



**OPPORTUNITIES AND CHALLENGES FOR YOUNG ENTREPRENEURS IN CHANGING SOCIETY:
WITH SPECIAL REFERENCE TO MAKE IN INDIA PROGRAMME**

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ABSTRACT :

Entrepreneurship provides young people an opportunity to work on their own skills and interests and hence they can create their own employment. Encouraging entrepreneurship in young people is an important way of utilizing their enthusiasm, energy and ambition to contribute to economic development. It is commonly welcomed that entrepreneur's create jobs, increase innovation, raises competition and is responsive to changing economic opportunities and trends. Young entrepreneurs can also act as role models for their peers and, encourage others to follow their paradigm.

According to the World Bank's World Development Report 2013, around 600 million new jobs will be required in the next 15 years to support a growing workforce. It is important to note that in most emerging economies, 9 out of 10 jobs are created by the private sector, which is the foundation of any thriving economy. In the coming years, developing countries must rebalance their economies towards greater domestic consumption, import demand and higher value business activity and hence, entrepreneurship is vital to the future of developing countries.

The Indian economy has been affirming positive sentiments during the past few months. The macroeconomic indicators have also displayed an encouraging trend in the recent times. However, the situation of the manufacturing sector in India is a cause of concern. The recent measures initiated by the new government in terms of facilitation to industrial sector, creation of favorable environment for the manufacturing activities, focus on improving industrial policies and procedures and reforming labor laws have facilitated recovery in industrial sector. The Government recently launched the Make in India initiative which is expected to make India a manufacturing hub while eliminating the unnecessary laws and regulations, making bureaucratic processes easier, make government more



transparent, responsive and accountable and to take manufacturing growth to 10% on a sustainable basis. Apart from initiatives such as development of smart cities, skill development, National Investment and Manufacturing zones, FDI enhancement, the government is building a pentagon of corridors across the country to boost manufacturing and to project India as a Global Manufacturing destination of the world.

INTRODUCTION:

India is a country rich in natural resources. Labour is a plenty and skilled labour is easily available given the high rates of unemployment among the educated class of the country. With Asia developing as the outsourcing hub of the world, India is soon becoming the preferred manufacturing destination of most investors across the globe. Make in India is the Indian government's effort to harness this demand and boost the Indian economy. India ranks low on the "ease of doing business index". Labour laws in the country are still not conducive to the Make in India campaign. This is one of the universally noted disadvantages of manufacturing and investing in India. The new government initiating a new ways for free flows of capital.

In order to encourage young people to adopt entrepreneurship as a safe career choice, the perception of entrepreneurs in the media is very important especially in the digital media. Media should display high-profile programs showcasing entrepreneur's success stories more frequently to motivate youngsters as they are the driving force for any nation to grow. We need flexible policy environments and funding to stimulate and build the framework of an entrepreneurial ecosystem and more importantly, a "culture" of interaction and collaboration. Government can play a major role in bringing together stakeholders to create an ecosystem which gives boost to entrepreneurship at the national, regional and local levels.

As per reports shared by Accenture, Young entrepreneurs are the driving force behind job creation in the G20 countries like India, Australia, China, Indonesia, Japan, Saudi Arabia, UK, USA and amongst others. Indeed, new Accenture research concludes that 10 million more youth jobs could be created in G20 countries if existing barriers to entrepreneurship were lifted.



India under the leadership of new Prime Minister Mr. Narendra Modi has started 'Make In India' campaign which is a clear-sighted idea in order to achieve the self sufficiency and the growth of the economy. The major objective behind the initiative is to focus on 25 sectors of the economy for job creation and skill enhancement. Some of these sectors are: automobiles, chemicals, IT, pharmaceuticals, textiles, ports, aviation, leather, tourism and hospitality, wellness, railways, auto components, design manufacturing, renewable energy, mining, biotechnology, and electronics. The initiative hopes to increase GDP growth and tax revenue. This campaign also hopes that more and more entrepreneurs come up with their own business and help in creation of jobs which will also eventually solve the problem of unemployment. The initiative hopes to attract capital and technological investment in India. Although this initiative is a boost for the people who want to establish themselves as an entrepreneurs but it would require proper guidance as there are various aspects which these entrepreneurs ignore and then face various problems later on.

