

Innovative Methods to Cultivate Entrepreneurship

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Abstract

In the countries like India, there is a vast potential of talented youths, no limit can be set for growth and development by utilizing the creative potentials of young and talented youths, new horizons of achievements can be rightly attained.

India cannot think of development merely as a process related with the advancement of economic status of few select sections of the society or merely utilizing untapped resources. Development should also give equal and fair opportunities of growth to the people. From this point of view, there is need to redefine the concept of economic development.

With the liberalization of economy, the country has definitely improved its economic status. However, the gap between the rich and the poor is widening. The employment opportunities in the organized sector are on decline. Capital intensive units and large scale industries can concentrate on meaningful opportunities of deployment of human resources. Thus, there is a paradox of growth. On one side, economic advancement and growth is on rise, at the same time, there is a widening socio economic gap creating unrest and dissatisfaction.

A right solution to meet this difficult and challenging situation is to offer employment opportunities to youths, not only in organized sector, but in the informal and non-formal sectors. Promoting entrepreneurship and offering opportunities of self-employment thus is the key to growth process. However, looking at entrepreneurship in traditional form may not serve the purpose hence, new and creative approaches towards entrepreneurship development should be encouraged.

The present paper discusses some important and innovative approaches for entrepreneurship development in non-formal and informal sector.

Key words:

- Economic growth
- Entrepreneurial development
- Interrelation between economic growth and entrepreneurial development
- Innovative methods to develop entrepreneurship

Introduction:-

The concept of economic development is studied by various experts and different models are suggested for advancement of economy. Joseph Schumpeter is one of the pioneers who advocated economic development through entrepreneurial advancement. According to him, economic development is a result of continuity of innovations and advancement of technological and creative knowledge inputs. Schumpeter assigned the role of innovators not to the capitalists but to the entrepreneurs. The word entrepreneur for Schumpeter means 'an entrepreneur is not a man of ordinary managerial ability but one who introduces something entirely new. He does not provide funds but directs their use'. Thus innovator is the real change agents in the economy. Economic development is not merely improving per capita income or GDP but changing the socio economic status and overall economic performance. This task of economic change is not performed merely by the capitalist and businessman but by the change agents of growth who are rightly called as innovators or entrepreneurs. The present paper tries to identify how innovators and entrepreneurs are responsible for economic advancement.

Statement of problem:-

The present paper deals with various issues related with economic development. It tries to identify how the economic system responds to the changes brought in by the entrepreneurs. Development is spontaneous and discontinuous change in the channels of circular flow, disturbance of equilibrium which forever alters and displaces the equilibrium state previously existing. Thus, development is spontaneous and discontinues change in economic life which is not forced upon it from without but arises by its own initiative from within the economy and appears in the commercial and industrial and economic life of a country or society. Development consists in carrying out of new combinations for which the possibility exists in the stationary state. A new combination does come out in the form of new innovations. The present paper deals with in what way entrepreneurship and innovations are responsible for economic change. Hence the title of the present paper is Innovative Methods to Cultivate Entrepreneurship.

Objectives of the paper:-

1. To identify how entrepreneurship changes the economic system and brings in development
2. To study the role of innovators and entrepreneurs in the process of economic development.
3. To identify the innovative methods that can be used to promote entrepreneurship for economic advancement.

Definitions:-

1. **Entrepreneurship** is the act of being an entrepreneur, which can be defined as "one who undertakes innovations, finance and business acumen in an effort to transform innovations into economic goods". This may result in new organizations or may be part of revitalizing mature organizations in response to a perceived opportunity. The most

obvious form of entrepreneurship is that of starting new businesses (referred as Startup Company); however, in recent years, the term has been extended to include social and political forms of entrepreneurial activity. When entrepreneurship is describing activities within a firm or large organization it is referred to as intra-preneurship and may include corporate venturing, when large entities spin-off organizations. (Wikipedia, the free encyclopedia)

2. **Innovators** are those who adopt new products first. They are usually relatively young, lively, intelligent, socially and geographically mobile. They are often of a high socioeconomic group (Marketing & Web - Online Encyclopedia)
3. **Economic development** is the increase in the standard of living in a nation's population with sustained growth from a simple, low-income economy to a modern, high-income economy. Also, if the local quality of life could be improved, economic development would be enhanced. Its scope includes the process and policies by which a nation improves the economic, political, and social well-being of its people. (Gonçalo L Fonsesca at the New School for Social Research defines economic development as "the analysis of the economic development of nations.")

