee's experience and abilities.
• Set up written short-term and long-term plans.
• Make certain two-way decision-making among the top management.
• Revolve between two and five top managers into entrepreneurs.
• Add to the number of management levels only as sales grow.
• Set up entrepreneurial competencies in finance, marketing, and operations and entail the board of directors in all matters of management.

1.21 Socio-Economic Origins of Entrepreneurship

The entrepreneurship process is ruled by fluctuating combination of socio-economic, psychological, cultural and other elements. Observed studies have recognized the following socio-economic aspects:

1. Cast/religion

2. Family background

3. Education Qualification

4. Level of perception

5. Occupational background
The entrepreneurs who began their enterprises during 60s mainly came from mercantile and allied backgrounds. However, a small tilt in favor of occupations which traditionally have been unconcerned with entrepreneurial activity, viz., general serviceman, technicians, business executives, doctors, lawyers and the like was obvious among entrepreneurs rising for the first time after Independence. The main springs of entrepreneurship have been the traditionally trading castes of Hindu and Jain Banias from Gujarat, Rajasthan and Chettiar of Tamil Nadu. Besides, the new jumps of entrepreneurship developed among other communities like Brahmans all over the country, particularly the South, Naidus of the South, Patels of Gujarat, Kayasthas of West Bengal, Sikhs, Khatris and Aroras of Punjab making entrepreneurship a general phenomenon.

The traditionally trading communities of Hindu and Jain Banias have depended on modern sector more than others. Interestingly, among the regional communities the South Indians have chosen their promotions in traditional sector more than the Gujaratis and Marwaris.

1.22 Obstruction to Entrepreneurship

Many entrepreneurs especially in the small scale industries are unsuccessful due to numerous obstacles. Karl H. Vesper has acknowledged the subsequent entrepreneurship hurdles:

1. Absence of a feasible idea
2. Deficiency of market information
3. Shortage of technical expertise
4. Deficiency of seed capital
5. Absence of business knowhow
6. Self-satisfaction — nonexistence of motivation
7. Social stigma

8. Self-consciousness due to patents

1.23 Small-Scale Industries as Seed-Beds of Entrepreneurship

Small-scale industries put inconsiderably to the strengthening of the industrial structure, many articles can be produced economically on a small-scale, with some even more economically than on a superior scale, efficient small scale industries can be linked with large enterprises in complementary relationship e.g. sub-contracting. One most clear benefits of such a relationship are that it develops the industrial base by efficiently utilizing resource in short supply.

The almost never-ending diversity of products and services that may be developed and created by the small-scale industry sector also demands a proportionate development of skills — an attractive basis for long-term development of a diversification industrial structure in the regions. Already skilled technicians, foremen and workers are bring on and are often able set up their own small-scale industrial enterprises. Generally, they suggest the most promising means of promoting entrepreneurship among the people from different walks of life, particularly those with limited financial resources a limited technical and managerial experience, thus establishing a wide base for fast industrialization. This role of small scale industries is of crucial importance in any economy, where the industrial arrangement consists of a few large-scale and medium-sized industries (many of which are foreign-owned) on the one hand, and many of conventional businesses such as artisans, handicrafts and cottage industries on the other.

The lack of a middle group of modern small-scale industries is a factor of inequality in the industrial structure such lack also contributes to the stagnation of the economy as a whole. As a general rule, neither the government, foreign investors are interested in owning and operating small-scale establishments. Therefore, to uphold small-scale industries is to promote rural industrial private enterprises, specifically to generate a new class of indigenous industrialists all through the country.

Small-scale enterprises have played helpful role in regional growth and industrial dispersal. Definitely, one of the essential problem tackle many countries in the world today in the task of social modernization is how to separate economic activities so that development should become general rather than concentrated in larger cities and capital.
In a country that sanctions free enterprise, the movement of financial activities cannot be easily directed as government would want them to be. Instead, we witness the tendency of capital to centralize it in previously developed areas.

1.23.1 Operational Problems

The task before the national leadership today is to industrialize a mainly agricultural society, where capital is in short supply and plan is plentiful. Again, the modern industry implies a style and a method of work which are quite at variance with the traditional culture and manner of social behavior in the underdeveloped countries. So, whole structure of society has to undergo an extensive structural change appropriate with the needs of the situation.