REVIEW OF LITERATURE:

Baker (2008) in the paper "Fostering a Global Spirit of Youth Enterprise" outlines the present challenge of youth unemployment and investigates the role that youth enterprise can play in tackling this challenge, before examining the opportunities for public and private sector collaboration to achieve meaningful social and economic change. The paper draws on examples of existing collaborative youth enterprise initiatives suggesting how these may be replicable and scalable. The first report in YBI's Making Entrepreneurship Work series (2009) on "Youth entrepreneurship - Recommendations for action" suggested that Business, governments, and other sectors of society increasingly perceive that supporting young entrepreneurs can be a highly effective way to reduce youth unemployment and encourage growth in local communities. Satapathy (2006) in his article "Youth Entrepreneurs in Orissa, India" focuses on the school-to-work evolution of youth in Orissa, with the aim of identifying essential issues related to youth transition and nature of entrepreneurship existing in India. Above all, it investigates the role and capacity of civil society organisations in sustaining and supplementing the government sponsored employment generation programme in India for capacitating a smooth youth transition into the world of work. Nancy and Thomas (2008) in their



article "Entrepreneurial Orientation among the Youth of India: The Impact of Culture, Education and Environment", states that even though a combination of social configurations and cultural values within India that historically confined entrepreneurship, a number of efforts in recent years seem to have significantly recasted the national mindset regarding entrepreneurship, particularly among India's youth who were found to exhibit a significantly higher level of interest in starting new ventures than their US counterparts. Llisterri et al. (2006), "Is Youth Entrepreneurship a Necessity or an Opportunity?" the authors examine the differences between youth who become entrepreneurs by necessity or by opportunity and also evaluate the range and quality of policies and programs that governments, development agencies and civil society are implementing to support the groups of young entrepreneurs.

PROBLEM FACED BY ENTERPRENEURS:

Presently Indian youth face two problems "One is lack of soft skills to get placed at the corporate world and the second is the lack of entrepreneurial skills to start own business enterprise. Today's students of higher educational institutions of India are ambitious to experiment new things but unfortunately are not encouraged by their parents because parents want their children to play safe. Entrepreneurship is quite challenging and most of the students in that age and stage would like to try for it but the socio-economic conditions do not encourage for the same. Not every individual, even armed with training and reinforcement, can be a successful entrepreneur. Success comes more naturally to those who have inherent talent for the Endeavour. Successful entrepreneurs are likely to be optimistic, goal-oriented, and persistent. When examining Indian's profiles using these criteria, the population appears to have an abundant resource, of entrepreneurial talent.

The businesses in Uttar Pradesh face the problem of energy shortages, unskilled workforce, excessive regulations, water shortages, problems with law and order, lack of connectivity and transportation facilities, high energy cost, limited R&D and difficulties in marketing and selling. The firms in Rajasthan face the difficulty in obtaining basic finance particularly the MSMEs while Infrastructural constraint in the form of paucity of airports and double are the problems faced by industrialists in Madhya Pradesh. The industrial units in Maharashtra face problems in registration/renewal of license related to Factories Act as the process is manual and cumbersome and the



electricity rates are exorbitantly high in the state which impacts their businesses. According to the manufacturing firms in Gujarat, though there is online system of registration for obtaining environmental clearances, it takes around 3-4 months and they are also dissatisfied with the manual system for labor law related compliances. On the other hand, the industrialists in Delhi face various operational problems such as infrastructural constraints, administrative bottlenecks and high taxation.

Further, the manufacturing firms are positive on the future outlook as majority of the respondents are considering expanding their business in the next five years through various ways and measures, going forward. Going ahead, the Indian manufacturing sector provide an excellent opportunity to international investors to lend a hand with existing businesses as most of the businesses have plans to expand through various options. This also reiterates the fact that the businesses are actively willing to participate in the Make in India mission of the government. With various initiatives being implemented by the government to facilitate the ease of doing business, the manufacturing sector in India is expected to pick up pace and will provide immense opportunities to domestic and international investors to come and make in India.

MAKE IN INDIA PROGRAMME

Make in India is aimed at making India a manufacturing hub and economic transformation while eliminating the unnecessary laws and regulations, making bureaucratic processes easier, make government more transparent, responsive and accountable and to take manufacturing growth to 10% on a sustainable basis. Objectives of make in India initiative is to make investing in manufacturing more attractive to domestic and foreign investors, to give the Indian economy global recognition, to create competitive industrial environment, to development infrastructure, to invite latest technologies, to generate employment and skill formation.

The Make in India focuses on new ideas and initiatives such as-

1. First Develop India and then Foreign Direct Investment,
2. Look-East on one side and Link-West on the other.
3. Highways and 2I-ways.
4. Facilitate investment.



