

Entrepreneurship development programmes: An overview

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Abstract

Entrepreneurs in India are agents of economic growth, who create wealth, generate employment, provide new goods and services and raise the standard of living. Entrepreneurship Development Programme (EDP) is an effective way to develop entrepreneurs in order to help in accelerating the pace of socio-economic development, balanced regional growth and exploitation of resources that are available locally. This paper discusses the overview on self-employment and tries to find out how EDP can increase our economic growth and empower entrepreneurs of new generation. Several government institutions enhance the ability of potentials among entrepreneurs with the help of EDP. This paper also focuses on the status of entrepreneur's development among 8 states in India and analyzes the present challenges and motivational factors relating to entrepreneurs.

Keywords: entrepreneurship, challenges of EDP, strategies of EDP

Introduction

A person who develops a new idea and takes the risk of setting up an enterprise to manufacture a product or provide a service to satisfy the needs of the customers. All entrepreneurs are business persons and not all business persons are entrepreneurs. The major difference between a business man and an entrepreneur lies in the fact of taking risks. An entrepreneur is a person who makes money by running a business involving financial risks. Therefore an entrepreneur is a business man who is not satisfied with his performance and always strives to improve and grow.

Employment is working to earn a living and payment for that could be in the form of salaries or wages depending upon the nature of work. There are two types of employment. First is self-employment where one owns his own business alone or in partnership with others. The second one is, working for someone or an organization and getting money for the work done.

Self-Employment

It has some certain motives and several advantages. It enables a person to lead rather than follow, to be independent and to be in business beyond retiring age. A person engaged in self-employment will and should be creative in implementing his ideas and have the potential to take initiatives and make decisions at his own pace. All these provide him with an opportunity for self-fulfillment.

Entrepreneurship Development Programme (EDP)

An EDP equips entrepreneurs and makes them competent to anticipate and deal with a variety of problems that an entrepreneur may have to face. It instills confidence in him to face uncertainties and take profitable risks and make the best

use of resources available with him.

EDP can be beneficial in the following ways:

- Economic Growth
- Balanced Regional Development
- Eliminates Poverty and Unemployment
- Optimum use of Local Resources
- Successful Launching of New Unit
- Empowers New Generation Entrepreneurs

After the selection procedure for the entrepreneur is complete, the persons selected have to be equipped with managerial and technical skill to start their enterprise. In such EDPs, participants vary in qualities and backgrounds. So, a package of training inputs, of six weeks duration is provided during the programme.

1. **General Introduction to Entrepreneurship:** Factors affecting small scale industries, the role of entrepreneurs in economic development, entrepreneurial behavior and facilities available for establishing small scale enterprises are taught to the participants.
2. **Achievement Motivation Training:** The purpose of EDP is fulfilled only with Achievement Motivation Training (AMT). In the absence of this, EDP becomes an ordinary executive development programme. The main of AMT is to develop the attitude risk taking, initiatives and other psychological qualities. The motivation development programme creates self-awareness and self-confidence among the participants. It also helps them to think positively and realistically. It initiates in the participants an interest in striving for excellence, taking calculated risks and giving them a sense of efficiency.
3. **Support System and Procedures:** This programme on support system should help the participants to get an exposure to agencies like the local banks, other financial

institutions and industrial service corporations. It also should include the procedures for approaching them and obtaining assistance from them and availing of the services provided by them. Agencies that sponsor and finance EDPs should provide a linkage between the training institutes and support system agencies.

4. **Market Survey and Plant Visit:** Plant visit helps the participants to become familiar with real life situations and know more about an entrepreneur's behavior, personality, thoughts and aspirations. Market surveys on the other hand would help the participants to get exposed to the market avenues available and the methods of dealings in the markets.
5. **Managerial Skill:** In order to run his enterprise smoothly and successfully, a small entrepreneur needs the basic managerial skill in functional areas like finance, production and marketing knowledge. This knowledge is imparted here to the entrepreneur.
6. **Project Preparation and Feasibility Study:** The task of actual preparation of products helps the participant with the necessary understanding of business opportunities and ensures their personal commitments. Various guidance sessions are provided during the course of EDP. Information and counseling with the help of a team of experts and by spot survey are provided. Also, necessary exposure is given in market survey, project preparation and sources of finance. Any undue emphasis on any dimension can lead to distortion in the process and content of the programme. For enhancing the spirit of entrepreneurs among the young minds, coming from rural background, unemployed youths and differently abled, EDP schemes and programmes play a vital role. The most important scheme is the Pradhan Mantri Kowshal Vikas Yojana.