The gap between original arts and even improved crafts, on one hand, and imported and also indigenous technology, on the other, is broad enough and is further widening day after day with the blast of innovative research. In addition, the economy has been historically and necessarily polarized between a few mighty industrial centers and the far-flung rural areas. With all the improvement during two and a half decades, the national economy is weighed down with all kinds of shortages and scarcities of inputs, most essential to new entrepreneurs, when they start their small or tiny units. Further, they have, at times, to challenge and compete with the well-established small, medium or large industrial units in the same lines of production. Newly upcoming industries, particularly of the first three generation entrepreneurs, even in the underdeveloped economies, are little by little but certainly tending to become high investment industries and the entrepreneurs have to conflict against the difficult force of hostile elements, such as:

(i) Irregular shortages of raw materials, (ii) booming black market, (iii) rigged up prices by monopolists, (iv) administrate misdistribution, (v) gap between official promise and performance, (vi) inadequacy of industrial management, (vii) irresponsible attitude to work, (viii) increasing cost of capital and credit, (ix) lacking and arrogant institutional banking, (x) inadequacy of common service, (xi) ancient wholesale and retail trade outlets and others.

1.24 Entrepreneurship Development Programme

The present stage of entrepreneurship development programme as a part contributing to the industrialization of backward and other areas desires a proper direction and
organization for making it more useful and purposeful. The contribution of entrepreneurship development programme is very irregular among different regions and exact programmes need to be chalked out to bring about some degree of regularity and upgradation. Before these problems are tackled, some important issues need instant attention, for example, (i) structure and composition of entrepreneurship development programmes (ii) areas of operation (iii) setting up of priorities (iv) follow up (v) spatial dispersal of the entrepreneurship development programmes (vi) Training of trainees and (vii) financing pattern.

Apart from these, some operational problems experienced in the course of implementing the entrepreneurship development programmes are listed below:

(1) Past experience has exposed supporting agencies/organizations either tends to be careless in the first phase or less interested in the third phase which means that programme fails to tape entrepreneur potential of the area or the trained entrepreneurs do not accept support and counseling which they need most.

(2) Most of the existing support organizations meant for maintenance operations are not for innovative functions. There is also an element of doubt. A reorientation in the attitude of supporting organizations is called for.

(3) Experiences expose that entrepreneurial failures are mostly due to lack of skills and poor management.

(4) It is also said that there is an inability to recognize the needs of institutions and differences of opinion succeed amongst the practitioners and trainees.

(5) It is also stated that there is a low institutional commitment for local support to the entrepreneurs. There is very low level of participation in marketing of products of units.

(6) Non-availability of a variety of inputs, i.e. raw materials, power etc. and infrastructure support united with poor follow-up by the primary monetary institutions resulted in failure of the entrepreneurship development programmes.

(7) It is also stated that there is ill-planned training methodology, irregularity in the programme design, its content, sequence and theme and focus of the programme is not clear.
(8) Training institutions do not have much concern for the objective of recognition and selection of entrepreneurs and the follow-up after training.

(9) Some of the institutions are still debating whether to have a right identification and selection of entrepreneurs for preparing entrepreneurs.

(10) Those involved in the selection and follow-up activities have either limited manpower support or a narrow link with support agencies.

(11) It is also said that there is no standard curriculum even in terms of broad module being adopted by involvements.

(12) A majority of the institutions engaged in the entrepreneurship development programmes are themselves not convinced of what they are doing as the task is delegated by the government. As a result, the social objective is not achieved.

(13) Continuous ambiguity in the objectives of entrepreneurship development programmes seem to have got into the grass-root level with major decline in terms of content and interest.

(14) It has also been understood that absence of suitable industrial and commercial climate coupled with lack of information and way into relevant technology has acted as a great handicap.

(15) Mechanical implementation of entrepreneurship development programmes, as it is happening in many cases, will not answer to problem. The mechanical approach may help entrepreneurs to start entrepreneurial activity but they may not be able to run it and expand it successfully.

