

# Study the Connection Between Entrepreneurship and Economic Growth

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**Abstract:** *The promotion of entrepreneurship is a comprehensive approach for the growth and independence of the country's economy. India's brilliant youth can build more factories to increase the country's industrial base. The local economy has benefited, and export trade has increased. Due to the decreased dependence on imports from other countries, our economy has become more independent. The Entrepreneurship Development Programmes assist in transforming a person into a smart businessperson by providing proper training, finance, and consulting services. They help individuals improve their skills and talents by aiding them and helping them build small scale industries in the regionally impoverished areas. These areas gain from more work opportunities, higher incomes, and a respectable standard of living.*

**Keywords:** Entrepreneurship, Development, Economic

## I. INTRODUCTION

India is a developing country, yet it still faces several issues including unemployment, poverty, and illiteracy. As a consequence, there is little economic growth and little income generating, and the economy remains stagnant. Entrepreneurial development helps to solve these issues by providing the people of the country with a platform to make their ideas a reality. Programs for entrepreneurship development may help individuals get the technical skills they need to pursue their goals and ideas. They should have certain skills and knowledge, be able to manage, and work hard. Only those in our country who are willing to take risks and are capable of managing them in order to start a new firm and gamble on profitability may succeed as entrepreneurs. They must be aware of the current and possible future repercussions in order to identify any hazard. They should also be able to see threats coming and make the necessary arrangements to prevent them. RH Brockhaus Sr. published an essay in the Academy of Management Journal in 1980.

## II. LITERATURE REVIEW

**Himani Maggo Kumar (2017)** discusses the contribution that EDP has made to the development of entrepreneurship in India and the need of such programs for the industrial and economic prosperity of the nation. Institutional and governmental measures that give aid at the national and state levels are also discussed. In order to create effective entrepreneurial development programs, a variety of strategies are employed.

**Dileep Kumar S. D., Dr. Giridhar K. V. (2017)** focuses on the value of EDPs for rural development. The research addresses the need of EDP as well as the difficulties India's Entrepreneurship and Economic growth encountered in fostering entrepreneurial growth. The numerous programs that are carried out in India are discussed along with how they affect economic growth. The report also covers the Start-up Village Entrepreneurship Programme (SVEP).

**Ms. Indira Kumari (2014)** discussed the National Institute for Entrepreneurship and Small Business Development (NIESBUD), which supports entrepreneurs by offering them training and consulting services, and the importance of entrepreneurship development in the process of a country's economic progress. In-depth discussion has also been had over the process of entrepreneurship development in India and how it affects the nation's economic growth.

**Manish Kumar Jindal, Awadesh Bhardwaj (2016)** highlights the policy changes for entrepreneurship development such as the Pradhan Mantri Kaushal Vikas Yojana (PMKVY) and Ministry of Skill Development and Entrepreneurship (MSDE), which encourage the young of the nation to be trained and be skilled to produce revenue for themselves and

live a decent life. Some of our nation's development initiatives include the National Skill Development Agency (NSDA), Sector Skill Councils (SSCs), and the National Skill Development Fund (NSDF).

**Jainendra Kumar Verma (Indian Journal of New Dimensions)** Some claim that the major driver of a nation's economic progress and growth is the entrepreneur. Along with the benefits and drawbacks of entrepreneurial development, they are examined. The different ways that the nation is able to broaden its industrial base as a result of the EDPs contribute to the nation's overall development.

### **Entrepreneurship and Economic Development of India**

They must possess innovation, which is the capacity to develop brand-new products or services or improve those that currently exist. Someone may be seen as noteworthy when they use their imagination and creativity to transform their ideas into real outcomes. A tool used to generate unique products and services that have never been offered to customers is innovation. The only way a creative individual can build a profitable company is if they really put their ideas into practice. 2009; CL Bann; Journal of Business and Economic Studies

The individual must exert a lot of effort to complete all the tasks. To succeed, he must exert the required effort and keep his attention focused. It motivates someone to translate their ideas into tangible endeavors in order to reach their potential. (B. Carlson, The Role of Diasporas in - Citeseer, 2007)

There are certain people who stand out in the present environment to counteract the level of nation-wide competition. Release of viable projects that will right away spur market demand can help with this. In order to withstand the severe competition, he must provide ideas that distinguish him from his rivals. A Davis, EM Olson, and Elsevier's 2008 publication Business Horizons

Due to the ever-changing environment, the entrepreneur has to be versatile in their work. He has to adjust to the public's changing views, tastes, and preferences, as well as any market developments. He has to be ready to take any opportunity and make adjustments as needed. Public Understanding of Science, M. Böhnke and S. Machura, Journals.sagepub.com, 2003.

A person with creative talent may bring something that consumers have never used and create new uses for the products and services that are currently available. This has a positive impact and helps the economy's technological development. Small Business Economics; Springer; IM Kirzner, 2009

Programs for entrepreneurship development, which also provide entrepreneurs technical support and training, are beneficial to the nation's economy. They support children and provide advice as well. They assist people in identifying and grabbing opportunities as well as selecting the best course of action.

