

ENTREPRENEURSHIP AS THE BETTER SOLUTION FOR UNEMPLOYMENT OF PEOPLE IN INDIA

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ABSTRACT

Background: Out of many mounting unemployment problems in India, increasing number of people take up entrepreneurial jobs which helps reduce the rate of unemployment. The latest report by ILO in 2018 reveals the fact and India has an estimated 18.6 million jobless in the country which will increase to 18.9 million by the end of 2019. To address this unemployment problem, entrepreneurship is the right choice which plays a potential role in creating self-employment not only by the youth and but also by women.

Objectives: This paper explores the effect of entrepreneurial activities on the rate of unemployment in India and also presents the list of government schemes which are being implemented by the Govt of India. These schemes are great beneficial for the people, because it addresses and brings alternative solutions to unemployment.

Research Methods and Materials: It is an empirical study from the secondary source of information and data available in the form of journal articles, Reports in daily newspapers and from the Google, the largest library and search engine in the world. Descriptive research design has adopted to explain the facts of unemployment and the avenues of entrepreneurship and its support by Government of India through introducing various schemes.

Results and Conclusion: This paper clearly explains how and in what way entrepreneurship helps to resolve rising unemployment problems in the society. Unemployment problem could not be fully solved by entrepreneurship by a few and group of individuals, unless and until government and private sectors play an active role to support entrepreneurial education. This paper calls the attention of the policy makers and economists to come up with self-employment policies so as to address the country's economic policy in a much broader context.

Keywords: Entrepreneurship, Unemployment, Schemes, Self-employment, Entrepreneurial activities, and Economic Policy

1. INTRODUCTION

For the last two decades, India has been facing the most pressing challenges in India is the unemployment problems, which keeps on increasing every year. The youth who pass out of college and university education cannot be fully dependent on public and private sector for getting job opportunities. Entrepreneurship is the best alternative solution for their unemployment. (Bokhari et al, 2012). Starting own

entrepreneurship or self-employed enhances entrepreneurship among youth in general and women in particular.

Every country has got a practice of signing an agreement to promote the importance of entrepreneurship which paves the way for social and economic development. Considering entrepreneurship as an economic power, all governments worldwide devise policies to promote entrepreneurship. Now days, it has emerged as the key subject of many economists' investigations. Strikingly, it is well understood that entrepreneurship is considered not only as a crucial mechanism of economic development, but also single most important player in the modern economy (Acs and Audretsch, 2005; Thurik et al, 2008; and Baumol et al 2011). Abundant benefits are associated in the society through entrepreneurship, which also gradually brings innovation, resolves unemployment through new jobs, and finally satisfies new consumer demands (Bokhari et al, 2012).

2. ENTREPRENEUR AND ENTREPRENEURSHIP

Though entrepreneurship is the central point of discussion as it is the widely talked and discussed topics, however still the most pressing task is to define it (Shane, 2008). Most of the people still have vague idea about what is meant by entrepreneurship (Salgado-Banda, 2005). There are two different approaches of defining entrepreneurship. The first one is who is an entrepreneur and the next is, what is entrepreneurship and its related behaviours, and thereby defining entrepreneurs as those who engage in entrepreneurial activity (Carton et al, 1998).

The word 'entrepreneur' is derived from the French word 'entreprendre'. It means 'to undertake' an activity. By tracing the literature, it is understood that the term, 'entrepreneurship' is a loanword, repeatedly used during the early 18th century by French economist Richard Cantillon. He was the first person who placed the entrepreneurial function within the economic system. He views that the entrepreneur as an agent that takes on risk and thereby equilibrates supply and demand in the economy (Bula, 2012). The entrepreneur "shifts economic resources out of an area of lower and into an area higher productivity and greater yield" (Drucker, 2007, p.19).

Jean Baptiste Say's definition did not clearly explain who is entrepreneur. Entrepreneur is a risk-taker (Cantillon), is a planner (Say). Besides seeing entrepreneurs as a planner and an input in the production process, Say saw that the entrepreneur is the main agent of production in the economy (Bula, 2012). The problem of defining the word 'entrepreneur' and establishing the boundaries of the field of entrepreneurship still has not been solved (Parker, 2004, p.5).