1.25 Obstacles hampering Entrepreneurship

There are diversity of obstacles which hamper entrepreneurship an unwillingness to assign organizational abilities to business purposes, preventive effects of customs and belief, lack of response to financial incentives, low status of businessmen, high risks concerned in new enterprises, lack of vertical mobility in the social arrangement, market imperfections which deny potential entrepreneurs, the resources they require for organizing new production units, and random changes in the administration of laws by the government, all of which create the situation too doubtful for entrepreneurs. N.H. Leff has put it as follows: “Lack of entrepreneurship is generally credited to assumed socio-cultural
rigidities.” Motives, abilities and a pleasant environment, which encourage entrepreneurship, are lacking in India. If the motives and abilities are weak, then it becomes all the important to have more pleasant surroundings. But in India the pleasant environment is also absent. The inspiration of entrepreneurial abilities is a difficult long-run sociological Problem. The social organizations represented by such main institutions as caste, joint family, rural community, and school are further favorable for progress of entrepreneurship. In India all these are not favorable for the development of entrepreneurship. In underdeveloped countries, role of a given person in entrepreneurial capacity includes innovation, promotion, capital provision and risk-bearing, management, assembling materials and labor. He lacks to assist of markets for machinery, materials, labor, finance which have previously standardized Products and trained workers. He furthermore lacks the communication network, specific industrial newspapers.

Labor supply curves may turn backward with more respect to wage increases because of bound on financial aspirations or because personal motivation is rounded by necessity to add all the work while sharing its fruits. The cause to take risks in entrepreneurship is rounded in the same way. The institutional structure of a community determines the capacity of an individual's efforts. If the institutions are positive, readiness to make effort is encouraged and grows; and if this enthusiasm is strong, institutions will be remodeled.

If religious attitudes and institutions push discipline, hard work, competence, honesty and thrift among its followers, the social environment will force people to relate their minds to rising productivity to obtain wealth and to improve their social status and power. Most religions, as established in India, consider existing order of the universe as sacred and try to create people believe like that. Ethical beliefs dispirit the spirit of enquiry, experimental and scientific attitude with members of the society. A religion which permits and encourages rationality and scientific approach is contributing to technological improvements and energy in social relations and in social approach. Desire to find out the causes of things is the most effective inspiring force behind inventions, discoveries and innovations in Physical as well as in social sheers.

1.26 The Success of Entrepreneurship

The success of entrepreneurship and enterprise only depends on innovation, technological advancement and organized commercialization for the good of society. The significance of entrepreneurship as one of the vital keys to economic development barely needs to be
emphasized where motivation of development is there among the people, and entrepreneurial energy acts as tonic shot in the arm where motivation is not there, it acts as lubricant.

The development of entrepreneurship in backward and rural areas with a view of broad-basing their existing skills and utilizing local raw materials would help to reach the growth rate visualized for business. Development of local skills, useful utilization of local raw materials and wastes and support to entrepreneurs in backward and tribal areas are new instructions of future small industry development. In this programme, it is employment and not investment which is significant measure, so that services of confessional finance and capital subsidy made available to the backward and tribal areas would reach a superior number of persons and thereby offer larger employment. The generalized support programmes so far worked out has to be given suitable shape according to the state of backwardness or tribal social structures of area. Where essential, the scheme may have to be modified so that plan allocations earmarked for development of backward and tribal areas are utilized. If enterprises are to develop, entrepreneurship should also develop. If entrepreneurship is important, then organizations and society might find ways to encourage it. Both the enterprise and entrepreneurship need to be nurtured, supported, cultivated, developed and built up. These infrastructural institutional supports give a strong force to the development of new enterprise. More prominently, supportive entrepreneurial climate with a 'can do' mind-set between educational service and professional consultants united with assistance in training, finance, venture capital, research and development, government incentive and subsidies and local advisory services be produced.

**1.27 Entrepreneurial Management**

![Entrepreneurial Management relationship](image)

**Figure 11: Entrepreneurial Management relationship**
Figure shows some parameters chosen for displaying relationships. People mean consumer have impacts on technology and structure and external environment. If technology changes structure and external environment is changing and vice-versa. Structure of enterprise impacted on consumer, external environment and technology. So these aspects are inter-related with each other. Entrepreneurs have to take care simultaneously these aspects.

1.27.1 Next Big Leap

By the first phase of liberalization, modern management practices began to set up themselves in some family firm. As society and the economy changed, it was no longer adequate to keep old firms going; it was clearly needed to be recreated to fit the new moulds. The main warning to the business family was served by the rise of the Indian middle class. With new money and new requirements borne on satellite television, new markets were shaped by a rising tide of entrepreneurs. Many people who came from communities not previously known for entrepreneurship. They were sons of sober middle-class clerks, bankers and farmers.

