

## A Paper on Youth Entrepreneurship Development Aids and Facts- An Indian Scenario

<sup>a</sup>Nilsa V.P, <sup>b</sup>Anitha S

<sup>a</sup>Research Scholar in Management Loyola College of Social Sciences, Trivandrum, Kerala

(University of Kerala) India

<sup>b</sup>Assistant Professor and Research Guide Loyola College of Social Sciences, Trivandrum, Kerala (University of Kerala) India

### Abstract

Governments and local communities across the world have recognized that key to building prosperity and stimulate regional growth is fostering entrepreneurship among their people especially youth. Youth entrepreneurship has become a topic of interest for research scholars and a subject of major concern for the Government. Entrepreneurship is the attempt to create value through recognition of business opportunity, the management of risk taking appropriate to the opportunity and through the communicative and management skill to mobilize human, financial, managerial resources necessary to bring project to function. Hence it needs professional application of knowledge, skills and competencies to start an enterprise or diversifying from an existing one. Youth is considered to be backbone of any nation. If they have opportunity they are capable of making anything possible. In the present scenario business creation and development of entrepreneurial culture are the alternatives for youth since they face the problem of unemployment and under employment. Youth faces many challenges to setting up an entrepreneurship. Many supporting systems are available; whether they are available of the supporting mechanisms still remains. This study tries to understand the supporting mechanism available and how the youths can benefit out of it.

**KEYWORDS:** youth entrepreneurship, development aids, Entrepreneurship

### INTRODUCTION

The biggest new challenge facing India's policy makers and administrators is rapidly rising, unemployment. Unemployment levels have been steadily rising after the several years of staying around 2-3 % the headline rate of unemployment reached 5% in 2015 with a youth unemployment being a very high 16%. The state of working India (SWI) 2018, report said "this rate of unemployment is the highest seen in India at least the last 20 years". Since India has a high rate of youth percentage as per UN Report 2014 and the census 2011 demonstrate that around 41% of the populace of India is underneath the age of 20 years. And again the NSSO(National Sample survey Organization) figures the joblessness rate is higher among 15 year to 29 years of age categories. In scenarios like this there is a solid requirement for entrepreneurship in our nation. India needs work producers rather than work seekers. Instead of searching for occupations youth can endeavour to discover new open doors where they can begin their own undertakings originating from their new thoughts. Lack of finance is a major problem facing the youths; since Government has their supporting mechanism for the entrepreneurs they need to have clear understanding and try to avail the same.

The major problems faces by the new entrepreneurs are lack of awareness of the support mechanisms, difficult documentation, lack of access to support finance,

lack of specific schemes for youth entrepreneurs, negative attitudes of the society towards them, lack of entrepreneurship education, administrative and bureaucratic hurdles and lack of business support in the form of mentoring etc.

### **Statement of the problem**

As everyone knows youth population is the supporting and backbone of any nation. India is blessed with plenty number of youths. Youths in a country can help the development of a nation. Unfortunately youth unemployment in India has reached the highest point. When we consider the supportive mechanisms from the government which is available at the same time for entrepreneurial development. Since we have all the resources available and yet we lack in entrepreneurial development needs attention to find the solution.

### **Significance of the study**

Entrepreneurship in India occupies a significant position in the industrial scenario. It creates employment opportunities, efficient utilization of scarce resources, encouraging social development, efficient mobilization of skills and capital etc. youth entrepreneurship is under represented when compared to their population in our country even though India represents the world's biggest youth population. In India the youth population is 231.9 billion; which comprise 40.1 per cent of the total population in India (Census of India 2011). The youth population of India is so huge that it is equivalent to the total population of eighteen countries in western Asia according to United Nations estimates (World Population Prospects: The 2012 Revision 2013). Entrepreneurship will help the youth as well as the country to develop them. In spite of all the supportive mechanisms given from government's side very less number of youths are into business this shows the significance of the study.