Pradhan Mantri Kowshal Vikas Yojana (PMKVY)

It is the flagship scheme of the Ministry of Skill Development and Entrepreneurship with the objective of enabling a large number of Indian youth to take up industry-relevant skill training to help them secure a better livelihood. The scheme is approved till 2020, to benefit 10 - million youths in India and the training and an assessment fee is completely paid by the government.

Key Components of the Scheme

- **Short Term Training:** The short term training at the training centers is expected to benefit candidates of Indian nationalities who are unemployed or school or college dropouts. The training centers impart soft skills, entrepreneurship and financial literacy. The duration of the training varies according to the job role and upon the successful completion of their assessment; candidates are given assistance for placement by training partners.
- **Recognition of Prior Learning:** Under this component of this scheme, individuals with prior learning experience are assessed and certified. It aims to align the competencies of the unregulated workforce of the country.
- **Special Projects:** A stake holder can be government institutions or any autonomous body that may desire to provide training to candidates. This component of the Yojana aims to create a platform that will facilitate trainings in special areas of government bodies or industrial bodies.

- **Kaushal and Rozgar Mela:** This Yojana can become successful with the involvement of community participation by ensuring transparency and accountability. It helps in leveraging the cumulative knowledge of the community for better functioning. Special importance is also assigned to the involvement of target beneficiaries in this yojana. Training partners conduct Kaushal and Rozgar melas once in six months with media coverage. The participants are also required to involve themselves actively in national carrier service and on ground activities.
- **Placement Guidelines:** This Yojana envisages to link the aptitude, aspiration and knowledge of skilled workforce with the employment opportunities in the market. Hence, every effort is made to provide placement opportunities to candidates trained and certified under the scheme. The training partners also provide support to entrepreneurship development.
- **Monitoring Guidelines:** Methodologies, such as self-audit reporting, surprise visits, call validations and monitoring through skills development management system shall be used by National Skill Development Corporation (NSDC) and empanelled inspection agencies. This shall be done to ensure high-standards of qualities are maintained by this Yojana. These methodologies shall be enhanced with latest technologies and the scheme implemented through NSDC.

National Institute for Entrepreneurship and Small Business Development (NIESBUD)

This institute was established by the Ministry of Industry, Government of India, with the objectives as follows:

- To accelerate the process of entrepreneurship development and facilitate various agencies in carrying out training and other entrepreneurship activities.
- To evolve effective training strategies and provide vital information support to trainers, promoters and entrepreneurs.
- To identify, train and assist potential entrepreneurs for setting up new ventures.

This is a nodal agency organizing about 29 national and six international training programmes every year.

Entrepreneurship Development Institute of India (EDII)

This is an autonomous non-profit institution set up in 1983 and sponsored by financial institutions like IDBI, ICICI and SBI. This is registered under the society's registration act 1860 and public trust act 1950. This institute conducts research training and other activities for encouraging the participation of backward regions. This building stands on 23 acres of land pledged by the government of Gujarat. The main objectives of this institute are as follows:

- To increase the supply of trained entrepreneurs through training and generate opportunities for self-employment.
- To promote small enterprises at rural level and improve the managerial capabilities in them.

Other agencies that provide Entrepreneurship Development Programme at national level are small industries development organisations, Indian investment centres, National institute for small industry extension and training and small industry development bank of India.