The first wave of entrepreneurship spread to small towns where business folk churning out things like bicycle parts and gaskets began to reach out to the world beyond. They produced some of the markets we take for granted today; from housing finance to cheap television sets to private airlines. They were path breakers. But flaws of liberalization also intended that to be really successful, the new type of entrepreneur wants to know how to work system. The result is that a lot of people who came out of nowhere since the late 1980s stand out at schmoozing their way to the top. It is time for all of India's entrepreneurs, new and old, to sign off chains — supposed or if not. While there are a lot of infrastructural troubles that must be solved, there is no denying truth that we want to do much more ourselves. Thinking global is not just about setting up operations in other countries or acquiring companies. It is about having the zeal, the confidence to beat anybody and everybody, whether at home or in the new markets beyond our exterior world. Every point of development that we observe today is qualitatively better than all the growth we observed in the age since Independence. That's because everything the Indian entrepreneur achieves today is in the face of rising competition.
1.28 Vision for Future

The entrepreneurship contributes to fulfill commercial and societal essentials of nation and forever try hard to attain worldwide leadership. So it is important to signify it. Information technology and growth in communications addressed remarkably. So creating deliberate coalitions, productivity can be boosted.

- From licensing technology to rising technology.
- From being an intellectual property user to an intellectual property inventor.
- In addition to working in India to being a global company.
- From building financial equity to nurturing social equity.

This change will cause creating new organizational competencies such as:

- Creating a customer-centric organization.
- Developing new products and technologies.
- Exploring and producing new products to meet the new generation's opportunity.
- Fostering and supporting globally oriented management talent.
- Training the human resources to tie together the opportunities.
- Encouraging intrapreneurship.
- Focusing on Research and Development for sustainable development.
- Take in new technology to increase value of the product.
- Focusing on business ethics in managing enterprises.

Entrepreneurship is mind-set which can take risks but calculated ones; a real entrepreneur is one who can foresee opportunities in a specified condition where others see nothing and has persistence to exercise idea into a project. In developing countries, there is no shortage of ideas but there is a real scarcity of skilled human resources. The purpose of EDPs is to recognize such people and to offer them with support needed to make them a success. They then become 'demonstration models' to the community; and once a right climate is generated, entrepreneurship becomes a way of life.

Entrepreneurship is about employment creation. For every job that a corporate creates, a new entrepreneur creates ten. It is this multiplier effect that can power India's growth trajectory to the next level. As a political manifesto, entrepreneurship can speak to employment and poverty improvement in the most effective way. The rising retail revolution provides entrepreneurial opportunities to farmers that can take our agrarian
economy up in the value chain. The swelling consumerism that is taking over the Indian economy is opening up large channels of inclusive growth from branded vendor chains in malls to security agencies in IT parks. The expected privatization of infrastructure sector will see an even larger set of opportunities in various construction and engineering-related businesses. Better infrastructure will open floodgates to entrepreneurial opportunities in tourism and so on.

India is possibly one of the most unfriendly business environments for first-generation entrepreneurs. Indian entrepreneurs are weighed down by roasting bureaucracy, difficult funding and corrosive corruption. If entrepreneurship is economic mantra that India needs to chant to achieve global economic leadership, then it is essential that we enable and make powerful our entrepreneurs to mushroom and flourish. We need an ecosystem that encourages and nurtures new businesses rather than controls and limits them. We need business surroundings that enable the small entrepreneur to think big.

In fact, small-scale industry segment is considered as an ideal nursery for the development of entrepreneurship. But, unfortunately, there are only a handful of entrepreneurs in true sense of the term in this sector. The men who will set up small industry units have to arrive from within the country and the community; they are ‘local’ in the true sense and their success, So it has a much better impact on generating right climate for entrepreneurship.

Programmes for developing entrepreneurship must identify that, eventually, change they look for to encourage is attitudinal; it is more than just providing information, land or money. It is to provide new goals so that a motivated young person is no longer content to take up a secure job which will assure him a modest income but seeks bigger challenges in setting up and running his own business. The risks are greater but so are rewards, both in monetary sense and psychologically, in the feeling of confidence and pleasure it generates in the person. It is through the effort of such persons that a small industry can become an energetic sector of the economy and hence, an attempt made to develop such persons is worth the money and labor. Entrepreneurship is basis of emerging economic panorama in the world.
1.29 Environment for Entrepreneurship

Process of creating entrepreneurs is very steady in nature. Educational system in many countries is formulated so as to develop more of job-creators. In many countries entrepreneurs inspired by a mixture of following factors of environment:

1. Socio-economic surroundings
2. Family background
3. Education Qualification and technical expertise
4. Economic strength and Political steadiness and government's strategy
6. Caste, religious attachment and Convenience to supportive amenities;

The environmental factors may be summarised as follows:

Entrepreneurship is not prejudiced by one particular factor but is the result of relations and mixture of different environmental factors. By changing environment, society can be recreated. As an educationist, we can think of transforming educational system so as to produce more job-creators rather than job-seekers.