### **Scope of the study**

The study will help the youth in our country to understand the facts about youth entrepreneurship. It will help them to understand what are the aids or supporting mechanisms available to start a new venture and how it will help them to make their dream come true.

### **Objectives of the study**

The current study has four objectives

1. To understand about youth entrepreneurship in India
2. What are kind of supports they are getting from the government?
3. From the layman's perspective are the supporting factors sufficient to start a business?
4. How the system can support youth entrepreneurship more effectively?

### **Methodology of the Study**

This is a fact finding study which is descriptive in nature. This study analysed the past research works on youth entrepreneurship for summarizing it. The source of literature is various text books, reports from the different consulting groups, peer-reviewed research papers as well as journal articles.

### **Review of Literature**

Different studies show different individual determinants.

Shapiro (1975) and Kets de Vries (1977) have stressed the importance of personality factors, psychodynamic characteristics and socio cultural background in fostering entrepreneurial behaviour while Miller and Friesen (1978) and Mintzberg (1973) have stressed upon the decision making and strategy factors important for promoting entrepreneurship.

Daisy (2012), states that human resource development aspects of entrepreneurship development programme too lack its path. There are enough

promotional measures to entrepreneurs like programs, policies, government schemes or initiatives, but all such efforts lack an entrepreneurial spirit.

Kochadai (2011), found that entrepreneurial competency is high among those respondents who had some of their family members or friends also engaged in some business activities compared to first generation entrepreneurs.

### **Opportunities for youth entrepreneurship development in India**

United Nations defines 'Youth' as those between 15-24 years of age. According to the National youth policy 2003 of India "youth" has been defined as people in the age group of 13-35 years. The prime Minister RozgarYojna (PMRY) has targeted educated unemployed youth between the age group of 13-35 years. Directorate of Industries and commerce defines youth entrepreneurs as the entrepreneurs aged between 18-45 years. In this study youth is fall in the category 18-45 years of age.

The Government of India has undertaken several initiatives and instituted policy measures to foster a culture of innovation and entrepreneurship in the country. Job creation is a foremost challenge India facing now. In the recent years, a wide spectrum of new programmes and opportunities to nurture innovation has been created by the Government of India across a number of sectors. From engaging with academia, industry, investors, small and big entrepreneurs, non-governmental organizations to the most underserved sections of society. Moreover every year, the Government of India allotted Rs. 2710/-per youth per year for development in terms of employment, appropriate education, skill development and awareness about health (Union Budget, 2011–2012). State governments, institutions, other stakeholders and Non-Governmental Organizations (NGOs) also supported the development of youth, towards making them a productive workforce.

A few of India's efforts at promoting entrepreneurship and innovation are:

#### **Startup India**

Through the Startup India initiative, Government of India promotes entrepreneurship by mentoring, nurturing and facilitating startups throughout their life cycle. Since its launch in January 2016, the initiative has successfully given a head start to numerous aspiring entrepreneurs. With a 360 degree approach to enable startups, the initiative provides a comprehensive four-week free online learning program, has set up research parks, incubators and startup centres across the country by creating a strong network of academia and industry bodies. More importantly, a 'Fund of Funds' has been created to help startups gain access to funding. At the core of the initiative is the effort to build an ecosystem in which startups can innovate and excel without any barriers, through such mechanisms as online recognition of startups, Startup India Learning Programme, Facilitated Patent filing, Easy Compliance Norms, Relaxed Procurement Norms, incubator support, innovation focused programmes for students, funding support, tax benefits and addressing of regulatory issues.

#### **Make in India**

Designed to transform India into a global design and manufacturing hub, the Make in India initiative was launched in September 2014. It came as a powerful call to India's citizens and business leaders, and an invitation to potential partners and investors around the world to overhaul out-dated processes and policies, and centralize information about opportunities in India's manufacturing sector. This has led to renewed confidence in India's capabilities among potential partners abroad, business community within the country and citizens at large. The plan behind Make in India was one of the largest undertaken in recent history. Among several other

measures, the initiative has ensured the replacement of obsolete and obstructive frameworks with transparent and user-friendly systems. This has in turn helped procure investments, foster innovation, develop skills, protect intellectual property and build best-in-class manufacturing infrastructure.