Schumpeter (1883 – 1950) was the first scholar to contribute to the theory of entrepreneurship. His contribution still holds good to the modern understanding of entrepreneurship. According to him, the entrepreneur is as an exploiter rather than an inventor of new knowledge. Further, he describes entrepreneur as "a person who destroys the existing economic order by introducing new products and services, by introducing new method of production, by creating new forms of organizations, or by exploiting new raw materials" (Bygrave and Zacharakis, 2011, p.1). Moreover, Schumpeter makes a peculiarity between five different manifestations of entrepreneurship such as a new good, a new method of production, a new market, a new source of supply of intermediate goods, and a new organization (Karlsson et al, 2004).

An entrepreneur is a person who searches for change, respond to it and exploits it as an opportunities (Drucker, 2007). In the same way, Nkechi et al (2012) stressed that entrepreneurship is more than simply

“starting a business”. It is a process through which individuals identify opportunities allocate resources and create value” (p.91).

Hisrich and peters (2002) consider that entrepreneurship as a “process of creating something new and assuming the risks and reward” (cited, Inyang and Enuoh, 2009). The same point was reiterated by Wenekers and Thurik (1999), as entrepreneurs in creating new economic opportunities (new product, new production methods, new organizational schemes and new-market combinations), and to introduce their ideas in the market, in the face of uncertainty and other obstacles, by making decisions on location, from and the use of resources and institutions” (cited, Carree and Thurik, 2005, p.441).

Tijani-Alawiye (2004) states it differently that an entrepreneur is keen to keep on creating and promoting many capable entrepreneurs who can successfully run innovative enterprises, nurture them to growth and sustain them. One of these goals is sustaining employment” (Oladele et al, 2011, P.251). Four important aspects of entrepreneurship namely creation process, requirement of the duration, Risk taking; and the reward was introduced by Inyang and Enuoh (2009).

To sum up from the above discussions, entrepreneurship is understood as a dynamic innovative process by which an enterprise is established and resources are utilized in order to introduce new product, under the assumption of risk and profit maximization.

3. TERMS AND DEFINITIONS

Entrepreneurship: Entrepreneurship is not only an art but also a science of innovation, risk-taking, and decision making for profit in business.

Entrepreneur: A person engages himself in organizing and operating a business, venturing and assuming much of the associated with risk.

4. TYPES OF ENTREPRENEURS

3.1. Types of Entrepreneurs Based on Type of Business

Trading Entrepreneur: The trading entrepreneur undertakes the trading activities. First, they are able to procure the finished products from the manufacturers and sell these to the customers either directly or through a retailer.

Manufacturing Entrepreneur: As the name suggests that the manufacturing entrepreneurs manufacture products. In other words, the manufacturing entrepreneurs convert raw materials into finished products.

Agricultural Entrepreneur: Those who undertake agricultural pursuits are called agricultural entrepreneurs. The activities of agricultural entrepreneurs include cultivation, marketing of agricultural produce, irrigation, mechanization, and technology.

3.2. Types of Entrepreneurs Based on the Use of Technology

Technical Entrepreneur: Those who establish and run science and technology-based industries are called 'technical entrepreneurs.' They make use of science and technology and also innovative methods of production in their enterprises.

Non-Technical Entrepreneur: Non-Technical entrepreneurs are very much concerned with the use of not only the alternative and imitative methods of marketing, but also the distribution strategies to make their business to survive, strengthen and thrive in the competitive market.

3.3. Types of Entrepreneurs Based on Ownership

Private Entrepreneur: Being a sole owner of the enterprise, a private entrepreneur individually sets up a business enterprise and bears the entire risk involved in it.

State Entrepreneur: When the trading or industrial venture is undertaken by the State or the Government, it is called 'state entrepreneur.'

Joint Entrepreneurs: Both a private entrepreneur and the Government decide to commit to jointly run a business enterprise is called joint entrepreneurs.

3.4. Types of Entrepreneurs Based on Gender

Men Entrepreneurs: When business enterprises are owned, managed, and controlled by men, these are called 'men entrepreneurs.'

