2.1 Concept of Entrepreneurship - A historic approach

'Entrepreneurship' as a field of study gained almost an independent status only during the later half of the 20th century. The function of the entrepreneur had a definite place in the history of economics though the importance was not emphasised by early theorists. The evolution of the field of knowledge dates back to when individuals enjoyed the right of ownership of means of production and working with those means for private gains. The concept of entrepreneurship underwent changes from time to time until it reached the current status. The evolutionary process of the concept may be discussed as follows.

2.1.A Birth of Private Enterprise

During the early stages, all possessions were common to all (omnia omnibus communia); the purest communist ideals were prevailing (Schumpeter 1954). Later the community was governed by a Monarch (tyranny) or fewer land lords who exercised full power over the property of the land and over the citizens of the land (Oligarchy). Property was considered as 'theft' against natural law (Morelly 1755 in Schumpeter, 1954) and it was held to be an 'Unmixed' evil (Gabriel Bannot de Mably 1709-1785 in Schumpeter, 1954).

Plato (427 BC - 347 BC) thought that democracy is an alternate to tyranny, which is a result of oligarchy, leads to inequality of wealth, the consequence is the commercial enterprise. He visualised a 'Perfect State' which does not exclude private property except on the highest level of purest ideal; at the same time it enforces
strict regulations of individual life including limitation of individual wealth. During his period and even during the medieval ages (1100 AD to 1500 AD) the economy had only fewer actors; landlords, labourers, artisans, traders and shop-keepers, and the ship owners. Aristotle (384 BC - 322 BC) considered land owners as unobjectionable; did not bother much about labourers who were considered to be inferior by birth (slaves); did not criticise much about artisans; but thought that the traders, ship owners, shop keepers and the money lenders were to be considered with a view to the ethical and political appraisal of their activities and their gains.

The scholastics, the medieval men of science considered that 'temporal institutions' as utilitarian devices that were to be explained or justified by social expedience centering in the concept of public good. They considered that private property owes its origin, in part to the necessity of avoiding a chaotic struggle for goods and government owes its origin in part to the necessity of enforcing peace and order. Private property was justified during those days from every one's right to his own person which includes the right to one's labour and the right to results of one's labour (Schumpeter, 1954).

St. Thomas (1327 in Schumpeter, 1954) argued that "property is not against natural law but an invention of human reason" which is justifiable because people will take better care of what they possess for themselves than what belongs to many or all; they will exert more strenuously for themselves than for others and the social order will be better preserved if possessions are distinct.

2.1.B Justification for Profit making

In the traditional society, making of profits and addition of wealth were considered as a taboo. However, as mentioned earlier private
enterprises were existing but were closely controlled by the government. Right to one's labour and results of the labour clearly explains the idea to accept profit making i.e. when one is capable of. St. Thomas (1327 in Schumpeter, 1954) stated that commercial gain may be justified a. by the necessity of making one's living b. by a wish to acquire means for charitable purposes c. by a wish to serve 'public utilatum' provided the lucre be moderate and can be considered as a reward for work d. by an improvement of the thing traded e. by intertemporal or inter local differences in value or f. by risk.

2.1.C Identification of Personal Qualities Causal to making Profits

Economic theorists probed into the facts regarding the arising of profits which is the excess of income over cost of production. Of the three popular theories of profits namely i. as a reward for bearing risks and uncertainties ii. as a reward for successful innovations and iii. as a consequence of frictions and imperfections in the competitive adjustment (Dean 1970). The first two put the weight on the individual qualities while the last one depends on the environment to the individual. By the theory of innovation, it is understood that profit is the reward for disturbing the status quo of the economy (Schumpeter, 1954).

