

**Entrepreneurship  
This Way →**

# Entrepreneurship In The Contemporary Knowledge Based Economy

YOU CAN TRADE  
**HOURS FOR DOLLARS**  
OR  
YOU CAN TRADE  
**IDEAS FOR MILLIONS**

**CHOICE IS YOURS**



EDITED BY DR ARCHANA KRISHNAN

ISBN: 978-93-5258-231-0

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D27/28, Institutional Area Janakpuri. New Delhi, India.

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## PREFACE

Entrepreneurship is the euphoric word in the present economic environment of India when the government is going all over to promote ideas, skills and concepts that can be commercialized. In this scenario it is important to discuss the nuances encompassing the very idea of turning an individual into an entrepreneur and also the challenges faced in the process. In order to sensitize the student fraternity of the Institute of Innovation in Technology and Management along with other Institutes of Delhi-NCR a Management Conclave was held on 5<sup>th</sup> February 2016. The theme of the conclave was '**Entrepreneurship in the Contemporary Knowledge Based Economy**'. The conclave provided an opportunity to budding entrepreneurs to share latest developments, ideas, research, best practices in the fast changing entrepreneurial environment as a result of knowledge explosion. The theme also highlighted how entrepreneurship is driven and entrepreneurs are motivated to sustain themselves in the knowledge driven society. In the present times of deep uncertainty and turmoil, the only source of wealth is what individuals, organizations and nations are able to create with what they know. Well-formulated and implemented strategies have always been the foundation of business excellence – the only source of wealth in any economy. The students from across the educational community in Delhi-NCR participated. There were 29 research papers presented in the same. This book is a compilation of selected papers from the conclave.

I would like to express my sincere gratitude to the Chairman Shri J.C.Sharma, IITM Group of Institutions, for his encouragement in coming up with this edited volume. Besides I would like to express my deep gratitude to Prof. (Dr.) C.P.Chawla, Director, Institute of Innovation in Technology and Management, who has constantly encouraged us to conduct the conclave and bring out the book of the same. I hope that this book enriches the existing body of work available on entrepreneurship.

*Dr Archana Krishnan*

## TABLE OF CONTENTS

<b>S.No</b>	<b>Topic And Author Name</b>	<b>Page No</b>
1	Women Entrepreneurship Transition From Homemaker To Sophisticated Business Women <i>Mridul Arora &amp; Arushi Tanwar</i>	1
2	Make In India: Scripting India's Entrepreneurial Journey <i>Aaina Anand &amp; Amish Suri</i>	6
3	Digital Marketing Revolution: Becoming A Consumer To A Modern Marketer <i>Anurag Singh</i>	14
4	Role Of FDI In Make In India Mission <i>Biny Pal Singh &amp; Gill Raman Solanki</i>	19
5	Study On Goods And Services Tax - A Stiff Need In India <i>Deepanshu Bajaj</i>	24
6	An Empirical Study On Women Perception Towards Entrepreneurship <i>Himanshi &amp; Chestha Khurana</i>	29
7	Reshaping Entrepreneurship Development Education In India <i>Karan Sharma</i>	32
8	Youth Entrepreneurship- Challenges And Opportunities <i>Parteek Kathpal</i>	38
9	Emerging Environment Of New Entrepreneurs: Role Of Government Agency In Creating A Sustainable Environment For New Entrepreneurs <i>Priya Garg &amp; Niharika Abrol</i>	43
10	Make In India: "Re-Thinking" "Re-Inventing": An Appraisal Of The Make In India Initiative <i>Priyanka Yadav &amp; Anjali Rawat</i>	46
11	The Relation Of Spirituality And Stress Of The Entrepreneurs <i>Raman Solanki &amp; Maneet Singh Tuteja</i>	54
12	Make In India: Turning Vision Into Reality <i>Jatin Gandhi &amp; Rishabh Jain</i>	64
13	Women-Empowerment Through Women Entrepreneurship <i>Saheb Dua</i>	69

<b>S.No</b>	<b>Topic And Author Name</b>	<b>Page No</b>
14	Threads Of Freedom: A Case Study To Know The Practices Of A Social Enterprise Tofu <i>Sharmila Wilson &amp; Aman Alam</i>	74
15	Social Entrepreneurship: A Case Study Of Aravind Eye Care Hospital  <i>Shivi Sakhuja &amp; Prachi Kalra</i>	78
16	Role Of Make In India Campaign In Promoting Entrepreneurship <i>Shreya Gupta</i>	84
17	Social Network, Ethnicity & Entrepreneurship <i>Shristi Verma &amp; Meghna Sharma</i>	92
18	Gennext Entrepreneurs-Exploring The New Types Of Entrepreneurs In The Indian Marketplace <i>Shruti Khosla</i>	100
19	Make In India – A Road To Made In India <i>Shubham Mittal And Madhur Varshney</i>	105
20	The New Era Of Nascent Enterepreneurs <i>Siddhanth B Iyer &amp; Amit Kumar</i>	108
21	Changing Era Of Women Entrepreneurship <i>Surbhi Tanwar &amp; Smriti Manav</i>	117
22	Frugal Innovation: A Case Study Of Narayana Hrudayalaya <i>Shivika Chopra &amp; Urmila Kundan</i>	124
23	A Study On Relationship Between Entrepreneurship Orientation, Leadership And Financial Performance <i>Vishal Kumar</i>	130

# Women Entrepreneurship

## Transition from Homemaker to Sophisticated Business Women

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### ABSTRACT

*Entrepreneurship has been a male-dominated field since times unknown. With an increase in educational and financial opportunities, women have carved out a niche for themselves in this patriarchal domain. Technically, a "women entrepreneur" is any women who organize and manages any enterprise, usually with considerable initiative and risk. However, quite often the term "women-owned business" is used relative to government contracting. In this instance, the entrepreneur (a woman) owns (more than 50%), controls and runs the enterprise.*

*The paper begins by providing a brief about the hardships faced by the disadvantaged women historically. Further, it explores the growing awareness and opportunities available globally that support the budding entrepreneurs. Then, it covers the struggles and the life of a few such women entrepreneurs, who with their courage, hard work, creativity and determination, have challenged the stereotypical notion in the minds of many and emerged as successful market leaders. The paper also deals with government policies encouraging women entrepreneurs.*

**Keywords:** *Constraints, women entrepreneurship, economic impact, success stories, policies*

### INTRODUCTION

We may refer to Women entrepreneurs as "Woman or a group of women who ideate, initiate, manage and run a business enterprise". The government of India has defined women entrepreneurs based on women participation in equity and employment of a business enterprise. Accordingly, a woman run enterprise is defined as "an enterprise owned and controlled by a woman having a minimum financial interest of 51% of the capital and giving at least 51% of the employment generated in the enterprise to women".

Women constitute 48% of the population of our country. But, out of the entire population of entrepreneurs in our country, only 10% are women. Traditionally, women had been confined to their homes and were stereotyped as "those meant for household chores, giving birth to children and bringing them up". With the advent of time, due to changing economic conditions, women stepped out of the confined space and started selling the three Ps - Pickles, Papads and Powder - that were an extension of their kitchen activities. Some of them entered the field of hospitality, education, public relations, catering and beauty clinics and products. Gradually, they have ventured into science and technology, medicine, sports, manufacturing and other such fields that were never considered socially as a woman's cup of tea. The boom in e-

commerce segment has opened the gates of further opportunities for women to strike a balance between their family and professional lives.

In the words of Mr. Kamal Singh:

“A woman entrepreneur can be defined as a confident, innovative and creative woman capable of achieving self-economic independence individually or in collaboration, generates employment opportunities for others through initiating, establishing and running the enterprise by keeping pace with her personal, family and social life.”

### **CONSTRAINTS: GENERAL AND GENDER SPECIFIC**

Woman Entrepreneurship has been a topic neglected both by society in general and due to patriarchal setup. It is unfortunate that not only women have lower participation rate in entrepreneurship, the fields like retail, education etc. are considered less important than male dominated fields. Financial opportunities are also not easy to gain for women. As a consequence, equal opportunity between men and women from the perspective of entrepreneurship is still not a reality.

### **FACTORS IMPACTING WOMEN ENTREPRENEURSHIP**

**1. Push Factors:** These factors are related to regular responsibilities and basic necessities required to survive. They are more important to women than men. Some of them are:

- Insufficient Family Income
- Dissatisfaction with Salary
- Difficulty in finding job
- Flexible working schedule

**2. Pull Factors:** These factors are more personal in nature. They are associated with a feeling of independence and self-expression. Some of them are:

- Desire for wealth, social status and power
- Financial independence
- Strong network of contacts
- Cooperation and support of family
- Desire to transform an innovative idea into a successful venture
- Utilization of available skill-sets

### **CATEGORIES OF WOMEN ENTREPRENEURS IN INDIA**

#### **First Category**

- Established in big cities
- Having higher level technical & professional qualifications
- Non-traditional Items
- Sound financial positions

#### **Second Category**

- Established in cities and towns
- Having sufficient education
- Both traditional and non-traditional items
- Undertaking women services-kindergarten, crèches, beauty clinics, health clinic etc.

#### **Third Category**

- Illiterate women
- Financially weak
- Involved in a family business such as Agriculture, Horticulture, Animal Husbandry, Dairy, Fisheries, Agro Forestry, Handloom, Power loom etc.

## SUCCESS STORIES

Despite all the hurdles, some women have left no stone unturned and emerged as strong entrepreneurs. Some of them are:

### ***Kiran Mazumdar Shaw, Biocon***

Kiran (59), Chairman and Managing Director (CMD) - Biocon Limited, graduated in Zoology from Mount Carmel College, Bangalore. Later she completed her post-graduation in Brewing and Malting from Ballarat College, Melbourne University. Later, she gained professional experience while working with as a trainee brewer in Carlton and United Breweries, Melbourne, maltster at Barrett Brothers and Burston, Australia.

In 1978, she started Biocon, which over the years has progressed from being an Industrial enzyme manufacturing firm to a fully integrated bio-pharmaceutical company. Under her leadership, Biocon has established itself as the forerunner of biomedicine research, especially on diabetes and cancer. She is also on the board of the esteemed Indian School of Business and IIT, Hyderabad. Kiran has also been conferred with the prestigious Padma Shri (1989) and the Padma Bhushan (2005) from the government of India. Her life has not been without failures. She was just 25, had no family money to depend on and on top of everything a woman. In one of the interviews, she stated that the initially she failed to get anybody to finance her venture and to recruit people that she desired to be in her company. In fact, the first 15 years of Biocon were all about survival. She started Biocon as an enzyme manufacturing company. Later, in the early nineties, her focus shifted to Biomedicine. So, she sold her initial

business and invested in the new one. Again, the initial batches of medicine were utter failures, but she did not stop and persevered. Now, Biocon is a leading brand for in pharmaceutical industry and has given better lives to many suffering from Diabetes and cancerous diseases.

### ***Ekta Kapoor, Balaji Telefilms***

The reigning 'Queen of Indian Television Industry', Ekta, the creative director Balaji Television, has been loved and appreciated for her famous women-centric series of daily soaps. She started her career with a comedy show Hum Panch which was a grand success. She attributes her success to her involvement in all the aspects of her serials, be it the selection of artists, script writing or their look for the desired role. Ekta faced an extreme blow in the year 2007-08 and 2008-09 when all her shows were getting off the screen and her tie-up with Star TV, that gave her the super position came to a halt. But, with all the strength, vitality and courage she bounced back and ventured into the film industry and some of the more refreshing TV series. Thus, she continues to rule the hearts of the audience with her presence.

### ***Shahnaz Hussain, Shahnaz Hussain's Herbals :***

"My Mantra to success," said Ms. Shahnaz Hussain "is important to have a dream with that there must a total faith & confidence in one's own abilities". Being one of the leading entrepreneurs she had made it big globally. Her company, Shahnaz Hussain Herbals is a \$100 million enterprise now. When she began her career, she had limited resources and the concept herbal cosmetics were practically unknown. She researched and prepared her products. Also, with her enthusiasm, she



conducted presentations, seminars etc. to make people aware of such products. For her, India and Ayurveda became her identity and over a period of time she differentiated her brand with these natural qualities. Shahnaz was awarded Padmashree by the Government of India in the year 2006, for the wonderful contribution to Indian identity and economy globally.

### ***Suchi Mukherjee, Lime Road***

Suchi, had graduated from St. Stephan's college, Delhi followed by a post-graduation degree from London School of Economics. She received many awards and recognitions and worked with many brands like Skype, Gum Tree and virgin Media before coming to India at the age of 39 and starting Limeroad.com. She revolutionized the way online products were bought from the online market in India. She lived a dream life that anybody would aspire for. But, she felt that her ambition was not getting fulfilled. Hence, she decided to create her own brand that connected her country with the virtual world globally.

Other successful women are:

- Jyoti Naik, President, Lijjat Papad
- Lalita D.Gupte, JMD, ICICI Bank.
- Naina Lal Kidwai, Deputy CEO, HBSE.
- Preetha Reddy, Managing Director, Apollo hospitals.
- Priya Paul, Chairman, Apeejay Park Hotels.
- Rajshree Pathy, Chairman, Rajshree Sugars & Chemicals Ltd.
- Ranjana Kumar, Chairman, NABARD.

## **GOVERNMENT POLICIES AND INITIATIVES**

Considering the growth potential in women, the Indian government started considering women as a separate target entity in the seventh five-year plan. Also, the need to train women and provide them marketing assistance was identified.

- Women co-operative schemes - These were formed to provide end-to-end support to women who were in varied industries such as agriculture, dairy products, horticulture etc.
- Integrated Rural Development Program (IRDP) - this program was focussed on the training of rural youth to promote self-employment in order to reduce poverty by making people self-sufficient. Under this scheme, 30 - 40% reservation is provided to women.
- Trade Related Entrepreneurship Assistance and Development (TREAD) - introduced by Ministry of Small Industries to develop women entrepreneurs in rural, semi-urban and urban areas to inculcate entrepreneurial abilities in women.
- Women Development Corporations - Helps women in getting finance and marketing facilities for their venture.
- Rashtriya Mahila Kosh: In 1993, Rashtriya Mahila Kosh was set up to grant micro credit to poor women at reasonable rates of interest with very low transaction costs.

Other schemes include:

- Swarna Jayanti Gram Swarozgar Yojana and Swaran Jayanti Sekhari Rozgar Yojana
- Marketing Development Fund for Women

- Mahila Udyam Nidhi
- Micro credit Scheme for Women
- Mahila Vikas Nidhi
- Women Entrepreneurial Development Programmes
- Micro Cordite Scheme for Women

Apart from these, Consortium of Women Entrepreneurs has successfully assisted women entrepreneurs to nurture their venture with innovative techniques, marketing and finance.

Many NGOs and voluntary organizations also help rural and urban women in setting up their business plan.

### **CONCLUSION**

Women have constantly proved their mettle when given an opportunity, be it the conventional household fields or the new innovative ones.

Women have carved a niche for themselves in the male-dominated society and are second to none. Thus, if moulded and handled efficiently they can contribute immensely to our country's economic growth by meeting the challenges in global markets and featuring excellence in entrepreneurial arena.

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# Make In India: Scripting India's Entrepreneurial Journey

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## ABSTRACT

*This paper examines an initiative of the Government of India to encourage multinational and domestic, companies to produce their products in India. It was launched by Prime Minister Narendra Modi on 25 September 2014. India would emerge, after initiation of the program in 2015, as the top destination globally for foreign direct investment. Make in India, main objective is to focus on job creation and skill enhancement in twenty-five sectors of the economy. The initiative also aims at high quality standards and minimising the impact on the environment. The initiative hopes to attract capital and technological investment in India. Hence we will discuss the India tech vision in 2035 considering the key sectors with their future technologies. The technology vision 2035 also will mentioned environment, minerals, habitat and water as important areas where future technologies will be able to solve day to day problems of citizens by better utilization of available resources and skilled manpower.*

**KEYWORDS:** *Job Creation, Skill Enhancement, Investment, Future Technologies.*

## INTRODUCTION

Since the industrial revolution, almost all countries that have managed the transition from low to high income have undergone

industrialization, diversifying and upgrading their production structure, relinquishing sole dependence on agriculture and producing increasing complex finished products. It is very evident that poorest countries in the world do not have an adequately developed manufacturing base, thus do not have adequate capabilities to process raw material, to produce high quality commodities and materials and off course have the increased dependence on imports of capital goods and technology from other parts of the world.

Productivity growth and technological advancement lie at the root of economic development, which is why manufacturing is so important.

- Most technological breakthroughs have been associated with the manufacturing sector, such as the steam engine, the internal combustion engine, aeroplanes, steel ships and semiconductors.
- Efficiency across all sectors of the economy has improved as a result of technology diffusion from the manufacturing sector.
- Manufacturing is also important for creating good jobs. The International Labor Organization says countries with a high share of employees in industry tend to have more people in wage-employment, rather than in informal, vulnerable jobs.

For the past 40 years, the output and employment shares of manufacturing in the world's economies have declined, and those of services have increased. With the increased scope for productivity growth and tradability of services, some developing countries have started to believe that they can skip the industrialization phase.

### **THE INDIAN SCENARIO**

India is often described as the poster child of a developing country successfully riding on the back of services-led growth; however there remains a lot of scope of improvement in this sector of the economy. The growth of services in information technology and business process outsourcing has led to significant job creation and poverty reduction. And services do have more economic advantages than 40 years ago. Technological advance is more easily incorporated into telecommunications, financial and business services. In some digitalized services, the cost of expanding production is getting close to zero. The revolutions in information and communication technology and transport equipment have also made services more tradable. However the robust services sector contribution poses structural challenges to the of the Indian Economy and International Trade

### **NEED FOR DEVELOPING A ROBUST MANUFACTURING BASE IN INDIA**

- Services have been stuck at about 20% of international trade since the 1990s. For the past 20 years.

- India has had a trade surplus in services that covers only one-fifth of its trade deficit in goods.
- Manufacturing sector led growth of nominal and per capita GDP While India ranks 7th in terms of nominal GDP, it ranks a dismal 131st in terms of per capita GDP
- Export-oriented growth model will improve India's Balance of Payments and help in accumulating foreign exchange reserves (which is very important given the volatility in the global economy with multiple rounds of Quantitative Easing announced by major economies).
- Foreign investment will bring technical expertise and creative skills along with foreign capital. The concomitant credit rating upgrade will further woo investors.
- FIIs play a dominant role (relative to FDI) in the Indian markets. However, FIIs are highly volatile in nature and a sudden exodus of hot money from India can affect a nosedive in the bellwether indices. Make in India will give an unprecedented boost to FDI flows, bringing India back to the global investment radar.
- The urge to attract investors will actuate substantial policies towards improving the Ease of Doing Business in India. The Government of the day will have to keep its house in order (by undertaking ground-breaking economic, political and social reforms) to market Brand India to the world at large.

India's Prime Minister, Narendra Modi, the former chief minister of Gujarat – a powerhouse in western India – manufacturing has proclaimed grand plans for expanding the manufacturing sector and improving infrastructure, so it is likely India will gain world shares in manufacturing production in the near future

**MAKE IN INDIA**

From automobiles to agro-products, satellites to submarines, television to telecom, pharma to biotech, paper to power plants, roads to bridges, house to smart cities, profit to progress whatever you desire to make- MAKE IN INDIA. Prime Minister Narendra Modi launched the Make in India programme on 25 September 2014 in a function at the Vigyan Bhavan. The prospect of this scheme is to ensure that the manufacturing sector which contributes around 16% of country's GDP is eventually increased to 25% in next 5 years. Single-window clearances, minimal procedures & cutting out of entire red-tapism - PM Modi recognize Make in India as a boost for employment & growth. Major prospect of this scheme focuses on 25 sectors. These sectors are:

• Automobiles, textiles and Garments
• Biotechnology
• Wellness
• Defence
• Manufacturing, Ports
• Food Processing
• Mining
• Media and Entertainment
• Information Technology and business process management

• Pharmaceuticals
• Renewable Energy
• Roads and Highways
• Railways
• Thermal Power
• Oil and Gas
• Space
• Leather
• Construction
• Aviation
• automobile components
• Chemicals and Electronic System.

**OBJECTIVE:**

- To provide work opportunities.
- To renovate India into global manufacturing hub.
- To increase economic growth.
- To persuade both domestic and foreign companies to invest in India.

Make-in-India is a lion's step, said Prime Minister Narendra Modi today, after launching the logo of his ambitious campaign to attract companies to India. Make-in-India is a lion's step, said Prime Minister Narendra Modi today, after launching the logo of his ambitious campaign to attract companies to India. The logo is the silhouette of a lion on the prowl, made entirely of cogs, symbolizing manufacturing, strength and national pride. The national emblem, Ashok Chakra, also has four lions. For better or for worse, this forces Chinese officials to think like business people, so they are much incentivized to make sure that you end up making money.

The Indian bureaucracy is nowhere as interested in seeing that you make money.

Also the lack of democracy helps. Basically when you have a bad economy, Indian politicians can blame another political party and get votes, and if all else fails you can blame foreigners for anything that goes wrong. Party A blames Party B for everything that goes wrong. Party A gets into power, Party B blames Party A and nothing really changes.

The Modi government has vowed to remove these hurdles and make the nation an ideal destination for investors to set up industries.

## **BOOST FOR MAKE IN INDIA**

### ***48% Growth in FDI Equity Inflows***

The growth in FDI has been significant after the launch of Make in India initiatives in September 2014, with 48 percent increase in FDI equity inflows during October 2014 to April 2015 over the corresponding period last year. In 2014-15, country witnessed unprecedented growth of 717 percent, to US \$ 40.92 billion of Investment by Foreign Institutional Investors (FIIs). The FDI inflow under the approval route saw a growth of 87% during 2014-15 with inflow of US\$ 2.22 billion despite more sectors having been liberalized during this period and with more than 90 percent of FDI being on automatic route. These indicators showcases remarkable pace of approval being accorded by the government and confidence of investors in the resurgent India. India stands committed to have a FDI policy and regime which is investor friendly and also promotes investment leading to increased manufacturing, job creation and overall economic growth of the country.

### ***Industrial production is warming***

The pick-up in investments is starting to show in the country's industrial production numbers. Official data show India's industrial production increased an average 2.7% year-on-year in the seven month period from October to May. Nothing spectacular one may say. But it is a significant step up from the measly 0.6% increase during the comparable period a year earlier.

### ***Foxconn signs to invest billions***

Foxconn has operational units since 2006 in the Special Economic Zone of Chennai, Tamil Nadu. This unit is closed as of December 24, 2014. This affected 22,000 employees. As of mid2015 Foxconn Technology was in talks to manufacture Apple's iPhone in India. In 2015 Foxconn announced that it would set up twelve factories in India and it would create around one million jobs for the people of India. Foxconn will invest in India in manufacturing, energy and e-commerce sectors in 2015. Foxconn will also bring supply chain companies in India. India will work with Adani for more efficient expansion of Foxconn in the country. On August 8, 2015, Foxconn signed MOU with Government of Maharashtra to set up electronic manufacturing plant in Maharashtra with the investment of \$5 billion within the 5-year period. Recently it started manufacturing products of one plus and Gionne.

### ***GM multiplied down***

With an aim to put its troubled past behind it, General Motors, the world's third-largest

carmaker, announced a major overhaul of its near two-decade old operations in India. General Motors Co. recently announced it will invest another \$1 billion and plans to launch 10 new models by 2020. It has struggled to gain market share in India but its decision to pour in more funds and retool so it can make cars for domestic consumption and export shows it expects things to improve.

Mercedes Benz has brought into the “Make in India” program in two different areas. Firstly, in the luxury car segments, it has decided to manufacture more of its components in India – thus increasing the localization of its new model C220 CDI to 60%. Secondly, Mercedes Benz has also decided to manufacture its luxury buses in India, to be exported to Africa and South East Asian markets. The trials have already begun and full-fledged exports will start from early 2016. Competition for low cost manufacturing cannot be underestimated.

Following Mercedes’s lead, its German competitor BMW has also decided to increase its localization to 50%. BMW has already signed deals with approximately 20 companies who supply its components. Volvo is also now in the exploratory stage of exporting its range of buses to other markets. Renault, the French automobile major, has also improved localization of its KWID model to 98% – the KWID is expected to be launched later this year. The US behemoth, Ford, has also committed to invest Rs 4000 to Rs 5000cr for R&D, in its Chennai facility.

Uber is ramping up its roll out. While it is a services company and not a manufacturer,

and supply of energy in the wake of present ride-hailing app Uber Technologies

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committed to invest Rs 4000 to Rs 5000cr for R&D, in its Chennai facility.

*Uber is ramping up its roll out.* Uber Technologies is ramping up its commitment to India. India is already its second-largest market in terms of cities served. To meet growing demand, Uber recently announced will invest \$1 billion over nine months to build its network in India.

## **THE FUTURE - INDIA TECH VISION 2035**

### ***Technologies***

It is **Education** salutary to note that 2035 would mark 200 years of Macaulay's Minute on Education, a document that, for better and for worse, has had a determining impact on

- the content and methodology of what has been and is being taught in Indian educational institutions
- the medium of instruction through which these have been and continue to be taught.

### ***Energy Technologies***

India growing population and need for economic growth is intricately linked with higher energy consumption in all sectors either for domestic, transport, industry or agriculture use. Changing lifestyle, rising people's aspiration for better quality of life and need to increase the country's human development index, India is poised to increase its energy demand & consumption. Currently India is facing acute gap between supply and demand of energy and challenges are ahead to us to maintain sustainable growth and provide electricity to unreached (especially in rural areas). We citizens are decisive factor for India future energy

consumption and to ponder over what kind of energy sources/technology is required in coming next few decades. Whether, we need, all together a new/alternative source an energy crisis is matter of thinking.

### ***Medical and health care***

Aiming for becoming a developed economy in the future, **envision a Healthy India** where individuals make better decisions around their nutrition, health and wellness regardless of caste, creed, gender and socioeconomic status thereby reducing the disease-burden due to the changing lifestyle. A holistic approach is proposed by TIFAC under **Technology Vision 2035** Exercise to bring in a new health care ecosystem which will be better-equipped to fully utilize the potential of technological innovations encompassing to each bench of population.

### ***Transportation***

Transportation is the foundation of our entire economy and quality of life. It links us to the global economy, allowing us to import and export both goods and materials, moving people and ideas anywhere, anytime, on time at an affordable price.

India has a large and diverse transport system and comprises of a various of modes of transport, at the same time with the rising population and the per capita income the travel needs are increasing which has not only created the challenge of capacity constraints in various modes of transport but also there is a rise in the congestion level, emission accidents etc. There is also a rising demand for a comfortable transport at the same time it has to be affordable and environment friendly.



This together with challenges posed by various modes of transportation system from within and overseas would force exploration of new technologies and various options for transportation. There is a necessity to have an integrated transport structure in which various modes of transportation system interface with each other seamlessly, the advanced technologies relevant to the needs of the Indian situation that are needed to provide safe, comfortable reliable, economical, and environmentally friendly mobility to all. seeking your brilliant innovative ideas, innovative technologies which were never thought of before, your dream for the transportation sector.

### ***Agriculture***

Agriculture helps to meet the basic needs of human beings by providing food, clothing, shelter, medicine and recreation etc. Hence we can say agriculture is the most important enterprise in the world. Agriculture is the backbone of the Indian economy and despite concerted industrialization in the last 65 years since Independence agriculture in India is the main source of employment in the country. India is an agro based economy. It provides the food grains to feed the large population of over 1.2 billion. It is also the supplier of raw material to many industries. Thus, the very economic structure of the country rests upon agriculture.

In the coming decades, Agriculture will face challenging situations on the demand and supply dynamics, economic equity, energy, employment, and ecology & climate fronts in the years to come.

In future, agriculture development in India would be guided not only by the compulsion

of improving food and nutritional security, but also by the concerns for environmental protection, sustainability and profitability assisted through technological strides and hard work of Indian farmers. Perhaps the biggest trend occurring in agriculture today is that we are seeing a generational turnover; there will be more rapid ingestion of new technologies in future. Quite simply, we are going to witness more change on the farm in the next 10 to 20 years than we have seen in the last 60! That's providing even yet more opportunity for thought process and innovation. Hence, the main focus of this Technology Vision 2035 exercise is on how India will feed itself in the future and what the need to produce more food means from its natural resource base.

### ***Manufacturing***

An object made of a material which is as transparent as a glass but also has the strength of steel! Sounding news isn't it? Years down the line, a smart laboratory in some part of India would have developed this technology and some industry would have manufactured products based on this. Materials also contribute a major share in the development of industry, infrastructure and a wide array of consumer goods. In the area of Materials, India enjoys a comparative advantage mainly because of the significant resource endowments, excellent R&D infrastructure, Engineering and Manufacturing capabilities, large domestic market and highly qualified scientists and technologists. In materials technology, a seemingly small improvement can open up massive market opportunities.

Interestingly, the document talks about technology which still dwells in the imagination, saying these may become real as “a result of curiosity driven, paradigm shattering research

### **CONCLUSION**

India’s first prime minister, Jawaharlal Nehru strived to ‘make in India’ by erecting high protective barriers to trade, public sector reservations and various tariffs and quotas. The policy completely ignored the interests of the consumers who had to put up with inferior products and higher costs coupled with inefficient public sector enterprises. India departed from that unsustainable strategy in 1991. The new slogan should have a different connotation not merely in terms of its tapestry but also real content.

Today, making India an important investment destination requires a systematic approach involving both policies and institutions. The existing systems and processes must undergo significant changes to remove structural rigidities, improve the quality of institutions and infrastructure, and create a favorable climate for fostering technological and business progress. The distributional coalitions deeply entrenched in the Indian political system will not easily allow such changes. Union policymakers will thus need a clear understanding of what needs to be done and must cooperate with state-level governments to design strategies for this long journey.

Considering that India needs to generate one million jobs per month for the next 20 years to absorb its burgeoning working-age population and additionally develop

indigenous capabilities in defence, pharmaceuticals, chemicals, automobiles, etc., it is very critical for the manufacturing sector to develop.

A study from Deloitte’s global index for 38 nations indicates that India is the fourth most competitive manufacturing nation, so the ground is ripe to make India into a global manufacturing powerhouse. To ensure long term growths and build a nation which is sustainable as well as self-reliant, India needs to take strong measures. “MAKE IN INDIA” is one of the correct initiatives undertaken in this respect. The combined expertise that India has in the services sector combined with the new found emphasis on developing manufacturing along with the existing presence of strong SME’s will surely take India to the next level and help it develop into the next superpower of the world. It is quite early to say whether make in India is a success or not but it is certainly a right step in the right direction.

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# Digital Marketing Revolution: Becoming a Consumer to a Modern Marketer

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## ABSTRACT

*Today's marketers are facing challenges and opportunities in the marketing of their products. They have step ahead from traditional marketing to modern and digital marketing. The cost efficiency and easy access of digital and innovation tools have helped the marketers in promoting the products in this digital world ranging from television, mobiles to internet, emails etc. Digital marketing has provided a platform where firms can freely interact with the customers and developing a good customer relationship with them. With this vision and perspective, more and more firms as well as individuals are opting for digital marketing. The article focuses how digital marketing has affected the businesses as well as the consumers, various forms of digital marketing, its features and its impact on sales of the firm and how in the future , it can become every business need. Digital marketing and the way people modify it emerges all the time. The job of a business person or an industrialist is to manufacture a new product which solves a particular problem of the consumer, finds a way to fabricate it, turn earnings, appointing a merited team. The entrepreneur is not required to adhere to everything proceeding in the digital marketing. But the entrepreneur cannot be so unsophisticated to think that he/she don't need to know*

anything. **Keywords:** Traditional Marketing, Digital Marketing

## INTRODUCTION

Digital Marketing can be defined as promoting the firm's products and services on the Internet apart from advertisements on television, radio, and mobiles etc. using different marketing tools. Digital marketing consists of various parts such as e-marketing, internet marketing (through company's website), email marketing, social media marketing etc. Social media marketing is the most popular category of digital marketing. The increasing competition and the new changes and technologies emerging in digital marketing have paved the way for digitization of firms. It has become the need of the hour. Companies who want sustainability for a longer period will have to make suitable investments in this area ranging from hiring professionals to training of the existing employees to make them adaptable with the digital marketing tools.

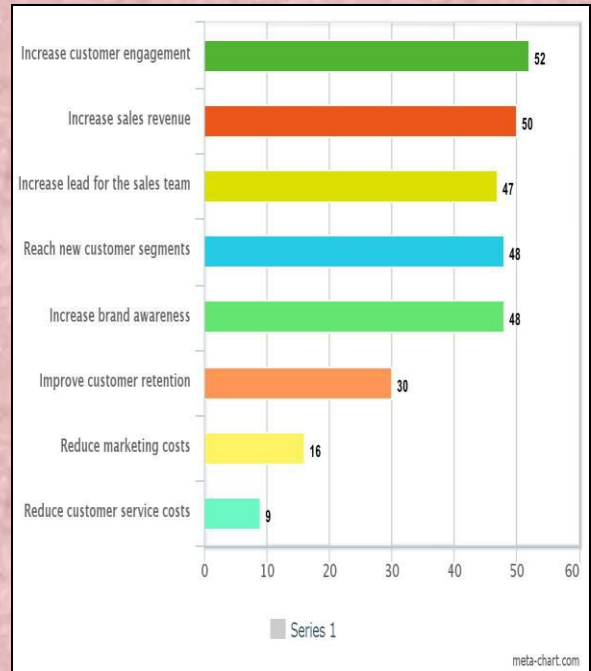
ClicksBazaar.com is an Internet Marketing Company. It provide various services like web designing, corporate designing, app development, SEO, content writing, brand management etc. The company strives to provide best services to its customers at a reasonable cost and that to standardize. It also caters personalized needs of the customers.

## INTRODUCTION OF DIGITAL MARKETING

To maintain customer loyalty, the use of digital channels has received little attention irrespective of the untapped opportunities lying within it and this can help us to keep in touch with the customers and is cost efficient. It sounds like the approach of digital marketing is practically or operationally known but conceptually and theoretically it is being developing. Many researchers and scholars have given their own broad definition. Some definitions include all the four P's while some recognize the terms such as "interactive marketing", "one to one marketing" and "e-marketing".

Hence, in this paper, digital marketing refers to interrelationship between the customer and the brand or the company using digital channels and information technology. The interaction may be a two- way process between the marketer and the consumer. The conversation may be for the whole audience or personalized messages may be there. The cost incurred in digital marketing is relatively lower than that compared to face to face selling or selling through middlemen or distributors. Many countries in Asia are taking the advantage of digital marketing which include e-commerce opening which has become a necessity for betterment of the competition.

The Digital Marketing Strategy varies according to the objectives. However, reducing customer service and marketing costs carry minimum importance.