Women Entrepreneurs: Women entrepreneurs are defined as the enterprises owned and controlled by a woman or women having a minimum financial interest of 51 per cent of the capital and giving at least 51 per cent of employment generated in the enterprises to women.

3.5. Based on the Size of Enterprise

Small-Scale Entrepreneur: An investment upto Rs. One crore on Plant and Machinery in order to run an enterprise is called as 'small-scale entrepreneur.'

Medium-Scale Entrepreneur: An investment between Rs. One crore to 5 crore on Plant and Machinery for running an enterprise is called as 'medium-scale entrepreneur.'

5. UNEMPLOYMENT

Unemployment refers to people who would like to work but do not have a job. It is generally specified as a percentage and calculated by dividing among the unemployed people by the total workforce.

5.1. Causes of Unemployment

As of now, there are various reasons for unemployment for the people in India.

1. Some of the people are searching for new jobs because they have quit the current jobs due to pressure of workload and other reasons.
2. It is because of reduced workload in the organization, some are forced to resign their current positions and therefore they are seeking new job position in some other organizations.

3. After the arrival of modern technology in the market, some have lost their jobs due to reduced workforce decision taken by the organizations. The automated machines replaced the work of many human beings.
4. Whenever the economy slows down in the country, some of the average incomes generating units are shut down in the organisations. As a result, considerable number of human beings loss their job.
5. Whenever the employees did not receive proper support from financial institutions, they happens employment.
6. Some employees lose their jobs due to lack of skill set.
7. There are limited positions available, which leads to unemployment until they equip themselves or get trained for a new position.
8. Some employees get laid off due to lack of work and haven't been yet retired.

5.2. Types of Unemployment

Types of unemployment are many in India due to more population in the country, but the jobs created or already available jobs are disproportionate to the size of populations who are willing to work and earn to manage their living.

Seasonal unemployment, Industrial unemployment, Educational unemployment, Technological unemployment and disguised unemployment are the various types of unemployment, existing in India.

5.3. Resolving unemployment by Entrepreneurship

The business enterprises owned by women represent about 10% of all MSMEs in India and employ over eight million people. A study undertaken by International Finance Corp. (IFC) in 2014 reveals the fact that nearly three-fourth of women-owned MSMEs have an unmet financial needs. Out of a total financing demand of \$158 billion in India, formal financial sources are able to channel only \$42 billion. It is found from the survey that increasing number of Women Owned Business (WOB) either are pushed to wind up their businesses or stay small, mostly because of critical challenges such as lack of credit and lack of confidence.

As a blessing in disguise, Global Women's Economic Empowerment Initiative was launched by Wal-Mart Stores Inc in September 2011, with a view to improving the lives of underserved women and help women-owned businesses to succeed and grow. The pledge that was taken by Wal-Mart is to empower approximately 1 million women through series of training and to promote diversity and inclusion representation within its merchandising and professional service suppliers. From the year, 2016, it has doubled its sourcing from WOBs.

As announced by Wal-Mart Stores Inc in 2014, it has identified women under the 'Entrepreneurship Development' Programme for Women Owned Businesses and conducts intensive capacity building and mentoring program to make them stronger and more profitable and survive in businesses producing better quality products.

Various programmes and activities of Wal-Mart are a) Enterprise Capacity Building b) Life Skills Development c) Need based Technical Support d) Linkages for financial support and e) Creating learning networks.

Enterprise Capacity Building is the first and foremost component to strengthen the performance of business, which includes improving business planning and financial management of enterprises. Moreover, Its Life