Plato identified individual differences in terms of one's ability to learn and specialise a trade and suggested that such people must be allowed to specialise. St.Antonine (1477 in Schumpeter, 1954) differentiated the businessman's "Industria" from the workman's labour. By Industria he meant the commercial and speculative activity of the businessmen. St.Molina (1593 in Schumpeter, 1954) attributed bad luck or penalty for incompetence as reasons for losses in business.
Schumpeter (1954) stated that several authors in economics (Walker (1840-1897); J.S. Mill (1773-1836); Mangoldt (1868); Cantillon (1755); Prof. F.H. Knight (1921); Karl Marx (1867); Ricardo (1817) considered profits as the rent of differential ability and others (A. Smith (1776), Hawley (1907), F.H. Knight (1921)) considered that the profits arose due to the risk bearing activities of the businessman.

Profit was considered as wages for management (Alfred Marshall 1890); as premium for risk bearing (F.H. Knight 1921); as wages for superintendence (J.S. Mill 1848); as a reward for better than normal judgement (Schumpeter, 1954) and so on.

The friction theory suggests that profit occurs due to the gaps in demand and supply situations in the market; it is also equally true that the same gaps may result in losses. Thus the theorists attributed the qualities like, ability to manage, ability to work, ability to make sound judgements, ability to foresee and the guts to take risks as causal to making profits in business.

2.1.D Separation of Entrepreneurial function from Capitalists function

The economic thinkers of the 16th century and earlier, did not differentiate profits from interests (Schumpeter, 1954). The rent of ability idea proposes that only those who own and invest capital are the businessmen and their return is just like the rent for money; the rate of which may differ according to the ability of the individual (Salmassius 1588-1653, Richard Baxter 1615-1691 in Schumpeter, 1954).

J.B. Say (1803 in Schumpeter, 1954) was the first to assign to the entrepreneur a definite proposition in the scheme of the economic
process per se and as distinct from the capitalist. Clark (1847 in Schumpeter, 1954) connected entrepreneurial profits i.e. surplus over interest and rent with the successful introduction into economic process of technological, commercial or organisational improvements. Schumpeter states that economics had a clear analytic advance during the period 1870 to 1914; during which the entrepreneur was being distinguished from the capitalist and his profit from interest.

Thus the scope for individuals to hire the factors of production emerged, resulting in the participation of them i.e. of individuals having talents to organise business even without their own money and participate in the economic process.

2.1.E Identification of Entrepreneurial function as the key for Economic Development

If a capitalist alone can involve himself in business endeavours the profits if any accrues to him through his capital; his wealth and economic power spirals up. Accumulation of capital being the index of economic growth, the country definitely has economic growth. But what is needed is 'economic development' which implies a socially justifiable pattern of economic growth.

Dobb (1925) stated that the undertakers (entrepreneurs) are the people who take the ruling decisions of economic life. He saw the entrepreneurs as just not filling up the function that is essential in capitalist society, but the role of him may very well be crucial in other forms of societies as well. Schumpeter (1954) studied the entrepreneurial process in depth and assigned a great value to the entrepreneur, as a catalyst in the process of economic development. He considered that proactivity rather than reactivity to the consumer needs initiates economic change. The initiation of economic
change may be made by i. the introduction of a new good or a new use of an existing good, ii. Introduction of a new method of manufacturing a good, iii. Entry into a new market, iv. the conquest of a new source of supply and v. Carrying out a new organisation of any industry like the creation of a monopoly position or the breaking up of monopoly position.

If any individual carries out a new, of course better combination of the 'data' i.e. a specific combination of means of production, the individual may be called as an 'entrepreneur'. Though this explanation is too wide, conceptually this recognition of entrepreneurial function is crucial in the sense that any country which believes in national progress through individual progress can bank upon such individuals for its economic development.

2.1.F Description of Factors that are causal to the existence / growth of Entrepreneurs

The subject entrepreneurship which had been within the domain of political philosophers and economists grew also into a subject of interest to the psychologists and sociologists, particularly after the World War II (1939-45) and primarily in the United States of America (U.S.A.). The government of U.S.A. thought that the promotion of entrepreneurship is a major means of industrialising the country and promoting equity distribution of wealth and to provide employment to many; since entrepreneurship has been associated with small scale investment and operation and labour intensive in technology.