Hypothesis:-

The present research is based on following premises:-

- There is definite and positive co relationship between entrepreneurship and economic development
- Entrepreneurship can be inculcated by using innovative methods
- Committed and development oriented entrepreneurship brings in desired socio economic changes in the society.

Discussion:-

1. The history of development process indicates that different socio economic inputs are required to bring in a positive economic change, economic development is not a function of mere introduction of technological and capital inputs. David Mc Lakeland in his 'Achieving Society' has proved it beyond doubt. According to him, the basic developmental inputs are more psychological and attitudinal than physical in nature. Examples of countries like Singapore and South Korea have proved this to a great extent.

Even if one looks at the economic changes taking place in making the country then the same conclusion is justified. The states like Maharashtra, Gujarat, and Tamilnadu, Andhra Pradesh, Punjab and Haryana have outperformed when compared with Bengal, Bihar, Kerala and some other states. The reasons of effective performance of these states again are associated with the entrepreneurial cultural and positive approach of the

businessmen in these states towards economic development. In normal course, it is not the capital that drives neither the economy nor the labour that fuels efficiency but it is the entrepreneurial approach that is responsible for economic change.

2. The book 'Stay Hungry, Stay Foolish' by Leena Bansal provides with an inventory of entrepreneurial successes wherein neither the capital nor government assistance has been a major input. It is the willingness, urge and strong commitment to the cause of entrepreneurship that has motivated the entrepreneurs. Their success is a clear indicator of the fact that entrepreneurship is the result of a right combination of urge and innovative practices. (Examples)

Following innovative methods are suggested by the author to inculcate right spirit for entrepreneurial development;-

- ❖ Developing an appropriate educational system that encourages inquisitiveness and positive attitude
- ❖ Providing technical, managerial and entrepreneurial guidance to succeed in business ventures.
- ❖ Developing a mechanism to monitor and measure risk associated with different business activities.
- ❖ Providing guidance for preparation of financial and business plans with the help of simulation packages
- ❖ Developing entrepreneurial incubation centres with the help of technical and business institutes
- ❖ Develop knowledge inputs for assessment of market and feasibility risk
- ❖ Identify appropriate market potentials and promote business ventures in these areas through consultation, guidance and training.
- ❖ Establishment of technology parks to identify likely business ventures and convert a profit making opportunity into a project.

Justification of Hypothesis:-

The business and industrial success of states like Maharashtra, Gujarat, Tamilnadu and Haryana to conclude that the basic grow input for economic advancement is not only capital and other assistance but it is business acumen and willingness to change. Entrepreneurs change socio economic mindset and therefore, entrepreneurial change is more important for expediting the growth process than other growth inputs.

Entrepreneurship is related with introducing innovative and creative practices to economy. It improves business performance, profitability and productivity. Resource efficiency often depends on creative approach than technology and systems. A good entrepreneur not only introduces change in one business but changes the total business thinking.

Entrepreneurship which is linked with modification and up gradation of system often restricts its scope of activities. However, fundamental changes in the thought process and structures are brought by entrepreneurs who reengineer the entrepreneurial and business system. This class of entrepreneurs helps in promotion of a new business concept. It rejuvenates the entrepreneurial spirit and that is what is needed for changing the economy of a country. The entrepreneurship in West Germany and Japan in post war period has proved this.

The above discussion justifies the hypothesis set for the paper and approves them.

Conclusion;-

The above discussion helps us to conclude that business success is the result of entrepreneurial competence and introduction of innovative inputs. No economy can prosper without creative and unique business activities. Innovators are pioneers who inculcate entrepreneurial cultural in the society. From this point of view, the first priority of economic planning should be cultivating entrepreneurship than mere introduction of technology and capital inputs.

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