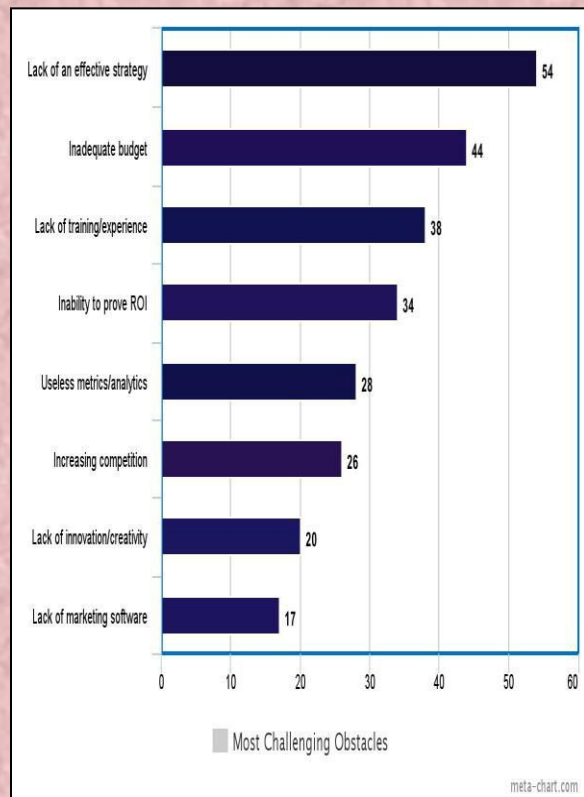
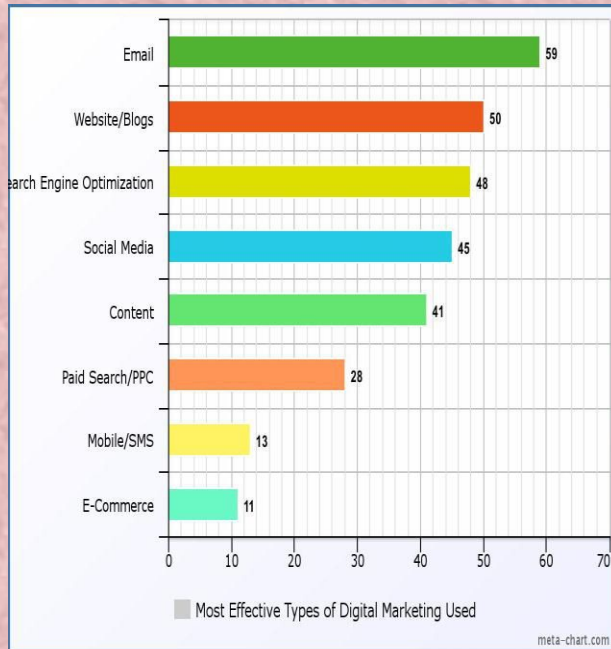
Most of the companies assess digital marketing to some degree, with more than a portion accomplishing "very successful" results.

An inefficient digital marketing strategy becomes a hindrance pursued by low budget to fund the programs.

Email or email marketing has retained the position as one of the best or productively used digital marketing tool, but the division between email and other digital marketing tools is concluding.

## TRADITIONAL MARKETING VS DIGITAL MARKETING

Traditional marketing is procedure consisting of advertising and market research so as to make it popular in the eyes of the customers. Digital marketing uses digital media mediums like radio, television, mobile phones and does not restraint itself to Internet only. The following comparison is given below:



TRADITIONAL MARKETING	DIGITAL MARKETING
One campaign can be carried for a longer time.	Many campaigns can be carried over a long time and changes and innovations can be done time to time.
No competence to make the advertising or campaign viral.	Competence to make the advertising or campaign viral.
Narrow reach to the customers due to lack of use of technology	Broad reach to the customer due to use of technology.
24/7 year-round publicity is not possible.	24/7 year-round publicity is possible.
One way consultation.	Two way consultation.
Feedback can be received during working hours.	Feedback can be received anytime
Lavish and prolonged process.	Economical and speedy process.
Outcome is measurable but longer time is	Outcome is measurable but outcome can be

required to calculate the outcome	generated with less time.
It accommodates print, broadcast, telephone etc.	It accommodates online advertising, e-mail marketing, social media marketing, text messaging, affiliate marketing, search engine optimization, pay per click(PPC) etc.

### **VARIOUS FUNDAMENTALS OF DIGITAL MARKETING**

- Pay-per Click
- Online Advertising
- Social Media Marketing
- Email Marketing
- Text Messaging
- Affiliate marketing
- Search Engine Optimization
- Niche Blogging
- Generating Leads

### **OBJECTIVES**

- To promote the company's website on social media platforms such as Face book, Twitter, LinkedIn etc.
- To improve customer loyalty.
- To identify potential customers and increase customer engagement with them.
- To perform guess posting, blogging, SEO (off page as well as on-page).
- To build up good image and goodwill in the eyes of stakeholders of the company.
- To make it competent in relation with other companies.

### **RESEARCH METHODOLOGY**

Secondary data has been used. Analysis has been done from online campaigns on social media platforms. Business magazines, journals, blogs, business news etc., have been studied and observed to collect suitable data. Advice and suggestions have been taken from experts and scholars having expertise in the area of digital marketing.

### **ANALYSIS**

- The numbers of customers have increased due to increased engagements with the company's website and on social media platforms.
- More and more companies are opting for digital marketing.
- Firms who have opted for digital marketing of their products and services through company's website or any other medium, their revenue has increased.
- Now the customers can see the latest products or services of the firm at different geographical or demographic regions.
- Shopping through company's app in the mobile has increased (also called m-commerce).

### **FINDINGS**

- Customers have now started shopping online through e-commerce websites of different companies
- They can easily make comparison between two products of different companies of similar nature.
- Customers can ask their queries through company's website or on social media platforms.

- Customers have also started becoming marketers for different companies (also known as affiliate marketer).

### **RECOMMENDATIONS**

- Startup firms should opt for digital marketing since greater advertisement on internet and other areas will fetch them potential customers.
- Individuals who want to do part time jobs or wanted to get expertise can enter this field.
- Companies should create their apps so that their reach between the customers increases.
- Customers should be encouraged to become affiliate marketers , as introduced by some companies ( For e.g. **Flipkart** Affiliate Program)

### **CONCLUSION**

Digital marketing has emerged as an important part of strategic decisions of the firm. The firm is giving due respect and importance, since it plays a vital role in generating revenue and sales for the firm. It faces fewer barriers. Companies can use devices such as billboards, tablets, mobile phones, television etc. and on internet through viral marketing, social media marketing, e-mail marketing, search engine optimization etc. Like one said by a great man "Rome was not built in a day", same can be applied to digital marketing, the company needs to adapt to changes taking place in the digital marketing and promote innovation. Changes will take place slowly and steadily. Nowadays, maximum companies are using it, but a day will come when every individual entrepreneur will be using digital marketing. Technology and

digital marketing both are interdependent on each other. Using tools like content blogging, niche marketing etc. and building brand awareness about the product are often given due an insignificant part of the company, which is a wrong thinking. On many occasions, what a customer senses about your product on the internet or in the media long before they even get at random to touch or use it. If your company does not have both of these facets, working together in composition, then you could be kicking off your problems with building awareness about the product. Also it may support the Digital India Campaign inaugurated by the Prime Minister of India Shri. Narendra Modi.

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# Role of FDI in Make in India Mission

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## ABSTRACT

*Make in India is an international marketing strategy, conceptualized by the Prime Minister of India, Narendra Modi on 25 September 2014 to draw investments from businesses throughout the world and make India rise as the manufacturing Hub. The aim is to uplift the share of manufacturing in country's gross domestic product from stagnant 16% currently to 25% by 2022, as mentioned in national manufacturing policy, and to initiate 100 million jobs by 2022. The primary objective behind the initiative is to focus on 25 sectors of the economy for job creation as well as skill enhancement. Make in India is the key to revitalization of Indian economy. It is one of the schemes that may contribute in pulling back the economy from clutches of recession. The aim of Make in India initiative is to correct the composition of Indian GDP which is the primary cause of recession. Currently India's GDP is majorly tilted in favor of service sector. Secondary research is utilized for the purpose of the study and this paper discusses about Make in India scheme, its opportunities, challenges, changes needed and some illustrations of different investors, invested so far. Make in India campaign surely makes India one of the major destination for investment and global hub for manufacturing and innovation.*

**Keywords:** *Gross domestic product, Job Creation, Skill enhancement.*

## INTRODUCTION

The Indian manufacturing sector is the typical example of an industry that has considerable potential. The aim of the scheme is to make sure that the manufacturing sector which is currently contributing around 16% of country's GDP is increased to 25% in next 5 years. Make in India scheme wipes out the unnecessary laws and regulations. 3 sectors which have a major contribution in the GDP of any country are manufacturing, agriculture and services. According to the current contributions of these 3 sectors to Indian economy manufacturing is limited to 16% which is the lowest. There exist lots of opportunities to be considered as far as Indian manufacturing sector is concerned. A number of business men and entrepreneurs visualize make in India initiative as a step towards the betterment of our economy. VNS Global Services group CEO Keshav Murugesh once said "digitization campaign such as digital India, Make in India, creating smart cities and other digitization projects initiated by the Indian Government in the past one year has been made for the betterment of India. Major objective of this scheme focuses on 25 sectors. The sectors are Automobiles, textiles and Garments, Biotechnology, Wellness, Defense, Manufacturing, Ports, Food Processing, Mining, Media and Entertainment, IT and BPM, Pharmaceuticals, Renewable Energy, Roads and Highways, Railways, Thermal Power, Oil and Gas, Space, Leather,



Construction, Aviation, automobile components, chemicals and Electronic System “.

### VISION

- A Step Towards conversion of India into Global Manufacturing Hub.
- To Provide Employment efficiently and as fast as possible.
- To Provide Economic Growth A Tremendous Boost.
- To Ensure That India Gets Investment From Both Local And International (Foreign) Companies.

### TRANSFORMATION APPROACHES CONCENTRATED ON MANUFACTURING

To achieve a manufacturing led transformation, India would need to undertake a structured and planned approach that is scattered among three levels:

#### 1. Revive manufacturing:

The required infrastructure will not only ensures an effective as well as efficient supply chain and key inputs feeding into the manufacturing process but also creates a seamless link between production hubs and end markets both domestic and global.

Domains emerge from these areas requiring significant change to revive domestic manufacturing:

- Financial environment
- Land acquisition
- Administrative environment
- Legal & regulatory environment

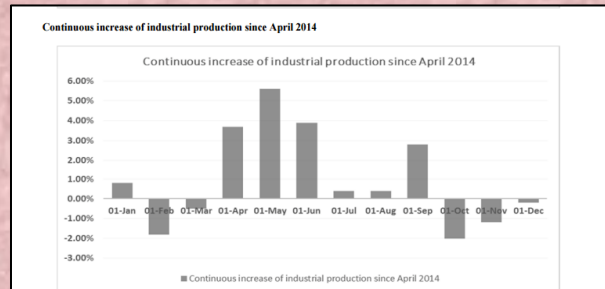
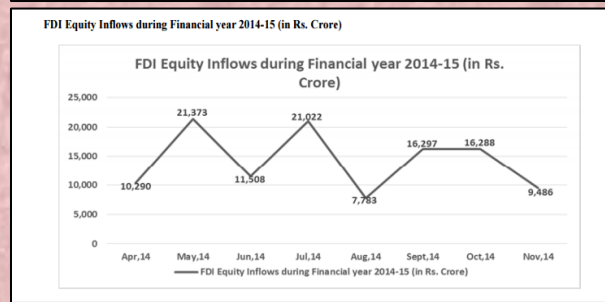
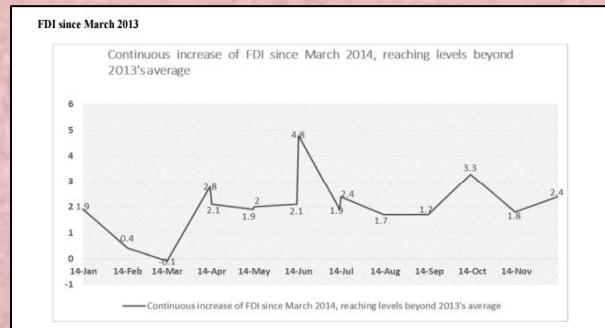
#### 2. Gain Upper Hand Over The Global Competition:

Building an effective ecosystem for export and developing an infrastructure which will support export growth and attracting more foreign and local investments

#### 3. Claim Leadership At Global Level:

Sustaining and expanding competitiveness, changing mindset

#### Growth in FDI



#### Bright side of Investing in Industry Sector

- **Make in India** scheme will give rise to large scale employment opportunities for low skill workforce since majority of workforce in India comprises of low skilled.

- India is majorly dependent on FDI to keep a positive economy. Make in India scheme will influence and attract more FDI to revitalize Indian economy.
- Any manufacturing hub needs supply of parts which is a major factor in the boon for SME's. Make in India will help in generating indirect employment through SME's.
- Manufacturing sector will help to reduce India's trade deficit by the medium of exports.
- Effective Job Creation, Enforcement towards Secondary and Tertiary sector, boost directed towards national economy.
- Converting India into a self-reliant country and to give its economy global recognition.

### **SUGGESTIONS FOR INCREASED FLOW OF FDI INTO THE COUNTRY**

**Need for Flexible Labor Laws:** China is getting maximum FDI in the sector of manufacturing, which has helped the country become one and only manufacturing giant of the world. India can grow its manufacturing sector if infrastructure facilities are given some improvements and labor reforms are taken under consideration. Some Initiatives are required for adoption of more flexible labor laws.

**Revision Of Sectorial Capital:** Though the Government has hiked the sectorial cap for by the foreign companies over the years, it is time to revisit issues pertaining to limits in some sectors such as coalmining, insurance, real estate, and retail trade, which are not included in the small-scale sector. Government should encourage more

investment into the country under automatic route. Reforms such as uplifting more sectors under the automatic route, increasing the FDI capital and simplification of the procedural delays have to be initiated. There is also a need to improve SEZs in terms of their size, road and port connectivity, power supply assurance and decentralization of the decision-making process.

**Geographical disparities of FDI should be removed:** The issue of geographical disparities of FDI in India needs to be addressed on priority bases. Serious efforts are being made by Many states to simplify regulations for setting up and operating the industrial units in there provision.

**Promotion of Greenfield projects:** A large increase in India's volume of FDI has been contributed by Merger and Acquisitions (M&A's) rather than large Greenfields projects. M&A's not necessarily imply infusion of new capital into a country if it is through reinvested earnings and intra company loans. An environment that is Business friendly must be created on priority to attract large Greenfields projects.

**Develop debt based market:** India is having a well-developed and equity market but does not have a well-developed system of debt market. Steps should be brought forward to improve the depth and liquidity of debt market as many companies perhaps prefer leveraged investment rather than investing their own cash.

**Opening Education sector to FDI:** India is having a large number of working

population. However, due to poor quality of primary as well as higher education, there is still an acute shortage of talent. FDI in Education Sector is much below one percent. By changing the status of primary and higher education in the country, FDI in this sector must be encouraged.

**Power to research and development in the country:** India needs to consciously work towards attracting greater FDI into R&D as a means of making country's technological prowess and competitiveness more strengthen.

## CONCLUSION

Indian holds the capacity to push its GDP to 25% in next few years. The government of India has initiated number of steps further encouraging investment and further improve business environment. **"Make in India"** mission is one such long term initiative which will make the dream of transforming India into manufacturing Hub a reality. Start-ups in the core manufacturing sectors are destined to play a crucial role in the success of 'Make in India' ambitions, said experts at a panel discussion at the 11th India Innovation Summit 2015. "Start-ups in the fields of telecom, defense manufacturing, automobile, Internet of Things, financial technology modules and mobile internet have immense potential to succeed in the scheme of 'Make in India'," said Siddhartha Das, general partner, Venture East addressing aspiring entrepreneurs at the discussion on "Entrepreneurship - Role of Startups towards Make in India". Make in India

scheme also focuses on producing products with zero defects and zero effects on environment.

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# Study on Goods and Services Tax - A stiff need in India

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## ABSTRACT

First of all we must understand the meaning of GST and its cascading effect of tax on the transaction of goods and services. Overall, “Goods and Service Tax (GST) is a comprehensive tax which will be levied on the manufacture, sale and consumption of goods and service at a national level. GST referred to a composite tax on goods and services which has a value addition at each stage having comprehensive and continuous chain of set-of benefits from the producer’s/ service provider’s point and up to the retailer’s level and the final tax shall be borne by the consumer. GST will be levied on all the transaction of goods and services. Thus, in principle, GST does not differentiate between ‘goods’ and ‘services’.

**Keywords:** GST, goods and services

## INTRODUCTION

In 2000, the BJP Government set up the “Empowered Committee” with the objective to facilitate a switch over from the existing National level central excise duty and state-level sales tax model to a Value Added Tax (VAT) Model. The Kelkar Task Force worked out on the “Fiscal Responsibility and Budget Management Act, 2003” recommended through its Consultation Paper that the present a structure of Central Excises and State imposed Sales Tax, including Central Sales Tax, will be substituted by

a set up under which the Centre will levy a Goods and Services Tax, concurrently with the States.

In the Budget Speech for the financial year-2006-07, Shri P. Chidambaram, the then Finance Minister stressed upon to move towards a national level GST to be shared between the Centre and the States. He also proposed that GST may be launched w.e.f. 1<sup>st</sup> April, 2010. Since this proposal involved reform /restructuring of not only indirect taxes levied not only by the Centre but also by the States, the responsibility of preparing a design and road map for the implementation of GST was assigned to the Empowered Committee of the State Finance Ministers (EC). In April, 2008, the EC (Empowered Committee) presented its report titled “A Model and Roadmap for Goods and Services Tax (GST) in India” consisting its recommendations about the design and structure of GST for consideration. Later on after incorporating some suggestion made by the Department. Of Revenue, first discussion paper on Goods and Services Tax in India was released by the EC on 10<sup>th</sup> November, 2009 with the objective of obtaining inputs from all stakeholders and debating this issue. The Empowered Committee (EC) proposed that a dual GST Module may be implemented in the country which was duly accepted by the Centre. Under this Module, it was proposed that two components viz. the Central GST to

be levied and collected by the Centre and the States GST to be levied and collected by the respective States. The E.C. recommended that various taxes such as Central Excise duty, additional Excise Duty, Service Tax, and additional duty of customs (equivalent to excise), State VAT, entertainment Tax, Taxes on lotteries, Betting and Gambling and Entry Tax (not levied by local bodies) may be subsumed within the GST.

On this proposal made by the Empowered Committee, the Centre nominated a Joint Working Group consisting of officers from the Central and the State Governments to examine the GST related issues which was later on trifurcated into three Sub-Working Groups to work separately on draft legislations required for promulgation of GST viz.

Process/forms to be followed in GST regime and requirement of IT infrastructure for the smooth implementation of proposed GST. Prominent IT Professional, Dr. Nandan Nilekani was also nominated to look for the development of IT systems requirement for effective implementation of the GST.

### **RATIONALE BEHIND MOVING TOWARDS GST**

The Constitution empowers the Central Government to levy Excise Duty on manufacturing and service tax on the supply of services. Further, it empowers the State Governments to levy sales tax or value added tax (VAT) on the sale of goods. This exclusive division of fiscal powers has led to a multiplicity of

indirect taxes in the country. Furthermore, Central Sales Tax (CST) is levied on the inter-State sale of goods by the Central Government, and collected and retained by the exporting States also. Apart from this, many States also levy an entry tax on the entry of goods in local areas.

This multiplicity of taxes at the State and Central levels has resulted in a complex indirect tax structure in the country that too exists with hidden costs for the trade and industry. Apart from this, there is no uniformity of tax rates and structure of taxes across the States. The cascading effect of taxes due to 'tax on tax' also affects the business industry as a whole. The States do not have the credit policy for the manufacturer producing goods having benefits for exemption of Sales Tax, VAT and vice-versa. Further, there is no policy decision that the State which already paid tax on producing the goods and services in one State can avail exemption in the other States. Hence, the prices of goods and services get inflated automatically enhanced to the maximum extent invariably due to 'tax on tax'.

The introduction of GST would bring transparency in the system of tax scheme followed by the various States in the country also uniformity of distribution of fiscal powers as envisaged in the Constitution. The proposed dual GST envisages clear taxation policy in India for the same taxable events, i.e., supply of goods and services, simultaneously levied by both the Centre and the States. Therefore, both Centre and States will be empowered to levy GST across the supply chain management i.e. from the

stage of manufacture to the consumer end. The credit of GST paid on inputs at every stage of value addition would be available for the discharge of GST liability on the output, thereby ensuring GST is charged only on the component of value addition at each stage. GST implementation would ensure that there is no extra tax burden due to 'tax on tax' in the country.

The GST will simplify and harmonise the indirect tax ambiguities in the country. It is expected that after promulgation of GST the cost of production and inflation will be rolled back in the country, thereby making the commerce industry in India more competitive, not only domestically but also at international arena. It is also expected that introduction of GST will foster a common or seamless Indian market and also divulge significantly to the growth of the economy. Furthermore, GST will broaden the tax base, and would prove better tax compliance due to a robust IT infrastructure. Due to the seamless transfer of input tax credit from one stage to another in the chain of value addition, there is an in-built mechanism in the design of GST that would incentivize tax compliance by traders.

With heterogeneous State laws on VAT, the debate on the necessity for a GST has been reignited. The best GST systems across the world use a single GST, while India has opted for a dual-GST model. Critics claim that CGST, SGST and IGST are nothing but new names for Central Excise/Service Tax, VAT and

CST, and hence GST brings nothing new to the table.

### **NEED OF GST**

Introduction of a GST will replace the existing multiple tax structures of Centre and State. Promulgation of GST is quite imperative in the emerging economic environment. Services are used or consumed in production and distribution of goods and vice versa. Therefore, separate taxation of goods and services result in splitting of transactional values and actual value of goods and services after taxation leads to greater complexities, administration and compliances costs. Integration of various taxes into the GST system would make it possible to give full credit for inputs taxes being collected by the Centre and the States. GST, being a destination-based consumption tax would also help in removing economic distortions and will help in the development of a common national market.

### **SALIENT FEATURES OF THE PROPOSED GST**

The proposed GST will be implemented as dual GST: Both Centre and States levy GST across the value chain i.e. tax will be levied on every stage of supply of goods and services. The Central Government would levy and collect Central Goods and Services Tax (CGST), and States Governments would levy and collect the State Goods and Services Tax (SGST) on all transactions within a State.

### **Inter-State Transactions and the IGST Mechanism:-**

The IGST tax amount accumulated through the tax credit shall be adjusted towards payment of IGST and remaining balance shall be used for clearance of outstanding CGST and SGST in order and stream.

### **CENTRAL TAXES TO BE SUBSUMED:**

- Central Excise Duty
- Additional Excise Duty
- The Excise Duty levied under the Medicinal and Toiletries Preparation Act
- Service Tax
- Additional Customs Duty, commonly known as Countervailing Duty (CVD)
- Special Additional Duty of Customs-4% (SAD)
- Cesses and surcharges in so far as they relate to supply of goods and services.

### **State Taxes to be subsumed:**

- VAT/Sales Tax
- Central Sales Tax (levied by the Centre and collected by the States)
- Entertainment Tax
- Octroi and Entry Tax (all forms)
- Purchase Tax
- Luxury Tax
- Taxes on lottery, betting and gambling
- State cesses and surcharges in so far as they relate to supply of goods and services.

### **GRANT OF COMPENSATION TO THE STATES**

Primarily, it is presumed that due to switch over of indirect tax structure from origin base to destination base, some States might face revenue deficit. To cope up the same the Centre has committed to compensate all the losses born by the States for a period of 5 years. Accordingly, clause 19 has been incorporated in the draft Constitution (122nd) Amendment Bill, 2014 to provide for the grant of compensation to States as per law, on the recommendation of the Goods and Services Tax Council.

### **BENEFITS TO THE GOVERNMENT**

- It will cover all types of person carrying on business activities, i.e. manufacturer, job-worker, trader, importer, exporter, all types of service providers, etc.
- All the traders, business entrepreneurs will come under the purview of GST to pay both the types of taxes i.e. CGST and SGST on all the transactions.
- Traders, manufacturers and business entrepreneurs, registered under CGST will be entitled to claim ITC for collection of GST from the buyers on all origin base transactions to destination base transactions.
- Importers have to register under both CGST and SGST as well.
- If a company is having four branches in four different states, all the four branches will be considered as 'Tax Payers' under the jurisdiction of State Governments.



## **BENEFITS AFTER PROMULGATION OF GST**

The present threshold prescribed in different State VAT Acts creates variation from State to State as no uniform pattern is followed in States. The existing threshold of goods tax under State VAT is Rs. 5 lakhs for a majority of bigger States and a lower threshold for North-Eastern States and Special Category States. A uniform State GST threshold across the States is desirable to meet the challenges faced by the entrepreneurs promoting their businesses in the Indian economy. To overcome this, the Empowered Committee has recommended that a threshold of gross annual turnover of Rs.10 lakhs both for transactions related to goods and services in all the States and Union Territories may be adopted and releasing of adequate compensation to the States (particularly, the States in North-Eastern Region and Special Category States such as Chhattisgarh) where lower threshold is prevailed in the VAT regime. Keeping in view of the interests of entrepreneurs promoting small scale industries, the States considered that the threshold for Central GST for goods may be kept reserved at Rs.1.5 crore and the threshold for services should also be considered appropriately high to avoid dual control and extra burden on them. This raising of threshold will protect the interest of entrepreneur as well as small traders in the country. A Compensation Scheme for small traders and business entrepreneurs has also been envisaged under GST and will be tabled on the floor of the House when the Constitution

(122<sup>nd</sup>) Amendment Bill, 2014 will be presented in Parliament.

## **PRESENT STATUS OF GST**

“The success of GST implementation depends upon the constitution amendment bill, which has to be passed by two third majorities in both the houses of Parliament and at least by 50% of state legislatures. There was a very broad consensus across all parties. Unfortunately, the same is lying pending by the opposition parties on the following three reasons:-

- The GST rate to be prescribed in the bill.
- Scrapping of 1% additional tax for inter-state movement of goods and services.
- Redressal mechanism may be set for adjudicating disputes between states as per the guidelines of Supreme Court.
- To cap the GST rate at 18% in the Constitutional Amendment Bill.

The government is hoping to rollout the GST dispute between the parties and implement the same from April 1 this year, but the Constitution Amendment Bill was stuck in Rajya Sabha as it could not be taken up for discussion in the Winter Session of Parliament. Now, the Government is hopeful that GST Bill will be passed in the forthcoming Budget Session this year.

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# **An Empirical Study on Women Perception towards Entrepreneurship**

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## **ABSTRACT**

*Women have broken the boundaries set by the world and entered into entrepreneurship. They have proved to be equal and give neck to neck competition to men and emerged as smart and dynamic entrepreneur. Increasingly women owned business is prevalent in almost all countries. The hidden entrepreneurial potentials of women are changing with the changes in society. Skill, knowledge and adaptability in business are the key factor for women to enter into business.*

**KEYWORDS:** *Women Entrepreneur*

## **INTRODUCTION**

Women Entrepreneur is a person who accepts challenges role to meet her personal needs and become financially independent and stable. Introduction Women have break the boundaries set by the world and entered into entrepreneurship. They have proved to be equal and give neck to neck competition to men and emerged as smart and dynamic entrepreneur. Women enter into entrepreneurial ventures due to many reasons. Entrepreneurship helps women to overcome the dominance showed by their family members and the society as a whole. Therefore, enhancement of entrepreneurship among women is given special attention.

Due to this view, a special character in the seventh plan has converted into the integration of women in economic development. As the new industrial policy has stressed, Entrepreneurial Development Programme (EDPs) are conducted for women. Besides this, many institutions are

setup to promote women entrepreneurship.

The commercial banks and the financial institution are an important part of this network. Financial assistance at concessional rates is also provided to women to set up their venture. Training in management areas should be given to women. At the national level and the state level, there is a requirement to set up Women Industrial Development Bank in the existing banks and financial institutions, and advisable separate cell called "Women Entrepreneurs Guidance Cell" should be developed. More and more research should be organized to identify the problems, which are faced by them. Plant visit should be organized to help them to learn the way how to behave, how to take decisions etc. the social and economic status of women should be increased. Country can generate socio economic benefits by developing women entrepreneurs

## **"WOMEN" AS ENTREPRENEURS IN INDIA**

Increasing women owned business in almost all countries, women, and the hidden entrepreneurial potentials of women is changing with the changes in society. Skill, knowledge and adaptability in business are the key factor for women to enter into business.

Skill, knowledge and adaptability in business are the key factor for women to enter into business. Women Entrepreneur is a person who accepts challenges role to meet her personal needs and become financially independent and stable. Introduction Women have break the boundaries set by the world and entered into

entrepreneurship. They have proved to be equal and give neck to neck competition to men and emerged as smart and dynamic entrepreneur.

Women are aware of their rights working conditions with help of mass media. Women are becoming job creators then job seekers. They are establish themselves as designers, interior decorators, exporters, publishers, garment manufacturers and still searching new ways of economic participation.

In India, majority of population is constituted by women. But still Indian women entrepreneurs are facing some drawbacks like Lack of confidence in their strength and competence. Socio-cultural barriers Market-oriented risks Motivational factors Knowledge in Business Administration Awareness about the financial assistance Exposed to the training programs identifying the available resources

### **OBJECTIVES OF THE STUDY**

1. To analyze the perception of women to become entrepreneurs.
2. To offer various suggestions to improve the status of women entrepreneurs.

### **RESEARCH METHODOLOGY**

The study was based on survey method. The data for the study has been collected through two sources - Primary Data and Secondary Data. Questionnaire consisting of 11 questions has been used as a tool for primary data collection. The responses to the questions were of dichotomous type. The responses to the questions prepared for the purpose were sought from a sample of 50 female students of graduation of Management stream.

Convenience sampling was administered in the study. The data has been analyzed with

the help of statistical techniques such as pie chart and bar diagram. For the purpose of this study secondary data has been collected through websites, journals and newspapers. Various research papers and articles related to entrepreneurship development in India have also been reviewed.

### **ANALYSIS AND INTERPRETATION**

- 80% of the Girls accept that they have attended the seminar on Enterprise Creation whether organized by College or outside College Premises; whereas 20% of girls disagree that they did not have attended the seminar of Enterprise Creation.
- 64% girls are studying Enterprise Creation as a part of their course curriculum while the other 36% girls have not studied such subject in their course.
- 40% of the Girls accepted that they have entrepreneur in family, where 60% girls are from service class family.
- 50% of the girls strongly desire to be an entrepreneur whereas 24% has no desire to be an entrepreneur and 26% of the girls moderately desire to be an entrepreneur.
- 36% girls believe they will get very much financial support from the family, where 44% of the girls believe they will get little support in terms of finance and the remaining 20% believe they will get no support from the family.
- 60% girls think society discriminates amongst Women Entrepreneurship and give more important to men, where 30% girls believe society make little discrimination and 10% girls believe society does not discriminate amongst Women Entrepreneurship.
- 78% of girls think a woman is strong contender and can balance work life and personal life where 22% girls believe it is hard to manage for a women to

manage the both.

- 40% girls are aware about the schemes introduced by the Government for promoting Women Entrepreneurship as they have knowledge of current affairs, where 60% of girls are unaware about the schemes.
- 16% girls wants to pursue Entrepreneurship to experience the field, 18% takes it as a hobby, 26% as means of survival, 32% wants venture something new (creativity) and 8% have their own personal purpose.

### **FINDINGS**

Majority of respondents are aware about the Women Entrepreneurship through seminars inside or outside college premises. It has been found that majority of respondents says that they have attended the Women Entrepreneurship as there part of course curriculum which means they are knowledgeable about being an Women Entrepreneurs. Majority of respondents believe being an Entrepreneur is a challenging and has a very bright future in coming future thus they desire to be an Entrepreneur in future. It has been found that majority of respondents will get complete financial support from their families / husband / in- laws. It has been found that majority of respondents believe society discriminates amongst Women Entrepreneurs, where only few respondents thinks society plays a fair game to both.

Majority of respondents are highly motivated and takes a women as a strong contender that she can balance work life and personal life much better. It has been found that few of respondents say yes that they are aware about the Schemes introduced by the Government for the Women Entrepreneurs whereas majority of respondents are unaware about such schemes.

### **CONCLUSION**

In this analysis we assume that girls find Women Entrepreneurship as a challenging task as it also enhances their creativity, though they belong from a business class family thus they get more family support. On the other hand girls from Service Class Family still desire to be an Entrepreneur but they face hurdles such as non-supportive family, financial problems, society discrimination etc. to accomplish such task. The future will see more Women Entrepreneurs who are dominated by the men.

### **SUGGESTIONS**

Though the students are taught subject related to entrepreneurship in their curriculum but the practical aspects of the same in not covered in details. It is therefore suggested that the syllabus of the subject should be redesigned to cover the practical aspects. The other students who do not have this subject should be made aware regarding entrepreneurship opportunities available in the market through seminars, workshops etc. Entrepreneur development cell in the institute should arrange seminars, workshops etc. for developing students entrepreneur skills.

The Government should promote its schemes related to entrepreneurs development programmes for women to create entrepreneurial awareness among them.

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# Reshaping Entrepreneurship Development Education in India

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## ABSTRACT

*The Indian economy needs emergence of new, innovative and enthusiastic entrepreneurs and education is an important factor in developing entrepreneurial competencies in individuals. India is a young country with average of about 63 per cent population currently being in the working age group of 15 to 59 years. Studies have found that entrepreneurship prevalence rates are highest in the 25-34 age groups. But this advantage could become a barrier if the youth is notable to develop the appropriate skills including entrepreneurial skills. The educational institutes have a major role to play in this. After 1991, when India opened its economy to the world a greater emphasis have been laid down upon the entrepreneurship. Attempts at various levels have been made to promote entrepreneurship among individuals. Unfortunately, the education system prevailing in India prepares individuals to seek for traditional employment rather than instilling the confidence to do something that one likes. It is important to note that the curriculum in universities is designed such that it results in an individual as a jobseeker and not job provider. Universities need to differentiate between their related business and entrepreneurial courses. Entrepreneurship is the need of hour and educational institutions play a vital role to fuel entrepreneurship in the youth. This paper aims at explaining the importance of*

*Entrepreneurial education and early motivation of potential entrepreneurs and challenges faced by the entrepreneurs. This paper tries to explain the role of educational institutions in developing and nurturing the Entrepreneurial competencies in the youth. It also discusses the steps taken towards the promotion of entrepreneurial education.*

**Keywords:** *Entrepreneurship, Indian economy, educational institutions.*

## INTRODUCTION

Entrepreneurship is the process of designing a new business, i.e. a startup company offering a product, process or service. The entrepreneur perceives a new business opportunity and often exhibits biases in their perception and subsequent decision to exploit the opportunity. The exploitation of entrepreneurial opportunities may include design actions such as to develop a business plan, acquire the human, financial and other required resources, and to be responsible for its success or failure Entrepreneurship is the process of designing a new business, i.e. a startup company offering a product, process or service. The entrepreneur perceives a new business opportunity and often exhibits biases in their perception and subsequent decision to exploit the opportunity. The exploitation of entrepreneurial opportunities may include design actions

such as to develop a business plan, acquire the human, financial and other required resources, and to be responsible for its success or failure.

Entrepreneurship may operate within an entrepreneurship ecosystem which includes government programs and services that promote entrepreneurs, entrepreneurship resources (e.g., business incubators and seed accelerators), entrepreneurship education, training and financing (e.g., loans, venture capital financing, and grants).

Entrepreneur is loanword from French. First used in 1723, today the term entrepreneur implies qualities of leadership, initiative and innovation in new venture design. Economist Robert Reich has called team-building, leadership, and management ability essential qualities for the entrepreneur. Historically the study of entrepreneurship reaches back to the work in the late 17th and early 18th centuries of Richard Cantillon and Adam Smith, which was foundational to classical economics, and contemporarily, entrepreneurship is studied in the discipline of management.

Entrepreneurship is set of activities undertaken by an individual in order to bring together various resources and ideas and combine them to process a commercially acceptable product. In simple words entrepreneurship is the process of changing ones idea into a successful business venture. Entrepreneurs are an important resource to a country. They create employments.

## **ENTREPRENEURSHIP EDUCATION IN INDIA**

Entrepreneurship education is an important factor in determining and developing entrepreneurial qualities in individuals. The entrepreneurial education in India post-independence was a result of government focusing to design the measures for encouraging self-employment and founding small and medium enterprises. As the economy transitioned from being primarily agrarian into one that has significant contribution from other sectors, it was felt that the most pressing requirement was education that would enable need-based entrepreneurs to make forays into these emerging sectors. Consequently, in the 1960s and 70s, entrepreneurship education was almost exclusively delivered in the form of training programs, offered by institutions under the aegis of State and Central Governments, and by financial institutions receiving support from the Government. Some of these institutions include.