5. Foster innovation.
6. Protect intellectual property.
7. Build best-in-class manufacturing infrastructure.

MAKE IN INDIA OPPORTUNITIES

The briefest description of the program has got lots to excite a young entrepreneur.

- Foster innovation- It aims to support new ideas.
- Protect intellectual property- It aims to safeguard the creations of mind.
- Best in class manufacturing infrastructure- It also aims to create state of the art facilities for manufacturing goods.

Let us look at what the program has to offer-

- Process of applying for Industrial License & Industrial Entrepreneur Memorandum made online on 24×7 basis through eBiz portal.
- Validity of Industrial license extended to three years.
- Services of all Central Govt. Departments & Ministries will be integrated with the eBiz in a single window IT platform for services by 31 Dec. 2014.
- Process of obtaining environmental clearances made online.
- All returns should be filed on-line through a unified form.
- India's manufacturing infrastructure and capacity for innovation is poised for phenomenal growth: new smart cities and industrial clusters, being developed in identified industrial corridors having connectivity, new youth-focused programs and institutions dedicated to developing specialized skills.
- A new National Industrial Corridor Development Authority is being created to coordinate, integrate, monitor and supervise development of all Industrial Corridors.
- Work on 5 smart cities in progress as a part of the Delhi-Mumbai Industrial Corridor: Dholera, Shendra-Bidkin, Greater Noida, Ujjain and Gurgaon.

Approval accorded to 17 National Investment and Manufacturing zones.

- Nurturing Innovation – approval obtained for strengthening Intellectual Property regime in the country through:
 1. Creation of 1,033 posts.
 2. Further up gradation of IT facilities.



3. Compliance with global standards.

4. Application processes made online.

This clearly meets most of the aspirations of a young entrepreneur. The new de-licensing and deregulation measures will surely reduce complexity and significantly increase speed and transparency. The digitalization of the procedures will make everything hassle free. Development of smart cities and industrial corridors will ensure that ideas get transformed into products. Skill development program will provide the necessary workforce to the entrepreneur.

Apart from this the government has also designed policies and goals for specific industries. Area based incentives (SEZs), state based incentives, export incentives (under foreign trade policy) and relaxation on FDI caps are the highlights of the program. The roadmap for each sector has been laid separately as well.

India's Demographic Dividend the Huge Opportunity

India, a country of 1.25 billion people, is home to the world's second largest population. India's population base is expected to serve as a huge asset for the country in the next few decades. India is poised to become the world's youngest country by 2020, with an average age of 29 years, and account for around 28% of the world's workforce. The country's population pyramid is expected to "bulge" across the 15-64 age bracket over the next decade, increasing the working age population from approximately 761 million to 869 million during 2011-2020. Until 2020, India will be experiencing a period of demographic bonus, where the growth rate of the working age population would exceed that of the total population.

Empowered with unique demographic advantages and guided efforts, analysts are predicting that India will be poised to position itself among developed economies within the next 10-15 years.

India's demographics present a huge opportunity for any business trying to create a dominant position in the global market. Any product developed for the Indian market becomes available to a huge amount of population that is earning and can afford to pay for the product or service. India therefore is the next land of huge opportunity and any company that wants to be successful in the next decade will have to create a presence in India. It therefore comes as no surprise when Google looks to



India for the next 1 billion opportunity and Facebook tries to get Indians onboard through their Internet.org initiative.

Nascent Infrastructure Gives Rise to Opportunity

India's infrastructure which is largely said to be in a nascent stage is now presenting a huge opportunity.

The nascent stage of infrastructure in India is presenting a huge opportunity for companies to find white space and bridge the gap between what is and what could be. Most of the sectors in the country today remain in an unorganized state thereby presenting huge opportunity to organize these sectors. The country's digital revolution and thereby its journey towards a better organized future has just begun.

India is an unbelievable market right now. Every single vertical is seeing immense growth in India at this point, Marta Emerson, Manager for Scaale Sales and the Vice President of the group, told Techstory when talking about the India opportunity.

Internet penetration in India remain low at 19.2 % in spite of which India remains the third-largest population of Internet-equipped inhabitants across the world with 243 million people online. The country is expected to see 500 million internet users by 2017 including 314 million mobile internet user.

According to a new report by Strategy Analytics, India will surpass the United States as the second largest smartphone market within the next 2 years with China maintaining at the no 1 spot. India is fast becoming the next major growth wave with the growth story being driven by low smartphone penetration, expanding retail availability of devices, wealthier middle-class consumers, and aggressive promotions from local smartphone brands.