Description of factors that foster or deter entrepreneurial development enables one to choose the types of stimulus to influence any
personality or group, to learn and suit the requirements of a successful entrepreneurial effort. The intervention can also be macro i.e. on the environment to make the it conducive to nurture the development of entrepreneurs.

The factors that have bearing on the development of entrepreneurs may be broadly grouped under i) psychological aspects of the individual and ii) environmental aspects of the individual. Nevertheless both influence each other and as such depend on each other.

Schumpeter (1954) stated "psychology is really the basis from which any social science must start in terms of which all the fundamental explanation must run". His entrepreneur is one who is talented, possesses initiative, authority, foresight, leadership, ability to guess, ability to react to opportunities, egoistic, rationalistic, self centered, has impulse to fight, has a will to conquer, feels superior to others, hedonistic, creative and desires to do something new.

A high n-Ach (Mc Clelland 1961; Mc Clelland and Winter 1969; Shah B.G. et al 1974), high need for influencing others, i.e. a low need for establishing emotional relationships and high capacity to discipline ones own self (Mc Clelland and Buruham 1975), sense of efficacy, risk taking, openness to feed back and learning from experience, need for independence, hope of success, a belief that they can change the world, time orientation, high expectation from employees, competition and collaboration, flexible authority relationships, need extension, concern for society, social conciousness, dignity of labour, saving for future and a host of other behaviours as characteristic of an entrepreneur.

Gaikwad V.R.(1978) stated that the entrepreneurs have the characteristic of perceptions of economic opportunities, technical and organisational skills, managerial competence and motivation to achieve
results.

Weber perceived that the transcendence from Catholic Ethics to the Protestant Ethics formed a basis for the progress of capitalism and hence the entrepreneurship (Ronan Mc. Donald 1971). In Weber's view a contemporary entrepreneur was being driven partly by the ghost of his dead religious beliefs and partly by mundane passions such as the urge to ape the nobility or to engage in business as a sport. Young (1971) observes that reactive nationalism (among solidarity groups of a nation or a region or a smaller sub group) having a certain degree of commonalities in activities, beliefs and even antifacts are coordinated into a coherent outlook on the world, having the capacity to react leads to emergence of entrepreneurship.

Hagen (1971) stated that fairly widespread creativity and problem solving ability and tendency to use it and attitudes towards manual and technical labour in the technology of production are the requirements for transition into economic growth.

Child rearing (McClelland 1961), schooling pattern (McClelland and Winter 1969) the reward punishment processes in any society (Hunkel 1971) status withdrawal of a group followed by mother-dominant families (Hagen 1971) solidarity in groups (Young 1971) religious beliefs (Max Weber in Ronan McDonald 1971, Cochran 1981), the type of schooling, laws governing tenancy, transfer of property, tax, granting of licences, credit facilities, literature on business, effective communication, finance and marketing and transportation (Cochran 1981) are the macro environmental factors that influence individuals in developing into successful entrepreneurs and contribute to economic development.

2.1.G Exploration of possible interventions that will influence the causal variables

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While the causal variables being personal and environmental, the possible interventions for developing entrepreneurs can also be the same. The possible interventions at personal level would be to influence the knowledge, attitudes and the skill of the individual and the interventions on environment will be on the social, legal and economic environment of the individual. Hence the question as to who can take the responsibility of developing entrepreneurs may be answered as psychologists, economists, sociologists, law makers and the administrators of various agencies connected with the process of promoting entrepreneurship.

At personal level what requirements for becoming a successful entrepreneur can be influenced partly or fully and what requirements cannot be influenced has a bearing on deciding the possible interventions. Casson (1982) has made a table showing the qualities that are required for a successful entrepreneur as self knowledge, imagination, practical knowledge, analytical ability, search skill, foresight, computational skill, communication skill, delegation skill and organisational skill and commented that all these factors except self knowledge, imagination and communication skill can be enhanced.