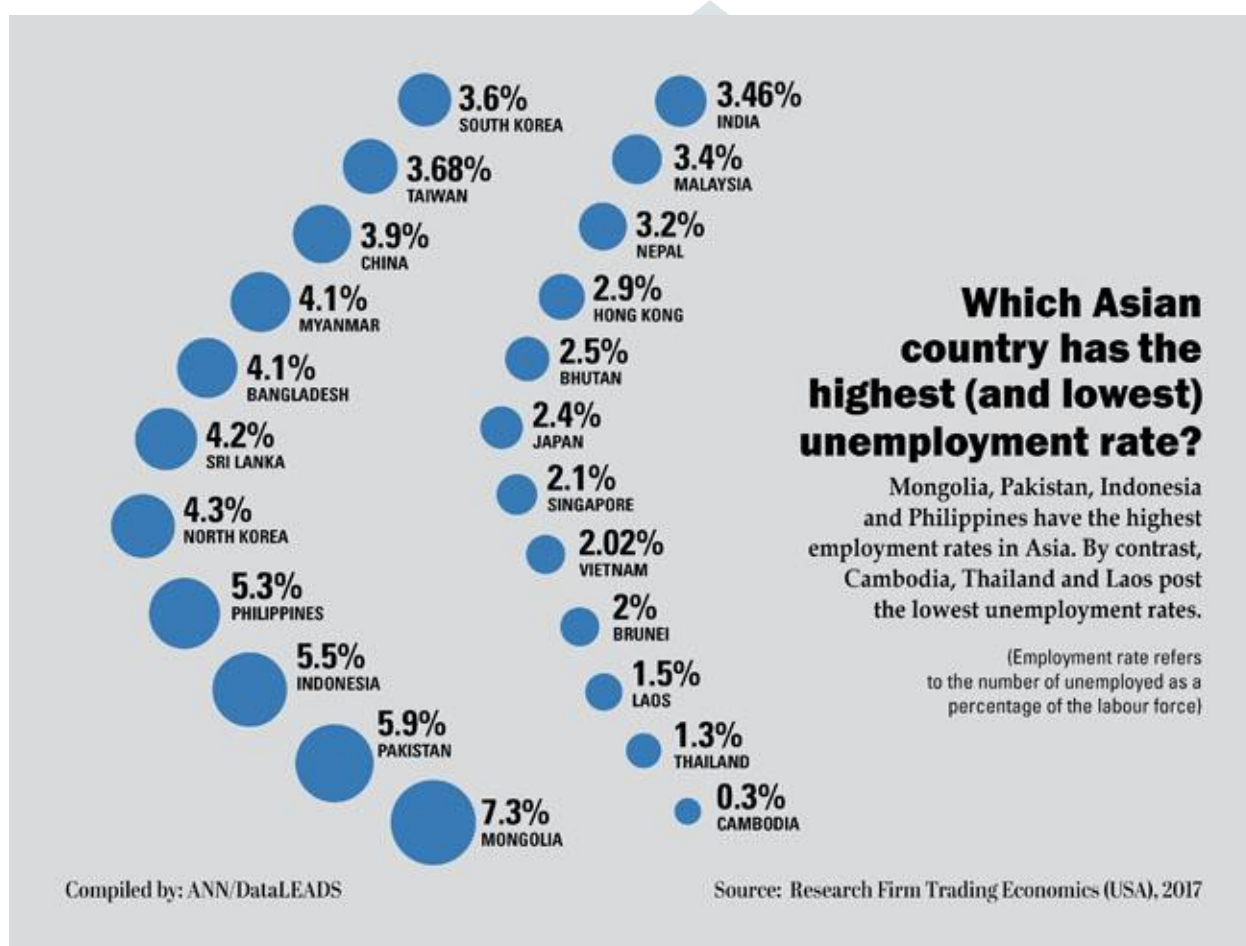
Skills the project addresses issues such as business communication, business strategies, gender roles, managerial skills, and execution excellence. Technical support modules include guidance on improving production efficiency, quality of products and inventory management.