#### **Atal Innovation Mission (AIM)**

AIM is the Government of India's endeavour to promote a culture of innovation and entrepreneurship, and it serves as a platform for promotion of world-class Innovation Hubs, Grand Challenges, start-up businesses and other self-employment activities, particularly in technology driven areas. In order to foster curiosity, creativity and imagination right at the school, AIM recently launched Atal Tinkering Labs (ATL) across India. ATLs are workspaces where students can work with tools and equipment to gain hands-on training in the concepts of STEM (Science, Technology, Engineering and Math). Atal Incubation Centres (AICs) are another programme of AIM created to build innovative start-up businesses as scalable and sustainable enterprises. AICs provide world class incubation facilities with appropriate physical infrastructure in terms of capital equipment and operating facilities. These incubation centres, with a presence across India, provide access to sectoral experts, business planning support, seed capital, industry partners and trainings to encourage innovative start-ups.

#### **Support to Training and Employment Programme for Women (STEP)**

STEP was launched by the Government of India's Ministry of Women and Child Development to train women with no access to formal skill training facilities, especially in rural India. The Ministry of Skill Development & Entrepreneurship and NITI Aayog recently redrafted the Guidelines of the 30-year-old initiative to adapt to present-day needs. The initiative reaches out to all Indian women above 16 years of age. The programme imparts skills in several sectors such as agriculture, horticulture, food processing, handlooms, traditional crafts like embroidery, travel and tourism, hospitality, computer and IT services.

#### **Jan Dhan- Aadhaar- Mobile (JAM)**

JAM, for the first time, is a technological intervention that enables direct transfer of subsidies to intended beneficiaries and, therefore, eliminates all intermediaries and leakages in the system, which has a potential impact on the lives of millions of Indian citizens. Besides serving as a vital check on corruption, JAM provides for accounts to all underserved regions, in order to make banking services accessible down to the last mile.

#### **Digital India**

The Digital India initiative was launched to modernize the Indian economy to makes all government services available electronically. The initiative aims to transform India into a digitally-empowered society and knowledge economy with universal access to goods and services. Given historically poor internet penetration, this initiative aims to make available high-speed internet down to the grassroots. This program aims to improve citizen participation in the digital and financial space, make India's cyberspace safer and more secure, and improve ease of doing business. Digital India hopes to achieve equity and efficiency in a country with immense diversity by making digital resources and services available in all Indian languages.

#### **Biotechnology Industry Research Assistance Council (BIRAC)**

BIRAC is a not-for-profit Public-Sector Enterprise, set up by Department of Biotechnology to strengthen and empower emerging biotechnology enterprises. It aims to embed strategic research and innovation in all biotech enterprises, and bridge the existing gaps between industry and academia. The ultimate goal is to develop

high-quality, yet affordable, products with the use of cutting edge technologies. BIRAC has initiated partnerships with several national and global partners for building capacities of the Indian biotech industry, particularly start-ups and SME's, and has facilitated several rapid developments in medical technology.

### **Department of Science and Technology (DST)**

The DST comprises several arms that work across the spectrum on all major projects that require scientific and technological intervention. The Technology Interventions for Disabled and Elderly, for instance, provides technological solutions to address challenges and improve quality of life of the elderly in India through the application of science and technology. On the other hand, the ASEAN-India Science, Technology and Innovation Cooperation works to narrow the development gap and enhance connectivity between the ASEAN countries. It encourages cooperation in science, technology and innovation through joint research across sectors and provides fellowships to scientists and researchers from ASEAN member states with Indian R&D/ academic institutions to upgrade their research skills and expertise.