### **Growing Entrepreneurship's Impact on the Indian Economy**

The growth of entrepreneurship leads to an increase in employment as more entrepreneurs start new enterprises and hire large workforces. The capacity to hire staff, increase the employment rate in our economy, and generate new jobs has now been granted to the company owner. Consequently, entrepreneurship development programs help gifted people become astute business owners.

### **Entrepreneurship and Economic Development of India**

Due to the serious issues that poverty and illiteracy bring to our economy, EDP helps to expand the platforms available to entrepreneurs, increasing the level of production throughout the country. As a result, the economy's level of consumption and income flow are further increased. The national income as well as the per capita income will thus rise. In order for India to become independent, it still needs a lot of assistance developing its economy. The economy is producing more goods and services, which improves the standard of living for Americans. To increase employment and the skills of its population, the Indian government has introduced many initiatives including Make in India and Skill India.

The problem of unequal regional growth has been resolved thanks to the initiative of entrepreneurial development initiatives. Some states, like Jharkhand, Orissa, Bihar, and Uttar Pradesh, are still slowly growing. In order for these undeveloped areas to begin to grow and change the way of life of the local inhabitants, the EDPs dispatched

entrepreneurs there. They may now generate income, take advantage of employment opportunities, and earn a livelihood to sustain themselves.

Entrepreneurs' support of exports has contributed to the nation's economic development and economic independence. A number of issues that previously impeded the growth process have been addressed with the help of the local producers. Large-scale manufacturing has helped with import substitution and export promotion, saving the country money on import taxes and customs. As a consequence, the country can now produce enough goods domestically to meet its own requirements, and its economy is heading in that direction.

Wealth is also created in impoverished places thanks to balanced regional development. As a consequence, all geographical places get an equal share of the money. The entrepreneurs are encouraged to launch firms in impoverished areas by providing them with subsidies, tax advantages, and lenient rules. As a consequence, they are persuaded to launch their activities there.

### **Government Initiatives**

The Pradhan Mantri Employment Generation Program was formed by the Khadi and Village Industries Commission (KVIC) with the goal of aiding persons in rural and urban areas as well as unemployed youth in order to provide opportunities for self-employment. The agricultural sector has to swiftly shift employees to other industries. The manufacturing sector's maximum permissible cost for the project or unit is 25 lakhs, compared to the business/service sector's limit of 10 lakhs. Under the Entrepreneurship and Economic Development of India program, the subsidy rates are 15% in urban areas, 25% in rural areas (General category), and 25% in urban areas and 35% in rural areas (Special categories).

The Credit Guarantee Trust Fund for Micro & Small Enterprises (CGTMSE) was established by the Ministry of Micro, Small and Medium Enterprises and the Small Industries Development Bank of India (SIDBI) for both new and existing firms. They provide financial assistance up to \$100,000 without requesting any kind of security. Women who own businesses are given special attention in an attempt to motivate them to shape the bright future of the country. With 0.75 percent applied to sums up to 5 lakh and 0.85 percent applied to quantities between 5 lakh and 100 lakh, the expenses are determined as a percentage of the authorized amount.

In order to help Micro and Small Enterprises, the Micro & Small Enterprises - Cluster Development Programme (MSE-CDP) was created. It provides market access, cutting-edge technology, infrastructural facilities, and trained personnel. In the age of fast technological innovation, they support the establishment of self-help groups and provide them the tools and training required to complete the project.

The Khadi Reform Development Program was created to assist rural artisans and provide them the tools they need to take advantage of opportunities with low financial expenditure. They assist five traditional village industries: leather, agro-food processing, honey, handmade paper, and herbal health and cosmetics. As a consequence of the introduction of new tools including charkha, looms, and fabric processing machines, around 1.50 lakh craftspeople will be employed. The pricing policies adopted by Khadi institutions will depend on what the market would bear. The increased income of the craftspeople motivates them to use their bank or post office accounts to save money for savings programs.

In order to develop and promote Micro and Small Enterprises and to provide financial assistance to potential first-generation company owners, the Rajiv Gandhi Udyami Mitra Yojana was created in 2008. They get guidance and support for various government programs as well as aid in starting and running their enterprises. They enable them in gaining access to bank credit programs as well as financial assistance. At the federal and provincial levels, EDPs of varying durations are available for prospective entrepreneurs.

### **III. CONCLUSION**

This encourages the development of the nation's economy. Indian entrepreneurs are the backbone of the country's economy. They have the power to transform a dependent country into one with a strong economy. The rise in company owners opens up a wide variety of employment opportunities. The government aggressively encourages the formation of micro and small companies in impoverished areas in order to improve the quality of life for its citizens. This helps to get rid of roadblocks to the country's balanced regional development. Per capita income and GDP rise when the

population is able to generate a respectable source of income. This improves the standard of living for the nation's population and contributes to the elimination of poverty. The Indian government has taken a number of initiatives to promote entrepreneurship development programs and help budding entrepreneurs transform their original company ideas into successful businesses.

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