Cochran (1981) opines that important innovation in role behaviour could not arise from inner-conditioning independently of all immediate exogenous factors. A general theory relating economic and other social factors to change should deal with normal responses of functional groups to at least partially repetitive situations. From this standpoint a model of entrepreneurial role is a useful device. Thus, he indicates that entrepreneurs can be made if a suitable environment can be created for appropriate learning and internalisation.
The first person who tried interventions at the personal level was David McClelland (1961) who had made extensive experiments across countries including India. He empirically proved that a high n-Ach effects a high level of relative economic growth in any country. He stated that achievement motivation can be measured, taught and enhanced. He is the first to conduct Achievement Motivation Training (AMT) to various potential leadership groups among the Negro community. His famous "Kakinada Experiment" conducted in collaboration with the Small Industry Extension and Training Institute (SIET), Hyderabad, now The National Institute for Small Industry Extension and Training (NISIET), aimed at finding out the impact of the AMT revealed that though there was no instant or continuous success the course had overall success in many cases (Masiuddin 1988). Probably this study has sown the seed for all the developments that has come in the field of Entrepreneurship Development in India.

2.1.H Adaptation of a Model for training and counselling interventions

The increasing awareness of the importance of entrepreneurs called for putting efforts on developing new entrepreneurs into the existing and fresh business lines. Governments and other agencies like banks, voluntary agencies, trade associations and educational institutions started investing on finding out the means of identifying potential entrepreneurs, selecting the right ones and the means of influencing them to become successful entrepreneurs.

In U.S.A. the subject entrepreneurship found a place in the college curriculum during fifties and by 1984 there were more than two hundred colleges and Universities offering courses in entrepreneurship and small business management (Clark et al 1984). However, in India the subject became popular only during seventies.
Need for creating and developing small businesses being felt by the government, the promotional agencies made a conscious attempt to encourage new entrants to business. Several incentives were offered and several infrastructural facilities were created. However, it was felt that provision of infrastructure alone cannot develop entrepreneurs unless it is supplemented with psychological training. This contention was well supported by the classical experiment of McClelland and his team of the SIET Institute (Shah B.G.et al 1974). This resulted in the formation of a training programme exclusively for budding entrepreneurs.

The first course on Entrepreneurship development training in India was conducted in the year 1970 with 53 participants in Gujarat. The inputs in that courses were market survey, project planning, taxation, budget preparation, sales techniques etc. The initial programmes were conducted without training on Achievement Motivation (AMT). Subsequently, several agencies started having a well designed AMT programme in the EDPs.

Now in India there are thousands of agencies involved in developing entrepreneurs through training and counselling interventions. The duration of the courses range from one hour programmes aimed at creating awareness to two years full time master's degree course. Besides the traditional agencies like the Government and banks, two apex agencies, the National Institute for Entrepreneurship and Small Business development (NIESBUD) and the Entrepreneurial Development Institute of India, (EDII) Ahmedabad were created during the eighties. Both have their own networks. Though the aim of all the institutions is the same, their methodology adopted for identification, selection and training systems are slightly different among them.
Several studies had been conducted in the field of entrepreneurial development during and after the seventies. The programme inputs were being constantly modified on the basis of feedback on the programmes. However, there can't be a fool-proof, identification - selection - training model since the programme has to be essentially tailor made to suit the target audience and has to be executed within the financial, man-power and other constraints.

2.2 Definition of Entrepreneurs and Entrepreneurship

The word entrepreneur has been defined differently by various theorists on entrepreneurship. The earliest of all definitions was given by Richard A. Cantillon (1775, in Schumpeter, 1954). He defined an entrepreneur as "One who buys factors and services at certain prices with a view to selling their product at an uncertain price in the future". J.B. Say (1803, in Schumpeter, 1954) defined an entrepreneur as "one who brings together factors of production and provides continuing management as well as bears risk".

Schumpeter (1971) considered 'Anybody who initiates a venture for the purpose of seeking new markets and providing new methods of economic growth' as an entrepreneur. In his view an entrepreneur is a dynamic agent of change; a catalyst who transforms increasingly physical, natural and human resources in a corresponding production possibility.