### **Stand-Up India**

Launched in 2015, Stand-Up India seeks to leverage institutional credit for the benefit of India's underprivileged. It aims to enable economic participation of, and share the benefits of India's growth, among women entrepreneurs, Scheduled Castes and Scheduled Tribes. Towards this end, at least one woman and one individual from the SC or ST communities are granted loans between Rs.1 million to Rs.10 million to set up greenfield enterprises in manufacturing, services or the trading sector. The Stand-Up India portal also acts as a digital platform for small entrepreneurs and provides information on financing and credit guarantee.

### **Trade related Entrepreneurship Assistance and Development (TREAD)**

To address the critical issues of access to credit among India's underprivileged women, the TREAD programme enables credit availability to interested women through non-governmental organizations (NGOs). As such, women can receive support of registered NGOs in both accessing loan facilities, and receiving counselling and training opportunities to kick-start proposed enterprises, in order to provide pathways for women to take up non-farm activities.

### **Pradhan Mantri Kaushal Vikas Yojana (PMKVY)**

A flagship initiative of the Ministry of Skill Development & Entrepreneurship (MSDE), this is a Skill Certification initiative that aims to train youth in industry-relevant skills to enhance opportunities for livelihood creation and employability. Individuals with prior learning experience or skills are also assessed and certified as a Recognition of Prior Learning. Training and Assessment fees are entirely borne by the Government under this program.

### **National Skill Development Mission**

Launched in July 2015, the mission aims to build synergies across sectors and States in skilled industries and initiatives. With a vision to build a 'Skilled India' it is designed to expedite decision-making across sectors to provide skills at scale, without compromising on quality or speed. The seven sub-missions proposed in the initial phase to guide the mission's skilling efforts across India are: (i) Institutional Training (ii) Infrastructure (iii) Convergence (iv) Trainers (v) Overseas Employment (vi) Sustainable Livelihoods (vii) Leveraging Public Infrastructure. Click here to download the framework for implementation.

### **Science for Equity Empowerment and Development (SEED)**

SEED aims to provide opportunities to motivated scientists and field level workers to undertake action-oriented, location specific projects for socio-economic

gain, particularly in rural areas. Efforts have been made to associate national labs and other specialist S&T institutions with innovations at the grassroots to enable access to inputs from experts, quality infrastructure. SEED emphasizes equity in development, so that the benefits of technological accrue to a vast section of the population, particularly the disadvantaged.

### **Facts and Findings about youth Entrepreneurship in India**

There are different determinants which de limits and encourages youths in entrepreneurship.

- 1) For and individuals; personality factors, psychodynamic characteristics , the socio cultural background, decision making power of an individual, risk taking potential of an individual, the potential or calibre of an individual etc. plays major roles while coming to entrepreneurship; studies give evidence for that.
- 2) Even though the government offers a set of supportive mechanisms for the youths or individuals; majority of them are unaware of it and they do not have a clear cut understanding of the opportunity they have or how to make it for the benefit.
- 3) When coming to star t a business complex documentation for financial grants de motivates people from availing it. Lack of access to finance and difficult documentation is a problem.
- 4) Attitude of the society especially negative attitudes demotivates youths. The society to a certain level de limits them from taking risks. Family and religion plays a major role in this.
- 5) Even though the government has different schemes for entrepreneurship; there are no specific schemes for them. Even the promotional activities are not capable of making them entrepreneurs. This clearly depicts the lack of schemes which serves their needs.
- 6) Entrepreneurship education is crucial in developing entrepreneurial sills, attitudes and behaviour as well as to develop enterprise awareness.
- 7) Any individual need support through mentoring, business networks and counselling for statups.

### **CONCLUSION**

In the special context of youth entrepreneurship in India, we have seen different determinants of fostering youth entrepreneurship. Individual, socio-cultural factors influence people. Government plays another major role by providing schemes for startups; but where they lack is they don't provide specific plans. It is very important to provide awareness classes and proper entrepreneurial education for youths. The current supporting systems are not sufficient enough to motivate the youth. They need strong networks, counselling and mentoring. If we can motivate youth to their potential; India will develop like anything. The system can motivate youth by providing proper awareness, specific schemes, mentoring and strong networks.

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