- Training and counseling institutions (NISIET, SISI, TCOs, EDI)
- Financial institutions like SBI, IDBI, TDICI, RCTC, etc.
- Development boards (STEPS, EDCs, TBIs)

But it was not until post liberalization phase in India after 1991 when the country not just saw the potential of entrepreneurship as an employment generator but also as a means of economic growth and wealth creation. By the end of 90's entrepreneurs viewed great success of Indian firms particularly in IT sectors. This encouraged several institutions, NGO's, B-schools, industrial units and

consultancies to strengthen the entrepreneurial ecosystem in the country and to establish the mode of education which was not based only on training. Some of these include

- NIESBUD (National Institute for Entrepreneurship and Small Business Development)
- NSTEDB (The National Science & Technology Entrepreneurship Development Board)
- TiE (The Indus Entrepreneurs)
- NEN (The National Entrepreneurship Network)

Entrepreneurship education is still at nascent stage in India, according to surveys in 2010, there were some 1,500 students getting Entrepreneurship education from the institutions that are solely into Entrepreneurship education, while 4,700 students had enrolled to entrepreneurship programs at various business schools and institutions across India, which increased to 44,500 students enrolled to such programs. Many top business schools in the country such as IIMs, XLRI and SP Jain Institute of Management offer specific programs in Entrepreneurship. IIM-Ahmadabad's Centre for Innovation, Incubation and Entrepreneurship has short and long term programs.

The NS Raghavan Centre for Entrepreneurial Learning in IIM-Bangalore has a management program designed for entrepreneurs and family businesses. They also have tie-ups with Babson College in Massachusetts, known for their entrepreneurship options and the London School of Business, known for their global

entrepreneurship program. IIM-Calcutta has international collaboration with Yale University's entrepreneurship program for innovation. The Narsee Monjee Institute of Management Studies (NMIMS) in Mumbai offers a two-year course on family business management tailored to groom individuals who are taking over a family-owned business. The Indian School of Business (ISB) in Hyderabad offers executive management and post graduate programs in entrepreneurship education.

### **ROLE OF EDUCATIONAL INSTITUTES IN ENTREPRENEURSHIP DEVELOPMENT**

Education is of paramount for an individual who wants to bring his idea successfully into the market. And educational institutes can help these individual in nurturing and developing necessary skills and competencies. These Institutions provide guidance, allow for routines to develop and ultimately reduce the uncertainty of social interaction. The B-Schools are the most appropriate nursery of shaping and developing management graduates for entrepreneurship who possess integrity and ethical standards, a deep sense of social responsibility, a commitment to the upliftment of their communities, understand protection and sustainability of the environment, and the improvement of the people's quality of life.

The educational institutions plays important role in development of entrepreneurial competencies through various courses, training and development programs. These may be in the form of short term or long

term programs, requiring graduation or no by an individual.

Entrepreneurship is the activity driven by need for achievement of an individual and these institutions help the individuals with motivational training. Individuals are encouraged by the course structure and activity based programs by the institutions to identify, develop and sharpen their skills and competencies. Case studies of various successful entrepreneurs help them to Identify the processes and potholes in their entrepreneurial journey so that they can learn and formulate their strategies based on them. Also case studies prepared by the institutions help the individuals to link themselves and encouraged by their role models, which provides a positive motivation.

Educational institutions provide a platform for individuals to nurture their creativity and innovativeness. These play an important role both in financial and technical assistance to the individuals through guides, mentors and consultants.

Patenting ones product not only gives an individual legal protection over duplication of his product but also helps him to gain higher profit margins, reduce competition and results in bigger market share. Also it is an asset to an individual but most of the entrepreneurs fail to realize the importance of these intellectual properties. Educational institutes help individuals realize their Importance and sometimes even help in the process of filing a patent for their product.

Social interaction is an important skill for a successful entrepreneur. An entrepreneur has to regularly interact with bureaucratic departments and market personals at early startups. Educational institutions impart communication skills and personality development through their various programs.

At the B-school level, the programs are developed to cater to students of all disciplines. The topics covered include new venture planning and venture creation, business strategy and formulation, innovation, leadership and management, technology management, venture capital funding, finance and operations, etc. As part of the curriculum, business schools also create a business in-house experience for new entrepreneurs to develop their ideas into a business plan and thereby simulate the experience of working in a start-up.

The Entrepreneurship Development Institute of India (EDI), which operates under the Government of India at designated locations, offers post graduate diploma courses in business entrepreneurship, management, NGO management, etc. It also provides programs for working professionals with flexible schedules and a distance learning option for those unable to attend on campus programs.

The National Entrepreneurship Network (NEN) designed a game called the 'Rs.50 Exercise' for the classrooms of certain schools. The students are given an initial investment amount of Rs.50. They have to work in teams and come up with ideas to



start a virtual company. By the end of the day, they observe their earnings and also gain from the learning through an innovative exercise.

Presently various Institutions which provide entrepreneurship education are:

Institute	UG level	PG level
Indian School of Business Hyderabad		✓
IIM Ahmedabad		✓
XLRI Jamshedpur		✓
IIM Lucknow		✓
IIM-Kozhikode		✓
IIM-Bangalore		✓
IIM Indore		✓
FMS, Delhi		✓
IMT Ghaziabad		✓
Indian Institute Of Entrepreneurship, Guwahati		✓
EDII(Entrepreneurship Development Institute of	✓	✓

India)		
S P Jain Institute of Management and Research, Mumbai		✓

- Financial institutions like SBI (State Bank of India), IDBI (Industrial Development Bank of India), and TDICI (Technology Development and Information Company of India).
- Entrepreneurship Development Cells like NSTEDB (National Science & Technology Entrepreneurship Development Board), AICTE (All India Council for Technical Education), and UGC (University Grants Commission).

### SUGGESTIONS

The CBSE Board has adopted the entrepreneurship as a course for class 11<sup>th</sup> and 12<sup>th</sup> and many institutions are also adopting this as a course but ICSE board should also adopt this as a course in their curriculum so as to provide students' knowledge about entrepreneurship. So it is recommended that like CBSE other central and state boards must also include Entrepreneurship development in their curriculum at 10<sup>th</sup> onwards, to provide better understanding to students about entrepreneurship, its importance and scope. An entrepreneurship dedicated structure like EDC (Entrepreneurship development cells) within the university should be formed, which closely collaborates, co-ordinates and integrates faculty-internal entrepreneurship

support and ensures viable cross-faculty collaboration.

## **CONCLUSION**

The role of educational institutions in entrepreneurship development cannot be neglected as these are the breeding pools for the entrepreneurs. In India the awareness about the entrepreneurship is still low due to various factors. Individuals still prefer to seek for employment rather than starting their own venture. This is because our education system is designed such that it kills

Creativity and innovation. There is a great need for higher educational institutions to move away from conventional memory based learning to a system that is more focused to foster creativity and innovation

There is a need for educational institutions to realize their importance and role in entrepreneurship development. Higher education should facilitate the students to develop cross sector, multi-disciplinary skills and find innovative solutions to the problems faced by the people in the society. In this regard some of the institutions are offering entrepreneurial education in the

form of full time courses, training and development programs. Also the government has taken several measures regarding promotion and development of entrepreneurial education in India but still there is a lot to achieve in order to flush the market with new, innovative and enthusiastic entrepreneurs. And several measures should be taken both by the government and top educational institutions to support and promote entrepreneurial education at a faster pace.

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# Youth Entrepreneurship- Challenges and Opportunities

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## ABSTRACT

*In 21st century, building entrepreneurs are overtaking share of existing past entrepreneurs with their creative mindset and innovative skills of pursuing business. Age is neither a limit nor an exception to realize true potential or the way you want to live your life. The youth have more orientation towards novelty and doing an older thing with modern approach. This research paper represents the overall status, opportunities and challenges to the emerging youth entrepreneurship. The youth is bringing up the new innovative and creative ideas which are one of the major factors for the economic development. The boom in youth entrepreneurship attributes more towards their risk taking ability and making new innovations. There are many examples of young entrepreneurs at only the age of 20 or under that who are been well known for their entrepreneurship success.*

**Keywords:** *Youth Entrepreneur, Innovation, Challenges and Opportunities.*

## METHODOLOGY

The research paper is based upon the secondary data. Data is been collected from internet, government websites, books, magazines,

## INTRODUCTION

The term “entrepreneurship” comes from the French verb “entreprenre” and the German word “unternehmen”, both means

to “undertake”. Nobody can be left in any doubt as to the importance of innovation that has transformed the quality of our lives.” An entrepreneur is a person who is able to look at the environment, identify opportunities to improve the environmental resources and implement action to maximize those opportunities (Robert E. Nelson).

Risk taking ability, Self-confidence, Decision making ability, Knowledge of cumin growing to harvesting technology, Economic motivation, Market orientation, Risk factors, Soil and firm condition of experiences, Water resources, Water quality and volumes, need to cumin for all technical factors, Ability of co-ordination to cumin related activities, Achievement, Motivation, etc. indicators are behaviour of entrepreneurial.

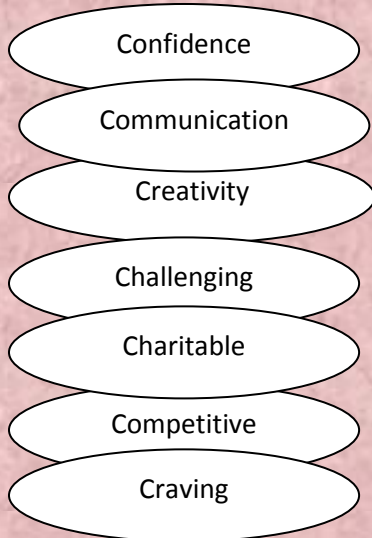
Bygrave and Hofer in 1891 defined the entrepreneurial process as involving all the functions, activities, and actions associated with perceiving of opportunities and creation of organizations to pursue them”

## GENERAL TREND OF THE YOUTH

Nowadays, there is a trend is set among students for first completing their graduation and then many go for post-graduation and after that some also opt for PhD .The ultimate aim behind all these degrees and education is to get a great highly paid and a respected job, it is not common to find youth entrepreneurs, social or business, willing to contribute

towards society. The major finding says that young entrepreneurs have to face lots of problems, but they can overcome those by using internet, newer technologies, and innovations.

### General Qualities of Entrepreneurs



These above are the general qualities of an entrepreneur or you can also quote them as 7C's of an entrepreneur.

### YOUTH IN ENTREPRENEURSHIP

According to one survey conducted by Government of India, the average age of entrepreneur is 43. In fact, one-fourth of the entrepreneurs are under 35, in which the median age at which individuals in the sample became entrepreneurs was 27.

### OPPORTUNITIES FOR YOUTH ENTREPRENEURS

While thinking about business opportunities, I am reminded of the statement of Douglas MacArthur given as opening quotation: "There is no security on this earth – only opportunity." Regarding the availability of (business) opportunities, the views of Thomas J. Watson also seem quite worth citing: "Opportunity never knocks on the door.

You have to knock on opportunity's door and they are all around."

The fact remains that there are opportunities available everywhere in and around us. What is actually required is to have the lenses to see and recognize the same. There exist innumerable business opportunities in the environment for unleashing by the entrepreneurs.

Opportunities such as tourism, consultation or production or it may all depends upon your interest line.

### SOME YOUNG ENTREPRENEURS

#### *RITESH AGARWAL*



At the age of 18 he came up with the idea of budget hotel chain 'Oravel stays' which provides bed and breakfast. But with more analysis of market he found out there are no basic facilities provided for the budget traveller in most of the hotel, thus he converted his 'Oravel Stays' to 'OYO rooms'. Each and every room is provided with air-conditioning, Spotless linen, complimentary breakfast, free wifi and hygienic washrooms. Now Rithesh has 350 hotels providing 4000 rooms with 500 employees.

#### *ANKIT BHATI AND BHAVISH AGGARWAL*



The young and energetic company based in Mumbai providing cabs,auto,shuttles.

The company today has presence across 19 cities, of which nine were added in the last 45 days. The three-year-old company is valued at \$1 billion, according to sources. The founders are the younger on list with their personal fortunes estimated at Rs. 2,385 crore each.

There are many other examples of the young entrepreneur such as the founders of

Flipkart(Sachin Bansal and Binny Bansal)

Images bazaar(Sandeep Maheshwari)

And many much.

### **CHALLENGES FOR THE YOUTH ENTREPRENEURS**



#### **COMPETITION**

In India there are large numbers of entrepreneurs, some of them have set business, goodwill, brand name in the market. This is the important problem before young entrepreneurs. The young entrepreneurs have to face a heavy competition.

#### **WORK EXPERIENCE**

The young entrepreneurs lacks in their work experience as they have no practical experience of any organisation or firm.

They may have a lot of theoretical knowledge but they lack in their practical knowledge, and everyone knows without any practical knowledge many failure decisions or steps are been taken in the firm.

#### **FINANCIAL RESOURCES**

Finance is the blood of any business, without which it if very difficult to establish and run any business. And this is the biggest problem of young entrepreneur. As they are young, they don't have accumulated capital, and obtaining the support of bankers, managing the working capital, lack of credit resources is very difficult.

#### **BUSINESS NETWORK**

The young entrepreneurs' faces problems of business networks or the social links.They lack in their network in their market so faces very problems to get a good name and fame in the market.

#### **ENTREPRENEURIAL SKILLS AND ATTITUDES**

The youth entrepreneurs lack a lot in their entrepreneurial skills and attitudes. They have no clear knowledge about the performance and dealings regarding the firm.

#### **MARKET BARRIERS**

This is also a big problem in front of young entrepreneurs, and without marketing it is very difficult to sell out product in the market. For marketing the products entrepreneurs have to be at the mercy of middlemen who pocket the chunk of profit. The elimination of

middlemen is difficult, because it involves a lot of running about.

### ***LACK OF AWARENESS***

The youth is being not aware all about the entrepreneurship knowledge .There is lack of awareness between them. They do not have a clear cut image of the entrepreneurship in their minds. Educational institutions /R&D centres can help out to make awareness among the youth.

### ***DISCOVERING OPPORTUNITIES***

### ***NEW***

The major challenge for the youth entrepreneurs is to discover new opportunities. As we all know there are countless opportunities but discovering a one best new opportunity for a youth entrepreneur is a great challenge for them.

### ***PROMOTION OF THE YOUNG ENTREPRENEURSHIP***

### ***FINANCIAL INSTITUTES***

They can help promoting the youth entrepreneurship by providing easy finance facilities, various schemes for the young entrepreneurs, explore innovative options such as venture debt, soft loans etc. for start-ups. Launch Entrepreneurship Outreach events (not just in schools and colleges, but also through the media).

### ***EDUCATIONAL INSTITUTIONS/R&D CENTRES***

Develop content, learning methods, pedagogy, examination systems and curricula that encourage critical and lateral thinking, incorporate case studies of real life situations in the curriculum so that students are able to get a concrete feel of

the outside world. Make Entrepreneurship a core subject in business schools, including topics relating to business ethics. Explore ideas for flexibility of vocational education with mainstream education for greater linkages between theory and practice

### ***GOVERNMENT***

In developing countries, the benefits of innovation by entrepreneurs depend on the characteristics of the system of innovation within which they are embedded. The better the system of innovation, the more able a developing country will be to tap into global technology Government should frame policies that encourage new entrepreneurs“ demands and which shall ease their work.

### ***IMPORTANCE OF PROMOTING YOUTH ENTREPRENEURSHIP***

### ***EMPLOYMENT OPPORTUNITIES***

More the organisations, more the employment. India is a very populated country which consists of unemployed people in a huge amount so higher employment opportunities are been required.

### ***INNOVATION***

Nobody can be left in any doubt as to the importance of innovation. The youth is fully filled up with the creative ideas which leads to innovation and builds a great living for the country.

### ***ECONOMIC DEVELOPMENT***

As we all know a successful firm always generates revenue in a very huge amount and they also support the social issues and sincerely work for the social welfare. The

entrepreneurs contribute much towards the rise of GDP.

### ***DEVELOP NEW SKILLS AND EXPERIENCES***

The youth entrepreneurship helps out in developing skills and experiences among the youth. They acquire huge amount of practical experiences and their skills are been also enhanced.

### **CONCLUSION**

Young entrepreneurs are the wheels on which a country can run its economy. Innovation can play an important role in catch-up and growth in a global economy. The young entrepreneurs have their own set of challenges and opportunities. There are lots of problems young entrepreneurs have to face but they can use internet, innovations by their creativity to overcome those problems. Government, financial institutions, educational institutes or R&D, support is been required to build up the young entrepreneurs towards success.

The study of entrepreneurship has relevance today, not only because it helps entrepreneurs better fulfil their personal needs but because of the economic contribution of the new ventures. Entrepreneurship acts as a positive force in economic growth by serving as the bridge between innovation and market place. The innovations are been the major factor for increasing a better lifestyle.

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# Emerging Environment Of New Entrepreneurs: Role of government agency in creating a sustainable environment for new Entrepreneurs

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## ABSTRACT

*Social Impulsion is impossible without giving the opportunity and the environment to the new entrepreneurs. This speech puts forward a view, supporting the environment. For the new entrepreneurs as a process that catalyzes social change and addresses the important issues which needs to be handled very delicately and in an appreciating way. On 15th August 2015, Indian Prime Minister had done. The same thing i.e. he had announced the 'Startup India', 'Standup India', imitative in his Independence Day speech, which we can see as a support towards the "Emerging Environment of New Entrepreneurs".*

**Keywords:** *Social Inclusion, Startup India, Important Issues.*

## INTRODUCTION

Globalization is one of the major trends that bring in a bunch of competitiveness. It leads to the player stands up stiffly to excel in this competitive market and of these players are the entrepreneurs. An entrepreneur is the one who introduce economic goals and then work towards achieving them in the best possible manner.

He is the one that introduces something innovative that the people are unaware of and perceives opportunities for profitable investment. The entrepreneurs' idea depends largely upon the complex, uncertain and versatile environment. As it is this environment favorability that helps in economic growth, generation of employment

opportunities, complimenting and supplementing economic growth and in bringing about social stability and Balanced Regional Development.

Entrepreneurship is a combination and interaction of environment factors like- Socio economic environment Family background Standard of education and technical knowledge Financial stability Government policy Encouraging government policy and social recognition influence a person to become an entrepreneur. This one can say that entrepreneurship as developed with civilization.

Entrepreneurship as megatrend of 21st century Entrepreneurship is fast emerging as a transformational megatrend of the 21st century. Emerging new enterprises are the key drivers of economic growth; they are the life blood of any expanding economy, generating jobs, introducing products and services, promoting greater upstream and downstream value chain activities. In recent times, SMEs playing an important role in social and economic advancements.

Also every country's working government is looking towards SMEs as a sword to fight against the of poverty menace, promote social inclusion, to uplift the socially weaker and backward classes etc. According to the organization for economic cooperation and development, SMEs on an average contribute around 50% or more to the GDP, provide employment to an estimated 60% of the total workforce, create up to 70% of new job



opportunities and account for about 30% of exports.

The government of many countries is unable to create employment opportunities for the youth in their country; this creates a problem of unemployment. To curb and control this problem, the governments of many developing countries came with an idea of promoting new entrepreneurs. The startup campaign the developing country like India, the government recently started the startup campaign; under this the government of India unveiled the action plan for startup in the country.

Prime minister of India on 16th January 2016 announced a self-certification scheme in neglect of nine labor and environmental laws and said there will be no inspection during the first three years of launch of the venture. Such type of bold decisions were very necessary to boost the emerging environment for new entrepreneurs. These types of action plan are seen as key to employment generation and wealth creation. Supporting environments are increasingly essential to successful entrepreneurship and are steadily evolving throughout the world.

### **IDEAL ENTREPRENEURIAL ENVIRONMENT**

In support for the new entrepreneurs, ideal entrepreneurial environment comprises of five pillars: Access to funding Culture for development of entrepreneurs Supportive regulatory and tax regimes Educational system that support entrepreneurial mindsets, listens understands and leads A Coordinated approach that solves the problems faced by the entrepreneurs. Naturally developed economies are ahead of emerging market in this regard.

The Indian government in previous year started MUDRA BANK Scheme. MUDRA

stands by for Micro Unit Development and refinanced Agency Bank. It is a public sector financial institution in India. It provides loan at low rates to Micro Industries and non-banking financial institutions which provide credit to MSME's.

According to a report publish by United Nations Development Program, the contribution of the micro, small and medium enterprises (MSME) sector to the GDP in developing countries ranges between 50% - 70%. MSME are where the many entrepreneurs and future large companies start, thus supporting them is vital in terms of economic development. Policy makers are moving towards actively promoting entrepreneurship opportunities based on an integrated approach that brings together both government and industry entities.

Entrepreneurship boost to living standard The policy makers are making this type of policy because they know entrepreneurs are often thought of as national assets to be refined, motivated and remunerated to the greatest possible extent. Entrepreneurs can change the way we live and work. If successful, these resolutions may improve are standard of living.

In short, in addition to creating wealth from there entrepreneurial ventures they also create jobs and the conditions for a flourishing society. Evidence indicates that Entrepreneurial Capital plays a very important role in the production function model presented that's why a developing countries government is helping and providing new entrepreneurial emerging environment for boosting their business as well as improving the economic condition of that company.

The following are four reasons why entrepreneurship capital is important to the

economy: Entrepreneurs create new employment opportunities. New entrepreneurs offer new goods and services, result in new employment which can produce a cascading effect of virtuous circle in the economy, adding to National Income.

Entrepreneurial ventures literally generate new wealth, new and improved offerings, products or technologies from entrepreneurs or new markets to be developed and wealth be created. Additionally, the cascading effect of increased employment and higher earnings contribute to better national income in form of higher tax revenue and higher government spending. Entrepreneurs also create social change.

Through their unique offerings of goods and services, entrepreneurs break away from tradition and indirect support freedom by reducing dependence on obsolete system and technologies. Community Development Environment is regularly nurture entrepreneurial ventures by other likeminded individuals. They also invest in Community Projects and provide financial support to local charities.

The global microfinance market also has the potential to help small enterprises become tax paying members of the formal economy. In many countries, Credit Guarantee Scheme (CGS) are used by banks, For Example, in India MIDRA bank initiative taken by the government of India discussed previously, to ease the constraints SMEs face in accessing finance. Government startup programs have become the some valuable sources of help.

More than ever before, it is interactive that government's policy makers and business leaders come together to support and advance entrepreneurship, which has proven to be essential to socio economic development worldwide, essentially in a country such as

India that have massive entrepreneurs curial potential and depends almost entirely on SMEs to grow its national economy.

## CONCLUSION

Entrepreneurship is commonly believed to be enormously and this is so because they shift resources from areas to low productivity to areas of higher productivity yield and this arises an uncertain situation of success. This process of entrepreneurship is a dynamic process of creating wealth and emerging environment adds to the optimistic edge.

In under developed economies like India, a new species of entrepreneurs is desirable. Entrepreneurship has to serve national objective. A high sense of responsibility is this essential attribute of emergent entrepreneurship In India.

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# Make in India: “Re-thinking” “Re-Inventing”: An appraisal of the Make in India Initiative

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## ABSTRACT

*Make in India is a vision set by our Prime Minister Mr. Narendra Modi in order to see our country standing among the most developed and prosperous countries and to accomplish his vision he have introduced certain strategies, policies and objectives. Therefore, he introduced a campaign as- Make in India. “Make in India” is an initiative that could attract the industrialists to transform India into a manufacturing hub that would help in job creation and providing development and employment to the youth. As India is ranked 142nd in the “ease of doing business”. Gradually, with time both Indian and foreign businessmen are facing difficulties to start a business in India. The obstacles like poor Infrastructure in India and lack of connectivity within the cities in India are acting as a huge hurdle for development purpose. The other bottlenecks are taxation, government policies, labor laws, ease of obtaining licenses and land acquisition. India must also compete with its neighbors as the other nations are also introduced with the growing economies by the outside world. This paper puts forward a view of make in India as a process that initiates need of change required in the economy. The issues and their suggestions are also discussed.*

**Keywords:** *Make in India, Development, government policies*

## INTRODUCTION

The Make in India initiative was designed and targeted at making India a manufacturing hub and initiating economic transformation through eliminating the unnecessary laws and regulations, making bureaucratic processes easier, make government more transparent, accountable. The project targeted a manufacturing growth of 10% on a sustainable basis. Make in India consist of certain key roles and objective which are important and need to be implemented at each and every phase of development avoiding ever if and butts from the vision and mission.

The initiative was formulated by our visionary Prime Minister Mr. Narendra Modi to see our country standing among the most developed and prosperous countries. Assisting the vision strategies, policies and objectives were introduced. Target is to influence the industrialists to transform India into a manufacturing hub and further provide development and employment.

Highlights of the Make in India initiative are to focuses on new ideas and initiatives such as- First Develop India and then Foreign Direct Investment, Look-East on one side and Link-West on the other, Highways, facilitate investment, foster innovation, build best-in-class manufacturing infrastructure.

This involves certain objectives such as- to make investing in manufacturing more attractive to domestic and foreign investors, to give the Indian economy global recognition, to create competitive industrial environment, to development infrastructure, to invite latest technologies and to generate employment and skill formation.

### **OBJECTIVE**

To appraise the “Make In India” initiative formulated by Indian Government

### **METHODOLOGY**

The paper adopted the SWOT analysis technique to analyze the initiative and data was collected from various policy documents and the researches previously done on the topic. Suitable suggestions were given on the basis of observed analysis.

### **ANALYSIS**

Focusing on the methodology planned to be adopted, a SWOT analysis of the data collected was performed. The research was initiated with identification of the Strength of “Make in India” concept followed by weakness, threat and opportunities.

Initially the paper discussed the strength’s:

- This campaign focuses on certain sectors that are beneficial for development purpose and growth of the economy such as Automobiles, Automobile Components, Aviation, Biotechnology, Chemicals, Construction, Defense Manufacturing, Electrical Machinery etc.
- Focusing on certain sectors of the economy will provide skilled labor to the

industry moreover; Make in India will help in the enhancement of foreign direct investment (FDI) in India.

- Introducing various industrial corridors i.e. The Delhi Mumbai Industrial Corridor (DMIC), The Chennai-Bengaluru Industrial Corridor (CBIC), The Bengaluru-Mumbai Economic Corridor (BMEC), etc. in order to plan and develop smart cities.
- The initiative of industrial development provided employment to the youth of India.
- India’s manufacturing infrastructure and capacity for innovation is poised for phenomenal growth: new smart cities and industrial clusters, being developed in identified industrial corridors having connectivity, new youth-focused programs and institutions dedicated to developing specialized skills.

Taking the advantage of the strengths, make in India campaign could go a long way, but simultaneously it is important to identify and remove the weaknesses. The paper identified the following weaknesses

Delays in land acquisition, Delays in municipal permission, Delays in supply of materials, Delays in award of work, Operational issues dragging down the implementation of the projects, Movement of projects through multiple departments at the state and Central levels, Involvement of multiple agencies, Requirement of various approvals across different stages of the project cycle.

Opportunities are the areas helps in increasing the horizon of the initiative taken. Make in India will open various doors for

the Indian manufacturers in the form of increased investment, improved product quality and greater market to cater.

Simultaneously, it will improve the economic base of the country with High percentage of FDI, more of foreign exchange reserves and high employment opportunities

After discovering the SWOT analyses on make in India here are some suggestions so that the weaknesses of make in India could be removed and the process could be accomplished in more effective and efficient way. The suggestions are as follows:-

Single window clearances, Effective coordination between Centre and state governments, Digitization of all the government departments, Electronic filing and fulfillment of procedures, Creation of a central cloud where all States should have access, making all approvals electronically.

### **FOCUS**

Make in India campaign focuses on various sectors which are as follows- Automobiles, Automobile Components, Aviation, Biotechnology, Chemicals, Construction, Defense Manufacturing, Electrical Machinery, Electronics Systems, Food Processing, IT, Leather, Media and Entertainment, Mining, Oil and Gas, Pharmaceuticals, Ports and shipping, Railways infrastructure, Renewable Energy, Roads, bridges and Highways, Space, Textiles and Garments, Thermal Power, Tourism, Hospitality and Wellness.

### **ROAD AHEAD**

Plan to develop new smart cities and industrial clusters in selected industrial corridors. Work on 5 smart cities- Dholera, Shendra-Bidkin, Greater Noida, Ujjain and Gurgaon, is in progress as a part of the Delhi-Mumbai Industrial Corridor. New youth-oriented programs to develop specialized skills. Impetus has also been given on developing Industrial Corridors. 'National Industrial Corridor Development Authority' has been created to coordinate, integrate, monitor and supervise development of all Industrial Corridors. New Industrial Clusters have been proposed. 21 Industrial projects under Modified Industrial Infrastructure Upgradation Scheme have been approved with an increased emphasis on use of recycled water. Approval accorded to 17 National Investment and Manufacturing zones (NIMZ). 100% FDI under automatic route in construction and operation and maintenance in specified Rail Infrastructure projects. Government of India is building a pentagon of corridors across the country to boost manufacturing and to project India as a Global Manufacturing destination of the world.

### **INDUSTRIAL CORRIDORS IN INDIA**

#### **DELHI MUMBAI INDUSTRIAL CORRIDOR**

The Delhi Mumbai Industrial Corridor (DMIC) was launched by the government in 2006 spans the six states of Uttar Pradesh, Haryana, Madhya Pradesh, Rajasthan,

Gujarat and Maharashtra. The corridor project, being developed in co-operation with the government of Japan, is one of the largest infrastructure projects planned in India, aiming to develop new industrial cities as “Smart Cities”.

### **CHENNAI-BENGALURU-CHITRADURGA INDUSTRIAL CORRIDOR**

The Chennai-Bengaluru Industrial Corridor (CBIC) project was initiated in December 2011 by the governments of India and Japan to improve the infrastructure in the Chennai and Bengaluru. The 560 km corridor between Chennai – Bengaluru – Chitradurga will have an Influence area spread across the states of Karnataka, Andhra Pradesh and Tamil Nadu.

### **BENGALURU-MUMBAI ECONOMIC CORRIDOR (BMEC)**

The Bengaluru-Mumbai Economic Corridor (BMEC) project was initiated in February 2013 in collaboration with the United Kingdom. The 1,000 km corridor would attract enhanced investments in manufacturing sector and would lead to increased industrial activity in the states of Maharashtra and Karnataka.

### **AMRITSAR-KOLKATA INDUSTRIAL CORRIDOR (AKIC)**

The setting up of Amritsar-Kolkata Industrial Corridor (AKIC) was approved in January 2014. AKIC will be developed in a band of 150-200 km on either side of the Eastern Dedicated Freight Corridor (EDFC) in a phased manner.

## **ENHANCEMENT OF FOREIGN DIRECT INVESTMENT (FDI)**

New policies are introduced to enhance foreign direct investment those are as follows-

Government eases FDI norms in 15 major sectors. India's defense sector now allows consolidated FDI up to 49% under the automatic route. FDI beyond 49% will now be considered by the Foreign Investment Promotion Board. Govt. approval route will be required only when FDI results in a change of ownership pattern. Private sector banks now allow consolidated FDI up to 74%. Up to 100% FDI is now allowed in coffee/rubber/cardamom/palm oil & olive oil plantations via the automatic route. Manufacturers can now sell their products through wholesale and/or retail, including through e-commerce without Government Approval.

## **INDUSTRIALISATION**

India's manufacturing infrastructure and capacity for innovation is poised for phenomenal growth: new smart cities and industrial clusters, being developed in identified industrial corridors having connectivity, new youth-focused programs and institutions dedicated to developing specialized skills.

## **FACTORS IMPACTING THE EASE OF DOING BUSINESS IN INDIA**

Delays in land acquisition, Delays in municipal permission, Delays in supply of materials, Delays in award of work, Operational issues dragging down the

implementation of the projects, Movement of projects through multiple departments at the state and Central levels, Involvement of multiple agencies, Requirement of various approvals across different stages of the project cycle.

### **COMMON SOLUTIONS TO IMPROVE THE EASE OF DOING BUSINESS**

Single window clearances, Effective coordination between center and state governments, Digitization of all the government departments, Electronic filing and fulfillment of procedures, Creation of a central cloud where all States should have access, making all approvals electronically.

### **ISSUES AND CHALLENGES**

Under the "Make in India" programme, Government has already commenced concerted efforts to enhance the ease of doing business and kick-start manufacturing growth. It has also relaxed FDI limits in critical sectors like defense, construction and railways. Some state governments are trying to create a conducive environment for this purpose.

Sensing the positive intentions of these initiatives of the Government under Make in India programme, there has been some encouraging responses from various multinational companies i.e. Mercedes to double its India assembly capacity to 20,000 units, Ford to ship India-made EcoSport to USA, Spice Group to invest Rs. 500 crore in India, Hitachi to set up auto-component plant in Chennai, Huawei opened a new R & D campus in Bengaluru, Iphone maker Foxconn in talks to build first Apple plant in India, LG to start domestic manufacturing of

smartphones with Rupees 1000 crore investment in R & D, Airbus Helicopters and Mahindra Defence, a Mahindra Group subsidiary, has recently announced a plan to produce helicopters to cater to India's military requirements etc.

Though there is a positive feel for the programme to meet its objectives, there are some serious issues at ground level, which require immediate attention to sustain the momentum built up recently. These issues have been explained below:

**Land Acquisition:** Setting up the proposed new industrial corridors and priority sector industry as construction, infrastructure, manufacturing and mining etc. under the programme would have vast land requirements. This is a major issue of concern as the current land laws make the acquisition of land more complex and costly. The other developing countries e.g. Bangladesh, Vietnam and Thailand also have comparative advantage in providing cheap manufacturing locations to the foreign investors. A key question is whether the government will be able to master the difficult balancing act between providing sufficient rights and safeguards to landowners while easing land acquisition procedures.

**Infrastructure:** To increase the productivity, profitability and competitiveness, the manufacturing sector needs sound physical and administrative infrastructure. The immediate concerns are irregular power supplies in most states, poor roadways, railways and port infrastructure, insufficient number of universities and colleges providing higher and relevant education,

inadequate quality of education etc. These infrastructure issues are some of the factors, which are making Make in India programme is a big challenge.

**Labor:** Another issue, that may be very critical to the implementation of Make in India programme, is the Indian Labor market, which is characterized by world's most restrictive labor laws. Besides leading to strong unionization, these laws are outdated in the current context. India has some of the world's most restrictive labor laws. A key question is whether both the union and state governments will be able to ease these laws in a way that fosters more employment and industrial activity in labor-intensive sectors, and in light of strong opposition from unions.

**Training issues:** The priority sectors under the programme are highly capital intensive and require highly skilled labor. Preparing high skilled workforce by proper education and training to meet the demands of such industry is again a big challenge for the Government. In the absence of proper training, only a small proportion of total youth population will be benefitted out of this and would fail the purpose of employment generation under the programme.

**Tax:** One of the major impediments to a smooth business, especially in the manufacturing sector, is the uncertain and unpredictable indirect tax regime. The current indirect tax system is plagued with multiplicity of taxes - at different rates - at multiple points. The absence of any setting off mechanism results in cascading effect of these taxes. This is accentuated by a huge

compliance cost that is incurred in respect of each of the taxes and it is observed that unclear rules and regulations and assertive tax authorities are at the heart of numerous high-profile tax litigation cases involving foreign companies. A key focus will also be on the extent to which India will be able to reform its antiquated tax regime.

## **SUGGESTIONS**

The issues and challenges may appear to be having simple solutions, but the devil lies in details and these would require long-term strategies and multi-thronged approach. Thus the success of the "Make in India" programme is dependent not only on the solutions to these issues, but a number of other pro-active measures can play a crucial role. Some suggestions have been made here in this regard:

The land acquisition issue requires an active consideration from the Government to ensure provisions of suitable cheap land for investment. The decisions related to land acquisition should be taken expeditiously at the state as well as district administration level, keeping in mind the interest of all stake-holders. Though the Land Acquisition Bill has already been initiated but it might require some fundamental changes before getting acceptance. Land acquisition should be faster while taking care of the displaced population.