5.4. Unemployment Rate in Asian Countries

Country	Last		Previous	Range	
Palestine	31.70	Sep/18	32.4	35.6 : 8.8	%
Jordan	18.60	Sep/18	18.7	18.7 : 10.8	%
Oman	16.00	Dec/17	15.8	19.8 : 15.8	%
Armenia	15.70	Jun/18	17.6	20.7 : 6.3	%
Syria	15.20	Dec/17	15	15.2 : 2.3	%
Iraq	14.80	Dec/17	15.1	28.1 : 14.8	%
Yemen	14.00	Dec/17	13.7	17.8 : 8.3	%
Georgia	13.90	Dec/17	14	18.3 : 10.3	%
Iran	12.10	Jun/18	12.1	14.7 : 9.5	%
Afghanistan	8.80	Dec/17	8.8	12.4 : 6.7	%
Uzbekistan	7.20	Dec/17	7.5	8.3 : 6.3	%
Brunei	7.10	Dec/17	6.9	7.1 : 4.7	%
Mongolia	6.90	Sep/18	7.5	11.6 : 2.8	%
Lebanon	6.30	Dec/17	6.2	9.1 : 6.1	%
Saudi Arabia	6.00	Sep/18	6	6.3 : 4.35	%
Pakistan	5.90	Dec/17	5.9	7.8 : 3.1	%
Indonesia	5.34	Sep/18	5.13	11.24 : 2	%
Philippines	5.10	Dec/18	5.4	13.9 : 4.7	%
Azerbaijan	5.00	Dec/17	5	11.8 : 4.5	%
Maldives	5.00	Dec/17	5	5.2 : 0.8	%
Kazakhstan	4.90	Dec/18	4.9	9.7 : 4.8	%
Bangladesh	4.20	Dec/17	4.2	5.1 : 2.2	%
North Korea	4.20	Dec/17	4.3	6.4 : 4.2	%
Israel	4.10	Nov/18	4.1	11.4 : 3.7	%
Sri Lanka	4.10	Sep/18	4.6	16.6 : 3.7	%
China	3.80	Dec/18	3.82	4.3 : 3.8	%
South Korea	3.80	Dec/18	3.8	7.1 : 3	%
Bahrain	3.70	Dec/17	4	16 : 3.1	%
Taiwan	3.70	Dec/18	3.69	6.02 : 1.04	%
India	3.52	Dec/17	3.51	8.3 : 3.41	%
East Timor	3.40	Dec/17	3.4	9.9 : 3.2	%
Turkmenistan	3.40	Dec/17	8.62	9.29 : 3.4	%
Malaysia	3.30	Nov/18	3.3	4.5 : 2.7	%
Nepal	3.20	Dec/17	3.4	4.5 : 1.9	%
Hong Kong	2.80	Dec/18	2.8	8.5 : 1	%
Bhutan	2.50	Dec/17	2.5	4 : 1.15	%
Japan	2.50	Nov/18	2.4	5.5 : 1	%
Kyrgyzstan	2.50	Apr/18	2.4	3.5 : 2.2	%
Tajikistan	2.30	Sep/18	2.3	3.13 : 2	%
Vietnam	2.19	Dec/18	2.18	4.5 : 1.81	%
Singapore	2.10	Sep/18	2	6 : 1.4	%
Kuwait	2.08	Dec/17	2.11	3.6 : 0.5	%
United Arab Emirates	1.72	Dec/17	1.64	4.2 : 1.15	%
Macau	1.70	Dec/18	1.7	7.1 : 1.7	%

Thailand	0.90	Dec/18	1	5.73 : 0.39	%
Myanmar	0.80	Dec/17	0.8	4.17 : 0.8	%
Laos	0.70	Dec/17	0.7	2.6 : 0.6	%
Cambodia	0.30	Dec/17	0.2	2.5 : 0.1	%
Qatar	0.10	Jun/18	0.1	3.9 : 0.1	%

India is positioned 12th among the 37 "major" Asian countries when it comes to unemployment of people above 15 years of age, but it still has a better record compared to China and Russia. India has an estimated unemployment rate of 3.6% in 2017, and only Bhutan with 2.4% and Nepal with 3.2% have a better record among its neighbours.



5.5. The Effect of Unemployment on our Society

1. **Mental Health:** Problems such as low self-confidence, unworthy feeling, depression and the feeling of hopelessness are said to be mental health problems. The people who have recently lost their employment due to various reasons might get frustration and tensed. Losing income all of a sudden might lead them to develop negative attitudes towards common things in life. As a result, they might feel that they have lost their purpose of life.
2. **Health Diseases:** Symptoms that occur in the body and also inside the person in the form of tension, stress and pressure would be the major causes for dramatically increasing general health issues of individuals mainly due to unemployment.