Looking at the India opportunity, global tech giants like Facebook and Google are striving hard to get the entire Indian population online. Facebook with its Internet.org initiative tried to



penetrate into this under penetrated Indian market whereas Google with their balloon internet project is trying to get the next billion users from India.

Represented by a roaring lion signifying continuous progress PM Narendra Modi set out The Make in India campaign on September 25th, 2014 to transform India into a global design and manufacturing hub. The concept focuses on 4 main aspects – Kickstarting new initiatives; Attracting foreign direct investment, National manufacturing for a global audience and Ease of doing business. Automobiles, Defence Manufacturing, Space, Electronic Systems, Ports and Shipping, Railways, Aviation, Construction, Tourism, and Hospitality are some of the industries that are expected to benefit from this humongous campaign.

According to me Make In India will affect the young entrepreneurs in a very positive way. If this program delivers then it will bring an attitudinal change. It will change the perception of the world towards India and at the same time encourage and empower entrepreneurs to Make In India.

India has its fair share of advantages like a strong labor pool, a large domestic market and increasing domestic demand which can make this campaign a success. However, we as a country will only be able to leverage these upsides by eliminating some major bottlenecks that exist within the external environment of private small medium businesses.

MAKE IN INDIA CHALLENGES:

According to the survey, following roadblocks have been identified by the respondents which may impede growth and hamper the implementation of Make in India initiative. Land Acquisition-- 93% of the respondents have said that the current laws make acquisition costly as well as tedious. A robust Land Acquisition policy which would make acquisition much easier along with an attractive R&R package is essential for investment in infrastructure and manufacturing. Labour Laws-- 89% of the units have responded that India's labour laws are rigid and inflexible that needs to be addressed. Progressive labour laws would create more job opportunities in the market and would contribute towards the growth of manufacturing sector. Multiple Taxation-- 80% of the respondents opine that there is a need for simplification of tax laws and earliest implementation of GST to remove multiple



taxation and to rationalize the tax system. Companies Act 2013-- About 41% of the respondents said that the Companies act in its current form is detrimental for all the companies. The Act of 2013 need to be scrapped instead of making any attempt of modifying it and a fresh act in spirit of corporate governance should be drafted. Poor Governance-- 37% of the respondents said that poor governance may impede growth in the economy. They believe that good governance is essential for manufacturing sector growth and for the success of Make in India initiative. The government must fast track all pending cases of corruption. Police Raj--24% of the respondents also said that there is an urgent need to drastically overhaul the Police Raj to make it people friendly .Police is the most important arm of the Government which interacts which the common man directly and we need to define a system where police is viewed as a friend of the Common man on the street and should facilitate the growth of industry.

RESEARCH OBJECTIVES :

The study would examine the growth dynamics of the Indian manufacturing sector its performance and the potential it can achieve in the coming times. The specific objectives of the study pertain to:

1. To study the structure and growth of manufacturing sector in India.
2. To analyze the growth dynamics of the manufacturing sector in India with regard to its competitiveness, sectoral concentration, vertical and horizontal integration, sourcing of raw materials and export potential/global interestedness.
3. To know the operational issues faced by manufacturing sector with regard to infrastructure facilitation, availability of credit, access to capital, availability of land, identification of new markets, environmental clearances, simplification of taxation, etc.
4. To analyze the operational challenges faced by the manufacturing sector with regard to scale of operation, sector specific issues, state specific issues, nature of firm (foreign/domestic) and domestically oriented or export oriented.
5. To analyze the growth prospects of the manufacturing sector in India with reference to make in India and made in India.
6. Conclusions: Suggestions for Make in India and Made in India.

APPROACH AND RESEARCH METHODOLOGY:



The present study is an attempt to understand the global and domestic outlook of manufacturing sector, growth dynamics, opportunities and challenges for manufacturing firms particularly in the states under. The key activities ranged from preparation of questionnaires, data retrieval, verification of the survey findings, and input from entrepreneurs, top management personnel and industry experts. For data collection, the report takes into consideration both primary and secondary data sources. The primary data collection comprises of in-depth field survey of the manufacturing firms through structured questionnaires and discussions with the key representatives of the manufacturing and the collection of secondary data includes sources like such as government reports, journals, newspapers and others. For sample selection, the manufacturing firms in states under the influence area were approached. For the selection of manufacturing representatives, the field survey has been undertaken ensuring the representation of all categories of manufacturing units. In total, we have approached around 147 top or middle representatives of the manufacturing. The survey takes into consideration the business environment in the states and analyses the states which provide favorable environment for pursuing the Make in India initiative of the Hon'ble Prime Minister.