For infrastructure development, the use of Public-Private-Partnership (PPP) model may be adopted to address the infrastructure issues in the implementation of Make in India programme, but the issues related to PPP model are to be resolved. In India, we have a weak form of PPP model due to lack



of flexibility in the contractual agreement and huge delay in dispute redressal. It calls for right enabling environment for PPP initiatives for infrastructure development. Therefore transparency in government procedures, enacting new legislations, ease of norms and rules of National PPP Policy, appropriate risk allocation, fast dispute redressal system and good governance are need for hour to implement Make in India plan successfully.

The issues and challenges related to labor also demand to be addressed on priority. According to World Bank, India has one of the most rigid labor markets in the world. This is one of the biggest constraints in implementing Make in India initiative. Labor laws which are restrictive and outdated in the present context are needed to be revisited. We require more flexible labor laws e.g. increasing ceiling on layoffs of workers and discouraging them to form unions and go on strike but providing minimum wages to all employees.

To address the tax related issues, the implementation of a centralized goods and services tax (GST) may simplify the currently complex indirect taxation system. It will replace all the indirect taxes as central excise duty, service tax, value added tax, octoroi and luxury tax etc. The Goods and Services Tax will be a huge step forward in making India a single market. The GST is a stated priority area for the government, but it continues to face resistance from some states that are worried about losing revenues and are keen to keep certain tax items excluded from it. The Government of India should bring on board all the state governments and deliberate upon the issues concerning the

states and should come up with a solution, where the states do not stand to lose any revenue and simultaneously the manufacturing sector gets a clear and fair taxation system.

The issues relating to training and intellectual property rights need a long term strategy and lot of efforts, but there is an immediate need to make a beginning on these issues. These issues require setting up of institutions of education, training and research and nurturing them without any political interference. The manufacturing sector should be encouraged to participate directly and indirectly in these activities by providing them tax benefits for investments made in this regard.

To compete with the cheap manufacturing sources i.e. China. The manufacturing of goods should be encouraged in India instead of importing those goods. The government should put more efforts to enhance the competitiveness of the Indian domestic manufacturing industry by encouraging them to increase productivity, decrease lead times, implement various quality control techniques and green practices. The countries like China might be losing on the advantage of vast pool of low-wage workers, as it is having double-digit increases in China's minimum wages. This would compel many companies to look for other low-cost alternatives. On this front, India has an advantage over Southeast Asian countries such as Vietnam and Indonesia as these countries lack the deep supply of workers available in India. We need to strengthen our low skill manufacturing to complement the inherent capabilities of skilled labor force, which is already

recognized all over the world for making complex things and for its frugal engineering. It is thus the most opportune moment for India to make the environment investor friendly from the perspective of manufacturing sector. low skill manufacturing.

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# The Relation Of Spirituality and Stress of the Entrepreneurs

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## ABSTRACT

*Spirituality is to 'know' who you are and the knowledge of yourself understanding the highest spiritual qualities and attributes which are love, peace, purity and bliss. Spirituality is a resilient and controversial variable that has evidenced an ability to help people better cope with stress. This empirical research paper attempts to identify the relation between spirituality and stress. Four types of indicators are used for measurement of stress such as behavioral indicators, emotional indicator, sleep indicator and personal habits. Hypothesis said if spirituality is high then stress will be low or if spirituality is low then stress will be high. In young generation entrepreneurs the stress of making it big or to follow the footsteps of previous Generation entrepreneurs affects them. Data is collected through the questionnaire based on spirituality index and stress index. 75 New Entrepreneurs have taken as participants to find out the rate of spirituality in entrepreneurs and **correlation** is used to determine the relation between spirituality and stress. The objective of the study was to effect of spirituality on stress which is a key to function a business smoothly. **Keywords:** Spirituality, Faith, Stress, Supreme Power, Entrepreneurs, Religion*

## INTRODUCTION

Stress plays an important role in the life of the individuals whether it is businessman, students, teachers and other professions. To cope with the stress people use meditation, listen to good music, fun etc. depend upon which type of stress is occurring. Managing stress is all about taking charge: of your thoughts, emotions, schedule, and the way you deal with the problems. Spirituality is to know about oneself and the understanding of some supreme power through which the world is governed. Spirituality is not just about the god and religion, it is something related to elite power, it is a faith which connects a normal human being to their soul.—a person's experience of, or a belief in, a power apart from his or her own existence (Mohr, 2006). Spirituality is the bridge between what we are and where we want to reach or we can say it is hopefulness.

Spirituality is the choice of human being to surrender him to one supreme power that is meaningful and desirable for him —An active choice to surrender oneself to God's will (Wong-McDonald, 2000, p. 149). Sometimes people believe on supreme power only to mitigate the deleterious effects of the life.

Spiritual coping has been effective in protecting individuals from the negative effects of death of a loved one, natural disasters, chronic illness, and acts of

terrorism (Zinnbauer, Argument, Cole, Rye, Butter, Belavich, Hipp, Scott, & Kadar, 1997). In other words spiritual is the faith and trust who save the people from the negative things. Spirituality is the way to reduce the negative effects of life such as: death, stress, illness etc.

Stress is the body's instinctive response to external environment cues as well as to one's inner thoughts and feeling. Stress arises when we try to control the uncontrollable things. American institute of stress says that

—Everyone knows what stress is, but nobody really knows. Means we know about the stress and the reason of the stress but we don't focus on it in the initial stage when its effects the mind then we starts to find the solution.

### **TYPES OF STRESS**

Basically, there are two types of stress: one is related to positive stress called eustress which motivate and improve performance of the individual and other one is negative stress called distress which demotivate and decrease performance of the individual, it can lead to mental and physical problems.

According to the situation, stress is of three types (The Stress Solution by Lyle H. Miller, PhD, and Alma Dell Smith, PhD.):

**Acute stress:** Acute stress is thrilling and exciting in small doses, but too much is exhausting, because it is short term, acute stress doesn't have enough time to do the extensive damage associated with long-term stress. The most common symptoms are:

Emotional distress — some combination of anger or irritability, anxiety and depression, the three stress emotions.

Muscular problems including tension headache, back pain, jaw pain and the muscular tensions that lead to pulled muscles and tendon and ligament problems. Stomach, gut and bowel problems such as heartburn, acid stomach, flatulence, diarrhea, constipation and irritable bowel syndrome.

Transient over arousal leads to elevation in blood pressure, rapid heartbeat, sweaty palms, heart palpitations, dizziness, migraine headaches, cold hands or feet, shortness of breath and chest pain.

### **EPISODIC ACUTE STRESS**

Episodic stress is a severe acute stress which means a human being experiences this type of stress every day in a daily life not just once in a while. This type of stress is usually seen in people who make self-inflicted, unrealistic or unreasonable demands which get all clamored up and bring too much stress in their attempt to accomplish these goals. The symptoms of episodic acute stress are the symptoms of extended over arousal: persistent tension headaches, migraines, hypertension, chest pain and heart disease.

**Chronic stress:** While acute stress can be thrilling and exciting, chronic stress is not. This is the grinding stress that wears people away day after day, year after year. Chronic stress destroys bodies, minds and lives. It wreaks havoc through long-term attrition. It's the stress of poverty, of dysfunctional families, of being trapped in an unhappy

marriage or in a despised job or career. It's the stress that the never-ending "troubles" have brought to the people of Northern Ireland; the tensions of the Middle East have brought to the Arab and Jew, and the endless ethnic rivalries that have been brought to the people of Eastern Europe and the former Soviet Union.

In entrepreneurial life, it has been found that the eustress helps to build their future but it depends on the personality of the Entrepreneur and the way of motivation he/she takes. Problem of achieving target, poor profits, lack of funds etc. create an acute stress but when it happens regular way it converts into chronic stress.

Spirituality perspective predominately speaks about some power which originates from inside, it also involves a feeling of being connected with one's work and with others (Ashmos and Duchon, 2000; Neck and Milliman, 1994.) to connect with the one's work and others depend upon the individuals. The most common types of spirituality that can be experienced by an individual are:

### **RELIGIOUS SPIRITUALITY**

It is related to belief in a being greater than oneself. There are different ways to connect with greatness like some people connect to it through prayer, church and books. Most of us get spirituality, peace and faith from the church, temples, gurudwara and some people gets it only through the books like the Gita, Ramayana, Bible or Quran. The main thing behind the spirituality is to get a peace of body as well as mind.

### **NON-RELIGIOUS SPIRITUALITY**

A second type of spirituality is non-religious spirituality. It centers on doing something positive. This gives a sense of peace in one's spirit. Non-religious spiritual acts often mean creating things or making something by hand. This act gives a sense of satisfaction. Fans of the television show NCIS may recall a scene. After Agent Gibbs solves a disturbing crime, he retreats to his basement. There he quietly, carefully works on his hand made boat. The message is simple. The act of creating something fed his soul. The acts of destruction he saw took away his sense of peace. Building something of beauty gives back his inner peace. His spirit is nourished back to health. Making the boat gives meaning and purpose to his life. This is an example of non-religious spirituality.

### **REASON OF THE STUDY**

1) What is the relationship between spirituality, stress, and academic performance? 2) How do spiritual entrepreneurs use their spirituality to cope with stress and how does this impact their business performance? 3) Do spiritual people feel more positively about their business performance than less spiritual people? Why or Why not? To answer these questions, took a mix methods approach incorporating both qualitative and quantitative research strategies.

### **LITERATURE REVIEW**

Many researches have been studies done on stress and spirituality on academic sector and focused external factors as

environmental, economic demands, affects the stress more instead the internal factors as personal habits, perception, attitude etc., The literature defines stress as a process in which environmental demands tax or exceeds a person's ability to adapt resulting in psychological and biological changes that place a person at risk for disease (Cohen, Kessler, & Gordan, 1997). Perceptions of stress vary from one individual to the next because stressors have the potential to elicit different responses based on people's subjective experiences (Dwyer & Cummings, 2001).

Spirituality is a protective factor that has demonstrated surprising reliability as a coping mechanism and protective factor in the literature (Clark, 2004; Gartner, 1991; Karren, Hafen, Smith, & Frandsen, 2002;

Pargament, Maton, & Hess, 1992). Spirituality is man's relationship with the creator (Wong-McDonald, 2000). In the Judeo-Christian perspective, spirituality has been defined as —an active choice to surrender oneself to God's will (Wong-McDonald, 2000). Stress has been defined as a significant life change that can be positive or negative (Holmes & Rahe, 1967). More specifically, stress can be explained as an interruption of psychological homeostasis (Burchfield, 1979). Research shows that young entrepreneurs are not just affected by an academic load, but that the current economic climate has led to increased financial stress for this population (Northern, O'Brien, & Goetz, 2010). Spirituality depends upon the personality of the individual and stress occurs due to personality traits like extraversion,

agreeableness, conscientiousness, trait anger and neuroticism (Elise E. Labbe' and Ashley Fobes, 2010). A person who is highly spiritual has a lower state anger. For women, higher spirituality was significantly associated with higher contentment as well as with lower stress levels. Stress and spirituality of the individual depend on the age as well as gender (Jessica Tartaro, Linda J. Leuken, Heather E. Gunn, 2005). The lack of relationship between contentment and stress, even given women's significantly higher stress levels, indicates that, for women, contentment is strongly associated with an internal factor of spirituality as opposed to environmental factors represented by stressful life events (E. Don Poage, Kay E. Ketzenberger, James Olson, 2009). Perceptions of stress vary from one individual to the next because stressors have the potential to elicit different responses based on people's subjective experiences (Dwyer & Cummings, 2001). Spirituality can happen in a different way either through yoga, listening to religious music, share problems with others. Yoga practices enhance muscular strength and body flexibility, promote and improve respiratory etc. beyond this, it reduce stress, anxiety, depression and chronic pain, improve sleep pattern and enhance overall well-being and quality of work life (Catherine woodyard, 2011).

## **OBJECTIVE**

The objective of this study is to determine the level of spirituality and stress in the life of entrepreneurs and also to find out that whether spirituality plays any role in reducing stress of entrepreneurs. The

objective of this study is to determine the level of spirituality and stress in the done on assess the spirituality and stress but after work on the literature review of past researches which shows that level of the spirituality in the entrepreneur life is not high as compare to other, (Clark, 2004; Park & Bonner 2008). The objectives of the study are as:

- To find level of the spirituality among girls and boys of IIT students who are now running a business.
- To examine the spirituality really does matter in entrepreneurs' life.
- To examine the methods cope up with the stress other than spirituality in entrepreneurs life

#### **NULL HYPOTHESIS**

- There is no significant relationship between the spirituality, stress and business performance.
- There is no significant relation between age and gender

#### **RESEARCH METHODOLOGY**

The study is based on the primary data and data is gathered through distribute the questionnaire among the specific target of entrepreneurs of former Indian Institute of Technology students. The age group of the entrepreneurs was 25 to 50 year so, it was easy to focus the spirituality and stress level on the target sample size.

#### **MEASUREMENTS OF VARIABLES**

Spirituality support subscale and spirituality openness subscale is used to determine the

business life where entrepreneurs have stress of loss, family, money. spirituality. Four types of indicators are used for measurement of stress such as behavioral indicators, emotional indicator, sleep indicator and personal habits. Survey was selected on the basis of convenience. A 81 items in questionnaire in which 48 questions are related to stress index and rest of the related to spirituality, which showed effective and time saved and instruction associated with the format and to identify items that were tried to easily understand by the employees.

Respondents were asked to indicate them disagreement or agreement into 6 directions for spirituality index it was as which ranging from 1 to 6: strongly disagree, disagree, somewhat disagree, somewhat agree, agree and strongly disagree. For stress it was as which ranging from 1 to 5: never, almost never, some of the time, most of the time and almost always.

In the stress index, Q1 to Q5 are related to sleep indicators; Q6 to Q14 are related to behavioral indicators; Q15 to Q35 are related to emotional indicators; Q36 to Q40 are related to general questions of stress; Q41 to Q48 are related to physical indicators.

In the spirituality index: Q1 to Q10 indicates spiritual support subscale, Q11 to Q18 indicates spiritual openness subscale and rest of the questions related to god or supreme power.

**Reverse scoring:** Q1, Q3, Q7, Q8, Q21, Q31, Q32, Q33 are reverse scored. Each

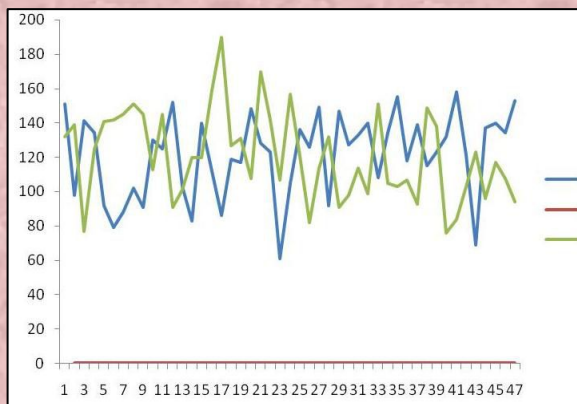
subscale is scored separately scoring is kept continuous.

**Data collection:** Primary data were collected through the questionnaire distributed among the former engineering students, now entrepreneurs of specific department. Survey was based on the convenience sampling method. A predominantly quantitative approach was adopted for the study, respondents were selected randomly. Some data related my research was collected through personal interviews with the entrepreneurs.

**Sample size:** During the survey 75 questionnaires were distributed among the former engineering students, who are now entrepreneurs and 47 questionnaire got return back, which shows 62% respondent rate.

**Statistics used:** Statistical data were analyzed using Statistical Package for the Social Sciences 20 (SPSS 20) and Microsoft excel 2010. Correlation analysis was used to determine the relationship between the spirituality, stress and entrepreneurs. Data coding strategies were used to analyses the qualitative data.

**Graph1** shows that if spirituality is high then stress will be low and if spirituality is low then stress will be high it means spirituality and stress are inversely proportionate to each other.



## RESULTS AND DISCUSSIONS

Participants were 47 (31boys and 18 girls) former engineering students and research scholars of IIT Delhi from the Department of Paper Technology. 75 questionnaires were distributed and 47 returned. Respondent rate were 62% in which some participants from boys didn't give the answers of some questions. The average mean of the age of the entrepreneurs was 35 years in this study.

This study has been done at the end of the reunion that was organized at IIT Delhi recently. The overall stress score and spirituality score among entrepreneurs are tabulated in Table1. Correlation of spirituality and stress are tabulated in Table2 and test of normality is tabulated in Table3. The findings reveal that the stress level is significantly related to the spirituality of the entrepreneurs. Some information was collected through personal interviews, according to which boys adopt different things to get relief from the anxiety such as smoking, drinking, and workout etc. Alcohol may be used as a tool to reduce psychological distress (Marx and Sloan, 2003). But girls do religious and non-religious activities for reducing the stress.

Stress of the Entrepreneurs

Spirituality of the entrepreneurs



**GRAPH 1: Representation of the Spirituality and Stress**

The result showed that mean score of spirituality and stress level of entrepreneurs is 121.14 and 120.76 respectively out of the total score of the spirituality and stress was 192 and 280 respectively.

**TABLE1: Spirituality and Stress Descriptive Statistics**

	N	Minimum	Maximum	Mean	Std. Deviation	Skew-ness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
Spirituality	47	61.00	158.00	121.1489	24.25676	-.625	.347	-.364	.681
Stress	47	76.00	190.00	120.7660	25.75825	.362	.347	-.239	.681
Valid N (list wise)	47								

The correlation (-0.519) indicates that relation between the spirituality and the stress of the entrepreneurs is negatively related to each other which shows significant relationship between spirituality and stress. Result reveals that when spirituality of entrepreneurs in any terms whether religious, non-religious and toxic is high then stress of the entrepreneurs will be decreased. In other terms when spirituality of the entrepreneurs increases then stress decreases.

**TABLE 2: Correlation of Spirituality and Stress Correlations**

		Spirituality	Stress
Spirituality	Pearson Correlation	1	-.519**
	Sig. (1-tailed)		.000
	N	47	47
Stress	Pearson Correlation	-.519**	1
	Sig. (1-tailed)	.000	
	N	47	47

\*\* . Correlation is significant at the 0.01 level (1-tailed).

**TABLE 3: Test of Normality Tests of Normality**

	Kolmogorov-Smirnov <sup>a</sup>			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Spirituality	.105	47	.200*	.952	47	.050
Stress	.094	47	.200*	.978	47	.521

\*. This is a lower bound of the true significance. a. Lilliefors Significance Correction

A Shapiro-Wilk's test ( $p > 0.05$ ) (Shapiro & Wilk, 1965, Razali & Wah 2011) and visual inspection of their histogram, normal Q-Q plots showed that the spirituality and stress were slightly normally distributed of entrepreneurs with the skewness of -1.80 (SE = 0.347) and a kurtosis of -0.53 (SE = 0.681) for spirituality of the entrepreneurs where the skewness of 1.04 (SE = 0.347) and a kurtosis of -0.35 (SE = 0.681) for the stress. Stress is highly normally distributed than the spirituality normality curve.

This study showed the relationship between the spirituality and stress. According to the results, spiritual person is a person who always tries to cope with the stress and find out the relevant solution of the problem. Spirituality can be in terms of faith, belief, hope about oneself which helps individual to fight with the stress.

### **LIMITATIONS**

Entrepreneurs have the power to develop and modify their career in interesting and creative way but due to some stresses like family pressure, financial problems, improper guidance, unrealistic expectations etc. Entrepreneur stress is highly affected by the financial aspect. This paper didn't focus on the financial stress of the entrepreneurs. Financial problem, family problem, group cohesiveness are important variables for the measurement of stress and spirituality of the entrepreneurs.

Personality of the individual like extraversion, agreeableness, conscientiousness, trait anger, and neuroticism decide the level of stress acceptance. Characteristics of the personality are the crucial for the research related to stress and spirituality. Self-efficacy has been defined as a sense of personal control and the perception that one has the ability to minimize, reduce, or tolerate a particular situation (Bandura 1977). These were the limitation of this study and also serve as suggestions for the future researcher who are interested to do research in the area of stress and spirituality.

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# Make In India: Turning vision into reality

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## ABSTRACT

*Entrepreneurship as important aspects of the economy. The concept of Entrepreneurship is very vital in today's world it means becoming master of your own Fate. The aim of the make in India movement is to take a share of manufacturing in country's gross domestic product from stagnant 16% currently to 25% by 2022, as stated in national manufacturing policy, and to create 100 million jobs by 2022. The major objective behind the initiative is to focus on 25 sectors of the economy for job creation and skill enhancement. Currently India's service sector is booming and India's GDP is heavily and wholly favour of service sector. So because of this our Prime Minister Narendra Modi launched this campaign Make in India to convert India into next Global Manufacturing Hub. Secondary research is used for the purpose of the study and this paper discusses about Make in India scheme, its opportunities, challenges, changes needed and some examples of different investors, invested so far.*

**KEYWORDS:** *Gross Domestic Product, Job creation, Skill enhancement, Start ups*

## INTRODUCTION

The Indian manufacturing sector has the great potential to convert India into next Global Manufacturing Hub. The objective of this scheme is to ensure to rise and to take manufacturing sector to the next level which

contributes around 16% of country's GDP is increased to 25% in next 5 years.

Make in India scheme Eliminates Unnecessary laws and regulations and to promote 3 sectors namely Agriculture, Manufacturing and Service sector which contributes to India GDP at a vast. Out of which India GDP is wholly and heavily favour of Service Sector. So the objective of this scheme is to ensure the manufacturing sector which contributes around 16% of India GDP is increased to 25% in next 5 years. Major objective of this scheme focuses on 25 sectors. The sectors are Automobiles, textiles and Garments, Biotechnology, Wellness, Defence, Manufacturing Ports, Food Processing, Mining, Media and Entertainment, IT and BPM, Pharmaceuticals, Renewable Energy, Roads and Highways, Railways, Thermal Power, Oil and Gas, Space, Leather, Construction, Aviation, automobile components, chemicals and Electronic System.

Indian economy is going through bad phase. Sweeping economic reforms are need of hours to pull back economy from clutches of Recession. It is viewable that in such a short span, Modi Government has identified the reasons why economy is in bad shape. At the same time Narendra Modi Government has taken right steps to bring Indian economy back on track. **Make in India** campaign is Right Step in Right Direction. **Make in India is recognized globally and has featured in "100 Most Innovative Global Projects"**. Make in India initiative

aims to correct the composition of Indian GDP which is the root cause of recession.

"Indian Government Initiative is to globally attract entrepreneurs and innovators in various fields to make this campaign successful in all respects"

## **OBJECTIVES**

Ultimate objective is to make India a next big thing and to convert India into Global Manufacturing Hub. Companies across the world would be invited to make investment and set up factories and expand their business in India and use India's highly talented and skilled manpower to create world class zero defect products, To convert India into Global Manufacturing Hub, To Provide Employment, Boost Economic Growth, To make new way for developing entrepreneurs in India, To urge both local and foreign companies to invest in India. Mission is to manufacture in India and sell the products worldwide.

## **ADVANTAGES OF INVESTING IN INDUSTRY SECTOR**

Make in India scheme will create large scale employment opportunities to low skill workforce since majority of workforce in India are low skilled. Make in India scheme will attract more FDI to revitalize Indian economy. Through manufacturing sector it will help the Indian Economy to reduce India's trade deficit through more of exports and less of imports.

## **INVESTORS IN DIFFERENT SECTORS FOR MAKE IN INDIA**

Foxcon is set to invest over \$2 billion (Rs 12,800 crore) initially to establish manufacturing plants in India over the next

five years to produce mobile devices, TVs, electronic products, batteries and key electronic.

Components, among others, which could make it the biggest foreign investor in the government's 'Make in India' programme so far. They are planning to make some 400 million handsets here. Half of these will be manufactured for the Indian market and the rest for exports to Middle East, Africa and Russia.

Automobile makers with manufacturing facilities in India are looking beyond South Asia, Africa and Latin American markets for exports. Swedish commercial vehicle (CV) maker Volvo Bus Corporation on Tuesday said that it will export 'Made in India' buses to developed markets in Europe, a move that will enhance prime minister Narendra Modi's 'Make in India' campaign. The company plans to unveil the first such bus in Europe by the end of the year.

Japan's Sony Corp. will start making its popular Bravia television sets in India as part of the government's Make in India initiative. "India has been an important strategic market for Sony. Sony sees huge potential in television business as more and more Indian customers are expected to switch from CRT (cathode ray tube) to LCD televisions over the next few years. Bravia televisions account for more than 40% of Sony India's overall sales. With products now being manufactured locally, Sony plans to strengthen its distribution channel in India.

After global competitors like Xiaomi and Motorola, smartphone maker Asus is now mulling manufacturing in India and has set up an internal team to study the prospects of domestic manufacturing.

The Taiwanese firm, which currently has a share of about 2% in the Indian smartphone market, aims to raise it to 5% by 2016. India offers a huge opportunity but current smartphone penetration is just 10%.

In addition, Home appliances manufacturer Bosch and Siemens shall be starting first manufacturing plant in the country, to be set up at a cost of Rs. 350 crore. The facility, aimed at making India as an export hub for the South East Asian region. Switzerland-based chocolate maker Barry Callebaut is looking at setting up a manufacturing unit in India as part of its global expansion plans to cash in on the Rs. 3,000 crore domestic market. Barry Callebaut currently has only commercial operations in the country. At present, the \$5.2 billion Swiss chocolate maker has 50 manufacturing facilities across Europe, Africa, North and South America as well as Asia-Pacific.

## MOMENTS OF CHANGE

“Make in India” boosts manufacturing trade and economy. Over 10,000 training centers open within 2 years. It Creates job market for over 10 million people.

Make in India raises the share of the manufacturing sector in gross domestic product (GDP) from its current level of around 16 per cent to 25 per cent by 2022, and creating 100 million new manufacturing jobs over the same period.

Indians should need a wakeup call for consuming Indian made products. More than 30000 crore rupees of foreign exchange is being siphoned out of our country on products such as cosmetics, snacks, tea, beverages, etc. which are grown, produced and consumed here.

In 1970 1\$ = Rs. 4 Today 1\$ = Rs. 68 .Estimated 1\$ by end of the year = Rs.72. Dollar is not getting stronger, rupee is getting weaker and nobody else is responsible for the fall, except us.

A Cold Drink produced for 70-80 paisa sold at Rs. 9-10. Stop drinking them, Drink Lemon juice, Lassi, Fruit juice or butter milk instead of foreign drinks. Likewise start to use Indian made products in all needs. If we check most of the products we use, half of the things are foreign made. People use these foreign made products & Government has to pay in dollars for the same, thus value of rupee Decreases.

Same features comes at Indian mobile Rs 17k means we waste Rs 24k and these 24k go to south Korea in dollars .None of the Indian products are inferior in quality, they might look a bit less fancy.

## CHALLENGES

The Ultimate challenge of Make In India campaign is to tackle with elements that adversely affect competitiveness of manufacturing. The government has to chart out plans to give special privileges to these sectors. According to World Bank, India ranks 142 out of 189 countries in terms of ease of doing business.

India has complex taxation system and poor infrastructure facilities. **Rapid skill up gradation is needed because skill intensive sectors are dynamic sectors** in India, Otherwise these sectors would become uncompetitive.

India should motivate research and which is currently less in India and should give more room for innovation development.

## DATA COLLECTION

Data has been collected through secondary source. A lot of research paper and project work was taken as the base for this research and this paper discusses about Make in India scheme, its opportunities, challenges, changes needed and some examples of different investor, invested so far.

## FINDINGS

The campaign has boosted the manufacturing trade and economy, making the manufacturing industry to raise its share in the GDP. It created job market for over 10 million people. Inspiring generation of startup entrepreneurs

## ANALYSIS

It's based on secondary data. This campaign will make more industries to come up in India and setup their operations and deliver product and services to the customer at competitive prices.

## CONSUMPTION OF MORE INDIAN PRODUCT

It will work well with the "**Invest India**" - an initiative by the Commerce ministry to make it very simple to get investment approvals for manufacturing.

This will create a job market for over 1 crore. Government has started skill development programme which will generate more skilled worker.

## CONCLUSION

Indian has the capacity to push the GDP to 25% in next few years. The government of India has taken number of steps to further encourage investment and further improve business climate.

"Make in India" mission is one such long term initiative which will realize the dream of transforming India into manufacturing Hub. Start-ups in the core manufacturing sectors are poised to play a crucial role in the success of 'Make in India' ambitions, said experts at a panel discussion at the 11th India Innovation Summit 2015 .

"Start-ups in the fields of telecom, defence manufacturing, automobile, Internet of Things, financial technology modules and mobile internet have immense potential to succeed in the scheme of 'Make in India'," said **Siddhartha Das**, general partner, Venture East addressing aspiring entrepreneurs at the discussion on "Entrepreneurship - Role of Start-ups towards Make in India". Make in India scheme also focuses on producing products with zero defects and zero effects on environment.

FDI is surging: Foreign direct investment between October and May was up 40 to \$23.7 billion from the same period a year earlier. Net investments by foreign institutional investors or the money coming through financial markets, totaled % \$40.92 billion in the fiscal year ended March 31, roughly seven times as much as in the prior year.

Industrial production is warming: The pick-up in investments is starting to show in the country's industrial production numbers. Official data show India's industrial production rose an average 2.7% year-over-year in the seven month period from October to May. Nothing spectacular one may say. But it is a significant step up from the measly 0.6% increase during the comparable period a year earlier.



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# Women-Empowerment through Women Entrepreneurship

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## ABSTRACT

*Women Empowerment involves making women powerful so they can take their own decisions regarding their life and wellbeing in the society and families. It is empowering women to make them able to get their real rights in the society. The rights for which work women empowerment stands are: to make their own decision and choices, have equal social status in the society, get equal opportunity for education, get equal employment opportunities without any gender bias, get comfortable and safe working environment, rights to participate in every social meetings, religious places like temple and public activities, have equal rights for social and economic justice, having complete control of their own life and to live their life freely with sense of self-worth, respect and dignity. The present paper discusses that women can be empowered through entrepreneurial ventures and gives them the confidence to realize their dreams.*

**Keywords:** *Women Empowerment*

## INTRODUCTION

Earlier women were confined in the four walls of their homes and were made to do household works. The time changed and brought changes in their lives. The women in seventies show new frontiers and developed not only aspirations but ambitious for self-employment. These women wanted

marriage, home, children as well as occupation. They accepted the part of the responsibility for success and growth of their business. In 80's, the number of women opting highly sophisticated technical and professional education increased. They entered into family businesses as equally participating partners. The women of the 90's were capable, confident, competent, and as service. They were clear of their goals, process and the direction of goal accomplishment. These women were bold, knows how to live alone, travel alone and grow children alone when failure in marriage and life partnership occurs. In most of the cases they moved out shone and outperformed their male counterparts. 21<sup>st</sup> century is the century of telecom, IT and financial institution. Women's excel in all these industries have made them emerge as great leaders in the society. But with all these ups, still in many parts of world women and girls are still facing difficulties to live their lives according to them. Women have not been treated in good way by men all throughout time. They have been denied their rights, their opportunity. It is very familiar happening on a daily basis in offices, factories, sports, schools and entertainment.

However, in the West, things are dramatically different. They are not treated as atrociously as in the East. Women in

West have the right to get educate and they have no limit on how far they want to study. Women in West have high profile career and command respect and good salaries too. But, women in the West do have to deal with discrimination. The most common is unequal biased salaries. This is common in almost every career-sports, multinational companies, films, schools etc. They also face several problems in getting a job position where they are making competition with man. Males are maximally favored over the female employee. Thus, there are a lot of differences in the way women are treated in the West and the East, but there are also some similarities.

### **NEED OF WOMEN EMPOWERMENT IN INDIA**

As we know that India have tendency of female dominance, where females are dominated in every area and forced to be responsible for only family care and live in the home including other many restrictions.

The need of women having authority arises because of the gender biased thinking and male domination in the Indian society since long time. Women are suppressed by their family members and society for many reasons. They have been aimed for many types of violence and discrimination by the male member in the families and society in India and other nation as well. There is a ritual of worshiping many female gods in India including giving honor to the female's forms in the society. But, it does not mean that only respecting or honoring women can alone fulfill the need of development in the country. It needs the empowerment of the

rest half population of the country in every walk of life.

India is a famous country proving the common proverb like "unity is diversity", where people of many other religious beliefs are in the Indian society. Females have been given a special place in every religion, which is working as covering the eyes of people and help in the continuous way of many ill practices (including mental and physical) against women as a norm since ages. In the old aged thinking of Indian society, there was custom of sati-pratha, dowry taking from bride's family, sexual-violence, domestic-violence, female-infanticide, parda-pratha, wife-burning, sexual-harassment at work place, child-marriage, child-labor, etc. including other discriminatory practices. All such type of physical and mental ill practices is because of male superiority complex and male controlled system of society.

Socio political rights "right to work, right to education, right to decide for themselves, for the women were completely restricted by the male member of families. Some of the ill-practices against women have been disposed by the open minded and great Indian people who raised their voices for the discrimination against women.

In the recent years, various constitutional and legal rights have been implemented by the government of India in order to eliminate ill practices and gender discrimination against women. However, in order to solve such a big issue, the continuous effort of everyone including women is required. Modern society is being more aware about the women rights which results in the increasing number of several

self-help groups, NGOs, etc. working in this direction. Women are being more broad minded and breaking the societal-barrier to achieve their rights in all direction even crimes are going side by side.

Some acts passed by the Parliament are “Equal Remuneration Act-1976”, Dowry Prohibition Act-1961, Immoral Traffic (Prevention) Act-1956,”Medical termination of PregnancyAct-1971”, Maternity Benefit Act-1961, Commission of Sati (Prevention) Act-1987, Prohibition of Child Marriage Act-2006, Pre-Conception & Pre-Natal Diagnostic Techniques (Regulation and Prevention of Misuse)Act-1994, Sexual Harassment of Women at Work Place (Prevention, Protection and) Act-2013, etc. in order to provide women with legal rights.

In order to provide safety to women and reduce crime against women in India, government has passed another act Juvenile-Justice (Care and Protection of Children) Bill, 2015 (especially after Nirbhaya case when an accused juvenile was released). This act is the replacement earlier Indian juvenile delinquency law of 2000 Juvenile-Justice (Care and Protection of Children) Act, 2000 in order to reduce the juvenile age from 18 to 16 years in cases of heinous offenses.

## **FINDINGS AND SUGGESTIONS**

In present study it is found that enterprise is appropriate for those women entrepreneurs who are having problem outside home due to family responsibilities or their culture. They can start this venture inside their home. There is no restriction of caste or marital or age on these entrepreneurs. The

reason may be that they have to deal female customers. No basic professional education is needed for this enterprise. Anyone who is able to read and write can do diploma or degree courses for starting this venture. This enterprise can be started with minimum expense and which can be expended later on. It is find that as age increases exposure and expertise in the field increases which in turn increases further investment and profit. Thus we can see how this venture can be used as important tool for empowering women. The suggestions after doing this analysis were, as follows:

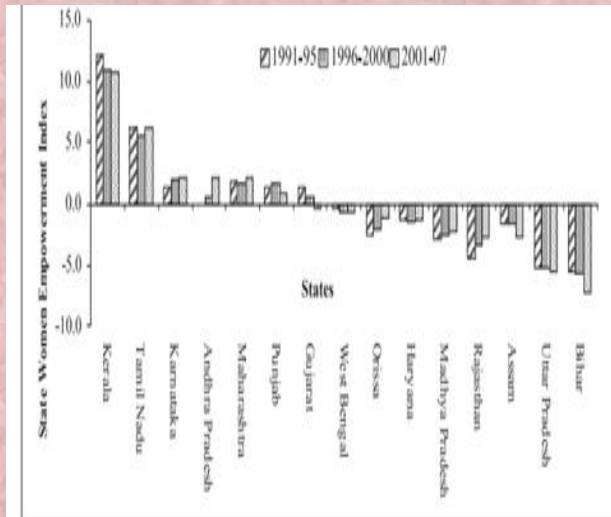
- Women can be motivated towards this enterprise by providing financial support lie loan on low interest.
- Training programme at minimum or no fees charged, organized by government.
- Seminars and conferences for these entrepreneurs can be organized for literate group.
- Interaction with successful entrepreneurs of this field.
- Policies should be made for empowering women in this field.
- There should be a common forum between entrepreneurs running this venture in different reasons where their experiences. This will help in updating their knowledge.