Figure 12: Elements of Entrepreneurial environment

<table>
<thead>
<tr>
<th>POLITICAL</th>
<th>ECONOMICAL</th>
<th>SOCIAL</th>
<th>TECHNOLOGICAL</th>
<th>LEGAL</th>
<th>CULTURAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Political</td>
<td>Economic</td>
<td>Consumer</td>
<td>Competition</td>
<td>Rules</td>
<td>Structure</td>
</tr>
</tbody>
</table>

Source: The Dynamics of Entrepreneurial Development and Project Management, Book by Vasant Desai, Pg.168

1.29.1 Be Entrepreneurial

Entrepreneurship is a core sector which can be developed in a big way. What with so many technological and management institutes in India, it should not be difficult to develop thousands of entrepreneurs every year. In this connection, economic policies of the government leave an important impact on growth of entrepreneurship. Sometimes, the
government gives impression that private sector will only be accepted. This impression should be removed and there must be a formal recognition of the fact that in a country like India we want entrepreneurship at various levels and of various sizes- Central government, state government, large, medium, small private sector units and also foreign entrepreneurship. Entrepreneurship programme internationally continue to grow and gain academic authenticity. The learning from entrepreneurship courses is considered as precious, whether students plan to become leaders in corporate organizations, run non-governmental organisations. Need of the hour is to network the entrepreneurial skills extend throughout the world over to repositions India’s fame in a new perspective which can serve as model for rest of the world. The entrepreneurship development efforts in India had acknowledged noteworthy consideration.

1.30 Lack of Entrepreneurship

According to results of the 61st round of NSS, wage employment is failing and self-employment is increasing. Nearly 50 per cent of India’s work force is self-employed. But, all these people are not entrepreneurs. Deficiency of entrepreneurship occupies industrialization in recently developed countries. Even though there is no such thing as a zero level of entrepreneurship, it is well recognised that entrepreneurs can be developed during appropriately-designed Entrepreneurship Development Programmes (EDP). These programmes broadly consist of three distinct stages: firstly, that of developing achievement motivation and sharpening entrepreneurial traits and behaviour, second, that of project planning and development, third is the guidance provided on industrial opportunities, incentives and facilities, rules and regulations and development of managerial and operational capabilities. With the growth of technical manpower, it is necessary to organise entrepreneurship development on wider basis.

1.30.1 Hurdles in Entrepreneurship

There are varieties of hurdles which occupy entrepreneurship an unwillingness to assign organizational abilities to business purposes, restrictive effects of customs and tradition, lack of response to monetary incentives, low status of businessman, high risk concerned in new enterprises, absence of vertical mobility in social structure, market imperfections which reject potential entrepreneurs. N.H. Leff has put it as follows: Absence of entrepreneurship is generally recognized to assumed socio-economic rigidities. In India,
functions of given person in entrepreneurial capacity include innovation, promotion, capital provision, risk bearing, management, assembling materials labour. He needs help of markets for components, material, Labour, capital markets which have already standardised products and trained workers. He also wants communication network, specialised industrial newspapers and magazines. Labour supply curves may bend backward with more respect to wage increase because of limit on economic ambitions or because of personal incentives is rounded by the necessity to contributor all work while sharing its fruits. The intensity to take risk is reduced in same way. If religious attitude and institutions promotes discipline, hard work, efficiency, honesty and carefulness among followers, social climate will push people to apply their minds to increasing productivity to acquire wealth and to get better their social prestige and power. Most religions, as popular in India, consider existing order of the universe as scared and try to make people consider like that. Ethical belief discourages spirit of enquiry, experimental and scientific attitude among members of the society. A religion which allows and encourages rationality and scientific attitude is conducted to technological improvements and energy in social relations and in social attitude.

1.31 Need for Entrepreneurship Development

Several nations with India are in a state of transition. They are encouraged to shift from a compact, inner looking indigenous economy to excess pursuing, market driven, outer viewing economy. Such a shift is possible by rise of a multitude of small-scale and rural start-ups. This involves creation of entrepreneurial abilities in people. In India, earlier days entrepreneurship developed only in cities but now there is need to nurture it in rural areas.