Centre for Micro Enterprises, Micro Finance and Sustainable Livelihood

Different initiatives are taken up by the centre to promote growth with equity, skill development and advocate methods of cluster based approach to entrepreneurship. To improve the employability of the unemployed youth, skill development programmes are under taken. The centre also under takes works for social enterprises, development organisations, financial institutions and corporate bodies through action research, documentation, strategy formulation and training. The centre is establishing empirical evidence for an integrated ecosystem. This is to enable environment for micro enterprise development across many states. In order to strengthen development organisations, who are the agents of social change, the centre conducts capacity building programmes. All these efforts have led to a noticeable poverty alleviation and employment generation in rural and urban areas.

Centre for SMEs and Business Development Services

These efforts are oriented by the centre towards developing and strengthening the ecosystem for enterprise promotion and growth. The unique feature of this center is soft skill development and entrepreneurship development. The investment promotion activities enable the center to train about 350 professionals every year. State level policies for promoting entrepreneurship are also undertaken by the center. The major beneficiaries are the bankers, state level agencies and the CEDs/IEDs.

Status of EDPs in Major States

Our Prime Minister's Independence Day speech with specific emphasis on Skill India Movement and Make in India statement has galvanized the nation into action by inviting multinationals for manufacturing in India. The National Institute of Small Industry Extension Training was in the 1960s for promoting and encouraging entrepreneurship among the people of India. The recent financial budget seems to be very promising for young entrepreneurs with the INR 10,000 Cr. startup fund. Not all the states are at the same level in encouraging entrepreneurship. Some states are advanced in their policy implementation for various reasons. Given below are the details about some startup friendly states with their initiatives.

Karnataka

To make Karnataka the startup capital in the world, and the first of its kind in the country, the government of Karnataka is drafting a new startup act. The government has granted INR 5 Lakh to nine colleges for funding research on projects solving local problems. The government has also planned to setup 2 new venture funds and network of incubators in small cities. This has been done to boost up the entrepreneur activity in the state. Also, the United Kingdom trade and investment board and the Karnataka Information Technology Venture Capital Fund have signed a partnership agreement recently. Many facilities have been provided by the government to the startup community of the state.

Kerala

The entrepreneurship culture of the state, was previously restricted to trade, transport and tourism. Now, the government of Kerala, has planned to invest 1% of the state's

budget in nascent startup of the state. To foster and encourage the entrepreneurship spirit of the youth of the state, a public sector training institute has been setup. A relaxation of 20% in attendance and 4% as grace marks is provided for students, who pursue entrepreneurship and innovation during their studies. A private public partnership helped the startup village of Kochi, and in turn to incubate about 10,000 product startups over a period of 10 years. The Kerala State Self Entrepreneur Development Mission was setup to provide training and soft loans of upto INR 20 Lakhs. This would help 10 select entrepreneurs in each panchayat to start an enterprise.

West Bengal

Due to the persistent follow up of the state government in providing entrepreneurs, the necessary assistance for setting up and running business successfully, West Bengal has become the leading state in India, in turn of credit flow in the micro and small scale industry sector. The government has targeted to create around 5000 new entrepreneurs along with the existing ones. For training officials in educating and assisting prospective entrepreneurs in every district, the government has tied up with IIM Calcutta. A non-profit institute named Enterprise Development Institute has been created in collaboration with the state government. It aims to strengthen entrepreneurship with structured training and certification programmes. NASSCOM has offered to build an incubation centre for young entrepreneurs from Calcutta.

Maharashtra

Mumbai is the financial and commercial capital of India, and entrepreneurial activities in Maharashtra are in the increase due to the presence of business hubs in Pune and Mumbai. Backward regions receive many incentives from the state. An autonomous body named Maharashtra Centre for Entrepreneurship Development under the department of industries has 8 offices across the state. This centers offers training programme for entrepreneurs and holds many sessions focused on areas such as banking, agri-tech and food processing. Exemptions from stamp duty on the purchase of land, rebate on expenditures on energy and water, and partial reinvestment of expenses incurred for the purchase of power and water conservations, are some incentives to mention.

New Delhi

Though this is the main centre of political and industrial power with good infrastructure and transport services, this region is not as developed as the four states mentioned above. Sufficient support initiatives for handloom, handicrafts and women entrepreneurship do not exist here.