3. **Tension at Home:** Unemployment issues create a tension which systematically pulls a person to get into frequent and unnecessary quarrels and arguments at home front. In the long run, this kind of unhappiness might lead a person to get hypertension and also end up in divorce.
4. **Political Issues:** One side, losing job and another side, high employment issues are the reasons for loosing trust in administration and the government which might lead to political instability in the country.
5. **Suicide Cases:** Prolonged unemployment problems make the persons to develop and increase in the rate of suicide attempts and actual suicides as well.
6. **Social Outing:** The prolonged issue of unemployment might enable a person to bring a decrease in social outings and interactions with other people, including friends.

5.6. List of Government Scheme in India for Unemployment

Scheme	Date of Launch	Sector	Provisions
<i>Atal Pension Yojana</i>	2015	Pension	Social Sector Scheme in relation to Pension Sector
<i>Deen Dayal Upadhyaya Grameen Kaushalya Yojna</i>	2015	Rural Development	Program to provide rural youth specially, BPL and SC/ST segment of population, with gainful employment by training them.
<i>Digital India Programme</i>	July 1, 2015	Digitally Empowered Nation	Main objective is to ensure that government services are available to citizens electronically and people get benefited from all the latest technology.
<i>Indira Awaas Yojana</i>	1985	Housing, Rural	Provides monetary assistance to poor for constructing their houses.
<i>Integrated Rural Development Program</i>	1978	Rural Development	Self-employment program to improve the income-capacity among the poor and this scheme has been merged with another scheme named Swarnajayanti Gram Swarozgar Yojana (SGSY) since 01.04 1999.
<i>Mahatma Gandhi National Rural Employment Guarantee Act</i>	February 6, 2006	Rural Wage Employment	Legal guarantee for 100 days of employment in every financial year to members of any rural household at the statutory minimum wage of Rs. 120 per day.
<i>National Pension Scheme</i>	January 1, 2004	Pension	Pension system based on contribution.
<i>National Social Assistance Scheme</i>	August 15, 1995	Pension	Assistance to its citizens in case of unemployment, old age, sickness and in other cases of undeserved want.
<i>Pradhan Mantri Kaushal Vikas Yojna</i>	April 2015	Skill Development	To encourage youth for development of employable skills by giving monetary rewards by recognition of prior learning or by getting involved training at

			affiliated centers.
Sabla or Rajiv Gandhi Scheme for Empowerment of Adolescent Girls	2011	Skill Development	Empowering adolescent girls (Age) of 11–18 years with focus on out-of-school girls by improvement vocational skills.
Sampoorna Grameen Rozgar Yojana	September 25, 2001	Rural Self Employment	Providing extra wage employment and food security.
National Rural Livelihood Mission (NRLM)	June 2016	Employment and Livelihood	This scheme will organize rural poor into Self Help Group(SHG) groups and make them capable for self-employment.
National Urban Livelihood Mission (NULM)	24 Sep, 2013	Skill Wage Employment	This scheme aims at reducing poverty of urban poor households specially, street vendors who constitute an important segment of urban poor by enabling them access skilled wage employment opportunities.
Pradhan Mantri Kaushal Vikas Yojana	July 15, 2015	Skill Development	Seeks to provide the institutional capacity to train a minimum 40 crore skilled people by 2022.

6. MAJOR OUTCOME FOR WOMEN

Participation in 'Entrepreneurship Development' Programme for Women Owned Businesses automatically increases the awareness, capacities and confidence of Women Owned Business. Women have learnt to strengthen financial and technical linkages. They also have got a link to get an advice of successful mentors.

7. CONCLUSION

The mounting rate of unemployment has been one of the most important problems in India, both in the rural and urban sectors. In the pockets of India, unemployment and also underemployment have been rampant. In urban places, Innumerable educated people face industrial unemployment. Unless and until unemployment problems are addressed and solved to a greater extent possible, the future of India cannot be bright. Neither the peace nor the prosperity could be seen in the country, if jobless people are not driven to a proper channel of getting unemployment. The best solutions are encouraging the people to plunge into entrepreneurship and support them with easy access of loan facility with subsidized loans.

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