## **NATIONAL BEST PRACTICE**

Government should identify the states or the regions where the schemes are implemented in the best manner. They could act as the models for other states or regions to follow. We should keep in mind that we need not to follow world best practices; the national best

practices will be enough to gain the desired target.

## PERFORMANCE OF STATE IN WOMEN EMPOWERMENT



Source: Yojana.gov.in

## IMPORTANCE OF WOMEN EMPOWERMENT

- **Under-Employed and Unemployed:** Women population constitutes around 50% of world population. A huge number of women around world are unemployed. The world economy suffers a lot because of unequal opportunity for women at workplaces.
- **Equally intelligent & competent:** Women are equally giving competition nowadays, even ahead of men in many economic activities.
- **Talented:** Women are talented as men. Earlier females were not allowed for higher education like males and hence their talent was wasted. But now, they are also allowed to opt for higher education as it encourages and give them

boost in moral which helps to make their own unique identity.

- **Overall development of society:** The main benefit of Women Empowerment is there will be an overall development of the society and country.
- **Economic Benefits:** Women empowerment helps women to stand on their own, become independent and also to earn for their family which grows country's economy.
- **Reduction in domestic-violence:** women who are uneducated are at higher risk for domestic violence than an educated woman. Women who educate herself become more confident than uneducated women. Education provides vital knowledge of surroundings and helps to build self-confidence.
- **Reduce Poverty:** Sometimes, the only money earned by male members of the family is not sufficient to meet the needs of family, in that way women can help to feed family too by working as male are doing.
- **National Development:** Women are increasingly participating earnings of women help the family to come out of poverty trap.

## CONCLUSION

The famous saying said by the "Pandit Jawaharlal Nehru"- "To awaken the people, it is the women who must be awakened. Once she is on the move, the family moves, the village moves, the nation moves". In order to really bring women empowerment in Indian society needs to understand and eliminate the main cause of the practices against women which are male-controlled

and male dominated system of society. It needs to be open minded and change old mind set against women together with the constitutional and other legal provisions. Women empowerment is the better treatment of any big or small problems related to human's economy. In few last years, the advantages of the women empowerment are coming out in front of us. Women are being more thinking about their health, education, career, job and responsibilities towards society, family and country. They are taking participation in

every area and showing their great interest in each field. Finally, after years of hard struggle they are actually getting their rights.

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# Threads of Freedom: A case study to know the practices of a social enterprise TOFU

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## ABSTRACT

*The term “social entrepreneurship” is being adopted and used more extensively as way to draw upon business techniques to find solutions to social problems. If we go in deep, the scope of social entrepreneurship has not been utilized to the fullest.*

*This paper seeks to do this by studying the case of a Bengaluru-based social enterprise and a clothing brand, who seeks employment for victims of sex trafficking in ngos and employ them in their own firm to help them find their way back to life and live it with respect and dignity. It all starts with a belief that TOF possess “a steady job should be at the heart of any reintegration effort.” They use their firm to fulfil their pursuit to empower the women who have escaped the shackles of sex slavery, it looks at what social entrepreneurs do and achieve for the community, and for themselves at the wide scope of their world, and at the help that is available and needed. TOF has faced many obstacles but they passed each of them and, finally found the solution to this social demon – Threads of Freedom. This case study of successful social entrepreneur draws out an important social issue.*

**Keywords:** *Employment, social and moral support, development*

## INTRODUCTION

The organisation was setup by Pritham Raja, Soumil Surana and Adarsh Nungoor who are just 27 years old. Pritham grew up in Muscat and during his college days, he was very active in women’s rights issues. He shared that once he came across a woman whose husband had forced her to sleep with a friend because he had lost a bet. Stories like these horrifying to all of us.

The life of such women bothered him a lot. He left a great job in US came back to India and started participating in solving these women related problem Pritham told that went he spoke to Sunita Krishnan in Hyderabad and a couple of organisations asking them where and how can they help. He realised that they were not trained and skilled enough to participate in rescue operations. That was not their cup of tea.

Pritham and his friends Soumil and Adarsh decided to fix this and they started TOF. Adarsh runs the service and co-ordinates with various partners to ensure that the reintegration of these women goes as planned

Rehabilitating the victims of sex trafficking is never an easy task. There are various social stigmas that comes in the way. In many cases, these girls cannot return to their families because it is the

families that would have sold them in the first place. Companies won't employ them as victims lack training, and also because they lack confidence. Such girls end up spending years together in one or the other rehabilitation homes, which hurt them psychologically and make them weak. It becomes harder and sometimes next to impossible for them to come out of their trauma and past horrors.

### **INNOVATIVE YET SIMPLE START**

TOF or TOFU started their strive to try and fix this social issue, and ensure that sex slavery victims get better acceptance in the society. Their strategy was innovative yet simple. They went to textile factories and said guaranteed a certain number of orders for your clothes, and in return, asked for employment of their beneficiaries (these victims). This was a wining situation at both ends.

TOFU bought apparels from its partner manufacturers, which act as a financial incentive for the factories to hire more of trafficking victims. The clothes bought by TOFU are then sold to other brands or consumers and the revenue from these sales feed the overall programme built to help improve the lives of the victims.

### **FUNDAMENTAL BELIEF**

They have built certain processes and also have partnered with garment manufacturers, NGOs, and government organisations to ensure that each and every sex trafficking survivor who joins their programme is guaranteed a well-paying job and a good life style ahead.

### **MODULES OF TOFU**

The sex trafficking victims TOFU helps rehabilitate are not only provided with a steady job, but also training, accommodation, counselling, any type of financial assistance, Medicare, and everything else that is required to take care of them until they fully stand on their feet.

On the market end TOFU do two things. First, they work with other companies and brands and produces clothes for them. Second, they also run their own clothing brand. Some profits earned on the market front are reinvested into the service programmes of the organisation which completes the full cycle of the self-sustainable model.

### **CHALLENGES FACED**

A major problem rescuers faced was that of rehabilitation. Even after a victim was rescued, where they could possibly be taken was still a big question.

Another was motivating them and of course social stigma.

### **HOW DO THEY DO IT**

TOFU works with several rescue agencies which help in rescuing victims of sex trafficking bring them back into the society. Joining hands with non-profits, government agencies and garment manufacturers, they were able to provide these women with proper training, employment and much needed counselling.

Once the trafficking victims were admitted into their life saving program, they were provided with full medical care, food and accommodations. They were put under training and were then sent for



employment at a partner facility, after that point of time they were provided accommodations and food but at a subsidized rate. Counsellors' are available for these members of the ToFu family 24X7, 365 days.

The partnerships they maintain are the most unique and critical part of their process. As an incentive to hire people from their program, they had to place orders with each manufacturing unit. The benefit is that these units will have enough income to cover employee wages and Threads of Freedom is able to accomplish the entire process, from hiring of employees to sales of apparels.

Once people are hired, they are incorporated into the fold like any other employee. They are not singled out as different nor do they necessarily work on the clothes we purchase. In this way, candidates are able to sustain anonymity, while simultaneously ensuring job security and specializing in any area of their choosing.

### **PARTNERS OF TOFU IN THIS NOBLE WORK**

The company is working with the Department of Women and Child, Karnataka Government, International Justice Mission, and NGOs like Sneha, and Vidyaranya.

### **INTEGRATION OF GIRLS INTO THE WORKFORCE**

Asking these women to work in a separate line would certainly not help. So they came up with a credit system in which the manufacturer gets a credit for every man hour a rehabilitated woman works for them, and a credit point is debited as they

place orders from them. Except the factory owner and the HR, no one is aware about the girl's background. Everything they do ensures that the confidentiality of the woman is maintained which ultimately make them win their lives back. They are very particular about the confidentiality of these victims.

### **PROFIT SCOPE OF TOFU**

As a for-profit organization, they manage this entire process. They ensure the quality of the manufactured products and ensuring the safety and wellbeing of the rescued women, to marketing and selling our clothes, they work hard to develop win-win outcomes for our customers, the manufacturers and the rescued women.

### **SUCCESS SO FAR**

Till now TOFU is working with a manufacturer who has 14 factories across India, and agreement with some other leading apparel brands to produce clothes for them through their process is under way.

TOFU has successfully employed 28 women with their partners. The organisation currently has the potential to employ over 100 more through their current partners

### **ROAD AHEAD**

As a brand of clothing, TOFU is also expected to make its debut in leading retail stores soon.

ToFU's current plan is expansion. Help as many victims as possible. They had a fund raiser done in the US last year to help these victims and, the organisation has raised over \$25,000 and is currently using

those funds to build their network across Karnataka.

It must be noted that every year 3,000–4,000 victims are rescued from sex trafficking racket in the country but reaching all of them is very difficult but organisations like TOF seems to be creating a promising future and a ray of hope for some of these people if not all of them.

### **CONCLUSION: STANDING OUT AMONG OTHERS**

This part aims to present the conclusions, derived from the empirical findings and analysis in this study that answers the research question and the research purpose.

TOF a manufacturer of garments has taken up the responsibility of helping sex trafficking slaves which is highly appreciable. no one thinks about these people but this firm has taken up the responsibility to bring them back on tracks of life with respect, confidence and dignity. This is an innovative step and has a bright future.

### **LIMITATIONS OF THE CASE STUDY**

This case was studied within limited frame of time and resources. All victims could not be contacted for this research, only few members of TOF could be contacted due paucity of time and accessibility. It also lacks empirical findings.

### **SCOPE OF FURTHER STUDY**

This study introduces social entrepreneur in profit making organisation,

It would be interesting to conduct study on social entrepreneurship in the framework of non-profit organizations and companies, in order to compare their respective social entrepreneurship models. Another scope is the study that also emphasizes social entrepreneurship in the framework of companies is to study the characteristics of their engagement in social entrepreneurship, and to compare them with the corporate social responsibility in order to distinguish the practices that are specific for social entrepreneurship.

### **ACKNOWLEDGEMENT**

With the completion of our project entitled “**Threads of Freedom**”, we Aman and Sharmilaa would like to extend our sincere gratitude to Dr. Archana Krishnan who encouraged and motivated us to think out of the box and to always look for such inspiring case studies. Her support was unflinching & very important in the completion of our report and to give it the final shape. We sincerely thank her for all efforts she made which took us to light whenever it seemed dark and difficult to go ahead with the study .we are thankful to TOF family for rendering their support and sharing their work and strategies with us and cooperating with us.

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# **Social Entrepreneurship: A Case Study of Aravind Eye Care Hospital**

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## **ABSTRACT**

*Social entrepreneurship as a practice and a field for scholarly investigations provides a unique opportunity to challenge, question and rethink concepts and assumptions from different fields of management and business research. Social enterprise is increasingly recognized for its economic, social and environmental contribution to society and a wealth of social enterprise research is now emerging from practitioners and academic alike. The paper puts forward a view of Dr.G.Venkataswamy, the founder of Aravind eye care hospital, who wanted to eradicate needless blindness from the country. Social entrepreneurship is seen as differing from other forms of entrepreneurship in the relatively higher priority given to promoting social value and development versus capturing economic value. The case study is conducted on Aravind Eye Care Hospital India and its functioning as social enterprise in India.*

**Keywords:** *Entrepreneurship, Social Entrepreneurship, Aravind Eye Care Hospital India.*

## **INTRODUCTION**

Entrepreneurship is the process of starting a business or other organization.

The entrepreneur develops a business model, acquires the human and other required resources, and is fully responsible for its success or failure. Entrepreneurship operates within an entrepreneurship ecosystem.

Social entrepreneurship is the attempt to draw upon both business and nonprofit techniques to find solutions to social problems. This concept may be applied to a variety of organizations with different sizes, aims, and beliefs.

## **MODERN DEFINITION**

Although there are various arguments associated with social entrepreneur. Thus, so far there has been no clear cut definition of social entrepreneurship, so many different types of fields and disciplines are associated with social entrepreneurship. Social entrepreneurs are referred to as Philanthropists, environmentalists, social activists and other socially oriented practitioners. For a clearer definition of social entrepreneurship, it is necessary to set the function of social entrepreneurship apart from other socially oriented activities and identify the boundaries within which social entrepreneurs operate.

Social entrepreneurship ventures focus on maximizing gains in social satisfaction, rather than maximizing the profit unlike traditional corporate businesses. In modern society social entrepreneurship offers a selfless form of entrepreneurship that

focuses on the welfare of the society. In simple words, entrepreneurship becomes a social venture when it transforms social capital which ultimately affects the society positively.

Popular innovators that are associated with the term include Bangladeshi Muhammad Yunus and Pakistani Akhter Hameed Khan. Yunus was the founder of Grameen Bank, which mastered the concept of microcredit for helping innovators in various developing countries like Asia, Africa, and Latin America. He received a Nobel Peace Prize for his efforts and also inspired programs such as the Info lady social Entrepreneurship Programme. In addition, Stephen Goldsmith, former Indianapolis mayor, focused on social efforts on a more local level, involving the private sector in providing services to multiple cities.

### **HISTORICAL BACKGROUND**

In the 1960s and 1970s the terms social entrepreneur and social entrepreneurship were primarily used in the literature on social change. These terms were extensively used in the 1980s and 1990s, and were promoted by Bill Drayton the founder of Ashoka. From the 1950s to the 1990s Michael Young was a leading promoter of social entrepreneurship and during 1980s, Professor Daniel Bell at Harvard explained 'the world's most successful entrepreneur of social enterprises' as he created more than sixty new organizations worldwide, which included the School for Social Entrepreneurs (SSE) which exists in the Australia, UK, and Canada and which helps individuals to realize their potential and to set up and

sustain, social businesses and social enterprises. Another famous British social entrepreneur is Andrew Mawson OBE, who was given nobility in the year 2007 because of his recreation of work including the Bromley by Bow Centre in East London.

Social entrepreneurs and entrepreneurship may be found throughout history but although the terms are comparatively new. There are few important people whose work has influenced the modern definition of "social entrepreneurship". These include-Florence Nightingale, founder of the first nursing school and developer of modern nursing practices, Vinoba Bhave, founder of India's Land Gift Movement and Robert Owen, founder of the cooperative movement. Some of the most successful social entrepreneurs effectively influenced the civic, governmental, and business worlds during the nineteenth and twentieth centuries. The ideas promoted by such pioneers were taken up by mainstream public services in schools, welfare and health care.

### **EXAMPLES OF SOCIAL ENTREPRENEURSHIP**

As far as social entrepreneurship is concerned, India is often considered as the main hub for impact investing, and the world's laboratory for testing new ideas. The country is clearly a very important market as there are billion dollars waiting to be invested in social enterprises and success stories like Husk Power Systems, dLight, Rangsutra, Waterlife and Vaatsalya Healthcare continuously making the rounds in global social entrepreneurship community. India's journey in relation to

social entrepreneurship has been led by the vision and hardwork of qualified individuals, unlike other countries like the UK, Korea, Italy, and Singapore where the purpose is being driven by government and large private enterprises (especially Korea).

***Dr Verghese Kurien, father of the India's milk revolution:***

Kurien's contribution to the social entrepreneurship movement in India is historical. Although Tribhuvandas Kishibhai Patel might have founded the Kaira District Co-operative Milk Producers' Union (now known as Amul) in 1946 but if it wasn't for Varghese Kurien who had just arrived from the US after completing his Master's Degree, the co-operative would never have become a household name.

***Anil Kumar Gupta, IIM-A professor and founder of Honeybee Network:***

Since 1981, Gupta a professor at Indian Institute of Management, Ahmedabad, is a true advocate of the grassroots revolution. He's famous for identifying rural innovators, helping executing their inventions, protecting supplementing grassroots innovations and inventions. the intellectual property rights of inventors by filing patents and creating a knowledge network at different levels for

***Harish Hande, co-founder Selco Solar:***

Hande, co-founded Selco in 1995, to provide renewable energy solutions to India's poorer sections of the society. Firstly when he initiated, he had problems in creating awareness about solar and had to install the first lighting solutions free of cost to present its value. More than 1.35 lakh solar home

lighting systems have been installed in the past 18 years. His sincere efforts made him won, Asia's 'Nobel' prize, the Ramon Magsaysay Award in 2011, for "his great efforts to put solar power technology in the hands of the weaker section of the society, through his social enterprise SELCO India."

***Vikram Akula, founder of SKS Microfinance:***

In 1998 Akula founded SKS Microfinance to provide micro-loans and insurance, and within a time period of 12 years, had taken the company to a mainstream IPO of \$347 million in 2010. His basic knowledge in microfinance went back to the time in 1994-95 when as a Fulbright Scholar in India, Akula handled a government funded research project that provided micro-credit to poor farmers for food security. He was named in Time's list of 100 most influential people in 2006.

## **ARAVIND EYE CARE HOSPITAL**

### **INTRODUCTION**

In order to provide affordable eye care services to a country which has approximately 20 million blind citizens and 80% of it is due to curable cataracts. Dr. Govindappa Venkataswamy, at the age of 58 initiated, the Aravind Eyecare Hospital which is popularly known as the McDonald's of cataract surgery. With the bed strength of more than 4000 beds and serving 0.25 million patients every year, it is one of the world's largest eye care hospital serving the poor section of the society. Poor people having cataract can regain their eyesight at a price as low as \$40 or free of cost, if they are not able to afford. It was presented by this non-profit community that

it is practically possible to merge high quality, low cost, world scale and sustainability. Aravind business model has been seen as a innovative business model by many organizations and has proven that eye care can be provided at low cost and still can also yield sustainability and even profitability. Aurolab, which is a successful manufacturing unit of Aravind hospital has produced 6%-7% of the low-cost lenses world-wide in 2002, which were sold in more than 100 countries. This Organization has been a source of case studies and is referred not only nationally, but internationally as well.

It was in the year 1976, Padmashree Dr. G. Venkataswamy, popularly referred to as Dr. V, got retired from the Government Medical College, Madurai as the Head of the Department of Ophthalmology. Instead of settling for a quiet retired life, Dr. V. was determined and yet decided to continue the work he was doing at the Government Medical College, which included organizing eye camps to check sight in rural areas, prescribe the need of corrective glasses, do cataract and other surgeries as needed and also use to advise corrective and preventive measures: In other words, providing quality eye care services. These services were to be provided to both the poor and the rich alike. To Dr.G.Venkataswamy this was more than a job to spend his time: he was a person who was passionate to eradicate needless blindness. His vision was simple yet grand that is to eradicate needless blindness at least in Tamil Nadu, i.e his home state, if not in the entire India. With this mission, Dr. V started a modest hospital with his personal savings and with partial government support

for cataract surgeries done on poor patients from eye camps, after his retirement, He established a non-profit trust, which was named, the Govel Trust. He made himself as the Chairman and his two brothers, two sisters and their spouses, and an ex officio member, namely, the Madurai Main Rotary President as trust members.

In 1976, the Govel Trust started running a modest 11 bed hospital in Dr. V.'s brother's house at Madurai, namely, Aravind Eyecare Hospital, with a mission of catering the poor blind people of the country. In this hospital, five beds were reserved for patients who would pay to get treatment and six beds were reserved for those who would be offered free treatment.

In the year 2003, the Aravind Eye Hospital (AEH) at Madurai had now grown to a 1500 bed hospital performing about 95,000 eye surgeries every year. There were four more Aravind Eye Hospitals located at, Coimbatore, Theni, Tirunelveli and Pondicherry in addition to Madurai

#### **AIMS AND OBJECTIVES OF ARAVIND EYE HOSPITAL (AEH)**

- To eliminate needless blindness by providing appropriate compassionate and high quality eye care for everyone.
- Provide eye tissues for research and training.
- Provide grief and support counseling to donor families.
  - To procure, process and distribute corneal tissues of the highest quality for transplantation.
  - Equip the eye bank personnel.
  - Promote awareness programmes among the society.

## **BUSINESS MODEL OF ARAVIND EYE HOSPITAL (AEH)**

Dr. V's vision was to eradicate needless blindness in India. For this he wanted to copy the service efficiency of McDonald's fast food restaurant and sought to adapt it to his own eye care system to cope up with the increasing numbers of patients being treated. Innovative, generous, and fair, Dr. V structured patient fees into four basic categories: free, minimal payment, regular, and premium. Individuals can choose between any of these and will receive the same quality care no matter which option they go for. Aravind established a program wherein doctors visited remote villages to conduct eye camps sponsored by various organizations such as Sathya Sai Organization, Rotary International and Lions Club International. These organizations took care of the costs of the camp, transporting the patients to surgery and their rehabilitation costs while Aravind did the surgery free of cost. Aravind had only full time doctors, no part time or visiting doctors were employed (unlike in many other hospitals which gave facilities for doctors who would come and see the patients). Private practice was not allowed for any of the doctors. Aravind focused on rotating doctors between paid and free wards, concentrating on efficiency and hygiene and thereby eliminating differences between the surgeries done for paid and free patients.

Aravind started performing 5 times the number of cataract surgeries that were performed in the India and 16 times more than that of the entire U.S. Aravind

established its own lens manufacturing facility named Auro lab and blood bank to reduce costs. The rate of infection in Aravind was about four per thousand surgeries which was outstandingly lower than the international norm of six per thousand surgeries. Aravind is able to earn their patients trust and satisfaction through their efficiency, pricing options, and welcoming environment and because of this loyalty, previous patients often become Aravind's best advertisers. To ensure maximum impact, Aravind conducts outreach operations that dispatches teams of doctors and nurses to rural communities to screen patients. These are people who cannot afford to pay for the trip into the city to seek treatment at one of Aravind's hospitals, and are not aware of the opportunities that exist for them in the city. The camps reduce the level of fear and uncertainty associated with hospitals, cities, and eye-surgery. These eye-camps are reaching individuals who may not have sought out eye-care, and this is broadening the potential market for Aravind.

## **PRESENCE OF ARAVIND EYE HOSPITAL (AEH)**

Aravind Hospital started in 1976 as an 11-bed hospital in Madurai. Later on Aravind expanded to five more cities in Tamil Nadu including Udumalaipettai, Salem, Dindigul, Tirupur, Thoothukudi, and neighboring Pondicherry. Aravind is in process of setting up a hospital in Chennai at a cost of Rs.1.4 billion with a capacity to perform 60,000 surgeries per year. The group also has four partnership projects — with the Rajiv Gandhi Charitable Trust located in Amethi,

Birla Corporation in Kolkata, another one in Lucknow and Shanghvi Trust in Amreli, Gujarat. Apart from this, Aravind is also in a process of setting up its first overseas venture in Nigeria, Africa in partnership with Chanrai Group which is expected to be the largest eye-care facility in Africa which will have the capacity to perform 10,000 surgeries annually.

### **REPLICATION AND SCALE**

In its 40 years of existence, Aravind has grown to include several eye hospitals, local eye-care centers, community outreach clinics, ophthalmic pharmaceutical manufacturing plant, an IOL educational and training programs, and a research foundation. It is therefore clear that the Aravind model is scalable and replicable because Dr. V successfully formed 5 additional hospitals, after his original start-up in Madurai. The LAICO consulting group has taught Aravind's techniques to other business groups across the globe as well.

### **AWARDS AND RECOGNITION**

- FICCI award for the Best Private Hospital in India
- Conrad N. Hilton Humanitarian Prize (2010)
- Champalimaud Vision Award (2007)
- Gates Award for Global Health (2008)
- India's Most Innovative Hospital Award at India Healthcare Awards (2011)

### **FINDINGS AND CONCLUSION**

Aravind's Business Model is fundamentally built on a few core principles. The first

principle is in terms of market development and through that demand generation. This is a process of converting a need into a demand and in this process they get a significant percentage of this demand to their own facilities. The second core principle is of excellence in ensuring a high level of efficiency in providing the treatment, including outpatient services and surgeries. The third core principle is of quality. The aim is to ensure that the patient regardless of whether he is a free or a paying patient gets value for his investment in time or money. The fourth principle is of sustainability wherein they set the prices not according to the costs but on how much the various economic strata of the community can afford to pay. They then work backwards to maintain the costs within these estimates. This leads to not just financial feasibility but also to a higher order of management, as well as inculcating a certain culture in the organization. The combination of all these principles builds a sustainable model that they have demonstrated over the past 40 years.

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# **Role of Make in India Campaign in Promoting Entrepreneurship**

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## **ABSTRACT**

Entrepreneurs are an integral part of every country. They play a major role in shaping the countries future, they generate employment as well as they work towards the development of the society. Promoting entrepreneurs is one of the most important tasks which have to be fulfilled by the government of every country. This research paper is designed to study the role of make in India campaign of the Indian government towards the promotion of entrepreneurs in the country and also about the obstacles in the path of the Make in India campaign. The paper includes the sector wise study of the campaign and also the measures taken by the government for the entrepreneurs of the country. It includes the current position of the country in ease of doing business index as well as facts about the economy of the country. Further it involves a discussion over the role of make in India towards the promotion on entrepreneurs of the country.

**Keywords:** Entrepreneurs, Development

## **INTRODUCTION**

Entrepreneurs play a major role in development of any economy. They shape the future of any country. Entrepreneurship is the task or the process of designing a new business and the person who undertakes this task of developing a business is called an entrepreneur. The main role of an entrepreneur is to identify the need in the market and analyse it and once the need has been identified, they

make plans accordingly and run the business to satisfy these needs.

Entrepreneurs are an asset to every economy and help the country and economy in many ways. They bring in innovation and new ideas, surge social change as well as also add to the national income of the country. Promoting the entrepreneurs is a requisite in a country like India as India being a developing country, promoting and empowering its entrepreneurs will help the country to develop more. In this regard, the Government of India is promoting entrepreneurs under schemes such as 'Start-up India' and 'Make in India'. These schemes have been initiated to promote the development of entrepreneurship in the country. The purpose of this paper is to study the role of Make in India initiative in contributing towards entrepreneurship development which would further lead to the economic development of the country and pave the way for India to become an economic superpower.

## **MAKE IN INDIA CAMPAIGN**

The Make in India campaign is an initiative of the Government of India. This campaign includes new initiatives planned to facilitate investment, encourage innovation, protect intellectual property and invent best-in-class manufacturing infrastructure. It aims to promote multinational and domestic companies to manufacture their products in India. The motive is to make India a manufacturer's

paradise and further contribute to overall economic development.

The major aims behind the make in India initiative are:

- To cover numerous sectors of the economy for becoming a foundation of jobs and skill enrichment. Some of these sectors include: automobiles, chemicals, IT, textiles, ports, leather, tourism and hospitality, railways, renewable energy, bio-technology, and electronics, etc.
- To increase GDP growth and tax proceeds of the country.
- To aim at escalating the quality standards and lowering down the impact on the environment.
- To be a magnet for capital as well as technological investment in India.

The Make in India campaign understands that entrepreneurs are risk takers who start up a new business on their own. They are innovators who introduce new ideas to serve the market and the customers. Entrepreneurs play an indispensable role in every economy as they create new business ventures, add to the national earnings, and sponsor community development in the country. Entrepreneurs are not simply businessmen but are a big asset to the country.

Keeping this in view, the Indian government came up with the make in India initiative which is further explained below:

The Hon'ble Prime Minister, Narendra Modi on 25 September 2014 launched the Make in India initiative with the main objective of job creation and skill enrichment of entrepreneurs in twenty-five sectors of the economy namely:

Automobile, Automobile components, Chemicals, IT & BPM, Pharmaceuticals, Textiles and garments, Ports & shipping, Aviation, Leather, Tourism & hospitality, Wellness, Railways, Construction, Defence manufacturing, Renewable energy, Mining, Bio-technology, Electronic systems, Electrical machinery, Thermal power, Roads and highways, Space, Oil and gas, Media & entertainment and Food processing.

This initiative also emphasises on policies regarding the FDI, intellectual property rights (IPR), national manufacturing, etc.

### **POLICIES REGARDING THE FDI UNDER MAKE IN INDIA CAMPAIGN**

The Government of India has taken multiple processes to increase the Foreign Direct Investment in India. Recent policy measures which are taken to increase FDI in India include:

- 100% Foreign Direct Investment allowed in medical devices, telecom sector and single-brand retail.
- Foreign Direct Investment restriction has been increased in insurance & sub-activities from 26% to 49% under the initiative to promote the course of FDI in the country.
- Foreign direct investment in defence sector has been increased from 26% to 49% under Government direction. Foreign Portfolio Investment up to 24% sanctioned under automatic route. Foreign direct investment above 49% is also allowed on case to case bases which are approved by the Cabinet Committee on Security.
- 100% foreign direct investment allowed in construction, operation and

maintenance of particular activities of Railway sector under automatic route.

- Foreign direct investment in commodity exchanges, stock exchanges & depositories, petroleum refining by PSUs, courier services under the government route has now been brought under the automatic route.
- Restrictions are removed under the tea cultivation sector.
- Foreign direct investment limit has been raised to 74% in credit information & 100% in asset reconstruction companies.
- These initiatives focus on increasing GDP growth and tax revenue in the country. The initiative also aims at increasing the simplicity of doing business in India along with increasing quality standards and minimising the impact on the environment.

### **MEASURES TO PROMOTE EASE OF DOING BUSINESS**

- There are various measures taken under Make in India campaign to promote ease of doing business in India such as making an online portal, so the work can be done easily and 24x7. The following are the other measures taken by the government:
- Procedure of applying for Industrial License & Industrial Entrepreneur Memorandum is made online on 24x7 basis through online portal.
- The capacity of Industrial license has been extended to three years under the Make in India initiative.
- Major components of Defence products' list do not need licensing anymore.

- Deregulation of items which have twin use i.e. military as well as civilian applications.
- A check-list of required compliances will be placed on Ministry's/Department's web portal.
- All registers required to be maintained by the business should be replaced with a single electronic register, so that the repairs becomes easy.
- Services of all Central Govt. Departments & Ministries will be incorporated with the eBiz(online portal) – a single window IT platform for services by 31 Dec. 2014.
- Environmental clearances process is made online.
- All returns filed online through a unified form.
- No assessment should be undertaken without the authorization of the Head of the Department.
- For all non-risk, non-hazardous businesses a system of self-certification to be introduced.

### **MEASURES TO PROMOTE MANUFACTURING**

The Make in India plan also aims to promote national manufacturing. The vision of the plan is to:

- Ensure sustainability of growth, particularly with regard to environment.
- Increase manufacturing sector growth to 12-14% per annum over the medium term.
- Increase the share of manufacturing in the country's Gross Domestic Product from 16% to 25% by 2022.
- Create 100 million further jobs by 2022 in manufacturing sector.

- Increase domestic value accumulation and technological depth in manufacturing.
- Enhancing the global competitiveness of the Indian manufacturing sector.
- Create suitable skill sets among rural migrants and the urban poor for comprehensive growth.

### **MEASURES TO PROTECT INTELLECTUAL PROPERTY**

Make in India also aims at safeguarding intellectual property which in fact includes:

- Establishing a vivacious IP regime in the country.
- Efficient processing of IP applications by inducting additional manpower, augment IT facilities and automation in Intellectual Property Offices.
- Adopt best practices in IP processing.
- Strengthening public delivery of IP services.
- Promoting utmost levels of simplicity and user-friendliness.

These are on the whole plans under the Make in India initiative further sector wise plans are also made under the campaign which are given below.

#### **Sector Wise Plans**

Make in India also aims at attaining certain sectors wise plans in case of 25 sectors. These are:

**AUTOMOBILE-** Six Million-plus vehicles to be sold yearly, by 2020. Automatic sanction for foreign equity investment up to 100% with no minimum investment criterion. Manufacturing and imports in this sector are exempt from licensing and approvals. The back-up of

R&D by offering rebates on R&D expenditure.

**AUTOMOBILE COMPONENTS-**100% Foreign Direct Investment (FDI) is allowed under the automatic route in the auto components sector, subject to all the relevant laws and regulations. **AUTOMOTIVE MISSION PLAN 2016–26:** Indian automotive industry to rise 3.5 to 4 times of the current value of USD 74 Billion to USD 260 Billion. India to be along with the top three automotive industries in the world. Generate 65 Million more jobs and to contribute 12% of India's GDP.

**AVIATION-**The AAI is liable for developing, financing, operating, and maintaining all public sector airports. New airports are permitted under the Greenfield Airport Policy 2008. Investment in airports is promoted under the PPP Policy of the Government of India. Regional Air Connectivity Policy offers eye-catching incentives in the form of exemption of landing, parking and navigation fees to airlines operating at elected airports in non-metro areas.

**BIO-TECHNOLOGY-**USD 3.7 Billion to be spent on biotechnology from 2012-17.

**CHEMICALS-**Industrial licensing has been abolished for the most part sub-sectors except for certain harmful and dangerous chemicals. The government is continuously matching the list of reserved chemical items for production in the small-scale sector, thereby facilitating greater investment in technology upgradation and modernisation.

- **CONSTRUCTION**-USD 1 Trillion investments for infrastructure sector anticipated during 2012-17. USD 650 Billion investments in urban infrastructure nearly over next 20 years.
- **DEFENCE MANUFACTURING**-INR 250 Billion to be invested in 7-8 years in defence sector. The defence procurement is governed by the Defence Procurement Procedure (DPP). The government has now decided to amend the DPP every year.

**ELECTRICAL MACHINERY**-The electrical machinery industry has been delicensed. This has facilitated the entry of worldwide majors into the electrical machinery industry in India. The dream is to build India the country of choice for the invention of electrical equipment and reach a harvest of USD 100 Billion by balancing exports and imports.

**ELECTRONIC SYSTEMS**-The vision is to create an internationally competitive ESDM industry to meet the country's desires and serve the international market. The purpose is to build a bionetwork for a globally competitive ESDM sector in the country by attracting investment of about USD 100 Billion and generating employment for 28 Million people at various levels. The ultimate aim of the policy is to develop core competencies in planned and core infrastructure sectors like automobile, avionics, telecommunications, industrial, medical, solar, information and broadcasting, railways, intelligent transport systems, etc. A number of state governments have also distinct policies in electronics.

- **FOOD PROCESSING**-100% FDI is allowed in the automatic course for most food products.
- **IT & BPM**-National Policy on Information Technology 2012 aims to increase revenues of IT and BPM industry to USD 300 Billion by 2020 and expand exports to USD 200 Billion by 2020.
- **LEATHER**- Excise duty on footwear with leather uppers and which have retail price more than Rs.1000 has been reduced to 6%. The tanning industry has adopted Zero Liquid Discharge (ZLD) systems to meet environmental regulations.

#### **MEDIA & ENTERTAINMENT-**

**BROADCASTING CARRIAGE SERVICES:** Foreign Direct Investment (FDI) in Teleports, Multi-System Operator, DTH, cable networks in DAS areas, mobile TV, Headend-in-the-Sky Broadcasting Services are permitted up to 74% with FDI, up to 49% under the Automatic route. FDI beyond 49% (up to 74%) is allowed under the government route. FDI in local cable networks and MSO in non-DAS areas are allowed up to 49% under the Automatic route.

**BROADCASTING CONTENT SERVICES:** FDI in FM radio is permitted up to 26% under the government route. FDI uplinking of 'News and Current Affairs' TV channels is allowed up to 26% under the government route. FDI uplinking of 'Non-News and Current Affairs' TV channels/down linking of TV channels is allowed up to 100% under the government route.

