

Role of Entrepreneurial Development Programmes in Growth of Entrepreneurship in India

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Abstract:-Entrepreneurial development programme is a comprehensive programme which lays emphasis on the development of entrepreneurs so that industry can be developed. EDP's are conducted with a thinking that individuals can be developed. Their viewpoint can be changed. Traditional thinking was that only those people can become successful entrepreneurs who have business family background, has taken the form in new thinking that only that person can become successful entrepreneur who has acquired capabilities through knowledge and experience. Such experience and knowledge can be gained only through proper EDP's. This paper attempts to focus on how EDP's help in the development of entrepreneur and thus entrepreneurship, which organizations work in this direction and what weaknesses are there in present EDP's and how it can be removed to give momentum to the development of entrepreneurship.

Keywords: - Entrepreneur, Entrepreneurship, Entrepreneurship Development Programmes (EDP's)

I. INTRODUCTION

Entrepreneurs are the basis for the industrial and economic development of a country. Entrepreneurs evolve an idea for an organization, begins it, organizes it and manages it. Success of any business venture depends upon his knowledge, hard work, optimism, foresight and able management. Some of the qualities of acquired through training, education and experience.

Entrepreneurship means "what an entrepreneur does". Thus, the art of innovating, initiative, risk taking and implementing is called entrepreneurship.

Entrepreneur Development Programmes (EDP's) play a great role in the development of business and industry. EDP's are based on the thinking that the attitude of the people can be changed by developing their skills. These are not just training programmes but it is a technique which helps to increase motivation, working capacity and knowledge of the prospective entrepreneurs.

II. OBJECTIVE OF THE STUDY

The main objective of the study is to analyze the role of EDP's in the growth of entrepreneurship in India. The sub objectives of the study are:

- To examine the causes of slow progress of EDP's in India.
- To recommend ways and techniques through which EDP's can be made successful in our nation.

III. HISTORY

Industrial development was very limited in India before independence. Although Indian entrepreneurs have been world famous for their art Dhaka, Kashmiri shawls, Sarees of Banaras, Utensils of Mumbai have found a prominent place in the world market prior to 1850 but entrepreneurship had not emerged due to lack of a solid industrial structure. Industrial development could not take place because of certain infrastructure problems and non-initiative by foreign rulers in the country. Many businessmen migrated and started setting in other countries because of scarcity of capital, political diversities, multiple currencies and taxation policies of government.

The process of industrial development started in India mainly after the East India Company came to India. By the start of 20th century some industrial houses had emerged in India. Prominent among these was Jamshed ji Tata. Due to his efforts and entrepreneurial abilities industries in the field of steel, engineering, power, ship building were developed. Various studies reveal that most of the industrial companies were managed by Parsi's, Gujarati's, Marwari's and Bengali's after the British between the period 1911 to 1951.

After independence entrepreneurship was developed with a fresh beginning in a systematic and planned manner. Keeping this in mind the first industrial policy was framed in 1948 in which many programmes were made for industrial development. That was how development of entrepreneurship.

IV. WHY EDP'S – NEED AND IMPORTANCE

EDP's play an important role in the economic and industrial development of any country whether developed or developing. It is a comprehensive and effective human resource development programme which helps in developing analytical ability, outlook, farsightedness, increasing the motivation, knowledge and skill and last but not the least gives confidence to face and solve variety of problem boldly.

The need and importance of EDP's can be understood as under:

1. *Employment opportunities*

EDP's motivate people to establish their own business and make them capable of self employment. This not only provides employment to new entrepreneurs but they also create employment opportunities for others. In India also many welfare and development programmes have been started. Prominent among these programmes are Pradhanmantri Rojgar Yojna, Jawahar Rojgar Yojna, Rashtriya Gramin Rojgar Yojna etc.

2. *Formation of capital*

EDP's help in capital formation which is very necessary for economic development of the country. An entrepreneur uses his financial resources for the establishment and development of the enterprise. He brings mobility in the savings of the people. In this direction many financial institutions like ICICI, IDBI, SIDBI etc. also provide financial assistance which further help in growth and formation of capital.

3. *Formulations of projects*

EDP's help in structuring or formulation of projects. These programmes provide necessary information related to projects like plant, machinery, equipment, raw material, selecting land and sites, labour resources, financial resources etc.

4. *Balanced Regional Growth*

Developing nations face problems of unbalanced regional growth. On one hand there are states like Punjab, Maharashtra, Rajasthan, etc., where economic progress is very fast, on the other hand states like Bihar, Uttar Pradesh, Orissa etc. which are far behind as far as economic growth is concerned. EDP's help to establish small scale units in such areas thereby stop centralization of capital. Various state governments also give several concessions and subsidies which help in balanced regional growth in the country.

