

Research Paper

ENTREPRENEURSHIP - BEFORE & AFTER INDEPENDENCE

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ABSTRACT

Entrepreneurship has become the latest movement of modern India. The developing and underdeveloped countries are giving more importance to entrepreneurship for economic development after analyzing the history of developed countries. In the economic development of country, the human factor plays a vital role. Even the developed nations like USA, UK and Japan have now realized the need of promote entrepreneurship for their economic development. Importance is given to entrepreneurship development because it is related to the socio-economic development of the society. Nation becomes economically great, not because of natural resources because of entrepreneurial initiative.

Introduction:-

The lack of development is the reflection of the state of entrepreneurship in the society. It is believed that all progress originates with the entrepreneurs and it is true in the modern, commercial and business world.

Use of small as a designation in industry differentiates one set on industries from others. Comparatively small in operations, employments, products, capital, technology etc small businesses comprise a large majority of enterprises in India and although they are individually small, they account for a significant portion of GNP. Small businesses typically provide goods and services to local markets however; there have been growing number of small business involved in global trade. The environment of small business in is described by local conditions. Small businesses include merchandisers to which we turn for our daily purchases. It also includes practices and personal services enterprises of doctors, accountant, tailors and many others to whom we turn for our personal needs. In the case of manufacturing units, small industries are to be expected to have a unique set of problems in relation to their smallness that differentiates them from medium and large manufacturing units. At the same time, the small sector has unique advantages and as such 'Small is not only beautiful, but also beneficial efficient and reliable. As the country develops industrially, changes occur in the composition of the artisan and merchant groups. Skilled factory workman and workshop owners tend to start factories of their own. Similarly, sons and other relative of small factory owners manages, retired civil servants and unemployed young men and women take irradiative in starting industrial ventures.

In the 1950's every country considered entrepreneurship as the surest way for quicker industrial and economic development. The developing countries like India have assigned greater significance for the development of entrepreneurship and encouraged the establishment of small scale industries to ease out the most burning problems of unemployment, capital shortage etc. In fact, entrepreneurship has been considered as the panacea for many socio economic problems faced by the country. It has been rightly said that development or under development is basically the reflection of development or under

development of entrepreneurship in society.

Entrepreneurship - Before and After Independence:

In ancient time, India was said to be the 'Golden Bird', while every dominant country had an eye on this country. British Raj not only hindered the growth of the country but exploited the Indian resources. This is the only reason why industrialization did not come to India for a long period. It cannot however be neglected that britishers introduced Railways, Telephone, Telegraph system which has highly contributed in the development of our country.

Entrepreneurship was basically promoted by some of the well known communities in India. It is said that business is in the flesh and blood of the 'Gujarathis' and 'Marwaris'. Entrepreneurship was highly contributed by the Marwaris, Parsis, Chittiars in south, Maplahs in west cost, and Gujrathis such were supply of entrepreneurs to Indian economy. It was these families who showed tremendous enthusiasm and leadership towards entrepreneurship.

The development of entrepreneurship gets stimulation after independence. The government made various efforts for enterprerial development. In 1948 the Government declared its first industrial policy which divided the industries into four broad categories. Mainly the government policies intended in providing financial and technical aid to fresh entrepreneurs. Various institutions were setup with the purpose of supplying machinery, finance, guidance of expertise from various field and other physical facilities. Thereafter in 1956, 1977, 1991, 2001 government declared new policies for industries for its overall development.

There has been in accelerated pace of industrial growth in the small sector since 1967 onwards. There was a deliberate attempt on the part of the government to select suitable entrepreneurs, train them and help them in indentifying suitable items of manufacture. The training of entrepreneurs aimed at imparting the necessary knowledge and skill to adopt small scale industries as procession. The government went to step further and evolved a package programmed to provide necessary inputs needed for starting industrial ventures. It was increasingly realized that industrial entrepreneurship does not generate its self and the

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government at prime agency has to play a positive role in that connection. A deliberate attempt was, then fore, made to motivate entrepreneurs to take-up industrial ventures as their career, remove disincentives and provide positive assistance. A recent development and incentives is entrepreneur in rural and backward areas. Towards that and District Industries Center (DIC) have been setup. Which are responsible for providing all possible help and assistance?