**PRINT MEDIA:** 26% FDI under the government approval route is permitted in the publishing of newspapers and periodicals trading with current affairs and

news. 100% FDI under the government approval route is approved in publishing/printing of scientific and technical magazines/speciality journals/periodicals. . 26% FDI under the government approval route is permitted in the periodical of Indian editions of foreign magazines dealing with news and current affairs 26% FDI under the Government approval route is allowed in publication of duplicate editions of foreign newspapers.

**MINING-** As per Mines & Minerals Development and Regulation (Amendment) Act, 2015 all mining leases for major mineral deposits shall be granted for the episode of 50 years. Mining leases in respect of notified minerals such as bauxite, limestone, iron ore and manganese ore shall be approved through public sale.

**OIL & GAS-** Exploration activities of natural gas fields and oil , infrastructure related to marketing of petroleum products and natural gas, infrastructure, marketing of natural gas and petroleum products, petroleum products' pipelines, natural gas pipelines market study, formulation and petroleum refining in private sector, subject to the existing sectoral policy and dogmatic framework in the oil marketing sector and the policy of the government or private participation in exploration of oil and the discovered fields of natural oil companies - 100% FDI, automatic route.

**PHARMACEUTICALS-**The aim is to create third largest pharmaceuticals market by 2020 in terms of growth. USD 45 Billion in revenue by 2020, income of USD 55 billion by 2020 as base case, and can grow to USD 70 billion in a hostile case scenario.

**PORTS & SHIPPING-**Major ports are under the jurisdiction of the Government of India and are governed by the Major Port Trust Act, 1963, except Ennore Port, which is administered under the Companies Act, 2013. Non-major ports are under the command of the particular state governments' maritime boards. A perspective plan of the government includes: Development of two major ports as well as two port hubs. Plans to implement full mechanisation of cargo management and association at ports.

**WELLNESS-**100% Foreign Direct Investment (FDI) is allowed in the AYUSH sector.

**TOURISM & HOSPITALITY-** The vision is to enhance employment possible within the tourism sector as well as to advance economic amalgamation through developing linkages with other sectors; policy objectives include positioning the tourism sector as a major instrument of economic growth, positioning India as a universal brand, acknowledging the vital role of private sector and developing integrated tourism circuits.

**THERMAL POWER-**100% Foreign Direct Investment (FDI) is allowed under the automatic route in the power sector (except atomic energy), subject to the related laws and regulations.

**TEXTILES-**100% FDI is approved under the automatic route in the textile sector; investment is subject to all related laws and regulations.

**SPACE-**Foreign Direct Investment (FDI) up to 74% is approved in satellites-establishment and operation, subject to the

sectoral guidelines of the Department of Space/ISRO, under the government route.

**ROADS & HIGHWAYS**-100% Foreign Direct Investment (FDI) is permitted under the automatic route in the road and highways sector, subject to applicable laws and regulation.

**RENEWABLE ENERGY**-Foreign Direct Investment (FDI) up to 100% is allowed under the automatic route for renewable energy generation and allocation projects subject to necessities of The Electricity Act, 2003.

India is a developing country with a population of 1.22 billion India is ranked 2<sup>nd</sup> in terms of population and the country has a population growth rate of 1.28% (2013), the country has a GDP of 1.84 trillion dollars (2012). The country has a large population which is a drawback but looking from the other view we can say that India has a huge market and there is a huge demand and this demand can be fulfilled by new entrepreneurs and so promoting them will help in development of the country.

The Economy of India is the seventh-largest in the world by nominal GDP. Despite being the seventh largest economy India is ranked 142 (out of 189) in the ease of doing business index created by the World Bank group. India has moved from 116th rank to 142nd rank from 2006 .;- 2015 i.e. India has descended 26 ranks in the past decade.

The make in India aims to improve and promote ease of doing business in the country as well as developing the manpower and skilled labour in India. This

initiative has taken multiple steps to promote the entrepreneurs in the country.

To understand whether the Make in India Campaign would be able to fulfil the needs of entrepreneurs or not, first there is a need to take a look at what are the necessary requirements of an entrepreneur:

- An entrepreneur wants resources to invest in his business
- Ease in the paperwork for starting business
- Protection of his new ideas

These needs are focused in the Make in India initiative. The initiative has cleared the image of the country and more and more companies are keen to invest in India as India has a huge market. Further this investment or FDI will promote new entrepreneurs as more and more people will invest in their ideas. The initiative focuses on promoting the ease of doing business in India. These initiatives are divided under the head of central government and state government initiatives; an online portal is also made so that work can be done 24x7. The formalities are reduced for doing business so that setting up a business is no more a test for the entrepreneurs.

#### **OBSTACLES IN THE PATH OF MAKE IN INDIA CAMPAIGN**

- Red Tapism
- Corruption
- Resistance to Change
- Global competition
- Impact of global economic slowdown



## **DISCUSSION**

The initiative is working towards promotion of entrepreneurs. Various effective rules for protection of intellectual property rights so that people are enthused to innovate and come up with new ideas as well as focus is also on promoting inflow of funds in the country. India is a promising country and FDI is the need of the hour and this is being taken care by the Campaign.

Multiple actions are being taken to promote and empower the entrepreneurs of the country so that the future of the country rise and shines. All the needs of the entrepreneurs are kept in mind by the Make in India campaign. Make in India is not only focusing on manufacturing goods or services but also on manufacturing entrepreneurs. But for the effective implementation on this plan the government has to heave above all the obstacles in the country such as slow judgment making, red tapism, confrontation in the country etc.

## **CONCLUSION**

The research was conducted to find whether Make in India initiative is promoting towards entrepreneurship or not. The campaign includes multiple steps

towards empowerment and creation of entrepreneurs. After the study we can confidently say that the Make in India initiative will make a positive impact on creation, promotion and empowerment of the entrepreneurs of India only if the obstacles such as slow judgment making, red tapism, confrontation in the country etc are taken care off.

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# Social Network, Ethnicity & Entrepreneurship

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## ABSTRACT

*This study focused on the contrasts with the classic market-based discrimination in important ways. The reason of emerging of ethnic entrepreneurship is due to the discrimination that is faced by the small and isolated groups. As immigrant group is referred to the group of people who leaves one country in order to settle in another country. They move from their native countries to some another country for the sake of economic opportunities- people want -better life-better job-more money, political freedom, push or pull motivation etc. These groups exhibit high level approach in those sectors which are of narrow range. For example- shop owners, nail care salons, own culture convenience stores etc. An Ethnic group or Ethnicity is referred to a category of people who identify with each other based on common ancestral, social, culture or national experience. Ethnic economy refers to ethnic self-employed. This occurs when ethnic minority forms their own private sector.*

**Keywords:** *Ethnic entrepreneurship, Ethnicity, Entrepreneurship*

## INTRODUCTION

As Entrepreneurship has become the most important topic throughout the world whether it is developing countries or developed countries. Ethnic group has reciprocal relationship with the entrepreneurship. We develop the social networks where non-work relationships facilitate the acquisition of the sector specific skills.

The results show the economic success for the small and socially isolated groups achieving good entrepreneurship opportunities. This also leads to the generation of occupational stratification, along with the ethnic lines. The success of the ethnic group supports the model's underlying mechanism. Introduction: (Social network, ethnicity & entrepreneurship) Species variety is a feature of any vital ecosystem and so is mankind. Species variety is a feature of any vital ecosystem and so is mankind. This has led to melting pot of different cultures within most countries, with many challenging new opportunities but also with many frictions and threats for the host countries. Our age is of mass migration; of both voluntary and forced movements as a result most of the metropolitan cities have seen a massive influx of people with different socio-cultural or ethnic origins. In recent years ethnic entrepreneurs have become an indigenous and significant part of the local economy.

Highly cohesive groups develop business in specific occupations with an incline towards entrepreneurs. With each other's help and support these minority groups construct a small social group and start working in common interests. The groups vary in term of specialization and ethnicity with the change in geographical boundaries.

Entrepreneurs are people who develop business or businesses by bearing the risk and social network is a social structure formed up of sets of dyadic ties & other social interactions between the social actors. Ethnicity whereas is a category of people who identify with each other based on common social, cultural or national experience. It is primarily inherited status.

All together the terms are on the same wavelength and are tied up strong as people with similar cultural background have a better understanding towards one another and they build certain minority groups which then form social groups during interaction processes. Whenever people identifies with each other on the ground of ethnicity in a different demographic set up they generate self-employment and come up together as cohesive teams. Kuznets (1960) observes that “all minorities are characterized, at a given time, by an occupational structure distinctly narrower than that of the total population and the majority.”

Specialization is a core element of ethnic groups as it gets them recognition in the lion's share. Protrusive example of such ethnic expertise is the Gujarati Indian motel owners in the United States. The Chinese launderers in early twentieth century in California, and also Korean dry cleaners in the United States are some groups that migrated and settled as ethnic entrepreneurs. The concentration can be very sharp, with a striking 45% of adult Korean males being self-employed, in contrast to 15% of the adult male immigrant population as a whole. Yemi are 75 times more likely to own

grocery stores than other immigrants, and Gujrati speaking Indians are 108 times more likely to operate motels. Likewise, Greeks concentrate in the restaurant sector, and Middle Eastern immigrants cluster in grocery stores and liquor store

## **ENTREPRENEURSHIP**

It is the process of launching and running a new business, i.e. a startup company offering a product, process or service, whether for profit or non-profit venture. Hence, the entrepreneur must be able to stand in an all new space without any doubt and strong approaches.

The ethnic executive with their untapped job-creating potential offer (i) different management style and approaches within urban economic life which reflect their cultural diversity; (ii) many opportunities for urban revitalization of local economies, thereby increasing economic and cultural diversity, reducing unemployment and social exclusion, mitigating the problematic employment situation of young people in the ethnic segment and raising living standards in ethnic groups that often belong to the more disadvantaged segments in society.

“Ideas are easy. Implementation is hard. “An entrepreneur has good business ideas and can turn the ideas into reality with hardship. Turning an idea into reality by an entrepreneur calls upon sorts of skills, which are general and people managed. General management skills are required to organize the physical and financial resources needed to run the business & people management skills are required to obtain the necessary

support from others for the business to succeed.

In context of kinship relationships and social bonds it is plausible that there are special connections between ethnic-minority firms and their co-ethnic customers. Several studies show intra-cluster ethnic loyalty, while highly intensive communication behavior among the ethnic community provides competitive advantages for ethnic firms. Hence, socio-cultural bonds appear to create a more than average loyalty between the ethnic firm and his/her clients. The ethnic firms seem to create specific impact and construct a relationship with its customers.

### **PROBLEM STATEMENTS**

Most of the immigrants suffer from prolonged unemployment and experience difficulties in getting into the labor market so they engage themselves in small businesses. Such as in South Africa, self-employment and rates of ownership have grown rapidly amongst immigrants mainly after the birth of democracy in 1994. The firm owners started their businesses with the eye to avoid ethnic discrimination and unemployment. Many researchers postulate that this background characteristic of minorities and their labor market position pushed other groups to enter self-employment. The executives pull their relatives into business as to improve their social and economic status in the host country. The aim of the study is to identify the role ethnicity and culture play in developing entrepreneurship.

### **OBJECTIVES**

Objective of this study are: In this research paper we are trying to find out how deeply social network, ethnicity and entrepreneurship is related together. The main focus is on (i) to provide a deeper understanding of the motivation and orientation of ethnic entrepreneurs and identification of different personal value systems, preferences, goals and strategies and management styles of ethnic entrepreneurs, (ii) to quantify on the one hand, the contribution of ethnic entrepreneurship to the innovative capacity, (iii) to characterize strategies to market expansion by ethnic entrepreneurs and to understand the role of public policies in favoring break-out strategies.

The term social network has also attained a newer approach for itself i.e. of internet. Ever since the dawn of the internet age there has been one element which has been exceptionally significant in connecting people of similar ethnicity. It allows family, friends and other interested individuals to connect along. The use of Face-book, Gmail, My space etc. permits the entrepreneurs to conduct themselves in front of a wider mass. Social network sites have become one vast platform for ambitious entrepreneurs.

The values like thrift, close family and religious ties and trust, enable some immigrant groups to compete successfully in business. *Case Study:* If we refer to the psycho analysis of the Indian movie “kal ho na ho” the Indian family tried to adapt to the foreign culture in the restaurant business and could not portray it well and whereas their

competitors who were Chinese were doing well because of their portrayal of their own culture. Then after they converted the restaurant according to their culture it became successful as due to their keen knowledge about their own belonged society.

Workers produce goods and entrepreneurs produce services in the form of selling the goods. Industry knowledge is important to entrepreneurs but not to workers, since entrepreneurs are their own managers and have to rely on their own judgment when they make business decisions. The more an entrepreneur socializes with other entrepreneurs, the more knowledge is exchanged.

Since the early 1980's, self-employment among ethnic minorities has increased significantly in Europe. Entrepreneurship affects the economy both directly and indirectly, and at various levels, through innovation, completion and restructuring (Wennekers and Thurik, 1999). The countries are sometimes restrictive regarding migrant start ups. Like India after independence became a close economy but also when allowed trade was not an easy to make host country. Also, many European countries have relatively high legal and administrative barriers for business startups. In last decades migrant enterprises have become more embedded in the European urban economy. With the rising number of migrant entrepreneurs, the largest cities in Europe have acquired a more cosmopolitan outlook and have become dynamic multicultural economies.

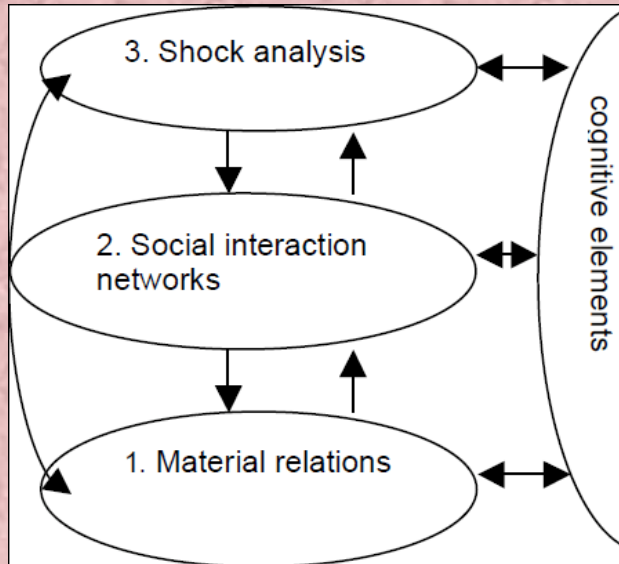
Since interactions have been restricted to be random, the analysis has so far abstracted from changes in the social structure that could arise in response to the productive value of interaction. The question here that arises is that whether the society split up in smaller social groups, formed around occupation, to capitalize on interaction. If such splinter groups could form costless, then social interaction would no longer be able to generate occupational stratification along ethnic lines.

The splinter groups will not arise so long as preferences are sufficiently diverse, and so long as different social relationships are not close substitutes for one another.

## **THEORETICAL BACKGROUND**

The study is based on the characteristics of the entrepreneurs' social networks which shed the light on the creation of the new venture for the immigrants groups and ethnic groups in the non-occupational sector for their subsequent success. Social networks is defined as the networks or relationships form on the basis of high trust either directly or indirectly links between the individuals together in a social group. Social networks or relationships are analyzed on the basis of the interaction between the linked groups. Sociologists are successful in finding out the resources that are embedded under the social relations and the social network structure for the entrepreneurship opportunities for the concerned. Many models and theories are prepared for the concerned. One of the model is: "TRIPLE PLUS MODEL" by Kamann(1998) that combines the social, economic and geographical space. The first revolves

around the small and medium entrepreneurs whose economic relations are rooted in history and where certain culture coherence was found. The second type revolves around the subsequent parts and the large companies in an area. Further the interactions between the individuals can be explained by the Triple plus Model.



**Figure 1:** The Triple plus Methodology. Source: Adapted from Kamann (1989), Page: 286.

Material relations are concerned with the exchange information of the material goods, services and capital flow. Social networks are also concerned with the direct exchange of information, strategy formulation and goal setting. The shock analysis is concerned with the threats of the economic and political factors that affect the social networks. The plus is concerned with the cultural and the cognitive elements that have its impact on the social networks. Social network approach suggests individuals' behavior is contingent on the nature and the structure of social relationship, which also

helps in providing the resources and other important elements required for the entrepreneurship.

### **SOCIAL INTERACTION- FACTOR OF PRODUCTION**

Social interaction and productivity are complementary to each other. The main focus is on two factors –workers and entrepreneurs. Workers produce goods and producers provide services in the form of selling their goods. Industry knowledge is more important for the producers as compare for the workers which further leads to the right of taking the business decision solely with the producers. As the social interaction plays a very important part too. As whenever socializing during any gathering or any cultural or religious functions, one entrepreneur exchange his knowledge with the other entrepreneur leads to increase in knowledge as well as an increase in the social interaction links which may or may not yield good results for them in future. The more entrepreneurs socialize with the other entrepreneur, the more knowledge will exchange and the more strong relations will be formed. That's why it is said that social interaction and productivity therefore are complementary with each other in the entrepreneurial sector and entrepreneurial productivity increases with the number of friends and family sector in that sector. In addition to mentoring, social relationships can improve the ability to extend the credit. Social ties help in increasing the cost of breaking a contract, and in addition show the social repercussions of economic and legal penalties.

### Skill specificity and multi-sector extension

It applies only when all the entrepreneurial activities are taken: if, for example: operating a dry cleaning shop requires similar skills that are required for operating a motel or any other shop. If skills are sector specific then, a multi-sector skill framework can't be appropriate to use.

For example: let's take an economy with just two entrepreneurial sectors along with the two groups of minority sector of same size and both have the equal demand for both the services. If the demand for one entrepreneurial sector falls short, then the efficient outcome for one of the minority group is to specialize in that sector and the other group to be specializing in the other sector which is completely arbitrary. But the real picture shows that in this multi-sector economy with the sector-specific skills similar groups consequently specialize in different business sectors.

An extension for future should include both the general and specific skills. It should have complete focus in stratifying the overall entrepreneurial activities as well as in other activities: like, for example in US where the Koreans are strongly clustered in some of the business activities and along with that they have being overrepresented in almost in all other business activities too.

### **RELATIONSHIPS IN A SOCIAL NETWORK**

As interactions in a social network has being restricted to be random. The main question arise that whether the majority group should split up into smaller social groups, formed

around the occupation and capitalize on interactions? If such splinter groups could form costlessly, then the interactions would no longer generate occupational stratification to the ethnic groups.

This section shows that splinter groups will not arise as long as preferences are not present in their groups which somehow difficult because preferences are diverse and cannot be completely present in a small social group. So the social interaction is directly proportional to the size of the group. Smaller the size of group, lesser the social interactions between them.

### **DIVERSITY AND ETHNIC ENTREPRENEURSHIP**

Development of ethnic groups in the field of entrepreneurship has become a new concept. It can be evaluated as the fruit of the cultural diversity as well as it can be seen as a catalyst of the development of the cultural diversity. As a result, there is emergence of minority groups in labor market as well as in the line of owned business. Many factors are examined that influence the ethnic entrepreneurship and that are: structural and cultural factors. Structural factors includes discrimination, high unemployment etc. Cultural factors includes specific values, culture features further including loyalty, motivation etc. the immigrant group or ethnic group have the basic qualities of becoming an entrepreneur that is they have the courage of taking the risk as well as they have the particular kind of mind set and attitude for setting up their own business and becoming an entrepreneur. Self-employment also plays an important as it is not only the way of earning a living, but also an essential

way of getting the social acceptance and recognition.

### **MOTIVATION FOR BECOMING AN ENTREPRENEUR**

The reason why ethnic groups are more likely to become an entrepreneur is "MOTIVATION". As discriminated by the people due to various reasons gives them motivation of becoming an entrepreneur. Due to lack of education facilities leads to an increase in lesser number of employment opportunities which further contributes to increase in the level of unemployment further left only with the path of becoming an entrepreneur by the immigrant and ethnic groups. The most influencing reason for the concerned is the success of the existed entrepreneur who belongs to the ethnic groups or immigrants groups. The strategy of the ethnic group for becoming an entrepreneur is begin with the selling or doing the business in the traditional products, services or communication channels. The orientation of the ethnic group is internal. As this helps in rotating credits, protected markets and a proper labor force. Not only had this had it also helped in creating more loyalty between the ethnic firm and their clients. So that's ethnic firms are called 'safe heavens' because it includes internal orientation, ethnic labor force, ethnic customers and traditional sector.

### **ETHNIC STRATEGIES**

The main focus of ethnic groups is to establish portable business so that whenever they want to go to their homeland, they can go easily by winding up or by shutting down it. This can be achieved by acquiring the

skills or assets that can be easily transferred to their native country geographically. They fall short on the parameter of innovation. Ethnic groups doesn't go for innovation, they learn the skills which are already existed for setting up the business. They learn the concerned skills and arrange the capital needed. And whenever they find the correct time and they feel confident they set up their own business. There are many risks like financial, social, family and career risks that hinders the entrepreneurs but an advantage lies within the ethnic group that the career risk and social risk are less distinct for them. Reasons to justify this are: firstly, a failed ethnic entrepreneur due to the difficult circumstances he had to begin with, will probably be accorded more understanding than his counterpart. Secondly, the job that immigrants do doesn't involve high level of education or it doesn't involve number of degrees. But it is compulsory for them to have basic knowledge. Thirdly, if any of the family members is working in the same enterprise, then they will get enough time to spend with their loved ones leading to decrease in the social risk for them.

### **CONCLUSION**

By distinguishing the market conditions and social relations, the social relationships helps in reducing the cost of acquiring of specific sector skills. As with the growth ethnic groups in the field of entrepreneurship not only improve the economic scales but it also lead to improving the conditions of the immigrants group and ethnic groups. And it is also proved that social networks or relationships



or interactions yield self-employment opportunities for the minority groups. Results show that participation of ethnic groups has become an important aspect of the entrepreneurship activities. But the restructuring of the western culture has created an obstacle for them but at the same time has given the opportunities for doing

the business. This presents the immigrants winning the lost ground but only at one condition that they will not be subjected or hindered by the 'discrimination'. With this new concept, the ethnic entrepreneurship now becomes a vital aspect of modern urban life and fulfills a key economic and social role for ethnic communities.

# Gennext Entrepreneurs-Exploring The New Types Of Entrepreneurs In The Indian Marketplace

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## ABSTRACT

The impact of India's Gen Next is already visible in many spheres but perhaps none more than in the emerging profile of its entrepreneurial class.

India is a huge proportion of self-employed in its working population, and even now, by some estimates, over 65 per cent of all adult Indians in the working age group are engaged in myriad self-employing vocations with agriculture, retail/wholesale trade and professional services being the largest.

An organization works only because of the efforts put in by an individual, who would be prepared to assume responsibility of leading the enterprise with him. For that, the person should have special quality that is known as entrepreneurship.

Entrepreneurship emerges and functions in sociological and cultural environment. It could be conceived as an individual's free choice activity or a social group's occupation or profession.

The entrepreneurs perform vital function in economic development of a nation. They have been referred to as the human agents needed to mobilize capital, to exploit natural resources, to often develop innovative products or concepts, to create markets and to carry on business. It may be construed

that the entrepreneurial contribution spells the difference between prosperity and poverty among nations.

A successful entrepreneur knows the changes which take place around him in the environment and is ready to grasp to the changing needs of the society. He initiates talent, abilities and drives to transform the resources into profitable ventures.

Studies on entrepreneurs have revealed that personality and cultural or social factors are related to entrepreneurial behaviour. Traits such as self-confidence, creativity, persistence, calculated risk taking capacity, v determination, need for achievement, individuality, leadership, versatility, optimism and liking for challenges characterize the entrepreneurial person.

## INTRODUCTION

India has been seeing some extraordinary entrepreneurs in the last 100 years and more, and the business that they started to continue to provide a very visible growth momentum to the economy.

A generation ago there were largely two "classes" of entrepreneurs in India. These were the mega-scale ones which included major business houses such as Tata and Birla and a host of others, and the small and medium ones that gave their existence half to the policy of reserving thousands of

articles of normal consumption for small-scale entrepreneurs.

The big became bigger due to their ability to successfully compete for licences and their ability to successfully seek public capital by way of equity and debt.

The small started up of the SSI reservation policy but the same policy subsequently came in the way of their becoming medium-scale enterprises, including logistics, human resource development and training, education, healthcare, real estate, infrastructure development, food and hospitality, etc.

They are, in many ways, more "genuine" entrepreneurs since most of them are starting out in a field that is much more level than ever, and hence the competitive landscape for them is also much more challenging.

The aspirations of most of this new breed of entrepreneurs are way beyond just achieving a comfortable living. They dream big, and while they may have respect for the big-entrepreneurs of today -- which include, beyond the Tata, Birla and Godrej families, the Ambanis and the Mittals, Mahindras, Ruias and Munjals -- they are not overawed by them. Indeed, many such till-recently "middle-class" entrepreneurs (Adani, GMR and GVK, to name a few) have already joined the ranks of mega-entrepreneurs. Hundreds more will do so in the next decade.

These Gen Next entrepreneurs are also far more attuned to the emerging needs of the Indian (and global) economy and hence are

more aggressively entering potentially exciting sectors such as agri- and biotechnology, food processing, healthcare delivery, education, clean and efficient energy, consumer-oriented services such as travel and hospitality, food services, micro-finance, etc, setting themselves up to join the ranks of the next decade's mega-entrepreneurs.

Just as increasing middle class of consumers provides strength to the domestic consumption backbone, this rapidly enlarging 'middle class' of entrepreneurs will provide tremendous strength to India's economic growth for decades to come.

## **RESEARCH METHODOLOGY**

Secondary sources were referred in this case study method. Out of the available entrepreneurs in India, these few successful entrepreneurs, who had their investment options from their own sources, were considered for this study. Based on the hypothesis proposed as above, a sample of successful Indian entrepreneurs is carefully selected for the study.

The methodology chosen is case study method; the history is studied well, the factors determined as to identify their mystery of accomplishment. Suggestions are made to resolve the various issues relating to entrepreneurship in small scale industries.

## **CASE STUDY DISCUSSION**

### **RITESH AGARWAL**

**Inventor of the budget hotel- OYO ROOMS.** He started his career at age 17. He is the first resident Indian to win the Thiel Fellowship. More recently, he was named by Forbes in its "30 Under 30" list in the consumer tech sector.

**Net worth** **In March 2015, OYO Rooms raised \$25 Million. After that in July 2015, OYO Rooms raised \$100 million**

He first started Oravel Stays at the age of 18, and then converted it into OYO Rooms. .

OYO Rooms is India's largest budget hotel chain and is present in over 160 cities across the country. OYO Rooms is not an aggregator of budget hotels but instead focuses on the standardization of hotels in the non-branded hospitality sector.

OYO Rooms is considered to be one of the very few start-ups which are non-copycat. Ritesh Agarwal's idea of OYO Rooms was to solve the problem of the lack of predictability, affordability, accessibility and availability at budget stays

### **FLIPKART**

**Founded by Sachin Bansal and Binny Bansal,** in the year 2007 flipkart, has emerged as one of online selling portal with a major chunk of market share. The founders are the alumni of the Indian Institute of Technology Delhi

The first product they sold was the book **Leaving Microsoft to Change the World. With a workforce of 33,000 people**

Flipkart has also emerged as one of the largest employer in the online retail market.

Company has witnessed various ups and downs, biggest failure was experienced in the year 2014 with the failure of Big Billion Sale, Flipkart recently completed the second edition of Big Billion Sale held between October 13 and 17, where it is reported that they saw a business turnover of 300 million in gross merchandise volume.

### **ZOMATO**

**ZOMATO** is a restaurant search and discovery service founded in 2008 by Deepinder Goyal and Pankaj Chaddah which operates in 23 countries, including India, Australia and the United States. It features restaurant information such as scanned menus and photos sourced by local street teams, as well as user reviews and ratings.

**Total net worth-Zomato's total funding to ~\$225 million which comes from a close set of four investors – Info Edge, Sequoia India, Vy Capital, and now Temasek**

The website began by listing restaurants in Delhi NCR, and quickly expanded to Kolkata and then Mumbai..

The company expanded its business in 2013 to various other countries like Auckland and Wellington etc.

Some more up gradations were made in the app like there were more choices in the languages like English, Spanish, and French.

The article not only explored the contribution made by the gen next entrepreneurs in the urban areas, but also

explored their role in rural areas also. Rural areas could only achieve the exposition to the recent and innovative techniques, when the entrepreneurs take the responsibility on their shoulders.

## **INNOVATIVE SOLUTIONS BY ENTREPRENEURS IN RURAL INDIA**

### ***EVOMO-RESEARCH & ADVANCEMENT***

Abhinav Kumar CEO, EVOMO

**Based in:** Ahmedabad

**USP:** Aims to replace non- licensed local transport vehicles

**Funding:** Rs 5 lakh from NID

**What it does:** Designs and makes low cost rural utility vehicle

As a young automobile engineer Abhinav Kumar dreamt of joining a professional racing team. But a casual visit to rural Uttar Pradesh, where he saw a range of locally manufactured vehicles being used to ferry people and goods, changed the 27 year old's career ambitions. He realised there was consumer demand for a transport vehicle that was both affordable and reliable.

Soon he quit his job at autoparts maker, **Sona Koyo** Steering Systems to set up his own venture, **Evomo**, in 2010. Evomo's rural utility vehicle costs Rs 1.5 lakh, which is less than the price of a Tata Nano, dubbed the world's cheapest car. Kumar said he manages to keep costs low by using locally sourced material and drawing from global design ideas that are past the patent protection stage.

His target is to sell at least one vehicle in each of India's 6.5 lakh villages in the next five years.

### ***AMPERE VEHICLES***

**Based in:** Coimbatore

**What it does:** Makes electric bikes

**USP:** These bikes are used for local distribution by small entrepreneurs

**Target Revenue:** Rs 100 crore in the next four years

**Funding:** Rs 20 cr from Forum Synergies and Spain's Axon Capital In Coimbatore, electricbike maker Ampere Vehicles is selling thousands of bikes being used by retailers to distribute water and milk in villages.

Founded in 2008 by **Hemalatha Annamalai**, 45, a computer engineer, the company is expected to reach revenue of Rs 100 crore within the next four years.

### ***IKURE TECHSOFT***

**Based in:** Kolkata

**What it does:** Sets up rural health centres

**Target Revenue:** Rs 1 crore this year

**Funding:** Rs 45 lakh from Intellectap Impact Investment Network and Calcutta Angels;

Rs 70 lakh from WEBEL Kolkata based iKure Techsoft has built a network of rural health centres where doctors are available through the week and pharmacists dispense only accredited medicines. In addition the company has built a backend software platform on which all health records are

stored. This is used to centrally monitor key metrics such as doctors' attendance, treatment prescribed and pharmacy stock management.

**Sujay Santra, iKure's founder** said the idea for the business came to him when he realised that his relatives and friends in a West Bengal village could not relate to his work at a US technology firm. "I was not doing anything which would impact them directly," said Santra, 36, who left Oracle to launch his healthcare venture.

### **SUGGESTIONS TO THE ENTREPRENEURS**

- The entrepreneurs should develop a proper industrial plan before starting a unit. Undertaking of feasibility study either by himself or through outside agencies can be very helpful in this regard.
- The entrepreneurs should employ latest techniques of production and skilled labour so as to improve the quality of the products and marketing.
- As the competition is found to be a major problem in many units, the entrepreneurs should try to divert to less competitive areas and before they venture, they should analyse the demand.
- For starting a venture, the availability of enough finance is the most important factor. Without it, the idea to start business or venture will always remain a simple wish.
- One should have some basic and essential managerial skills in the functional areas like finance, production

and marketing for entering into industrial entrepreneurship.

- Labour should be given full opportunity of being trained. The problem of absenteeism of labour needs to be looked into with a humane approach. There should be employer-employee friendly relationship inside the industrial unit.
- Everyone cannot be a successful entrepreneur. An individual must have certain values and traits to be a successful entrepreneur. The traits and values are need for achievement, need for power, positive work value; ccx moderate job anxiety, risk taking propensity, internal control orientation, high level of aspiration and preference for participative and nurturing-task styles of leadership

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# Make in India – A road to Made in India

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## ABSTRACT

Make in India is an initiative of the Government of India. On 25 September, 2014 the Prime Minister of Republic of India, Mr. Narendra Modi launched this program in a function at Vigyan Bhavan, New Delhi. The campaign was designed by Wieden and Kennedy, an American advertising agency. Make in India of NaMo Govt. has to be differentiated from Made in India. To make India a manufacturing hub we have to attract FDI in this particular sector by filling the gap of investment by unwilling Indian Business and helpless public sector. It is timely strategic call raised by current govt. in a view of global economic crisis. Our current GDP is 7.4% and we are world's fastest economy of the world. We have to improve our manufacturing sector and gain world confidence in it as we gained in the IT sector. Several hurdles are there. We need political wisdom, consensus, foresight rather than confrontation based on outdated controversies to succeed in this mission of inclusive balanced growth. Through this research paper we want to show that: How Make in India is complementary to Made in India? What are problems in that and ways to overcome that? **Keywords:** Make in India, Make in India, FDI, Inclusive balanced growth, Political free market,

**MAKE IN INDIA** With a view of making India a Manufacturing Hub, the Modi

government launches its most attractive program called "Make in India" on 25<sup>th</sup> September 2014. On 29 December 2014, PM, Modi, his cabinet ministers, chief secretaries of states as well as various industry leaders attended a workshop which was organized by the Department of Industrial Policy and Promotion. After this initiative taken India surpassed China and USA as top global Foreign Direct Investment (FDI) with 32%. With the conversion of Red tape into Red carpet and the agenda of ease of doing business, GOI was trying to make India a globally recognized economy in all sectors of it. The main objective of it is to create jobs and skill enhancement in all twenty-five sectors of the economy. High quality standards and eco-friendly environment were also being taken care off in this initiative. This campaign hopes to attract capital and technological investment in India. This campaign was designed by Wieden & Kennedy. This slogan has following major justifications and connotations in contemporary setting:-

1. The main focus is to invite FDI in our manufacturing sector. As our Prime Minister said '**Come, Make in India**'. Make in India a manufacturing base.
2. The contribution of manufacturing sector in India's GDP is 17.18% as compare to china which contributes 34% approx. More than 50% of India's population is dependent on agriculture which contributes only 16-17% to India's GDP.

3. Our current GDP is 7.4% but it has to increase as GOI wants that our economy will grow more than 8% and this can be achieved through efficient policies, improving performance and give boost to manufacturing sector.

4. Comparatively cheap land and labor (as compared to China, Japan, and Australia) must attract manufacturers from these countries to make India their manufacturing base. Surplus land and labor may be gainfully used for manufacturing.

5. Import to meet domestic need in Defense sector involves outflow of foreign exchange and also hidden cost in the form of bribes. Import of goods to meet civilian craze for foreign goods involves forex outgo. Thus, balance of trade and bop pressure can be eased by dual positive inflow of FDI and negative outflow of forex due to reduced defense and civilian import of goods.

6. The country will get benefit of foreign technology which foreign entrepreneurs will bring in addition to investment. Thus, briefly we may say that 'Make in India' is a red carpet Welcome invitation to, technology, entrepreneurship and managerial skills to make India their manufacturing base either for domestic market, or for export market or both.

### **MADE IN INDIA**

Made in India involves Swadeshi land, labor, capital, entrepreneurship and technology or intellectual property. Made in India refers to India's own Brand Equity in Indian and/or foreign markets. Like 'Amul' Butter- -Taste of India. As against this, Make-in-India is not a Brand. It is an invitation to foreign capital, technology or

Intellectual property (innovations) to employ Indian manpower and land to manufacture goods in India for domestic market and/or export market. Since private sector has bleak demand prospects due to economic crisis in developed world and Governments have no money to invest, foreign investors are focusing their attention to emerging economies like China and India where huge demand potential, cheap land and labor exist. Now China's cheap land and labor advantage is waning away due to rising cost curve of these inputs. Even Chinese Industries and MNC's based in China are in search of more competitive locations like India to relocate their manufacturing units. The same is true about Japan also.