HYPOTHESIS:

Starting a new business means having a business idea translated into a concrete and structured business plan. Future entrepreneurs will first of all need to evaluate the feasibility of the entrepreneurial idea through a careful analysis of the product and of its reference market. Through the sample survey it was found that around 57% of the respondent got the idea of setting up the enterprise through their friends and relatives, 18% from other sources like market study, own idea, father and the like, followed by media i.e., 16%, training programmes and advisors 5% each. Two case studies revealed that the entrepreneur that they got idea of establishing the enterprise from market survey and from relatives.

Reason for choosing entrepreneurship as a career Many people opt for entrepreneurship as their career because of many reasons. Some delve into the industry because they would want to run



their own business, answering to no one and setting all the rules and protocols by themselves. Others jump into entrepreneurship because they have seen that most successful people in the world own a successful business. There are also others that make entrepreneurship as a second career because their current jobs are not earning enough for them. From the sample research it was found that nearly half of the sample i.e., 50% of the respondents chose entrepreneurship as a career because they have the desire to be independent while 23% want to earn

Perception of Society about Young Entrepreneurs Good perception of society is needed to inspire youth that entrepreneurship is a strong opportunity for young people and they must be nurtured. The sample study reveals that around 51% of the respondents felt that their society perceives entrepreneurship as too risky occupation whereas 49% think that society perceives it as respectable career. From the sample case studies it was found that both of them felt that the society perceived entrepreneurship as a respectable career.

Government plays a vital role in creating a conducive atmosphere for businesses to thrive and drive the country towards economic prosperity. Government has taken many initiatives and has launched many programmes for the development of young entrepreneurs. Young entrepreneurs are unable to receive the incentives and face difficulties in getting the assistance. It was found that 39% of the respondents felt that the procedure for getting assistance from the government was the major obstacle, 36% stated excessive official formalities were the major obstacle followed by undue delay and other i.e., 16% and 14% respectively. Both the samples in the case studies agreed that excessive official formalities and rigid procedures were the hurdles in getting assistance from government.

The sample survey reveals that 57% of the respondents agreed that they faced difficulty in obtaining finance whereas 43% didn't agree. They all felt that their businesses had great potential for growth and were all profitable businesses but lack of funds was setting them back and limiting their growth and sustainability. From the case studies it was found that they faced difficulties in obtaining finance. Impediments In Getting Start Up Funding.

One of the severe problems faced by the young entrepreneurs is non availability of adequate finance to carry out their operations. Banks also do not lend money without adequate collateral



security or guarantees and margin money which many of them are not in a position to provide. It was found that around 45% of the respondents said that high interest rate were major impediment in getting start up funding while 22% felt that no collaterals were the major impediment, 17% said it was due to complex documentation procedure and 8% said it was due to strict credit scoring methodologies and other reasons. No collaterals and high interest rates were the major impediments in getting start up funds. Barriers and Obstacles In Start Up Of Business

The success or failure of an enterprise is often dependent on overcoming a series of potential barriers, e.g. securing sufficient financial backing, adequate and appropriate guidance and training etc. From the sample survey it was found that a majority of 44% respondents ranked access to finance as the important area where they faced obstacle to engage in business, whereas 29% ranked government regulation as the area of obstacle, 15% ranked business support as the major area of difficulty in startups. The two case studies revealed that lack of adequate access to finance and business support was the obstacles faced in start up of the enterprise. Tax rates were the major regulative barrier according to the sample case studies taken.

CONCLUSION:

There is a need to cultivate leadership qualities and inculcate entrepreneur skills among the Indian youth so that it helps in the rapid progress of our country. The Indian society, by and large, has a distinct preference for service / decent job that provides economic security and access to power that be. Youth get exposure to this kind of pro-service culture since childhood. They grow up with a job oriented mindset, and seldom think of entrepreneurship as a career. Our educational system also rarely exposes the students to entrepreneur; prepares them for a job instead. Even if someone with a high entrepreneur aptitude wants to set up a business, she/he is discouraged by a host of adverse factors; lack of adequate access to information on setting up and operating a business, procedural hurdles, lack of start-up funds, lack of adequate networks and mentoring support, difficulty in accessing to technology, lack of a supportive system, operational difficulties, and the nightmare about the consequences of failure. These factors loose large and hinders the emergence of entrepreneur in adequate measure.



Today, youth is more daring and hardworking and career oriented, and can be easily transformed if proper training and knowledge in entrepreneurship can be provided. The cultivation of the new breed is in our hands and we have to stand-in their requirements with their skill and entrepreneurship orientation and perception enhancement for better India.

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