Factors influencing entrepreneurship:

Entrepreneurs are not born they are developed from different vocation. Educational system is to be designed in such a way as to create more, job-creators. Entrepreneur will be motivated due to the influence environmental and the other following factors:

1. Family background
2. Socio economic change
3. Standard of education and technical knowledge
4. Financial stability
5. Government policy
6. Cast and religious affiliation
7. Availability of supporting facilities
8. Achievements (aim and objectives)
9. Motivation
10. Personality and personal skill

Entrepreneurs are influenced not by a single factor but are the result of the interaction by various environment factors. It is the desire to make money that encourages entrepreneurs to start a production unit. The other factor like government policy and social recognition also influence a person to become an entrepreneur. A suitable change in educational system creates more job-creators rather than job seekers.

Small business entrepreneur:

Entrepreneurship being the prime driving force for economic in general and industrial development in particular has a great deal of potentiality of generating more and more job opportunities, optimum utilization of available resources and bringing prosperity to the nation. The success of a small scale industry solely depends upon ones doing the right things at the right time. A small scale industrialist has to be well acquainted with the various rules and regulations governing the small scale industry and the producers to be followed in order to acquire the necessary assistance and incentives offered by the government from time to time. A small entrepreneur is the chief executive of his unit, its floor supervisor, accounts clerk, purchase manager, legal advisor, planner and visionary into one.

The term entrepreneur is properly applied to those who incubate new ideas, start enterprises base on those ideas and provide added value to society from independent initiative. Individuals who earn their livelihood by starting a local store or independent service business are called small business persons. The person who starts a fast food franchise chain is called and entrepreneur, but the local restaurant owner is a small business person. Entrepreneurs have vision for growth, commitment to constructive change, persistence together necessary resources and energy to achieve unusual results but the small businessman dose not generally exhibit these characteristics.

A business when managed by an entrepreneur can bring economic prosperity to the country. General well being and social, economic and the political stability are the necessary conditions for entrepreneurship business. For the purpose of creating new enterprises and promoting

economic development of country, there are several persons who can make positive contribution. Those of the persons who possess specialized knowledge for running an enterprise from a part of such a group of person. Every country, therefore, needs such enterprising technical people who can foster the process of economic development.

The growth of small scale industries in India has been one of the most distinctive features of planned economic development during the last two decades. Modern small scale industries can be a powerful factor in the rapid and decentralized growth of a developing economy. The vital role of the small scale sector in the national economy has been recognized on accounts of its potential for creating substantial employment opportunities at a relatively small capital cost, facilitating mobilization of local resources of capital and skill and ensuring a more equitable distribution of the national income.

Modern small scale industries in India were almost nonexistent prior to the second world war. It was during the war years that a number of small scale industries were established to augment and sustain the war efforts to relieve pressure on shipping and counteract inflationary trends in the economy. After independence especially during the fifties, organized effort were made and a comprehensive programmed for the development of small scale industries was conceived on the basis of the report submitted by a team of Ford-Foundation efforts who were invited to the country.

Small scale industries have more than justified this encouragement by attaining a high rate of growth and making a significant contribution of the national income. Small enterprises both in the organized and unorganized sectors give employment to nearly forty lakh worker in the various fields and account for nearly half of the total annual industrial production in the country. A part from the contribution to employment and production, the growth of small industries has helped in the utilization of local resources and raw materials, capital and skill which might otherwise have remained unutilized. Clusters of modern small scale units humming with industrial activities can be seen in almost all towns. They have successfully carried the massage of industrialization to the nooks and corners of the country.

Conclusion:

There is a wide range of significant contribution that entrepreneurs and entrepreneurship can make to development process of small industries.

1. Entrepreneurship raises productivity through technical and other forms of innovation.
2. Entrepreneurship plays a strategic role in commercializing new invention and products.
3. Entrepreneurship plays a critical role in the restructuring and transformation of economy.
4. Entrepreneurship helps reduce the ossification of established social institution and the concentration of the economic power.
5. Entrepreneurship and Entrepreneurial behavior can breather vitality into the life of large corporation and the government enterprises.
6. Entrepreneurs make market more competitive and thereby reduce both static and dynamic market inefficiencies.
7. Small Entrepreneurs operating in the informal sector established government authority when government and their programmes inhibit economic development.
8. Entrepreneurs stimulate a redistribution of wealth, income

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and political power within societies in ways that are economically positive and without being politically disruptive.

9. Entrepreneurs improve the social welfare of country by harnessing dormant, previously overlooked talent.

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