Therefore, the clarion call given by Namo Govt. at Centre is very well-timed - Welcome! Make in India. A significant point to be considered is this that the Indian Business lost confidence in UPA-2 Govt. due to rampant corruption, red-tape, long delay in big project clearance under the pretext of environment clearance and land acquisition legal hassles. They are so dejected that they consider doing business in India a crime or sin. The Indian private capital is not willing to invest in India's manufacturing sector due to their bitter experience with UPA-2 Govt. Now, new (NaMo) Govt. at Centre is trying

very hard to restore Business Confidence in Govt. but opposition is also leaving no stone unturned to project NaMo Govt. Pro-Business-anti farmer, labour and the poor. Development must be our national agenda with political consensus based on shared wisdom and foresight rather than segmented confrontational myopic politicking. People



have given a clear mandate to NaMo for 'Sabka Saath Sabka Vikas.' Our democracy should lead to deliberated timely decisions rather than intense political confrontations of Industry Vs. Agriculture, Swadeshi Vs. Videshi which are outdated and outlived. A few salient differences based on implications need be noted carefully. Made in India will involve capital outflows in the form of dividend, interest and royalty, capital, etc. in the long-run. Unless it is covered by exports, it may amount to postponement of present bop pressures to future. As against this, Made in India may not be able to provide solution to present bop imbalance unless it leads to growth of exports, import substitution. But, it will not involve any forex outflow in future. A careful Social-Cost-Benefit Analysis of Make-in-India vs. Made-in-India must be carried out by independent policy research group experts to help decision makers arrive at a well informed decision on this issue. It should not be presented as option's choice (compulsion) before the nation.

#### **HOW MAKE IN INDIA COMPLEMENT TO MADE IN INDIA?**

When "Make in India" slogan was raised by current government in September 2014 to make India, a Manufacturing hub. As our PM said that his govt. is trying to convert Red tape into Red carpet, provide favorable environment to foreign investors and, of course, single window clearance. As against this, I want to argue that- When the local manufacturers will get the same environment to do business? When will we see the next entity like 'AMUL' in India? These questions can be answered with the new initiative of NaMo govt. "Startup India,

Stand up India". This initiative provides the young generation of India to start the business with their innovative ideas and thinking. We know that Narendra Modi lauds in his speeches that any country can be developed only with the efforts of its young army. Here young army means our young generation whom has the potential to build our country and make India a 'brand'. In actually we should focus on Make India a brand with the help of local manufacturers rather than with the help of foreign investors.

#### **CONCLUSION**

Make in India and made in India both can be beneficial for India. India can benefit temporarily from outsourced manufacturing plants but it cannot stress it beyond a limit. It should rather focus more on encouraging research and development and bringing industrial innovation. Make in India should be a start to achieve the long term goal of made in India.

Today's India credibility is stronger than ever. There is visible momentum, energy and optimism. Make in India is opening investment doors. Multiple enterprises are adopting its mantra. The world's largest democracy is well on its way to becoming the world's most powerful economy.

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# THE NEW ERA OF NASCENT ENTERPRENEURS

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## ABSTRACT

*This paper reviews the literature on the emerging environment provided to the new age entrepreneurs for helping them achieve their economic and developmental targets. Alongside promoting overall development of the society by setting up platforms through their innovative ideas, products and services. It also puts forwards the views of entrepreneurs on how startups deal with the problems in their nascent stages. It clarifies the issue's being faced by startups initially along with the solutions available for all of the issues ranging from financials to emotional and motivational barriers. There are many other initiatives like the following which have been undertaken by the government of India like 'Make in India'-a new national program designed to facilitate investment, 'Invest India'-It is the country's official agency dedicated to investment promotion and facilitation, 'Startup India'-to promote not only employs but also to initiate and motivate innovative citizens to become employers, 'Skill India' – It is the first of its kind focused on developing skills for the case of the employs, Other funding programs and competitions to aid bright innovative ideas, Simplified procedures for acquiring a license for businesses and trades, Now along with government parties there are also private players slowly invading, innovating and investing in this domain. **KEYWORDS:** Entrepreneurs, Nascent, Investment, Innovative, Financial*

## INTRODUCTION

The word “entrepreneur” is derived from the French verb *entreprendre*, which means ‘to undertake’. This refers to those who “undertake” the risk of new enterprises. An enterprise is created by an entrepreneur. The process of creation is called “entrepreneurship”.

Richard Cantillon (1680s – May 1734) defined the term as a person who pays a certain price for a product and resells it at an uncertain price: "making decisions about obtaining and using the resources while consequently admitting the risk of enterprise."

In the 20th century, economist Joseph Schumpeter (1883-1950) focused on how the entrepreneur's drive for innovation and improvement creates upheaval and change.

Business expert Peter Drucker (1909-2005) took this idea further, describing the entrepreneur as someone who actually searches for change, responds to it, and exploits change as an opportunity.

According Mark Cuban “Someone who can define the business they want to create, see where it is going, and do the work to get there.”

In simple terms Entrepreneur is an individual who is willing to take up risks in form of series of steps in order to achieve or design a new commercial activity or business (trade).

## **IMPORTANCE OF ENTREPRENEURSHIP:**

Entrepreneurs are the national assets to be ploughed, motivated and remunerated to the greatest possible extent. Entrepreneurs can create revolutions if they succeed as their innovations improve our lifestyle. They **create** jobs and the fill a gap in the society. People exposed to entrepreneurship frequently express that they have strength and more opportunity to learn, creative freedoms, higher self-esteem and they have a sense of control to live their lives. As a result, experienced businessman's like political leaders, economists, and educators believe that fostering a substantial entrepreneurial culture will maximize individual and collective economic and social success on a local, national, and global scale. It has an important role in the context of a developing nation like India which is being leached by problems like population, unemployment, poverty, illiteracy, hunger and under-employment.

## **CONTRIBUTION OF ENTREPRENEURSHIP:**

Entrepreneurship is one of the key factors of our economy. Small businesses create by entrepreneurial individuals, many of whom go on to create big businesses later in future, have not only created wealth but also jobs, opportunities and enhancements. Entrepreneurs add to the National Income: Entrepreneurial deeds literally generate new wealth. Existing organizations may remain confined to their own regular markets and may or may not obtain high income. New and improved offerings, products or technologies from entrepreneurs enable new

markets to be developed and new wealth created. Entrepreneurs Create Social Change: Through their unique offerings of new goods and services, entrepreneurs break away from tradition and indirectly support freedom by reducing dependence on obsolete and out dated systems and technologies. Overall, it improves the quality of life, greater morale and economic freedom. Community Development: Entrepreneurs regularly nurture entrepreneurial deeds by other like-minded individuals. They invested their capital in community projects and provide financial support to local charities. This enables further development beyond their own ventures. Economic Development: Entrepreneurship involves creation and use of innovative ideas, maximization of output from given resources, development of managerial skills, etc., and all these factors are essential for the development of economy of a country.

## **POPULATION ENGAGED**

It has been noticed that the main population which engages in the entrepreneurial field rises mainly from the youngsters with age 20s – 30s amongst the whole universe set and some of the fascinating and inspiring examples are William Henry Gates III (October 28, 1955) computer programmer also known as Bill Gates who later on became one of the youngest billionaire, Steven Paul Jobs (February 24, 1955) formed a crew with the co-founders (Steve Wozniak and Ronald Wayne) and established the footstones for Apple.inc and the chairman, chief executive and co-founder of the social networking website

Facebook Mark Zuckerberg and many more of the great personalities have been dominating the market with their unique and innovative fresh ideas at a very young age lying between the 20 – 30 years of age.

## **HISTORY**

The history of entrepreneurship is mainly connected with the change in fabrication of legislation, polity, policies and governance, and the 'inter' as well as 'intra' development being carried out rigorously within national and international economies. Business analysts have studied over time and have come up with their reasoning behind business transformation over time. This historical quest has applied the Schumpeterian module in the definition of entrepreneurship. Unlike the recent management scholarship, it has not focused primarily on new factory formation, but rather on the varying forms that innovative activity has taken and on the role of innovatory entrepreneurship in driving changes in the historical context of business, industry, and the economy. In earlier periods, Marco polo, an Italian. He wanted to trade and develop a novel trade routing thought-out to connect with the Far East. As a result, he signed a contract with a money-eyed fellow to sell his goods. In the contract the insurance loan rate is 22.5% which is taken by merchant-adventurer including insurance. In middle centuries, the word 'entrepreneur' was used to describe both the 'performer' and the 'person' who managed large production schemes. Individual character did not take any risk because all the estates used to be provided for by the government of the country, all an

entrepreneur should do is to manage it. A typical businessman in the middle age was an adorer. The individual who took charge of great architectural works used to build castles and castling, buildings for publics, abbeys, and cathedrals. Connection of risk with entrepreneurship is said to start developing in the 17th century. An entrepreneur contracts with the government to deliver a nursing or to supply stipulated products. John law was one of the best entrepreneurs in that period. Richard Cantillon, a well-known English economist at the beginning of 17th century, understood Law's mistake. He viewed the entrepreneur as a risk venture person, look on those merchants, farmers, craftsmen, and other sole proprietors "buy at a certain price and sell at an uncertain place, therefore they operate it on a risk". In the earliest of 18th century, the person with capital was differentiated from the one who wants capital to open his business. The entrepreneur was distinguished from the capital provider. One reason for the differentiation was the industrialization that is spreading throughout the world. Thomas Edison, a scientist is the inventor of many inventions. He was developing new innovative technologies but he was incapable to finance his inventions himself. Edison was an entrepreneur not a capitalist (a person who provides money) in the late 19th & 20th centuries, entrepreneurs were considered as same as managers and they all were looked upon alike as 'economic perspective generators'. The entrepreneur organizes, develops and manages an enterprise for personal gain. In the middle of 20th century, the function of entrepreneur

became to remake the design idea of production by developing a new technique i.e. innovations. Innovation, the task of developing some new and improved versions of ideas, goods, products or services from the ones already existing, it is actually one of the most difficult tasks for an entrepreneur. When we look at entrepreneurship from the economic-history, this context allows us to look and search at the flow of events in time & space such as inventions and innovations, where they occurred and their impact on the society.

### **CURRENT TRENDS**

Current trends in the entrepreneurial sector are based on gradual advancements since the advent and implementation of various global and trade related advancements. Recently after trade liberalization and globalization, many enterprises in different sectors have sprung up. Entrepreneurs from all backgrounds of the society have come ahead and begun with their individual start – ups. With time and advancements there has been heavy transformation in policies, taxations, technologies and finances promoting/encouraging more and more aspirants to step up and attempt to initiate. As a venture in the initial stages, the first and the foremost issue was how to start off, get officiating done and begin to work. Those issues have been eased and now resolved to a great extent due to opening of international doors and legal frameworks have been set so as to facilitate setting up and officiating of ventures. Further with mentorship and expertise now available at a phone call or email, makes it is much easier to develop venture plans and draw out the

business from it. Moreover, earlier it would be very tough to reach out and build ones brand, but now with the availability of large spectrum print media, app based digital media, social media and many more cost – effective and public means one can very easily reach out to the masses and build his or her brand. Finances were again a very big concern during earlier periods but in the recent decades a lot of government and private parties have begun to provide funds, finance, grants, fellowships, loans and partnership opportunities so as to resolve this issue as well. Although still it exists to some extent, but the family stigma of starting up an own business was one of the biggest hurdles for any entrepreneur and in many parts of the world religion, social class and gender would also be a direct impact factor on the same. With gradual modernization and liberalization of rules, social setups and policies the society has begun to outgrow all these stigmas and gradually the pace and number of people picking entrepreneurship as their prime career choice is on the rise. It in the initial days used to be looked upon as wealth creation or as a failsafe when one couldn't find a satisfactory job. But today entrepreneurship has come far ahead of all these perceptions and risks and has become more of a shared value creating exercise that creates jobs for others, promotes social and economic development of all stake holders involved and fills a gap or need in the society.

### **GOVERNMENT INITIATIVES**

The government has taken several initiatives to promote entrepreneurial endeavors such

as follows that will not only benefit the entrepreneurs but will also be beneficial to the country as a whole;

***Make in India:*** Make in India is a revolutionary step taken by the Indian government to promote and encourage companies and organizations to produce their goods, products and services in India for India as well as the world. Make in India was launched under the administration of the Prime Minister Narendra Modi on 25<sup>th</sup> September 2014 with the belief that India would emerge as the world wide hub for the national as well as international corporations which would even promote foreign investment. The main objective of this initiative is to job creation and skill enhancement for the betterment of the localized population and it was also suggested that this theme would enable India to grab better qualitative goods as it would open up for new industries providing competitiveness and thus quality shifts.

Through entrepreneur's view point, make in India is a the oportunity to open up an industry in 25 different fields including automobile and its components, aviation, chemical and many more priorit sectors with an option to help financially by reducing basic duties and taxations etc. It focuses on decreasing the paper work making legal processes easier for the investor and entrepreneur, for example decreasing the levels of documentation for the import/export from 7 to 3 levels.

Now let us understand the benefits attached with the make in India theme in lay man terms: I being an entrepreneur procuring raw materials that is to be processed involved

several steps of legal procedures which usually took time and even while processing them at a regular basis I have to maintain and undertake several levels like GIP (good industrial practices), GMP (good manufacturing practices), labor laws and the regular complex checking of the quality of my produced and processed goods/service sand at the final stage while forwarding it and selling it to the whole sellers or to the customers the taxation process and other legal processes but existence of make in India simplified most of the processes making it easier and efficient with various one stop solutions to all nodes and legalizations.

***Skill India*** the main objective of the programme 'Skill India' by the government which was launched on 15<sup>th</sup> July 2015 is to create opportunity and scope for the Indian youths by sharpening their skills holistically so as to support all enterprises with industry ready workforce. The new programme aims at developing of skill to 5 crore youth from the country by 2020. Providing professional trainings and support for all occupations from weavers, masons, tailors, real estate, construction, transportation, tourism, various other fields and sectors. Another remarkable feature of the 'Skill India' scheme is the overall personality development and grooming to shape up an entrepreneur out of every individual right from their younger ages the students by shaping there communication skills, life and positive thinking skills, managerial, behavioral and employability skills.

From the prospective of the entrepreneur the schemes under this programme that is

National Policy for Skill Development and Entrepreneurship 2015, Pradhan Mantri Kaushal Vikas Yojana (PMKVY), Recognition of Prior Learning (RPL) and Skill Loan would 1<sup>st</sup> help person first develop his market skills then the other managerial skills and with the guidance provided by the scheme workers he can easily open up his own venture, and in the case of fiscal deficit the person will even get loan according to his/her plan for building up his venture's platform or even procure quality skilled government certified labor from the Skill India centers increasing the quality and credibility of his brand.

**Digital India:** the program initiates to transform India into a digitally powered and live online nation under which many of its policies were launched and one of these were the providing of trade and other licenses online. Digital India aims to make the whole country equally accessible digitally from remote areas to the well organized cities which would even benefit in quality communications and in the working of entrepreneurs and their enterprises. This will integrate services across departments or jurisdictions, Availability of services in real time from online & mobile platforms, Digitally transformed services which would automatically improve in ease of doing business, Making financial transactions electronic & cashless, Leveraging Geospatial Information Systems (GIS) for decision support systems & development and with the other functionalities; it can thus be expressed as the 'Digital India' lacks in direct implementation on startups but it may boost the working of a venture.

**Startup India, Standup India:** this scheme launched on 16<sup>th</sup> January 2016 under the Narendra Modi government Start-up India; Stand up India, the Commerce and Industry Ministry has started fleshing out a framework to encourage start-ups and boost job creation with the main objective to educate India to the startup way. The structure will be a complete ecosystem for start-ups. The final framework, for which the Ministry is working overtime, is expected to be unveiled and will be coming soon. The key incentives provided for the startups under this scheme are: Tax subsidies for 3 years for the firms which get established after 1<sup>st</sup> April 2016 with Hassle free registration through Mobile apps. At the same time easy exit through the proposed Bankruptcy code and 80% returns on Patent applications making it even easier and less risky for the risk takers thus more advisable. This plan also focuses of to motivate and unleashing the women entrepreneurs by making the financial inclusion in reach.

**Invest India:** Invest India is the country's official agency dedicated to investment promotion and facilitation. Invest India encourages foreign investors all over the world to invest in India & build their companies or to invest in new Indian startups to earn a lot of profit for both the hands. India is the growing organization and it has a bulk of startups that are ready to get their jobs. Invest India acts as the first point of contact for foreign investors. India is the 10th-largest economy in the world based on market-exchange rates. India is the 8th-largest economy in the world based on market-exchange rates. The Indian government made a number of policy

changes during the past 10–15 years which could help foreign investors to easily invest in India. India is one of the youngest countries in the world, and the average age of Indians is 25 which are likely to get younger. Even the average age of Americans is around 35 and somehow it is same in the other countries also. And it has been seen that most of the innovation and out of box themes are presented by the youngsters thus it would be more likely to invest in as India is the growing power and its young population is its secret weapon. Invest India scheme aims to promote the investment for the Indian new upcoming industries.

### **PRIVATE INSTITUTION'S INITIATIVES**

There have been several examples of private humongous institutions initiating there helping hands to the struggling new comers for example the TATA's investment in the OLA Cabs making its return back to the market and the investment of the Flipkart to the Myntra com. Private Educational Institutions such as Apeejay Education Society setting up incubation centers for entrepreneurs. Times Group, HT Media conducting various events and competitions to recognize talent that can be trained, groomed and supported on their way to venturing, and many more instances. These are very modern and innovative methods to obtain a good holding in a profitable and growing venture, it helps in creating brand value, quick growth and in fact at times helps in elimination of competition, if the controlling stakes are brought by a competitor.

### **EXAMPLES**

***Paytm:*** Paytm is one of the leading mobile wallet payment gateway app and web – based service provider in India. Now recently they have spanned their scope into e-commerce. It has grossed for over 15 million orders per month. They won good funding right in their initial phases.

***Housing.com:*** Housing.com, founded by a team of 9 IITians; is a real estate e-commerce based on big data, predictive trend analytics and preference matrices. They employ a lot of technology and have a record of winning a series of fundings and scaling up very fast.

***Zivame:*** Zivame is a online lingerie store, with product ranges consisting of: bridal lingerie, plus size lingerie, every day wear, shapewear, leisure wear, nightwear and swimwear for women, solving the problem of unavailability due to any possible reason. Richa Kar, CEO of Zivame.com said that Zivame.com provides all the necessary lingerie styles to a woman. Through this a women, has the freedom to choose and to decide about wearing lingerie without any hesitation.

***Redbus:*** Redbus is an online bus reservations portal and app based service provided available for all types of smartphones and computers solving the need to physically go out to a travel agent or a bus station to do the same. Recently redbus got acquired by the ibibo Group for \$138 Million.



**OYO Rooms:** OYO rooms are a web portal plus app based room's reservations. Rooms with free-Wi-Fi, food etc. are their initial offering. But now they scaled up out of economy rooms to three star, four star, five star and even luxury as well as premium suites. Ritesh Agarwal, is the founder and CEO of OYO Rooms. He started his journey of entrepreneurship at the age of 17. He left his college and launched his first start-up Oravel Stays Pvt. Ltd. in the year 2012.

**FreeCharge:** It is an online payment gateway plus mobile wallet service provider, through which all recharges and bills can be paid. It was founded by Kunal Shah in 2010 and recently Snapdeal acquired FreeCharge with a deal of around \$400-\$450 Million. Around 75 million of mobile recharge are done every day in India and out of which 2-3 million is done online. It now provides the option of paying for your restaurant and other daily life expenses beginning with a deal with fast food giant McDonalds.

## CONCLUSION

With about 4,500 start-ups at various stages of growth, our country is already the third largest in the global born every day, and now we expecting to grow this number to a higher value with the start-up ecosystem. Almost four start-ups are latest legal, policy and schematic interventions. Stories of professionals leaving well-paid jobs and starting-up have become so common that it does not raise eyebrows any more. Entrepreneurship is no longer just about starting a new business, now it has grown up to be more of a journey for the pursuit of what is one's most passionate thing.

Entrepreneurs are now focusing on filling a gap or meeting the rising needs of the society or particular segment of it solving a problem being faced by people. But all along they are making sure that what they are doing is what they are passionate about.

Although earlier entrepreneurs were also as passionate but there were a lot of limitations which the modern day digital, legal, policy based and financial aids/support systems have seem to removed extending the scope of not just starting up but also of growing the startup venture into a populous and thriving enterprise. We have government agencies making a lot of efforts and initiatives in order to set the tone and develop an ecosystem that not only can give rise to enterprises but also can incubate and nurture it so as to help it grow into a sustainable business. And then there are several private players now entering in to the field providing much better opportunities, tools and platforms for entrepreneurs to come out and explore. This way the private parties not only get to invest and profit out of some good talent but they also get hands on some stakes in the venture potentially controlling the possibility of market share losses or competition itself.

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# Changing Era of Women Entrepreneurship

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## ABSTRACT

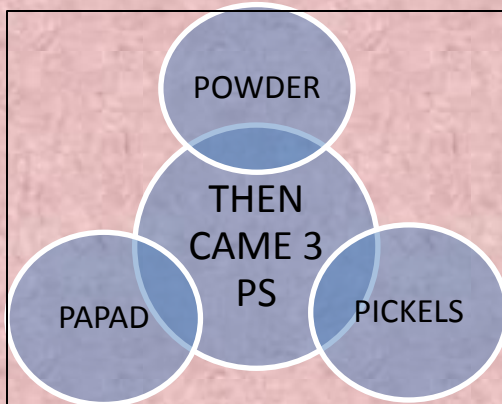
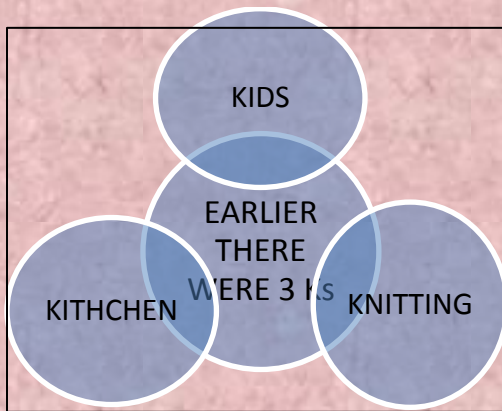
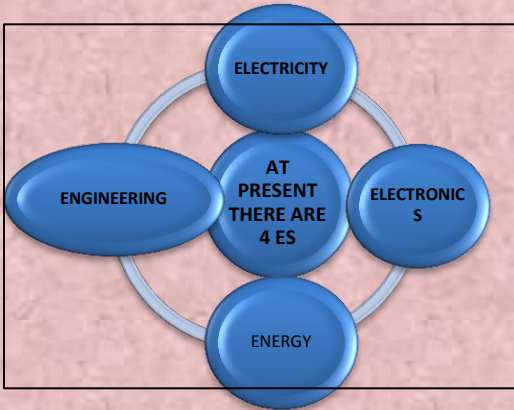
*Entrepreneurship has been a male-dominated phenomenon from the very early age but time has changed the situation and brought women as today's most memorable and inspirational entrepreneurs. The position and status of women in any society is an index of its civilization and progress. Women have yet to make a visible and lasting impact of their economic participation, although in rural households they have always contributed, in part or whole, to the earnings in the family. However, unrecognized by policy or legislation, their contributions are often relegated to home-based work in the informal sector. Women are equally competent in running business but still lacks behind in spite of women empowerment movement in our country, there are social, cultural and economic hurdles in the way of women entrepreneurship and the major problem is lack of entrepreneurial environment. In spite of having the potential and talent, women are deprived of opportunities, information and education. A strong desire to do something positive is an inbuilt quality of entrepreneurial women, who is capable of contributing values in both family and social life. With the advent of media, women are aware of their own traits, rights and also the work situations. The challenges and opportunities provided to the women of digital era are growing rapidly that the job seekers are turning into*

*job creators. They are flourishing as designers, interior decorators, exporters, publishers, garment manufacturers and still exploring new avenues of economic participation. This paper makes an attempt to understand the Changing pattern in the women entrepreneurship, taking data from secondary sources. This paper aims to underline the issues related to women entrepreneurship through the analysis of this data available.*

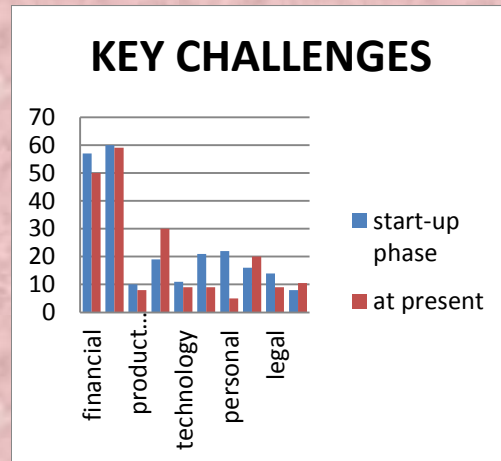
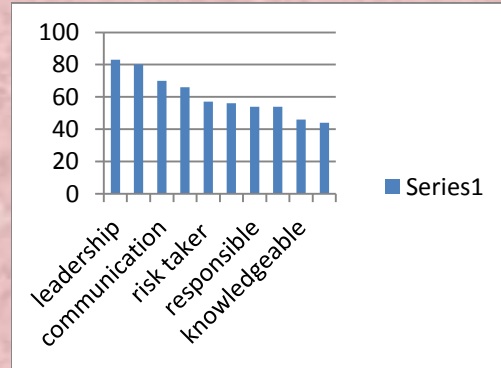
## Introduction

The term 'entrepreneur' has been derived from the French word 'entreprendre' means to undertake. The term entrepreneur may be defined as "an entrepreneur is a person who combines capital and labour for production". 'Women Entrepreneur' is a person who accepts challenging role to meet her personal needs and become economically independent. A strong desire to do something positive is an inbuilt quality of entrepreneurial women, who is capable of contributing values in both family and social life. With the advent of media, women are aware of their own traits, rights and also the work situations. The challenges and opportunities provided to the women of digital era are growing rapidly that the job seekers are turning into job creators. They are flourishing as designers, interior decorators, exporters, publishers, garment manufacturers and still exploring new avenues of economic participation.

## Women Entrepreneurship In India



### Most Important Traits To Be A Successful Women Entrepreneur



### Some Famous Examples Of Successful Women Entrepreneurs In India

1. **INDIRA NOOYI** This brilliant corporate women started her career in Boston Consulting group. She joined Pepsi Company in 1994; she turned the company into a bold risk taker. In 1998 Pepsi acquired Tropicana. In 1997 Pepsi started its own fast food chain. She became the president of Pepsi cola in 2001. Wall street journal included her name in the top fifty Women to watch in 2005. Simultaneously

Fortune Magazine also declared her 11th most powerful Women in business.

2. DR KIRAN MAZUMDAR SHAW She is the chairman & managing Director Biocon Ltd. Who became India's richest Women in 2004. She founded Bicon India with a capital of Ten thousand in her garage in 1978. The initial operation was to extract an Enzyme from Papaya. Her application for loans were turned down by banks-on three counts-Biotechnologies then was a new word, the company lacked assets, and women Entrepreneurs were still a rarity. Today her Company is the biggest Biopharmaceutical firm in the country.

3. NAINA LAL KIDWAI She was the first Indian Women to graduate from Harvard business school. Fortune magazine listed Kidwai among the world's top fifty corporate women from 2002- 2003. According to the Economic times she is the first women to head the operations of Foreign Banks in India. Also she was awarded the Padmashree.

4. VAIDYA MANOHAR CHHABRIA Chairman of Jumbo Group . The wife of a late Manohar Rajaram Chhabria is now leading Jumbo Group, a Dubai based Dollar 1.5 billion business conglomerate. She was ranked 38th

Most powerful women by the Fortune Magazine in 2003.

5. NEELAM DHAWAN, Managing Director of Microsoft India. She is well known figure in IT Industry of India. Before joining Microsoft, she worked in almost all the top IT Companies.

6. SHAHNAZ HUSAIN She is another successful Women entrepreneur of India. She popularized herbal treatments for beauty and health problems. Her company Shahnaz Husain Herbals was the largest of its kind in the world

and had a strong presence in over hundred countries, from the US to Asia

7. LALITA GUPTE & KALPANE MORPARIA Joint Managing Directors of ICICI Bank, have made immense contribution to the banking sector in India.

8. EKTA KAPPOR Who is popularly known as the „soap queen“, Creative Director of Balaji Telefilms is credited for bringing about a revolution in the Indian small screen industry. She is a rare combination of beauty and brain and a great inspiration for budding entrepreneurs.

### **Problems Faced By Women Entrepreneurs**

The major problems encountered by Women Entrepreneurs are

1. Lack of Working Capital: To be Women & to do something on their own becomes quite difficult for them because of lack of Access to funds as Women do not possess any tangibles security.

2. Motivational Factor: Self Motivation, Attitude to take up risk and behavior towards the business society, family support, financial assistance from public and private Institutions and also environmental suitable for Women to establish business units

3. The family structure is generally male dominated hence the Male members think it a big risk financing the ventures run by women. Greatest deterrent to women entrepreneurs is that they are women.

4. The financial institutions are skeptical about the entrepreneurial abilities of women. The bankers consider women loonies as higher risk than men loonies. The bankers put unrealistic and unreasonable securities to get loan to women entrepreneurs.

5. Women's family obligations also bar them from becoming successful entrepreneurs in both developed and developing nations. "Having primary responsibility for children, home and older dependent family members, few women can devote all their time and energies to their business"

6. The male - female competition is another factor, which develop hurdles to women entrepreneurs in the business management process. Despite the fact that women entrepreneurs are good in keeping their service prompt and delivery in time, due to lack of organizational skills compared to male entrepreneurs women have to face constraints from competition.

7. Low risk bearing ability- Women in India leads a protected life. They are less educated and economically not self- dependent. All these reduce their ability to bear risk involved in running an enterprise. Risk bearing is an essential requisite of a successful entrepreneur. In addition to above problems, inadequate infra structural facilities, shortage of power, high cost of production, social attitude, low need for achievement and socio- economic constraints also hold the women back from entering into business.

#### **GOVERNMENT SCHEMES FOR WOMEN EMPOWERMENT**

The government programme for women development began as early as 1954 in India but the actual participation began only in 1974. At present, the Government of India has over 27 schemes for women operated by different departments and ministries. Some of these are:

- Integrated Rural Development Programme (IRDP)
- Training of Rural Youth for Self-Employment (TRYSEM)

- Prime Minister's Rojgar Yojana (PMRY)
- Women's Development Corporation Scheme (WDCS)
- Working Women's Forum
- Indira Mahila Yojana
- Indira Mahila Kendra
- Mahila Samiti Yojana
- Rashtriya Mahila Kosh
- Khadi and Village Industries Commission

#### **Women Entrepreneurship in India**

States	No of Units Registered	No. of Women Entrepreneurs	%
Tamil Nadu	9618	2930	30.36
Uttar Pradesh	7980	3180	39.84
Kerala	5487	2135	38.91
Punjab	4791	1618	33.77
Maharashtra	4339	1394	32.12
Gujarat	3872	1538	39.72
Karnataka	3822	1026	26.84
Madhya Pradesh	2967	842	28.38
Other States & UTS	14576	4185	28.71
Total	57,452	18,848	32.82

#### **OPPORTUNITIES FOR WOMEN ENTREPRENEURS**

Opportunities for Women Entrepreneurs · Education is a boon to mankind, while lack of education to a person is a bane now-a-days. Throughout the world, we can observe that the ratio of women entrepreneurs is growing tremendously. The emergence as well as development of women entrepreneurs is quite visible in India and

their over-all contribution to Indian economy is also very significant. Today the role of Women entrepreneur in economic development is inevitable because women are entering not only in selected professions but also in professions like trade, industry and engineering.

The industrial structure and the enterprises are undergoing a radical change. Information Technology has transformed the very technique of doing business. Individually, business ownership provides women with the independence they crave and with economic and social success they need. Nationally, business ownership has great importance for future economic prosperity. Globally, women are enhancing, directing, and changing the face of how business is done today. Ultimately, female business owners must be recognized for who they are, what they do, and how significantly they impact the world's global economy.

Women should be considered as specific target group for all development programmes. Govt. should extend better educational facilities and schemes to women folk. Adequate training programs on management skills should be provided to women community. Encourage women's participation in decision making. Vocational training should be extended to women community to enable them to understand the production process and management.

Training on professional competence and leadership skills should be extended to women entrepreneurs. Activities in which women are trained should focus on their marketability and profitability. State Finance Corporations and financing institutions

should permit by statute to extend purely trade related finance to women entrepreneurs. And lastly women's development corporation has to gain access to open-ended financing.

### Women Work Participation

Country	Percentage
India (1970-1971)	14.2
India (1980-1981)	19.7
India (1990-1991)	22.3
India (2000-2001)	31.6
USA	45
UK	43
Indonesia	40
Sri Lanka	35
Brazil	35

(Source:

[http://www.indianmba.com/Faculty\\_Column/FC1073/fc1073.html](http://www.indianmba.com/Faculty_Column/FC1073/fc1073.html))

### CATEGORIES OF WOMAN ENTREPRENEURS

Women Entrepreneurs can be categorized in three groups

The First group consists of **women who are educated and professionally qualified**. They take initiative and manage business as men do. Women entrepreneurs with basic managerial training and educational qualification usually head medium and large units.

The second group consists of women who may **not have educational or formal training in management but have developed practical skills required** for tiny or small scale enterprises. They chose the products with which they are familiar e.g., handicrafts, garments, retail, beauty salons etc.

The third group of **women entrepreneurs works in cities and slums to help women with lower means of livelihood.** There is a service motivated organization to assist economically backward section of society. Such entrepreneurs like Lizzat Papad and Sasa Detergents need government support in marketing and getting finance at concessional rates.

### **WOMEN ENTREPRENEURS RISING ABOVE THE CHALLENGES**

Today when businesses are facing a severe crunch in entrepreneurial talent, if women don't play a meaningful role in business, then half of the country's potential talent pool will remain under- utilized. Presently the status of women in India tends to conjure up pictures of illiteracy, exploitation, discrimination and low life expectancy. Driving forces for women entrepreneurial activities are survival and to feed one's family another reality which is driving a new paradigm is that of a booming nation, powered by female business leaders. In last couple of decades there has been a significant growth in female entrepreneurs who are becoming increasingly visible and successful in the professional and public sphere. Evidences are that women entrepreneurs are gradually acquiring the required confidence, leadership and managerial skills for succeeding in business.

The shift in the role of women in business is taking place due to two factors that can be classified as personal factors and contextual factors of motivation for women entrepreneurs:

1. Personal Factors- Personal Factors can be classified as follows:

a) Changing family structure as nuclear families, women perception regarding as a significant partner in providing for the family.

b) Increasing education and competence, the emerging women entrepreneurs have proven that they can contribute in management and strategy in the same way as their male counterparts.

2. Contextual Factors- Contextual Factors can be classified as follows:

a) Enterprises are becoming gender neutral.

b) Technological Advancements have provided immense flexibility to women so that they can work from anywhere and at any time when it is convenient to them.

Though the changing role of women in business is being gradually acknowledged the journey is still fraught with immense challenges. The women entrepreneur still faces a lot of problems. Banks and other financial institutions often do not consider women entrepreneurs as "serious" applicants for setting up their projects and they are hesitant to provide financial assistance, especially to unmarried women taking into consideration that either the parents will return the loan.

Moving in the market is a tough job for women entrepreneurs in Indian society. Women due to their limited exposure to business transactions are often hesitant and shy of handling money matters. Some of the essential managerial functions like sales, financial control, availability of skilled workforce, power supply etc. pose critical challenges to women entrepreneurs especially in the initial period when they themselves are required to tend to all these functions.