Berna (1961) defined an entrepreneur as "The person who brings into existence a new industrial enterprise, either alone or in collaboration with others". Peter F. Drucker (1986) considered an entrepreneur as "A person who always searches for change, responds to it and exploits it as an opportunity". Pareek and M.S. Nadkarni (1978) defined an entrepreneur as "one who initiates and establishes an economic activity or enterprise". H.N. Pathak (1974) considered that
an entrepreneur is one who sets up and manages a small scale industry. Khandwalla (1979) defined an entrepreneur as "One who is willing and able to initiate and successfully manage for a length of time an activity that involves at least a degree of personal and organisational risk". Rao T.V. defined an entrepreneur as a "Person actively engaged in inventing or developing or expanding or effectively maintaining an organisation".

Mishra and Chitra Rao (1986) defined an entrepreneur as an individual with certain characteristics helpful in conceiving, initiating, establishing, running and finally managing an enterprise. Casson (1982) considered that "an entrepreneur is someone who specialises in taking judgemental decisions about the co-ordination of scarce resources". The researcher (1986) defined an entrepreneur as "a person who starts a new venture and ensures its survival".

The dynamic way of managing a firm is recently termed as "intrapreneurship" though earlier definitions of entrepreneurship included intrapreneurship as well (Schumpeter 1954; Lawler and Drexler 1981). Kowrisky (1980) considered that "a venture is entrepreneurial only if the entrepreneur is future oriented, engages in activities which are aimed at new products and is able to fill gaps in services or demand". The Encyclopedia of Entrepreneurship (Kent et al 1982) considered that even in a corporate setting a person 'who uses an innovative approach with a medium of personal risk' could be called an entrepreneur.

A review of all these definitions leads to the conclusion that an entrepreneur is "a person who takes a decision on exploiting a new economic opportunity and turns the perceived opportunity into a reality". A broader definition includes 'successfully maintaining an enterprise or developing an existing one'. This is true because in a
In a competitive environment one cannot sustain a business unless he has the required qualities of an entrepreneur. Pioneering and innovative entrepreneurs are considered very important in maintaining a technological edge over other businesses and other countries. However, every business endeavour seems to be an innovative way of life in relation to the environment in which the entrepreneur lives.

The term entrepreneurship connotes the existence of entrepreneurial qualities and entrepreneurial behaviour in a given group of persons or region or nation. It is the creative and innovative response of individuals to environment. Doing new things or doing things different from existing methods is a simple definition of entrepreneurship (Rao and Mehta 1978). It refers to the general trend of setting up new enterprises in a society (Pareek and Nadkarni M.S.1978).

It may be observed that each definition has its own implications on designing promotional means for developing entrepreneurs and entrepreneurship. The basic business problem would be to decide on whether the agencies must concentrate on developing existing business units or promoting new units. If entrepreneurship connotes only the process of starting new units then the focus of the agencies promoting entrepreneurship will be clear. The problem of multiple definitions of entrepreneurship or the lack of a single definition has resulted in an absence of concern about what entrepreneurship is, what an entrepreneur does and what he or she is like and what should be taught in entrepreneurship courses (Sexton and Bowman 1984).

Hence it is essential that an operational definition of entrepreneurship and entrepreneur is required for different contexts in the promotional efforts of Government and other agencies. In the context of organising an E.D.P., the definition may be "an entrepreneur is a person who starts a new venture and ensures its survival". However the question as to whether a person runs his business successfully
or of measuring the degree of success of an entrepreneur falls beyond the purview of this study. Hence the definition adopted for the purpose of the study would be "an entrepreneur is a person who starts a business unit for oneself and continues in that business ".

2.3 Importance of entrepreneurship

An entrepreneur is a person who derives personal satisfaction by influencing the environment in a manner that is economically and socially beneficial for him and the community he deals with. He pays rent for unused of underused land, pays wages and salaries for his employees whose alternative occupation would be at relatively lower income, purchases raw materials and other material inputs and creates or adds value for the materials, and supplies products of utility to his customers. By doing all these business functions he disturbs the socio-economic system in which he is a change agent.