1) Balanced Regional Development: When enterprises are established in particular metropolises, development becomes restricted. Due to increasing competition for establishing business nearby cities, entrepreneurs are imposed to establish in rural area. This supports for growth of backward areas.

2) Increase in National Income: National Income comprises of the goods and services created in one year. In India, demand of goods and products is increasing due to increasing population. To meet such a huge demand if process of entrepreneurship is encouraged ultimately it increases national income.
3) **Bringing Change in Structure of Business and Society:** New initiative and new products transforms technique of performing business. For ex. India is uplifting in Information Technology (IT), and Research and Development (R&D) Services. Such opportunities were not available 25 years ago.

4) **New Products, New Services, and New Business:** An entrepreneur produces new ideas for business, production techniques, and services for horizontal, i.e., varieties and vertical, i.e., increase in volume and money growth of business.

5) **Knowledge and Social Need Satisfying:** An entrepreneur does the job of iterative combination, i.e., combined role of social needs and product development process.

6) **Dispersal of Financial Power:** Industrial growth normally may results into attention of economic powers in a few hands. Creation of large entrepreneur results into dispersal of financial controls among common people.

7) **Enhanced Living Standards:** As we know entrepreneur creates goods and services and generates revenue. Initially entrepreneurs in need of business so obviously they are selling goods and services at cheaper rate. Consequently consumers can buy more goods which increases living standard.

8) **Creating Innovation:** An entrepreneur is an individual who seeks for modifications. It is possible by creating something new in existing knowledge. It may be new product, new process, etc. Identification of demand leads to innovation. Such newly launched goods or services have better societal effect.

9) **Production Development Process:** Adaptation of innovation results into new product and to develop new product, new process is also invented. This new product development process can serve entrepreneur for many years.

10) **Enhancing Welfare Amenities:** Innovative new enterprises serve society by providing healthcare facilities, comforts, insurance, etc. Entrepreneurs by their own experience try to create products and services that can help others. It is general perception that when individuals experience personal problems or tragedy, they may discover a need for product or service that is not being met. These situations force, the individuals to become innovative in removing their pains and at a later stage, this initiates basis for entrepreneurship.
Figure 13: Need for Entrepreneurship Development

Source: Entrepreneurship Development and Project Management, Book by Supriya Singh, Pg.22

1.32 Entrepreneurship Development Cycle

Figure 14: Entrepreneurship Development Cycle
Entrepreneurial Development Programme helps individual to strengthen entrepreneurial motive and attaining capabilities to carry out its role effectively. Therefore, cycle helps the individual in guiding and dividing various activities in different phases for the development programme.

M.P. Akhori suggested the entrepreneurial development cycle consisting of the following components for promotion and development of entrepreneurship:

1) **Stimulatory Activities:** These activities make sure emergence of entrepreneurs in the society. They get ready background for entrepreneurship to develop and for people to start looking for entrepreneurial search. They generate initial motivation and acquire skill.

2) **Support Activities:** These activities help a person to develop into an entrepreneur. They nurture and help entrepreneurship to grow. This can be done by only if the necessary infrastructure in the form of computers, Internet connectivity, providing training and all required information to prepare himself as an entrepreneur. Financial help for projects and seminars could also promote entrepreneurship. These activities can be promoted in incubation center to groom a person to become an entrepreneur.

3) **Sustaining Activities:** These activities are helpful to run enterprise. It includes infrastructural advancement, offering communication facilities, training, quality upgradation. By adapting these entrepreneurial activities entrepreneur can be successful in process of entrepreneurship development cycle.

### 1.33 Obstruction to Entrepreneurship Development

There are societies which are more entrepreneurial than others; such societies uphold entrepreneurial behavior with the net result of more entrepreneurs in such societies. The negative influence creates hampering environment to emergence of entrepreneurship. These barriers can be economic and non-economic which are as follows:

1) **Economic Barriers:** These barriers are as:

   i) **Capital:** It is requirement for setting-up new enterprise. Capital is a lubricant to course of action of production. Money is the resource that helps to gather together other 'resources' like Men, materials, and machines. Entrepreneurship in any society increases
with increase in the supply of capital. Thus, lack of accessibility of capital with any society or nation acts as a severe barrier for promoting entrepreneurship in that society.

ii) Labor: cheap labors of a developing country prima-facie appear to be strength in promoting enterprises, but the fact of cheap labor is frequently unproductive or has a low productivity. This unskilled and low productive labor acts as a barrier in setting-up the modern enterprise. However, by using labor saving innovations, the innovative entrepreneurs have talent to overcome disadvantage of high cost labor.