Impact of family on women in India during their formative years cannot be ignored as a constraint. Young girls in India are seldom encouraged to take up higher studies as their parents believe that their daughter will ultimately get married and look after her family. Young girls are encouraged to take up hobbies which would keep them homebound, as a result of which, their understanding to the external world such as banks, utility services; commercial activities etc are vicariously gained through the experiences of their fathers, brothers or any other male members of the family. It precludes them from having much interaction with the social networks which facilitates access to venture capital funding. At home girls are brought up to be nurturers who will support the demand of the other members of the family. This fosters a deep seated sense of obligation in the psyche of the women to fulfill such expectations of their family members. Devoting the required amount of time and energy to start and grow a business is therefore held against the time spent in conducting the duties towards the family. This fosters feeling of guilt and stress in the women entrepreneur and often prevents them from focusing on the activities required for sustaining an entrepreneurial venture.

### **CONCLUSION**

Women have the potential and the determination to set up, uphold and supervise their own enterprises in a very systematic manner. Appropriate support and encouragement from the Society in general and family members in particular is required to help them scale new heights in their business ventures. The right kind of

assistance from family, society and Government can make these Women Entrepreneurs a part of the mainstream of national economy and they can contribute to the economic progress of India in this era of globalization. Ultimately, every impoverished woman who manages against all odds to become a successful entrepreneur is heroic. And that heroism is why The World Bank and its donor nations, as well as leading businesses, universities and NGOs are now focused so intently on lending women-owned SMEs a hand. If you give a woman in a developing country just a little bit of support for a business, she may well leverage that support into a brighter future for herself, her children, her neighbors and the world that we all share.

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# FRUGAL INNOVATION: A CASE STUDY OF NARAYANA HRUDAYALAYA

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## ABSTRACT

*Frugal Innovation is the process of reducing the complexity and cost of a good and its production. Designing products for such countries may also call for an increase in durability and, when selling the products, reliance on unconventional distribution channels.*

*Several US universities have programs that develop frugal solutions. Such efforts include the Frugal Innovation Lab at Santa Clara University and a two quarter project course at Stanford University, the Entrepreneurial Design for Extreme Affordability programs. This case study is on Narayana Health (Hrudayalaya).*

**Keywords:** *Frugal Innovation, Designing Products, Distribution Channels, Narayana Hrudayalaya*

## INTRODUCTION

Frugal Innovation is the process of reducing the complexity and cost of a good and its production. Usually this refers to removing nonessential features from a durable good, such as a car or phone, in order to sell it in developing countries. Designing products for such countries may also call for an increase in durability and, when selling the products, reliance on unconventional distribution

channels. Several US universities have programs that develop frugal solutions. Such efforts include the Frugal Innovation Lab at Santa Clara University and a two quarter project course at Stanford University, the Entrepreneurial Design for Extreme Affordability programs. More recently, programs in development engineering have emerged; these additionally focus on engineering around the institutional and environmental constraints commonly found in developing countries.

## HISTORY

The group was founded in 2000 by Dr. Devi Shetty under the guidance of the Asian Heart Foundation. Today, it has 31 hospitals in 19 locations. In 2013, Narayana Hrudayalaya Pvt. Ltd. changed its brand name to Narayana Health. Devi Shetty is the chairman of the group. A Raghuvanshi is the Vice Chairman, MD & Group CEO.

The chain has 1500 full-time Doctors and 15,000 employees. An average of 150 surgeries is performed every day and an average of around 80,000 outpatients is seen every month.

## FRUGAL INNOVATION BY NARAYANA HRUDAYALAYA

Narayana Health (formerly known as Narayana Hrudayalaya) is a multi-

specialty hospital chain in India, headquartered in Bengaluru.

The company won the "Good Company" award for its quality, affordability and scale. The business model of Narayana Health became a Global Healthcare and Harvard Business School case study. The hospital chain is among the largest telemedicine networks in the world.

Narayana Health's vision is "To provide high quality health care, with care and compassion, at an affordable cost, on a large scale."

**ABOUT NARAYANA HEALTH (HRUDAYALAYA)**

Type	Public Company
Industry	Health Care Services
Founded	2000
Headquarters	Bengaluru, India
Key People	Dr. Devi Shetty , Chairman Dr. A. Raghuvanshi , Vice Chairman, MD and Group CEO
Number of Employees	15,500
Slogan	Health for all. All for Health.

**BIGGEST INNOVATIONS THIS CENTURY**

“Hands that serve are more sacred than lips that pray.” The words of Mother Teresa had a profound effect on Dr Devi Shetty, who was the late Nobel laureate's personal cardiac surgeon in the early

1990s. Dr Shetty then worked at the Birla Heart Foundation in Kolkata (Calcutta then). At the time, he would see over 100 heart patients daily. Most needed surgery but never came back for it. This intrigued him. He soon found out that the high cost of cardiac surgery (Rs 1.50 lakh then) was the reason. He realised that almost 80 per cent of health-care expenses in the country were borne out of pocket. Even worse, 47 per cent of rural and 37 per cent of the urban population either borrowed money or sold assets to pay for medical expenses. Indians are genetically three times more vulnerable to heart attacks. Yet only 120,000 heart surgeries were performed annually when the need was for two million. "It was clear costs had to come down," says Dr Shetty.

Quality health care and affordability did not go hand in hand. Those seeking affordability had to be content with government hospitals, while quality seekers had to spend their way into private hospitals. Dr Shetty began searching for a model that would marry affordability and quality. "I was certain of one thing though - charity is not scalable while a sound business model is," he says.

In 2001, he founded Narayana Hrudayalaya (later renamed Narayana Health or NH) in Bangalore with a mission to take affordable health care to the people. What started as a 280-bed hospital then has, in the last 13 years grown to become a 26-hospital network with 6,900 beds across 16 cities employing 13,000 people and 1,500 doctors. It has so far performed over 100,000 cardiac surgeries and 250,000

cath lab procedures. The group performs 150 major surgeries (including 44 cardiac surgeries) daily. NH says about 12 per cent of all cardiac surgeries done in the country are performed at its hospitals and 50 per cent of its patients are from the economically-weaker sections.

Narayana Hrudyalaya has been able to achieve this innovation by bringing the cost of surgery down. According to an article by Vijay Govindarajan, innovation guru and Coxe Distinguished Professor at Tuck School of Business at Dartmouth College, US, in Harvard Business Review, Narayana Hrudyalaya's average cost of a bypass surgery is \$1,500 (Rs 90,000) compared to \$1, 44,000 in the US, \$27,000 in Mexico and \$14,800 in Colombia. Interestingly, Narayana Hrudyalaya's cost of cardiac surgery is significantly lower than what it was in India 13 years ago.

The lower cost has not come at the expense of quality. Narayana Hrudyalaya's mortality rate (1.27 per cent) and infection rate (one per cent) for a coronary artery bypass graft procedure is as good as that of US hospitals. Incidence of bedsores after a cardiac surgery is globally anywhere between eight and 40 per cent. At Narayana Hrudyalaya, it has been almost zero in the last four years, points out Dr.Shetty.

"The most important reason for NH's execution success is its commitment to purpose. Organizations that pursue bold dreams can inspire their employees to achieve the impossible. NH attracts doctors, nurses and other staff who buy

into this vision that they must provide high tech, high quality care to all, irrespective of means,"

Also, frugality is the watchword at NH. It does not buy all its equipment. It leases some on a pay per use basis. This keeps capital costs low. Great emphasis is given to maintaining equipment and extending its life. The buildings are designed to keep costs low, too. NH's Mysore Hospital was designed and built at a cost of Rs 18 lakh per bed, when the thumb rule cost of a similar hospital is Rs. 50 lakh to Rs. 1 crore a bed.

At times, no doubt, the frugal approach did not work. The concept of zero inventory, for instance, was one such. NH did not store consumables and got suppliers to deliver them just in time. There were problems and the measure was reversed, and an in-house store set up.

There are challenges, of course. Cash flow is always a problem as over 50 per cent of the outstanding is from the government. "We never have money," says Viren Shetty, son of Dr Shetty and Vice President (Strategy and Planning) at NH. This has forced the hospital to shift to an asset light model for expansion.

"We prefer not to invest in land or building but just in equipment," he adds.

NH, meanwhile, continues to grow and Dr Shetty's target is to reach 30,000 beds. He is confident that India will soon become the first country in the world to disassociate health care from affluence. "The wealth of a nation has little to do with

quality of health care its citizens can enjoy," he says. Not many will disagree

### **BUSINESS MODEL OF NARAYANA HEALTH ( HRUDAYALAYA)**

Anthony R Tersigni hopes to learn a great deal from Narayana Hrudayalaya on providing medical care at an affordable price in the US. He would know best how important it is to find cost-effective means of providing quality healthcare, being the president and CEO of Ascension Health Alliance, the Catholic healthcare organisation and which is one of the major healthcare providers in the US.

In 2010, the US had seen a spending of \$2.6 trillion on healthcare which is 18 per cent of the GDP, and cost has only been rising.

Dr Devi Shetty-promoted Narayana Hrudayalaya had been invited by Cayman Islands government to set up a health city and Ascension got to hear of it and decided on a joint venture.

The project will be put up with an investment of \$50-\$60 million. He hopes for the experience of working with Narayana Hrudayalaya to help Ascension know how to eliminate costs. "Our costs are significant and we need to take many out. We need to reduce costs through innovative approaches and bring it to the US," he added.

According to people familiar with the development, the cost saving from the hospital project vis-a-vis the US would be in the range of 30 per cent or more. Significantly, Cayman Islands which is better known as a tax haven, will not

impose any taxes on the medical equipment and other consumables that the hospital will import. Tersigni insisted on the need to get creative and try everything within the realm of possibility to check the rising cost of healthcare delivery while hoping that the Cayman hospital will be able to provide affordable healthcare to patients from the US at a significantly lower cost than in the US.

On the funding for the hospital, Dr. Shetty did not give details on how he planned to fund the project, only saying that he could raise it from anywhere and that there were people showing interest in investing in it.

### **ACHIEVEMENTS**

- Kashi Utkarsh's Volunteers efforts paid them when one of our students Nagendra Kumar who went to Navodaya Vidyalaya in 2004 through their coaching classes got selected in IIT-JEE this year 2011. His JEE rank was AIR246(SC category). He got Electrical Engineering (Power), Four-year B.Tech. Course, IIT Delhi (D012). He has been tutored at Navodaya Vidyalaya for IIT-JEE and has been fully guided all the time by their volunteers
- Operation of Pinki, a 11 year old child with a hole in her heart. For Pinki they arranged Rs.90,000. She was operated at Narayana Hrudayalaya Bangalore by Dr. Devi Shetty in year 2003. She is healthy child today.
- For 2004 tsunami they collected Rs.1,00,000 and 100 ton of food (rice etc.), medicines and clothes. These

things were distributed by their team members themselves in South India.

- 20 students have been selected in Jawahar Navodaya Vidyalaya Entrance Exam till now through the special Navodaya classes conducted by KU and now these students are studying in Jawahar Navodaya Vidyalaya, Gagokhar, and Varanasi.
- At present 40 children working in the messes of IT hostels are taught daily at Gyaan Udyaan by girls of IT and in last 14 years many mess children had received basic education due to this effort. These children are given rewards on the basis of their regularity and performance. Maharaj of their respective messes are awarded with gifts for their co-operation.
- They organized medical camps in basti every year to monitor the health and hygienic conditions of people in basti. Through this annual medical camp we have provided treatment to many people for their various diseases. For Example; there were cases of Night Blindness in some children which were diagnosed during one of our medical camp.
- They organize a blood donation camp every year in IT-BHU, which has provided maximum number of blood units to Blood Bank of Sir Sunderlal Hospital, BHU than any other blood donation camp all over the Varanasi. A record collection of 375 units of blood was donated by IT students on 21 August 2011.

## **AWARDS AND RECOGNITIONS**

- WHO India conferred Public Health Champion Award under the category of Innovation (2015)
- Gold Award winner in Customer Service by Asian Hospital Management Awards (2014)
- Winner of ABP News Brand Excellence Award (2014)
- Philanthropy Award, Forbes India (2013)
- Porter Prize for Industry Architectural Shift (2013)
- NH Bangalore receives FICCI Healthcare Excellence Award for Addressing Industry Issues (2012)
- NH ranked 36th among 'World's 50 most Innovative Companies' by Fast Company (2012)
- Ahmedabad, Narayana Multispeciality Hospital (2010)
- Bangalore, Narayana Institute of Cardiac Sciences (2010)

## **CONCLUSION**

Narayana Health (formerly known as Narayana Hrudyalaya) is a multi-specialty hospital chain in India, headquartered in Bengaluru.

Narayana Health's vision is "To provide high quality health care, with care and compassion, at an affordable cost, on a large scale."

Dr Devi Shetty, who was the late Nobel laureate's personal cardiac surgeon in the early 1990s. Dr Shetty then worked at the Birla Heart Foundation in Kolkata (Calcutta then). At the time, he would see

over 100 heart patients daily. He is the founder of the model Narayana Hrudyalaya which helped to reduce cost for the heart surgeries. ) in Bangalore with a mission to take affordable health care to the people. What started as a 280-bed hospital then has, in the last 13 years grown to become a 26-hospital network with 6,900 beds across 16 cities employing 13,000 people and 1,500 doctors. It has so far performed over 100,000 cardiac surgeries and 250,000 cath lab procedures. The group performs 150 major surgeries (including 44 cardiac surgeries) daily. NH says about 12 per cent of all cardiac surgeries done in the country are performed at its hospitals and 50 per cent of its patients are from the economically-weaker sections.

Narayana Hrudyalaya's average cost of a bypass surgery is \$1,500 (Rs 90,000) compared to \$1, 44,000 in the US, \$27,000 in Mexico and \$14,800 in Colombia. Interestingly, Narayana Hrudyalaya`s cost of cardiac surgery is significantly lower than what it was in India 13 years ago.

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# A Study on Relationship Between Entrepreneurship Orientation, Leadership And Financial Performance

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## ABSTRACT

*Although the extant literature indicates that both entrepreneurial orientation, leadership and the financial performance influence firm performance, there is limited literature examining how these three important organizational variables relate to each other, and how they interact to influence firm performance within the context businesses. Therefore, the purpose of this paper is to review the extant literature on entrepreneurial orientation, leadership and financial performance of the firm and then build a logical framework depicting the interrelationships between financial performance, leadership, entrepreneurial orientation and organizational effectiveness within the context of businesses. Specifically, the paper advances a conceptual research framework which explicates some pathways through which leader behaviors influence the firm entrepreneurial orientation and further effect the financial performance of the overall firm effectiveness. Finally, the paper outlines a future research agenda for effectively leading entrepreneurial organizations within the business sector.*

**Keywords-** Entrepreneurship orientation, Leadership, Financial performance, Economy

## ENTREPRENEURSHIP

Entrepreneurship is the willingness to take risks and develop, organize and manage a business venture in a competitive global marketplace that is constantly evolving. Entrepreneurs are pioneers, innovators, leaders and inventors. Entrepreneurship is the development of a business from the ground up — coming up with an idea and turning it into a profitable business. But while the definition of entrepreneurship may be simple, its execution is much more difficult.

"Entrepreneurship is the journey of opportunity exploration and risk management to create value for profit and/or social good," said Ajay Bam, a lecturer at the Lester Center for Entrepreneurship at the University of California, Berkeley's Haas School of Business. Bam said entrepreneurship entails recognizing the right opportunity, finding resources — such as funding and tools — to pursue the opportunity and creating the right team to do so. People who are thinking about starting their own business must really be aware that successful entrepreneurship involves much more than having a great concept, said Elizabeth Amini, CEO and co-founder of Anti-Aging Games LLC, a company that develops online games to train memory and focus, and an adjunct professor at the



University of Southern California's Marshall School of Business.

"Most people think being an entrepreneur is all about coming up with an idea, but that's just one part.

An entrepreneur is someone who can take any idea, whether it be a product and/or service, and have the skill set, will and courage to take extreme risk to do whatever it takes to turn that concept into reality and not only bring it to market, but make it a viable product and/or service that people want or need.

Traits of successful entrepreneurs

- **Ability to plan:** Entrepreneurs must be able to develop business plans to meet goals in a variety of areas, including finance, marketing, production, sales and personnel.
- **Communication skills:** Entrepreneurs should be able to explain, discuss, sell and market their goods or services.
- **Marketing skills:** Good marketing skills, which result in people wanting to buy goods or services, are critical to entrepreneurial success.
- **Interpersonal skills:** The ability to establish and maintain positive relationships with customers and clients, employees, financial lenders, investors, lawyers and accountants, among others, is crucial to the success of the entrepreneur's business venture.
- **Basic management skills:** Even if entrepreneurs hire others to deal with the day-to-day tasks of the business, entrepreneurs need to know whether their company has the correct resources.

- **Leadership skills:** The ability to develop a vision for the company and to inspire employees to pursue it is imperative for success

## HISTORY OF ENTREPRENEURSHIP IN INDIA

After Second World War there was a massive destruction in the country as well as in the economy. The major concern was to how to stabilize, develop and improve the country's economy. This led to economic development and strengthened interest in entrepreneurship in order to create new entrepreneurs who are ready to start up new ventures that will help in economic development. This resulted in the belief in education and training to inculcate and develop entrepreneurial capabilities in people so that they could set up their own enterprises.

This led to the birth of training efforts for the promotion of entrepreneurship in the country i.e. the 'Technician Scheme' launched in the year 1969 by two state-level agencies of Gujarat. The scheme offered 100% finance without collaterals. A large number of people took advantage of this scheme. The real gain of the scheme was the realization that there is vast entrepreneurial potential available in the country that could be tapped and developed through appropriate training intervention.

This led the Gujarat Industrial Investment Corporation (GIIC), along with other state-level agencies to conceptualize, mount and develop, in 1970, a 3-month long training program known as Entrepreneurship Development Programmed (EDP).

However, with the number of programmes increasing, the need for having a separate state-level organization to look into selection, training and development of first-generation entrepreneurs was strongly felt. Thus, the Gujarat Centre for Entrepreneurship (CED), the first of its kind in the country, came into existence in 1979 with the support of Government of Gujarat and the industrial promotion and assistance agencies in the state.

Soon the success story of Gujarat experiment spread far and wide and the Ford Foundation encouraged the Gujarat team to test out EDP strategy in a few less developed states like Rajasthan, Assam, etc. Several development agencies in other parts of the country mounted their own EDPs and Gujarat CED provided professional support to a few of these. With increasing number of organizations seeking such support from Gujarat CED, it was felt necessary to set up a National Resource Organization committed to entrepreneurship education, training and research.

The idea took a concrete shape when the Industrial Development Bank of India, the apex financial institution which had evinced keen interest in the Gujarat experiment joined hands with Industrial Credit and Investment Corporation of India (ICICI), Industrial Finance Corporation of India (IFCI), State Bank of India (SBI) and sponsored this national-level institution. The Government of Gujarat also expressed its willingness to support it. Thus the Entrepreneurship Development Institute of India (EDI) came into existence in the year 1983.

Entrepreneurship Development Institute of India was set up as an autonomous body under the Societies Registration Act on April 20, 1983.

Venture capital as the business of investing in new or young companies with innovative ideas emerged as a prominent branch of Entrepreneurial finance in the beginning of the 20th century. Wealthy families such as the Vanderbilt family, the Rockefeller family and the Bessemer family began private investing in private companies. One of the first venture capital firms, J.H. Whitney & Company, was founded in 1946 and is still in business today. The formation of the American Research and Development Foundation (ARDC) by General Georges F. Doriot institutionalized venture capital after the Second World War. In 1958, the Small Business Investment Companies (SBIC) license enabled finance companies to leverage federal US funds to lend to growing companies. Further regulatory changes in the USA –namely the reduction of capital gains tax and the ERISA pension reforms- boosted venture capital in the 1970s. During the 1980s and 1990s, the venture capital industry grew in importance and experienced high volatility in returns. Despite this cyclicity and crisis such as Dot Com; venture capital has consistently performed better than most other financial investments and continues to attract new investors.

## **LEADERSHIP**

Leadership is both a research area and a practical skill, regarding the ability of an individual or organization to "lead" or guide

other individuals, teams, or entire organizations. In the broadest sense of the word, a "leader" is someone who brings people together and guides them toward a common goal. Anyone can tell others what to do, but effective leadership requires much more than the ability to assign tasks to a group.

## **DIFFERENT TYPES OF LEADERSHIP STYLES**

Different types of leadership styles exist in work environments. Advantages and disadvantages exist within each leadership style. The culture and goals of an organization determine which leadership style fits the firm best. Some companies offer several leadership styles within the organization, dependent upon the necessary tasks to complete and departmental needs.

### **Laissez-Faire**

A laissez-faire leader lacks direct supervision of employees and fails to provide regular feedback to those under his supervision. Highly experienced and trained employees requiring little supervision fall under the laissez-faire leadership style. However, not all employees possess those characteristics. This leadership style hinders the production of employees needing supervision. The laissez-faire style produces no leadership or supervision efforts from managers, which can lead to poor production, lack of control and increasing costs.

### **Autocratic**

The autocratic leadership style allows managers to make decisions alone without

the input of others. Managers possess total authority and impose their will on employees. No one challenges the decisions of autocratic leaders. Countries such as Cuba and North Korea operate under the autocratic leadership style. This leadership style benefits employees who require close supervision. Creative employees who thrive in group functions detest this leadership style.

### **Participative**

Often called the democratic leadership style, participative leadership values the input of team members and peers, but the responsibility of making the final decision rests with the participative leader. Participative leadership boosts employee morale because employees make contributions to the decision-making process. It causes them to feel as if their opinions matter. When a company needs to make changes within the organization, the participative leadership style helps employees accept changes easily because they play a role in the process. This style meets challenges when companies need to make a decision in a short period.

### **Transactional**

Managers using the transactional leadership style receive certain tasks to perform and provide rewards or punishments to team members based on performance results. Managers and team members set predetermined goals together, and employees agree to follow the direction and leadership of the manager to accomplish those goals. The manager possesses power to review results and train or correct

employees when team members fail to meet goals. Employees receive rewards, such as bonuses, when they accomplish goals.

### **Transformational Leadership**

The transformational leadership style depends on high levels of communication from management to meet goals. Leaders motivate employees and enhance productivity and efficiency through communication and high visibility. This style of leadership requires the involvement of management to meet goals. Leaders focus on the big picture within an organization and delegate smaller tasks to the team to accomplish goals.

### **ENTREPRENEURSHIP AND FINANCIAL PERFORMANCE RELATIONSHIP**

A firm's financial performance and operations are integrally connected. Studies have shown that, the concept of firm's performance is multidimensional in nature (Aktan and Bulut 2008; Wiklund and Shepherd 2005). Within firm performance, the focus has always been on the financial side; hence it is traditionally defined in financial terms. In addition, shareholders, investors and other stakeholders are interested to get information about the firm's performance conditions frequently. Financial performance information (return on equity, return on investment, sales growth and profitability) is the most extremely explicit and valid information among the other performance dimensions (Zhao et al. 2011). On the other hand financial information should also be available particularly for regulatory and

supervisory bodies for auditing the certain fiscal issues and taxations. The extent to which this financial information should be disclosed depend upon firms' features, that is, being private or public character of the firm, its size, or the firm's being quoted or unquoted.

Financial performance is the firm's ability to generate new resources from day to day operations over a specific period of time (Peterson and Peterson, 1996). Broadbert and Cullen (2005); Kaplan and Norton (2000) opine that the financial performance measures can be divided into two major forms. The traditional measures which are based on accounting/ financial data (the effect of actions on one year's profit return on equity and return on investment) which reflects a firm's past financial performance and On the market based measures derived from stock market values (Economic Value Added and Market Value Added approaches) which are based on valuation principles. To test the financial performance effects of corporate entrepreneurship (CE), the performance measurement scale of this research was adapted from the frequently used traditional financial criteria.

Successful entrepreneurial accomplishments will inevitably affect the firm's financial performance in the long run, barely in the short run; there might be no association among innovativeness dimension of CE and firm's financial performance criteria due to project investments and firm's internal resource usages or possible losses (Aktan and Bulut, 2008; Hayton, 2005). Thus, the first signals of successful entrepreneurial accomplishments may be obtained from

marketplaces, sales growth and market share. Then, in the long run, these improvements in the competitive position in the marketplace may create higher financial returns as the outcomes of innovativeness dimension of CE. Therefore, more than one criterion, that is, sales and profit were used to reveal the association between innovativeness dimension of CE and financial performance of manufacturing firms.

Entrepreneurial finance is the study of value and resource allocation, applied to new ventures. It addresses key questions which challenge all entrepreneurs: how much money can and should be raised; when should it be raised and from whom; what is a reasonable valuation of the startup; and how should funding contracts and exit decisions be structured.

### **The Problem**

Many entrepreneurs discover they need to attract money to fully commercialize their concepts. Thus they must find investors – such as their own employer, a bank, an angel investor, a venture capital fund, a public stock offering or some other source of financing. When dealing with most classic sources of founding, entrepreneurs face numerous challenges: scepticism towards the business and financial plans, requests for large equity stakes, tight control and managerial influence and limited understanding of the characteristic growth process that start-ups experience.

On the other hand, entrepreneurs must understand the four basic problems that can limit investors' willingness to invest capital:

- Uncertainty about the future: in terms of start-ups development possibilities, market and industry trends. The greater the uncertainty of a venture or project, the greater the distribution of possible outcomes.
- Information gaps: differences in what various players know about a company's investment decisions.
- "Soft Assets": these assets are unique and rarely have markets that allow for the measure of their value. Thus, lenders are less willing to provide credit against such an asset.
- Volatility of current market conditions: financial and product markets can change overnight, affecting a venture's current value and its potential profitability.

## **SOURCES OF ENTREPRENEURIAL FINANCING**

### **Financial Bootstrapping**

Financial Bootstrapping is a term used to cover different methods for avoiding using the financial resources of external investors. It involves risks for the founders but allows for more freedom to develop the venture. Different types of financial bootstrapping include Owner financing, Sweat equity, Minimization of accounts payable, joint utilization, minimization of inventory,

delaying payment, subsidy finance and personal debt.

### **External Financing**

Businesses often need more capital than owners are able to provide. Hence, they source financing from external investors: angel investment, venture capital, as well as with less prevalence crowd funding, hedge funds and alternative asset management. While owning equity in a private company may be generally grouped under the term private equity, this term is often used to describe growth, buyout or turnaround investments in traditional sectors and industries.

### **Business Angels**

A business angel is a private investor that invests part of his or her own wealth and time in early stage innovative companies. Apart from getting a good return, business angels expect to have fun. It is estimated that angel investment amounts to three times venture capital. Its beginnings can be traced to Frederick Terman, widely credited to be the “Father of Silicon Valley” (together with William Shockley), who invested \$500 to help starting up the venture of Bill Hewlett and Fred Packard.

### **Venture Capital**

Venture capital is a way of corporate financing by which a financial investor takes participation in the capital of a new or young private company in exchange for cash and strategic advice. Venture capital investors look for fast-growing companies with low leverage capacity and high-performing

management teams. Their main objective is to make a profit by selling the stake in the company in the medium term. They expect profitability higher than the market to compensate for the increased risk of investing in young ventures.

Key differences between business angels and venture capital:

- Own money (BA) vs. other people’s money (VC)
- Fun + profit vs. profit
- Lower vs. higher expected IRR
- Very early stage vs. start-up or growth stage
- Longer investment period vs. shorter investment horizon

### **Buyouts**

Buyouts are forms of corporate finance used to change the ownership or the type of ownership of a company through a variety of means. Once the company is private and freed from some of the regulatory and other burdens of being a public company, the central goal of buyout is to discover means to build this value\*. This may include refocusing the mission of the company, selling off non-core assets, freshening product lines, streamlining processes and replacing existing management. Companies with steady, large cash flows, established brands and moderated growth are typical targets of buyouts.

There are several variations of buyouts:

- Leveraged buyout (LBO): combination of debt and equity financing. The

intention is to unlock hidden value through the addition of substantial amounts of debt to the balance sheet of the company.

- Management buyout (MBO), Management buy in (MBI) and Buy in management buyout (BIMBO): private equity becomes the sponsor of a management team that has identified a business opportunity with a price well above the team's wealth. The difference is in the position of the purchaser: the management is already working for the company (MBO); the management is new (MBI) or a combination (BIMBO).
- Buy and built (B&B): the acquisition of several small companies with the objective of creating a leader (highly fragmented sectors such as supermarkets, gyms, schools, private hospitals).
- Recaps: re-leveraging of a company that has repaid much of its LBO debt.
- Secondary Buyout (SBO): sale of LBO-company to another private equity firm.
- Public-to-private (P2P, PTO): takeover of public company that has been 'punished' by the market, i.e. its price does not reflect the true value.

### **ENTREPRENEURIAL FINANCIAL PLANNING: IMPORTANCE**

Financial planning allows entrepreneurs to estimate the quantity and the timing of money needed to start their venture and keep it running.

The key questions for an Entrepreneur are:

- Is it worthy to invest time and money in this business?
- What is the cash burn rate?
- How to minimize dilution by external investors?
- Scenario analysis and contingency plan?

A start-up's Chief Financial Officer (CFO) assumes the key role of entrepreneurial financial planning. In contrast to established companies, the start-up CFO takes a more strategic role and focuses on milestones with given cash resources, changes in valuation depending on their fulfillment, risks of not meeting milestones and potential outcomes and alternative strategies.

### **DETERMINATION OF THE FINANCIAL NEED OF A START-UP**

The first step in raising capital is to understand how much capital you need to raise. Successful businesses anticipate their future cash needs, make plans and execute capital acquisition strategies well before they find themselves in a cash crunch.

Three axioms guide start-up fund raising:

- As businesses grow, they often go through several rounds or stages of financing. These rounds are targeted to specific phases of the company's growth and require different strategies and types of investors.
- Raising capital is an on-going issue for every venture.
- Capital acquisition takes time and needs to be planned accordingly.

Four critical determinants of the financial need of a venture are generally distinguished:

- Determination of projected sales, their growth and the profitability level
- Calculation of start-up costs (one-time costs)
- Estimation of recurring costs
- Projection of working capital (inventory, credit and payment policies. This determines the cash needed to maintain the day-to-day business)

Typically, venture capitalists are part of a fund. Their average size in Europe includes five investment professionals and two supports. They generate income through management fees (on average 2.5% annual commission) and carried interest (“Carry”, on average 20-30% of the profits of the fund).

### **Valuation in Entrepreneurial Finance**

Financial planning also helps to determine the value of a venture and serves as an important marketing tool towards prospective investors.

Traditional valuation techniques based on accounting, discounting cash flows (Discounted cash flow, DCF) or multiples do not reflect the specific characteristics of a start-up. Instead, the venture capital method, the First Chicago or the fundamental methods are usually applied.

### **Venture capital method**

To determine the future value of a start-up, a venture capital investor is guided by the question: What percentage of the portfolio company should I have at exit to guarantee that I get the IRR committed with my investors?

The valuation of the future company can be broken down into four steps:

- Determination of company’s value at exit
- Requested fraction (percentage) of the VC at exit?
- Number of shares to be bought in the current round of financing to get the desired percentage of the company
- Estimation of maximum price per share willing to pay in current round of financing

Usually there is more than one round of financing. Venture capital investors generally prefer staged investments to reduce the money invested at the higher risk and control entrepreneurs via milestones. Entrepreneurs benefit from dilution in future rounds by reducing the price of the shares to be exchanged for financing.

### **WHY ARE ENTREPRENEURS IMPORTANT TO THE ECONOMY:**

#### **Entrepreneurs Create New Businesses**

Path breaking offerings by entrepreneurs, in the form of new goods & services, result in new employment, which can produce a cascading effect or virtuous circle in the



economy. The stimulation of related businesses or sectors that support the new venture adds to further economic development.

For example, a few IT companies founded the Indian IT industry in the 1990s as a backend programmers' hub. Soon the industry gathered pace in its own programmers' domain. But more importantly, millions from other sectors benefited from it. Businesses in associated industries, like call center operations, network maintenance companies and hardware providers, flourished. Education and training institutes nurtured a new class of IT workers offering better, high-paying jobs. Infrastructure development organizations and even real estate companies capitalized on this growth as workers migrated to employment hubs seeking new improved lives.

Similarly, future development efforts in underdeveloped countries will require robust logistics support, capital investment from buildings to paper clips and a qualified workforce. From the highly qualified programmer to the construction worker, the entrepreneur enables benefits across a broad spectrum of the economy.

### **Entrepreneurs Add to National Income**

Entrepreneurial ventures literally generate new wealth. Existing businesses may remain confined to the scope of existing markets and may hit the glass ceiling in terms of income. New and improved offerings, products or technologies from entrepreneurs

enable new markets to be developed and new wealth created.

Additionally, the cascading effect of increased employment and higher earnings contribute to better national income in form of higher tax revenue and higher government spending. This revenue can be used by the government to invest in other, struggling sectors and human capital.

Although it may make a few existing players redundant, the government can soften the blow by redirecting surplus wealth to retrain workers.

### **Entrepreneurs Also Create Social Change**

Through their unique offerings of new goods and services, entrepreneurs break away from tradition and indirectly support freedom by reducing dependence on obsolete systems and technologies. Overall, this results in an improved quality of life, greater morale and economic freedom.

For example, the water supply in a water-scarce region will, at times, force people to stop working to collect water. This will impact their business, productivity and income. Imagine an innovative, automatic, low-cost, flow-based pump that can fill in people's home water containers automatically. Such an installation will ensure people are able to focus on their core jobs without worrying about a basic necessity like carrying water. More time to devote to work means economic growth.

For a more contemporary example, smart phones and their smart apps have

revolutionized work and play across the globe. Smartphone's are not exclusive to rich countries or rich people either. As the growth of China's Smartphone market and its Smartphone industry show, technological entrepreneurship will have profound, long lasting impacts on the entire human race.

Moreover, the globalization of tech means entrepreneurs in lesser-developed countries have access to the same tools as their counterparts in richer countries. They also have the advantage of a lower cost of living, so a young individual entrepreneur from an underdeveloped country can take on the might of the multi-million dollar existing product from a developed country.

### **Community Development**

Entrepreneurs regularly nurture entrepreneurial ventures by other like-minded individuals. They also invest in community projects and provide financial support to local charities. This enables further development beyond their own ventures.

Some famous entrepreneurs, like Bill Gates, have used their money to finance good causes, from education to public health. The qualities that make one an entrepreneur are the same qualities that motivates entrepreneurs to pay it forward.

### **The Other Side of Entrepreneurs**

Are there any drawbacks to cultivating entrepreneurs and entrepreneurship? Is there an "upper limit" for the number of entrepreneurs a society can hold?

Italy may provide an example of a place where high levels of self-employment have proved to be inefficient for economic development. Research reveals that Italy has in the past experienced large negative impacts on the growth of its economy because of self-employment. There may be truth in the old saying, "too many chefs and not enough cooks spoil the soup."

### **The Role of States**

Regulations play a crucial role in nurturing entrepreneurship, but regulation requires a fine balancing act on the part of the regulating authority. Unregulated entrepreneurship may lead to unwanted social outcomes including unfair market practices, pervasive corruption, financial crisis and even criminal activity.

Findings from United Nations University also indicate the possible implications of "over nurturing" entrepreneurship. Wim Naudé argues that "while entrepreneurship may raise economic growth and material welfare, it may not always result in improvements in non-material welfare (or happiness). Promotion of happiness is increasingly seen as an essential goal."

Paradoxically, a significantly high number of entrepreneurs may lead to fierce competition and loss of career choices for individuals. With too many entrepreneurs, levels of aspirations usually rise. Owning to the variability of success in entrepreneurial ventures, the scenario of having too many entrepreneurs may also lead to income inequalities, making citizens more – not less – unhappy.

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