The importance of the entrepreneur is very significant even if he fails after running a business for a long time, his interactions with the environment leaves an enhanced skill level of the people in the region, enlightenment of the employees on alternative means of livelihood and an increased entrepreneurial awareness among the people around. After all, the failure amounts to only a temporary misallocation of finances (Cochran 1981).

The importance of entrepreneurship may be seen through two different viewpoints. They are, from the point of view of the individual and from the point of view of the nation.

2.3.A The Individual and Entrepreneurship

Every citizen of India has a fundamental right for the freedom of thought and action. Every citizen has a right to choose his own
avocation and is given a right to contribute to the process of building up our nation. Entrepreneurship is a field of activity that provides opportunity for all who are inclined towards entrepreneurial behaviour.

An entrepreneur fulfils his ambitions by becoming so. The need for achievement, the need for independence, the need for self-reliance, the need for innovation, the need for affiliation, the need for extension etc. are the innate tendencies that exist in varied levels in individuals.

The entrepreneurial effort of an individual gives one an opportunity to work hard and fetch the fruits of his own capabilities and actions. It even makes him understand his own limitations and merits by the degree of punishment or reward for his own decisions and actions. It makes one understand oneself and learn from experience. It brings out the latent potential by providing opportunities for experimentation.

Entrepreneurial behaviour makes one feel responsible for ones actions since failure because of lack of efforts cannot be blamed on anyone but oneself. It also helps one understand where one stands in relation to others.

Entrepreneurship provides opportunity to utilise knowledge and skill of individuals which may be unutilised or underutilised. Hence a person in employment whose role expectations are not compatible to his self concept can make use of his time, talents and energy in entrepreneurial endeavours.

Entrepreneurship enables a person to become socially relevant. By his behaviour he may be able to uplift the socio-economic status of
his family, relatives and those who are in need of economic support - the underprivileged socially, economically, psychologically and physically.

Entrepreneurship provides a chance to the individual to become a model for others to emulate. His achievements may motivate the community around to imitate his behaviour or develop a sense of competition and contribute to progress.

Minimum or maximum age, appearance, physical measurements or educational qualifications are not prescribed for any one to become an entrepreneur. There is no retirement, no transfer, no subordinations and no unpleasant immediate or ultimate superiors. Hence entrepreneurship can be a career for any one at any age and for any period.

Entrepreneurship is working for oneself and ones offspring and not working for others. The biological truth of the existence of any organism is to take the maximum care for the self and the maximum efforts to establish its offsprings in the world. Entrepreneurship offers the greatest opportunity since the wealth generated after giving the due share to the Government helps the well being of the sons and daughters of the individual. Hence the best of a man is brought out while he behaves entrepreneurially. In short, entrepreneurship enables one to help himself as well as help others thereby making ones' life more meaningful.

2.3.B Entrepreneurship and the nation

Economic development may be defined as an organic improvement in the quality of life of the citizens of any country. It is reflected in the achievement of better nourishment, education, living conditions and an expanded range of opportunities in work and leisure for the people.
The pressing problem of any country, specifically our country is economic development. Economic development is an outcome of human activity. Unless skills and resources of the community are organised into efficient production units, man's labour must remain largely unproductive and his level of consumption low (Berna 1961).

An entrepreneur has been considered as the central figure in the economic growth and economic development (Schumpeter 1954; Kilby 1971; Berna 1961; Cochran 1971; Nadkarni S.S. 1987; B.C.Tandon 1975). He is the agent of socio-economic change. The economic progress of the advanced countries may be attributed to the early entrepreneurial awareness and the quality and quantum of entrepreneurship among their citizens (Dary 1986; Cochran 1981; Drucker 1986; Naoto Sasaki 1990; Taub R. and Taub D.L. 1989).