5. *Development of entrepreneurial qualities*

All entrepreneurial qualities do not come on their own in entrepreneurs. There are certain qualities which an entrepreneur possesses by inheritance like loyalty, hard work etc., whereas other qualities like analytical ability and farsightedness can be enhanced or developed through EDP's.

6. *Enhancing organizing and managerial abilities*

EDP's help the entrepreneurs to enhance their organizing and managerial abilities so that they can run their enterprise efficiently and successfully. This is done through educational management training and orientation programmes. Various specialized agencies like National Institute for Entrepreneurship and Small Business Development (NIESBUD), New Delhi and Entrepreneurship Development

Institute of India (EDII), Ahmadabad are engaged in entrepreneur development programmes.

7. *Helpful in selection of project and product*

EDP's helps the entrepreneurs in evaluating various projects and products and choosing the most suitable one which can be established and started easily, gives maximum profits with least possible risk and which have scope for further development.

8. *Helps in searching and exploiting opportunities*

There are many opportunities for entrepreneurs in various fields like electronics, medicine, engineering, agriculture, atomic energy etc. It is the EDP which provides necessary information, guidance and assistance in the search for opportunities.

V. OBJECTIVES OF EDP'S

From the foregoing discussion we can conclude that following are the main objectives of EDP's:

- Identifying prospective entrepreneurs and giving them training.
- Developing knowledge and qualities of those participating in these programmes.
- To provide assistance after training.
- To select right project and product.
- To find out sources of help, incentives and subsidies available from the government in setting up the enterprise.
- To promote and develop small and medium enterprises which would encourage self employment to growing and potential entrepreneurs.
- To develop new entrepreneurial opportunities.
- To develop industries in rural and backward areas.
- To help in balanced regional development.
- To enhance managerial capacities of the entrepreneurs.
- To understand rules, process, procedures and regulations for running the enterprise.
- Let the entrepreneur himself/herself set or reset objectives for his/her enterprise and strive for their realization.
- Prepare him/her to accept the uncertainty in running a business.
- Develop a broad vision about the business.

VI. ACHIEVEMENTS OF ENTREPRENEURS DEVELOPMENT PROGRAMMES

The speed at which industrialization has taken place in recent years is due to the major role played by EDP's. Following are the major achievements of EDP's:

- EDP's played an important role in establishment, development and expansion of the practice-oriented development programme In India almost all the training programmes conducted are organized and developed under EDP's.
- EDP's have also developed and established various support systems necessary for the entrepreneurs. They strengthen and coordinate these support systems.
- EDP's have not only created a background for industrialization but have also given momentum to it.
- These programmes have also contributed a lot to solve the problem of unemployment. EDP's have helped to a great extent in this direction by starting self employment programmes and giving momentum to the speed of industrialization.
- Another achievement of these programmes is establishment and development of new enterprise which is a very difficult task in this competitive era. EDP's have provided various inputs to establish new enterprises and also provided various entrepreneurial skills and qualities.
- Entrepreneurial education and training has spread because of entrepreneurial development programmes. This has resulted in increase in the knowledge, imaginative power, farsightedness, risk taking ability of the entrepreneurs etc.
- EDP's have also contributed in project formulation. Choosing a right type of project is a difficult task as resources are limited. EDP's have proved very useful in such situations.
- EDP's have helped in balanced regional development by encouraging people to establish small industries in villages and backward areas.
- Another important achievement of EDP's is availability of cheap and quality product to the consumer. Due to EDP's new ventures have been established which have new technology and expertise which results in increase in competition.
- Many entrepreneurship development institutions have been established because of the EDP's in India. The major among them are Management Development Institute, National Institute of Entrepreneur and Small Business Development (NIESBUD), Entrepreneurial Development Institute of India (EDII), Technical consultancy organization (TCO) etc.

VII. INSTITUTIONAL EFFORTS AND ROLE OF GOVERNMENT IN DEVELOPING ENTREPRENEURSHIP

There are various agencies and institutions engaged in entrepreneurial development activity that come in existence due to EDP's and these are as under:

- National Institute for Entrepreneurship and Small Business Development
- Entrepreneurship Development Institute of India
- Technical Consultancy Organization
- Indian Investment Centre

Besides above there are several other important institutions providing assistance for entrepreneurial development at the national and state level and these are:

At the National Level/Central Level

- Small Scale Industries Board
- National Small Industries Corporation
- Small Industries Development Organization
- Industrial Development Bank of India
- Industrial Credit and Investment Corporation of India
- Khadi and Village Industries Commission
- National Small Industries Corporation Ltd.
- National Science and Technology Entrepreneurship Development Board
- National Institute for Small Industry Extension and Training.

State Level Institutions

- Directorate of Industries
- District Industries Centre
- State Financial Corporations
- State Industrial Development/Investment Corporation
- State Small Industrial Development Corporation
- Small Industries Service Institute
- National Bank for Agriculture and Rural Development.

