

# Entrepreneurship Education In India: A Conceptual Framework

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## ABSTRACT

*Education is the most important factor in determining the entrepreneurial orientation in individuals. The main focus of the paper is to highlight the conceptual framework of entrepreneurship education and the various challenges faced by entrepreneur in India. The study revealed various challenges that are being faced in India regarding entrepreneur education like cultural barriers, lack of knowledge among people etc. Furthermore, the study indicated that in both the qualitative as well as the quantitative dimensions of economic development, entrepreneurship could make a positive contribution to economic development. The study suggested that imparting training to people and getting them aware and educating them could help the Indian Economy to build and develop entrepreneurs who can explore the various opportunities available.*

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## 1. Introduction

Entrepreneurship is a multi-faceted phenomenon. Someone who exercises initiative by organizing a venture to take benefit of an opportunity and, as the decision maker, decides what, how, and how much of a good or service will be produced. In simple words, we define an entrepreneur as "an individual who establishes and manages a business for profit and growth." Entrepreneurs do entrepreneurship. Entrepreneurship is more than mere creation of business. It is a dynamic process of vision, change, and creation. It requires an application of energy and passion towards the creation and implementation of new ideas and creative solutions. Education is the most important factor in determining the entrepreneurial orientation in individuals. Formal education is positively correlated with entrepreneurship. Education and training can have definite role in enhancing entrepreneurship in the context of a developing country like India by enlarging the pool of entrepreneurs.

Unfortunately, the present entrepreneurship education in India just concentrates on related courses. Moreover, the so called entrepreneurship courses are similar to the general business courses. But general business management education has no significant influence on entrepreneurial propensity. There is a demand for education programs specifically designed to expand students' knowledge and experience in entrepreneurship. The contents and teaching methods have to be differentiated between entrepreneurship and traditional business courses.

Entrepreneurs are people who turn dreams to reality. They supply goods and services, which increase the standard of living of the entire population substantially. They are wealth creators. This self-created wealth insulates the economy from recession and helps strengthen local economy. Global downturns will not affect the economy, as much as it would have in other circumstances. Education needs to address the development of skills required to generate an entrepreneurial mindset and to prepare future leaders for solving more

complex, interlinked and fast-changing problems. Education needs to come back to the top of the priorities of governments and the private sector and be seen as the fundamental mechanism for attaining sustainable economic development and societal progress.

## 2. Review of Literature

Nijkamp (2009) investigated the various contributions to the entrepreneurship literature from the perspective of regional economic development. The study was based on primary data. The results of the findings revealed that Entrepreneurship and regional development prompt indeed a rich variety of research questions to regional scientists. It is a domain where industrial organization, cultural geography, location theory, business economies and technology form an intertwined nexus.

Rehman and Elahi (2012) investigated the evolution of entrepreneurship education in India, the importance and role of entrepreneurship in Indian economy. And the delivery systems for disseminating these entrepreneurship education programs. The results of the findings revealed that Entrepreneurship, self-employment and enterprise creation provide a solution to the crises of both unemployment and under-employment.

Naude (2008) investigated the progress with the purpose of distilling the outlines for a more general theory of entrepreneurship in economic development. The results of the findings revealed that the quality of entrepreneurial ability can be improved through incentives that will entice those individuals with the highest entrepreneurial ability to become entrepreneurs and entice other self-employed back into wage employment.

Ekeyi and Abdul (2013) investigated the entrepreneurship skills needed and the strategies for improving its acquisition in student of vocational and technical education in colleges of education in Kogi State comprised of ninety nine (99) vocational and technical educators which at the same time

formed the sample of the study. The findings of the study revealed that The survival of individual in a given society is very much dependent on the acquisition of useful skills such as manipulative; practical; creative; personnel management; professional, productive demonstrable; accountability and risk bearing.

Cooney (2012) investigated the skills required by the entrepreneur in growth- oriented businesses. The findings of the study revealed that the principal entrepreneurial skills that need to be developed amongst growth orientated entrepreneurs are customer oriented, strategic development, managing finance and human resources.

### 3. Objectives of the study

The main objectives of the study are:

- To study the importance and role of entrepreneurs in Indian economy.
- To study the importance of entrepreneurship education for entrepreneurs.
- To study the challenges faced by entrepreneurship education in India.

### 4. Importance of entrepreneurship education

Education is an important factor in determining the entrepreneurial orientation in individuals. Education may be in the form of informal or formal. The informal form of learning stresses the importance of early role models and reinforcement patterns on the acquisition and maintenance of entrepreneurial behavior. Role models could be parents or peer groups that provide socialization training in entrepreneurship. Formal education is also positively correlated with entrepreneurship. It has also been reported that entrepreneurs of healthy units, on an average, had a higher level of education compared to those who own sick units.

Entrepreneurship education needs to gain firm ground to change the face of the economy. It is only under such a scenario that we would witness a longer queue of job providers than job seekers. And our efforts would sure show us productive and efficient youth, par excellence.