Entrepreneurs play an important role in developing and contributing to the economy of any nation and it is all the more so in developing countries like India where there are ample opportunities for innovation, to exploit the available resources and initiate entrepreneurial ventures (Rao T.V. and Moulik 1979). India is a country that strives to promote the welfare of the people by securing and protecting as effectively as it may, a social order in which justice, social, economic and political are ensured (Article 38, Directive Principles of State Policy). Article 39 of the directive principles states that "the state shall direct its policy towards ensuring that the citizens, men and women equally have the right to an adequate means of livelihood. The ownership and control of the material resources of the community should be distributed as best to subserve the common good. The operation of the economic system must not result in the concentration of wealth and means of production to the common detriment". Entrepreneurship being associated with small scale industries, its promotion contributes to achievement of nation-
al goals.

The specific benefits to the country derived by promoting entrepreneurship and small scale industries (as a result thereof) may be stated as follows.

The national concern for development of rural and less developed areas ultimately boils down to finding local entrepreneurs who would set up their enterprises in the small towns and villages to which they belong and thereby initiating and spreading development (Nadkarni S.S. 1987). By this observation it is clear that entrepreneurship contributes to the development of economically less developed regions like rural areas, less developed districts and even less developed states. An increased entrepreneurial behaviour of the people in less developed regions may bridge regional disparities. This will be so in the cases of people who are economically and socially deprived of opportunities for participation in the economic process for a substantial length of time. Hence entrepreneurship, particularly its promotion may be viewed as an effective tool to alleviate regional and social disparities that exits in our country.

The growing unemployment problem has become a critical issue. Efforts to generate productive avocation for many of those who are unemployed culminates in making part, if not all, of them entrepreneurs. Its spread effect will promote employment for many. Hence entrepreneurship is an effective tool to get the unemployed employed.

New ventures created by entrepreneurs are ordinarily capital saving and labour intensive. Hence in a country where capital formation is low due to low savings, industrialisation is possible with less capital through entrepreneurship.

India is facing the problem of urbanisation and concentration of
people in cities. It was found that the rural-urban migration is determined by the income disparity between the two regions (Comel et al 1976), and migration is more among villagers in the age group 15-30 years. If the potential migrants are engaged in entrepreneurial activities or employed in units created by entrepreneurs this migration can be minimised.

An index of economic development of any country is the percentage of population in agriculture. India continues to have more than 70% of its population in agriculture. Though the per capita land holdings is getting less and less, agriculture remains the only choice known to a vast majority. If persons from agriculture shift to Industrial entrepreneurship, it will contribute to a better occupational pattern in our country.

Small Industries and entrepreneurship help in better utilising local resources. This leads to creation or addition of value to the material and human resources in the locality. It makes a move towards local self-sufficiency since the industries attend to the economic and social needs of the people in the locality.

Entrepreneurship involves developing business, social and emotional linkages between the stake holder of the business on the one side and others like customers, suppliers, employees and so on on the other. These linkages may cross regional, cultural and linguistic boundaries. It involves understanding, appreciation and mutual adjustment. India being a country with a federal set up, having diverse languages, inter linguistic and inter state interaction and mobility is essential for national integration.

The last but not least is the psychological impact of the entrepreneurial opportunities for people of our country. Knowingly or unknowingly we have been developing a dependency culture among our citizens by providing subsidies, grants, free meals and unemployment
allowances. As a result people tend to expect the means of livelihood as a birth right instead of developing a sense of independence and freedom. Particularly the frustration of the educated youth due to unemployment and non availability of alternate means of earning a livelihood leads them to socially undesirable activities. The Government is only a body created by the people to manage the people in a justifiable manner. It functions with contributions made by its citizens. If every citizen expects everything from the government without contributing his share to the nation, in the long run the government and the nation will cease to exist. Entrepreneurship is an option thrown open to any individual who wants to have a career for himself. If everybody thinks so there will be less reason for becoming frustrated and blaming the government.

Hence an entrepreneur contributes in creating a healthy individual and a healthy nation.