VIII. REASONS OF SLOW PROGRESS OF EDP'S

No doubt during last few years emphasis has been put on entrepreneurial development programmes by Central government, state government and private agencies for the growth of entrepreneurship in India. Yet we are far behind our objective. The main reasons of slow progress of EDP's and hence the development of entrepreneurship are as follows:

- There is lack of incentives and facilities provided by government of India to encourage entrepreneurs.
- Bureaucracy and red tapism is also one of the reasons. The entrepreneurs face many difficulties in getting facilities from the government because of slow movement in government institutions, administration, corruption etc.
- The education and training provided in India for entrepreneur development is more of theoretical in nature which has not much practical significance. The people engaged in providing education given low remuneration due to which highly qualified and

experienced people are not interested to join these institutions.

- The EDP's are of no use if prospective entrepreneurs are not properly selected. Most of the institutions in India make the selection of the candidates just on the basis of interview. No attention is paid on the scientific selection or procedure like psychological test, mental ability test etc.
- Any organization conducting EDP's must have full knowledge of its objectives and aims. Such institutions are emerging like mushrooms in recent years in India which do not know the basic objectives of EDP's particularly in non government sectors. Their only objective is to make money.
- The institutions conducting entrepreneurial development programmes lay more emphasis on increasing the number of participants than on quality due to which the able entrepreneurs do not come up in the industry and face uncertainties and failures.
- Most of the EDP's are organized for a period of 4 to 6 weeks which is not sufficient even to provide basic qualities to run the enterprise.
- Pre-planned and basic facilities are must for conducting entrepreneurial development programmes. There is lack of such facilities like proper place, environment, transport etc. in rural areas due to which the basic purpose of these programmes is defeated.
- The financial institutions and banks may talk of providing financial help to potential entrepreneurs in principle but in practice this does not happen. New entrepreneurs are not in a position to give necessary securities for obtaining loans and as a result their dream of establishing their own enterprise shatters down.

IX. FINDINGS

The success of any development programme can be evaluated on the basis of its end results. Thus, to judge the success rate of entrepreneur development programme, we will have to see that how many of those people who participated in these programmes have actually started and established their own enterprises. In India, hundreds of EDP's are conducted by about 686 organizations and thousands of people have participated in these programmes. Here, the need is to see how many of these participants started their own enterprises.

So far about 16 studies have been conducted by various organizations and individuals. The most recent study is one conducted by Entrepreneurship Institute of India, Ahmadabad. In the following table the main findings of this study have been shown:-

Performance of the sample EDP's at a glance

Description	Number	% age
(A) Sample of the study		
1.EDP's covered (sample size)	145	25.00
2.EDP trainees covered in sample EDP's	1295	30.00
3.Sample trainees interviewed	865	66.80
4.Sample trainees not traceable	430	33.20
(B) Macro performance of EDP's		
1.No. of units set up by EDP trainees	277	21.39
2.Trainees activity under process	78	6.02
3.Potential start ups (1+2)	355	27.41
4.Trainees blocked under process	129	9.96
5.trainees who gave up	381	29.42
6.non traceable trainees	146	11.27
7.trainees not available for interview during study	284	21.93
i. Start ups among non available	59	4.56
ii. Non start ups among non available	225	17.37
8.actual start up rate (1+7)	336	25.95
9.expected start up rate (2+7)	414	31.97

As per the study, it is observed that one out of every four trainees, i.e., 26% actually started their own enterprise after getting training in the entrepreneur development programme. About 10% of the trainees are found blocked in various stages in setting up of the enterprise due to one reason or the other. Out of the total trainees 17% have been found engaged in other work like employment instead of setting up an enterprise.

X. SUGGESTIONS

- The EDP's should be made varied and comprehensive. The selection procedure should be such that only serious candidates who are likely to successfully establish and run their enterprise should be selected.
- The financial institutions should provide adequate and timely credit and technical assistance to small sectors.
- The government should initiate stern action against bogus and forged institutions, both civil and criminal.
- Our education system should be changed comprehensively. Instead of traditional education, the emphasis should be on entrepreneurship oriented education.
- The success of EDP's mainly depends upon the facility to trainees. Thus, good faculty should be hired from reputed institutions.
- Most of the EDP's are conducted for the period of 4 to 6 weeks which is not sufficient even for imparting basic entrepreneurial training. Thus, the duration of these programmes should be increased at least to 6 months.
- Part time EDP's should be conducted for the people who want to establish their own enterprises but are not in a position to take part in these programmes regularly.
- Industrial estates should be established in backward and rural areas and basic facilities should be

improved there so that new enterprises can be established in such areas.

XI. CONCLUSION

Entrepreneurial development programmes play an important role in economic and industrial development of any country whether developed or developing. No doubt these programmes have developed in India in recent years and proved successful also but the expected success is not much. By implementation of some suggestions explained earlier and by improving government machinery our country can also move forward towards industrialization and economic progress through EDP's.

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