

ENTREPRENEURSHIP DEVELOPMENT IN INDIA

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Topic – *Entrepreneurship Development Programme*

(Part-2)

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ENTREPRENEURSHIP DEVELOPMENT PROGRAMME

PART - II

The significance or role or need of Entrepreneurship Development Programme in the economic development are as below -

1. **Creation of Employment Opportunities** - Unemployment is one of the most vital problems confronting developing and underdeveloped countries. It creates employment opportunities to a large number of people and helps to reduce the unemployment problem in economic development. It always tries to provide an independent and honourable life as at the same time they enable others in getting gainful employment. Several schemes like Mahatma Rozgar Yojana, National Rural Employment Programme (NREP), Integrated Rural Development Programme (IRDP) etc. have been initiated by the government of India. Thus, EDP can play an effective role in reducing the unemployment problems.
2. **Capital Formation** - It promotes entrepreneurs for capital formation through setting up an enterprise.

Entrepreneurs help in capital formation by mobilising the idle savings of the public and put them to productive use. Today, various development banks like IDBI, ICICI, IFCI, SIDC, SFCE, are taking initiative in promoting entrepreneurship through assistance to various agencies involved in EDP and by providing financial assistance to new entrepreneurs.

3. Balanced Regional Development - It promotes balanced regional development by establishing small scale enterprises in rural, remote, backward and less developed region. ~~EDP~~ with limited financial resources, successful EDPs assist in accelerating the pace of industrialisation in the backward areas and reduce the concentration of economic power in the hands of a few. Thus, EDP helps in balanced regional development.

Use of Local Resources -

4. It assists in effective utilisation of local resources. In the absence of any initiative local resources are likely to remain utilised.

Effective EDPs can help in the proper use of local resources by providing guidance, assistance, education and training to the prospective entrepreneurs.

5. Improvement in per capita income — Entrepreneurship development programmes also play a positive role in the setting of more units and thus help in generation of more employment and income. More enterprises will lead to more production, employment and generation of wealth in the form of goods and services. It will result in the increase in the overall productivity and per capita income in the country.

6. Improvement in the standard of living — EDP also provides better standard of living to the society. Entrepreneurs by adopting latest innovations help in the production of wide range and variety of goods and services. By making efficient use of the resources, they start

producing more of better quality and that too at lower cost. Entrepreneurs always try to provide improvement in the standard of living of the people.

7. Enhancing Managerial Abilities —

EDPs promote the entrepreneurs to enhance their managerial and organising abilities so that they can run their business efficiently and successfully. EDP provide education, management, training and orientation programmes for the development of entrepreneurs. Various agencies who engaged in entrepreneurial development programmes are National Institute for Entrepreneurship and Small Business Development (NIESBUD), New Delhi and Entrepreneurship Development Institute of India (EDII), Ahmedabad.

8. Searching and Exploiting Opportunities

Entrepreneurship Development programmes help in searching and exploiting opportunities. There are many opportunities like engineering, machine, electronics,

agricultural, communication and ~~packaging~~ packaging etc. EDPs also provide necessary and valuable informations regarding searching and exploiting these opportunities.

9. Economic Independence — Entrepreneurs can produce wide range of better quality goods and services required by consumers at competitive price. Entrepreneurship minimize the pressure on country's balance of payment by exporting the goods for earning ~~foreign~~ foreign exchange. Thus, EDP helps in promoting economic independence of the country.

10. Social Advantage — EDPs can help the unemployed youth for setting up enterprises. They can ^{also} help in preventing industrial slums, social welfare services, infrastructure development of the country, reducing pollution etc.