iii) Raw Materials: In deficiency of raw material no enterprise can be established and in absence of enterprises entrepreneurs do not emerge. The need of raw materials is normally supreme economic barrier for growth of entrepreneurship. Japanese society has been able to defeat problem of lack of raw materials through innovative management systems.

v) Too much Licensing and Regulatory Requirements: Before starting enterprise, entrepreneurs have to take much more permissions, no objection certificates from government. As there are various department and located far from each other. It is a very tedious task for entrepreneur to take permissions. Nature of bureaucracy, complicated documentation, no single window system leads to de-motivation of entrepreneurs.

vi) Excessive, Complex, and changing Taxation: In India taxation system is complex in nature. Central government and State government collects tax at different rate and different level. In addition, tax structure and tax rates are changing continuously. Sale tax, General Service tax, Local body tax, and value added tax these are changing in nature. So if uniform taxation is adapted, less confusion and complication takes place.

vii) Inadequate Banking System: Insufficient banking structures result into financial problems of an entrepreneur. Banks must serve to entrepreneurs for industrial development of India. Interest rate should be minimum and loan must be given at priority basis to entrepreneurs.

viii) Lack of Governments Commitment to Reduce Administrative Barriers: Government is reluctant to minimize administrative hurdles. After every five years government is changing so there is no fix policy framed for entrepreneurs. Entrepreneurs opined that government has poor understanding of how a free market works. So there is great need of improved management by reducing administrative obstacles.
2) Non-Economic Barriers: A large number of sociological and psychological aspects act as non-economic barriers. Many regions capable with skilled labor and natural raw material have remained entrepreneurially backward because of such factors. The factors which stop emergence of entrepreneurs can be classified, as environmental and personal barriers. Environmental barriers are rooted deep in the society known as social barriers.

i) Social Barriers: Every society has some guided regulations and it is expected to follow by everybody as we all are part of this society. Entrepreneur always innovate new ideas and then it converts into products. Sometimes visionary entrepreneurs able to foresee future demand which is not exist today. Such product contradicts to social belief. Moreover, normally entrepreneurship is not welcomed thing in society as risk is associated and increased competition. Ground rules of social behavior are learnt at very early age:

a) Practical Values: Most of the progressive societies discourage day dreaming, playfulness and desire by their adult members. Such behavior is considered childish and unsuitable for grown-up persons. The adults are essential to be functional in their thinking.

b) Emotional Block: Entrepreneurship involves risks, in addition to financial risk, it involves emotional risk. Every entrepreneur runs a risk of making mistakes and suffering losses in his Venture. People by and large understand two situations, i.e., either a person is right or wrong. All over one's life one is to find right answer to the problems and avoid the wrong solutions. Right answer is considered synonymous with success and being wrong is considered as failure. A fear of being wrong, go ahead for one to construct detailed justification for own judgments and actions.

c) Cultural Barriers: Cultural blocks prevent persons from setting-up their own ventures in non-entrepreneurial societies.

d) Respect for Entrepreneurs: The Social status of an entrepreneur is significant factor that has a direct bearing on the emerge ice of entrepreneurs.

e) Tradition Binding: Some cultures put a great deal of importance on preservation of traditional ways of life at the cost of innovation and development such societies oppose the introduction of any change.

f) Regulatory Barriers: Generally, government regulates access to markets, defines registration requirement, reporting and exposé norms and ensuring tax fulfillment. These regulations act as barriers to entrepreneurship.
g) **Faulty Tax Structure:** High level of taxes be likely to twist economic activity and reduces profit margin to entrepreneurs.

**h) Defective Administrative and Compliance System:**

Government generally favors entrepreneur by granting them tax subsidies and incentives. But administrative system known for its redtapism creates many problems in its execution.

---

**Figure 15:** Obstruction to Entrepreneurship Development
**ii) Personal Barriers:** Low level of Self-confidence, low motivation for business, forceful adaptation of business, no support from family members are some personal obstacles for launching start-up. The following factors act as a personal barrier to entrepreneurship development.

**a) Lack of Sustained Motivation:** Most people enjoy starting a new product. People normally have a need for new experiences and involvements. Being a part of new development furthers, their status need. They are pleased about idea of being a part of somewhat new.