Over the past two decades there has been a growing debate about how well educational systems prepare young people for adult life in general and 'enterprise' in the world of work in particular. In the present scenario this debate becomes large.

### 5. Entrepreneurs Impact the Economy

In economist-speak, an entrepreneur acts as a coordinating agent in a capitalist economy. This coordination takes the form of resources being diverted toward new potential profit opportunities. The entrepreneur moves various resources, both tangible and intangible, promoting capital formation.

In a market full of uncertainty, it is the entrepreneur who can actually help clear up uncertainty, as he makes judgments

or assumes the risk. To the extent that capitalism is a dynamic profit-and-loss system, entrepreneurs drive efficient discovery and consistently reveal knowledge. Established firms face increased competition and challenges from entrepreneurs, which often spurs them toward research and development efforts as well. In technical economic terms, the entrepreneur disrupts course toward steady-state equilibrium.

### 6. Entrepreneurship in economic development

The benefits of entrepreneurship to the society and the economy as a whole are enormous. Entrepreneurship helps in avoidance of monopolies and cartels. Entrepreneurship is one of the easier ways of checking large corporations and MNCs from exploiting the consumers. Entrepreneurs realize the tremendous demand for goods abroad and help to market the surplus. They help to make the Indian market export competitive and at the same time, they make the 'Made in India' brand more acceptable. The surplus stock, which would have been otherwise rotting in the government storehouse, can be exported, thus serving to earn foreign exchange. The government gets rid of the excess stock while the exporter earns revenue, leading to a win-win situation. If India wants to be a developed country, the government should realize that only entrepreneurs can help it to grow at the desired rate.

The government should frame its policies to nurture and promote budding entrepreneurs. So, there is a need for Indians to venture out into the world of entrepreneurship, build intellectual property and create wealth, which hopefully will find its way back into the system to fund more start-ups. India may be becoming a hotbed of innovation as an increasing share of global Research and development shifts here. But Indians are still not making the shift to entrepreneurship and aiming to build the next Microsofts, Ciscos and Googles. We seem to be content working for them. India needs Entrepreneurs. Together, the new entrepreneurs will inspire the next generation. That will be the real coming of age of Indian technology and entrepreneurship. To do this, the government needs to focus on Entrepreneurship education to create a pool of trained and highly skilled entrepreneurs.

Economic development is the process of structural transformation of an economy towards a modern, technologically advanced economy based on services and manufacturing. This process involves not only qualitative changes to the nature of an economy, but also accompanying quantitative changes in terms of the productivity and output per person. If these qualitative and quantitative changes result in unambiguous improvements in human welfare, it is generally seen as economic 'development'. In both the qualitative as well as the quantitative dimensions of economic development entrepreneurship could make a positive contribution to economic development. In the popular press entrepreneurship is depicted as important for economic development; seen to create jobs, ease fiscal burden, and provides competition.

### 7. Challenges faced by entrepreneurship education in India

There is a demand for education programs specifically designed to expand students' knowledge and experience in entrepreneurship. The significant challenges faced by entrepreneurship education in India are given below:

**Cultural barriers:** Entrepreneurship can develop only in a society in which cultural norms permit variability in the choice of paths of life. Unfortunately, the Indian culture consists of a network of benefits that in many ways run counter to entrepreneurship.

**Difficulties towards Start-ups:** Starting a business in India is costly in terms of the time required and the cost involved. While it takes just five days to start a business in the United States and just two days in Australia, in India it takes as long as 89 days.

**Incomplete Entrepreneurship Education:** Young people are afraid to start their own business because they are not confident, not capable, and lack knowledge in starting a business. Many people have the opportunity to change jobs or become an entrepreneur if they are properly trained. The students in India are not confident with the traditional education they receive in the university.

**Lack of a standard framework:** Entrepreneurship education is widely spread, has diverse forms and has a large number of stakeholders. But the overall state of affairs

is a confused one, one that lacks broad vision, goals, and systematic planning.

**Dependence on government:** Higher degree of dependence on government is another challenge before entrepreneurship education in India. Insufficient private-sector participation and lack of sustainable business models in the entrepreneurship education act as barriers to its development in India.

## 8. Conclusion

Entrepreneurship is a dynamic process of vision, change, and creation. It requires an application of energy and passion towards the creation and implementation of new ideas and creative solutions. Essential ingredients include the willingness to take calculated risks<sup>3</sup> in terms of time, equity, or career; the ability to formulate an effective venture team; the creative skill to marshal needed resources; and fundamental skill of building solid business plan; and finally, the vision to recognize opportunity where others see chaos, contradiction, and confusion. The objective of entrepreneurship education is to develop skills and introducing talents of the entrepreneurs. This can be done by imparting proper training and making aware the people about its concept so that India can also develop as an economy with growth prospects.

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