Gujarat

For the startup enthusiasts, this state offers a good business environment. The state's ecosystem is extremely attractive because of the assistance of the Gujarati entrepreneur DNA. The state was able to setup a world class centre of excellence in entrepreneurship and technology with its own incubation centre under the dynamic leadership of the then Chief Minister of state Mr. Narendra Modi. A non-profit institute named The Entrepreneurship Development Institute of India (EDII) was setup in 1983 and supported by the state government. It has helped to setup 12 state level centers and a premier PGDM-BE – a full time 2 year residential programme for entrepreneurs

and managers. IIMA acts as a platform for the youth entrepreneurs of the state.

Tamil Nadu

Big international automobile companies have found its manufacturing facilities in this state, making this the automobile hub. Most of the entrepreneurial activities are concentrated in Chennai. This is due to the presence of business parks and IITM incubation cells. For this reason, Tamil Nadu is known as “Detroit of India”. An IT incubation centre has been established for the centre for entrepreneurship development which can support 80 IT entrepreneurs at a time. The subsidy given to the entrepreneurs on machines and equipment is been hiked from 15% to 25%. The funds given for the new entrepreneur cum enterprise development is increased to INR 100 Cr. This will be utilized for capital subsidy of 25 % and training support.

Andhra Pradesh and Telangana

These two states are in its developmental stage, as far as the status of the entrepreneurship is concerned. The association of lady entrepreneurs of Andhra Pradesh organizes many training programmes to empower women to earn a sustainable living. The state governments are in talks with the government of Kerala to setup startup villages over the forth coming years. States like Goa and Odisha are on the path of building out the eco-system in their states on the lines similar to those mentioned above. The central government institutions such as national science and technology entrepreneurship development and National Institute for Entrepreneurship and Small Business Development (NISSBUD), offers training programmes and support initiatives. These initiatives that run at a national level also feed into the ambitions small cities programmes. This is because many of these cities are being setup around trade and technology hubs.

Major Challenges of EDP

The success of EDP programmes is not as expected since it is affected by a number of problems that come from the trainers, trainees, the various organisations imparting training programmes and sometimes even from the government. Below are some important problems faced by EDP.

- 1. Policy:** The growth and development of entrepreneurship in India is much less when compared to other countries due to the apathetic attitude of supporting agencies like banks and other financial institutions. Furthermore our country does not have a clear cut national policy on entrepreneurship.
- 2. Objectives:** Many institutions conduct EDP just for names sake and they are not even certain about the tasks they are supposed to perform and the objectives they are to achieve.
- 3. No Clear Cut Course of Action:** Like the above mentioned reasons, agencies engaged in EDPs are not clear about their course of action to be taken and they do not have a proper feedback system for further improvement. Moreover, they lack in accountability and the course contents are not standardized.
- 4. Follow-Up Action:** Much concern is not shown for identifying the objectives and selecting the entrepreneurs. Follow up action after EDPs is not done properly.
- 5. Infrastructural Facilities:** Lack of class-rooms, guest speakers, boarding and lodging, etc., in rural and backward

areas, is a major drawback in this programme. In short, non-availability of adequate infrastructure facilities results in failure of this programme.

- 6. Commitment and Involvement:** Commitment and involvement in EDPs is low due to inadequate institutional support. The corporate sector does not show enough concern for the successful conduct of EDPs.
- 7. Faculty:** Faculties required for training prospective entrepreneurs are reluctant to serve in rural and backward areas and in many cases they are not competent enough to impart training to them.
- 8. Environment:** Environment in backward regions is not conducive for the smooth conduct of EDPs and so it makes the trainer’s role ineffective.
- 9. Selection of Trainees:** The low rate of success of EDPs is attributed to un-uniform procedures adopted by the agencies and institutions conducting EDPs. This results in an improper selection of trainees and leads to low success of the programme.

