

ENTREPRENEURSHIP DEVELOPMENT
IN INDIA

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Topic – Entrepreneurship & Its Significance

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Entrepreneurship and its Significance

Entrepreneurship plays an important role in industrial and economic development of the country. It is the process of designing, launching and running a new business, which is often initially a small business, or as the capacity and willingness to develop, organise and manage a business along with any of its risk to make a profit.

According to A. H. Cole, "Entrepreneurship is the purposeful activity of an individual or a group of associated individuals, undertaken to initiate, maintain or aggrandize profit by production or distribution of economic goods and services."

In the words of Joseph A. Schumpeter, "Entrepreneurship is based on purposeful and systematic innovation. It includes not only the independent businessman but also

company directors and managers who actually carry out innovative functions."

In other words, entrepreneurship is the act of being an entrepreneur. It is a process involving various actions to be undertaken to establish an enterprise.

Significance

The significance and role of entrepreneurship in the economic development are as follows —

1. Entrepreneurship helps in capital formation by mobilising the idle saving of the people.
2. It creates employment opportunities to a large number of people and helps to reduce the unemployment problem in the country.
3. It helps to reduce the concentration of economic power by creating employment opportunities.

4. It promotes balanced regional development by establishing small-scale enterprises in rural, remote and less developed regions.
 5. Entrepreneurship minimises the pressure on country's balance of payments by exporting these goods for earning foreign exchange.
 6. Entrepreneurship promotes the equitable redistribution of income ^{and} wealth.
 7. It helps in effective utilisation of local resources.
 8. It produces a wide range of products required by consumers.
 9. The infrastructure development of any country is dependent on entrepreneurship development of the country.
 10. It provides social advantages like employment opportunities, social welfare services, improvement in living standards, etc.
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