**b) Impatience in Solving Problems:** The entrepreneur has to find more creative, imaginative, and sustainable solutions to problems of enterprise. Thus, introducing an enterprise needs a lot of patience. The need for finding quick solutions to problems stops people from setting-up the enterprise and act as an obstruction to entrepreneurship.

**c) Failure to Dream and Use Subconscious:** The entrepreneur needs to use both part of his intellect, conscious for incubation of ideas and awareness for resolution of problems. Entrepreneurs are day dreamers and a few in our society have ability to day dream and use their intuitive intellect.

### 1.34 District Industries Centers

The industrial policy resolution of 1977 remarks the setting up of industrial centers as focal points for transfer of technology to marketing and attired fields. In such district these will be one agency to treat with all necessities of industries. These requirements will comprise economic investigation of the districts.

#### 1.34.1 Objectives of DIC

1. To setup display and information cells.
2. To show levels of Technology used in rural industries.
3. To establish development facilities for re-scaling of technology for transfer.
4. To start analog control services for small and cottage industries.
5. To hold regional trade find spot lighting development of technology.
6. To arrange buyer and seller meets technology.
7. To provide scene of available technology for distribution within the country.
1.35 State Policy Regarding Entrepreneurship Development

1.35.1 MIDC:
State Government of Maharashtra has formulated policy of promising industrial development and scattering of business. State Government accomplish purposes by providing technical and financial support by means of Maharashtra state financial Corporation (MSFC) Maharashtra Industrial Development Corporation (MIDC). The Maharashtra Industrial Development Corporation (MIDC) was founded in 1962 for commenteting industrial development. The MIDC offers ready plots with needed infrastructure amenities viz. roads, power and water availability and others. MIDC established total 61 growth centers in overall Maharashtra. At the end of 2009 development of 268 Industrial areas was allocated to MIDC. Out of that 66 were growth centers (61 of the State Government and 05 of the central Government) and 102 were mini Industrial zones. Out of 268 industrial areas 225 Industrial areas (about 84%) were actually in functioning, at the end of 2009, the total scheduled area of the MIDC was 86,822 hectors. Total area of allotted plot was 18,350 hectors.

1.35.2 MCED (Maharashtra Centre for Entrepreneurship Development):
It is autonomous society under department of Industries, Government of Maharashtra. MCED has been a found in promoting entrepreneurship since 1988. It is a training organization in the core area of entrepreneurship development. It works as an implementer and director for the conception and cultivation of the entrepreneurial essence and the idea of self-employment.

At MCED, there is brainstorming, making plans and creating ideas for nurturing entrepreneurship. To spread entrepreneurial culture for developing entrepreneurs through systematic training and to convey knowledge concerning to entrepreneurship. The Centre helps industries and institutions for mobilizing human resources and creating awareness about entrepreneurial opportunities and challenges to develop business competencies. There is various range of dynamic activities conduct by MCED viz. awareness camp, trainers training camp, assistance in technical, marketing, strategic planning. Thus MCED has successfully aligned practical needs of the entrepreneurs and emerging market trends.
1.35.3 MITCON (Maharashtra Industrial Technical Consultancy Organization)

It was formed as a technical consultancy organization in 1982 jointly by ICICI, IDBI, IFCI, SICOM, MIDC, and various banks. It is headquartered at Pune and has located at several places. MITCON Centre for CSR & Skill Development is a trusted name acting as a catalyst to industrial & entrepreneurship development for more than 30 years. It offers various kinds of value added training programmes which are innovative and industry endorsed and job oriented. At Latur it undertakes courses concerning general entrepreneurship as well as sectoral entrepreneurship development programme. In addition, ‘Yuva skills’ is an institution pioneer in Latur district in entrepreneurship and related information sector. It imparts skill based training and entrepreneurship training in several sectors sponsored by Ministry of Food processing, Government of India and EDII Ahmadabad and MITCON.

MIDC and MCED, MITCON play a key role in providing support to entrepreneurship development of every districts of Maharashtra. So considering importance researcher selected the topic for research entrepreneurship development.

1.36 Chapter scheme

Chapter 1- Introduction of the Study
Chapter 2 – Review of Literature
Chapter 3- Government Initiatives, Policies and Profile of Latur
Chapter 4- Research Methodology
Chapter 5- Data Analysis and Findings, Hypothesis testing
Chapter 6- Conclusions
Chapter 7- Suggestions & Recommendations

Appendices (a) Questionnaire (b) Bibliography

An attempt by sincere efforts been made to include important topics and up-to-date information, etc. as far as possible to meet in full measure the requirements of the study.