Workable Strategies for EDPs

Every Indian is a disguised entrepreneur, in one way or the other and this is not an exaggeration. The challenging conditions that prevail in our country has exposed him to various hardships and in spite of them, he has re-emerged as a successful entrepreneur. The topic that calls for a discussion is the present scenario of Indians engaged in family businesses. According to a recent report released by E - value research, more than 44 American based companies are seeking to invest heavily in early stage companies in India. India has a market of which investors are confident and this number is rising continuously. Indian entrepreneurs are among the most successful and the respected. Today several factors have made India a favorable entrepreneurial hub. These factors are,

- 1. Strong Economy:** India is considered as a growing economy and investors are confident that anything could work here. In spite of the adverse global economic conditions prevailing, our economic growth rate is promising enough. India has now emerged as a strong inward looking economy. Experts are of the opinion that the growth conditions prevailing now will exceed the rate of growth projected for the future. But this will happen only if capital funds flow continuously into our country.
- 2. Agriculture:** Agriculture is not an export driven economy and so it makes our country a self-sustaining system. This again makes it favorable for trying out innovations. If the monsoons are rich, our Indian economy becomes still stronger.
- 3. Indian Banking System:** The recent reforms and introduction of new policies have been supportive working favorably for the Indian entrepreneurs.
- 4. Entrepreneurial Pool in India:** Our young Indian population comprises of a pool of experts. This has abundant opportunities for all leading sectors.
- 5. India as a Critical Market:** Indian entrepreneurs are constantly on the rise and they are good examples for the world to follow. Customers are also willing to try out new ideas in Indian market which falls in favour of the entrepreneurs. Researchers are of the opinion that the growth will be coming from India and not Europe or America.

6. **Unemployment:** Though the rate of unemployment in India is alarming, it can be easily tapped with mid-scale entrepreneurial ventures. Large scale companies cannot take advantage of this. The wages in India are competitive when compared to developed markets and so the situation is a win-win one for both the parties involved.
7. **Democratic Setup:** Our democratic system allows and promotes citizens to come together as a group to solve big problems. Though it is a difficult task, it is not impossible as the scenario is fast changing.
8. **Strong Entrepreneurial Team:** Entrepreneurship is a team work and Indians are good at it when it comes to understanding of inter-dynamics in the team. Their passion for idea and overall vision is also sound.
9. **Dispelling Preconceived Notions:** There was a notion in the past that Indian youths preferred only low risk carriers and so considered large organisations for secured employments. Again, Indians felt steered away from startups as they understand the language of cash only when the other options did not work. This preconceived notion is slowly being dispelled among Indian youths of today. The vibrant teams of today vary from fresh graduates to experienced professionals who are ready to take risks in their professions to follow their dreams.

A few factors, anyhow pose hurdles in the path of entrepreneurial success for the Indian entrepreneurs. They are,

1. **Hesitance:** Indian society is basically averse to taking risks as it does not get enough support from the government and other sectors. But today the scene is changing fast. Government is considering new reforms for established structures and framing new policies for making the processes easier for new setups. Entrepreneurs are also coming forward with new ideas for the betterment of the society.
2. **Lack of Funds:** Indian entrepreneurs usually start business with their little savings or from the financial help from friends and families. So they find it difficult to make a descent start. Capital firms generally make late stage investments and so, small ventures find it difficult to sustain in the challenging environment. But now, new Indian venture capitals are coming forward to fund the initial expenses.
3. **Entrepreneurial Ecosystem:** India is way behind in the aspect of enforcing laws effectively. This means that we have laws and reforms which are not inferior to those in developed countries but, they are not put in place properly. Corruption is a major malaise that bars the growth and progress of our economy.
4. **Solid Business Plans and Lots of Patience:** The tough market conditions and lack of adequate guidance often result in closure of new enterprises. It also makes business planning, weak. So, efforts to be made to boost up the morale and confidence of all concerned.

Conclusion

Entrepreneurship is an important and critical element for the growth of the economy. EDPs summarize the adopting of innovative ideas and rendering support to aspiring entrepreneurs. The future of Indian entrepreneurs depends upon the techniques and strategies that are to be employed in furthering this motive. Indian entrepreneurs can successfully

align in the present global market, thanks to globalization and advancement of science and technology. In the next ten years or so, India is poised for an entrepreneurial boom, paving a way for viable option for growth and development of entrepreneurship. The beginning has already been made and steps taken in the right direction.

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