

Chapter 15

Framework for Creating Mass Entrepreneurial Intention in India

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ABSTRACT

India's population (1.42 billion) surpassed the population of mainland China in April 2023, and it is certain to continue to grow for several decades. India's current job creation rate is not enough as the country adds 15 million fresh graduates every year to its labor force. Mass entrepreneurship can only create employment opportunities for unemployed youth, increase per capita income, a higher standard of living, revenue to the government in the form of taxes, and balanced regional development. Mass entrepreneurship entrepreneurial ecosystem integrating entrepreneurs, the government, private sector companies, venture capitalists, non-government organizations, such as entrepreneurs' associations, business incubators, and academia working in collaborative mode can unshackle the untapped spirit of mass entrepreneurship that will shape the future of India.

1. INTRODUCTION

Entrepreneurship is the process of setting up a business, taking it from an idea to a realization. Creating a business requires a vision, skill, hard work, dedication, vision and a risk-taking mindset. Entrepreneurship is when an individual that has an idea acts on that idea, usually to disrupt the current market with a new product or service. Entrepreneurship usually starts as a small business, but the long-term vision is much greater, to seek high profits and capture market share with an innovative new idea.

Entrepreneurs enter the market because they love what they do, believe their products will have a positive impact, and hope to make profits from their efforts. Entrepreneurs fuel the economy by creat-

ing new businesses that employ people and make products and services that consumers buy. The entrepreneurship that proves to be successful in taking on the risks of creating a startup is rewarded with profits, fame, and continued growth opportunities. Entrepreneurship that fails results in losses and less prevalence in the markets for those involved.

Nurturing entrepreneurship has a positive impact on an economy and society in several ways. The entrepreneurs create new businesses and invent goods and services, resulting in employment, and a further ripple effect, resulting in more and more development. For example, after a few information technology companies began in India in the 1990s, businesses in associated industries, like call center operations and hardware providers, began to develop, offering support services and products.

Entrepreneurs add to the gross national income. Existing businesses may remain confined to their markets and eventually hit an income ceiling. But new products or technologies create new markets and new wealth. The increased employment and higher earnings contribute to a nation's tax base, enabling greater government spending on public projects. Entrepreneurs create social change. They break tradition with unique inventions that reduce dependence on existing methods and systems, sometimes rendering them obsolete. Smartphones and their apps, for example, have revolutionized work and play across the globe.

2. LITERATURE REVIEW

The word "entrepreneur" comes from the French verb *entreprendre*, meaning "to undertake". Though the idea of entrepreneurship was known for centuries, economists neglected it for ages. The economist maintained the theory of perfect information restricted only to rational players with no latitude for any act of risk or innovation. But later, three influential economists Joseph Schumpeter, Frank Knight, and Israel Kirzner seriously discussed the concept of entrepreneurship in their literature.

For Joseph A. Schumpeter, the essential function of an entrepreneur is to innovate in his business. In his innovation theory, he describes the essential characteristics of an entrepreneur as determination, intuition, perseverance, and creativity. He delineates the entrepreneur as a catalyst who changes the steady state of the economy through innovation. This innovation encompasses new products, new production techniques, new markets, new raw materials, and new organizational formats.

Joseph A. Schumpeter makes a delimitation between innovator and inventor. An inventor discovers new materials and processes whereas an innovator applies these inventions to create superior quality products satisfying the customers' needs generating high profit for the venture. In that matter, an entrepreneur is an innovator.

Frank Knight focused on entrepreneurs as the emissary of uncertainty and assumed them responsible for holding risk premiums in financial markets. He contended that uncertainty originates market opportunities, but the organisational environment influences entrepreneurs' potential to set up a business and operate it striving towards opportunities.

Israel Kirzner contemplated entrepreneurship as a process that leads to discovery. In Kirzner's opinion, the significant characteristic of the entrepreneur is alertness to price differences that others have overlooked and earns a profit by his alertness.

Micro, small, and medium enterprises (MSMEs) make up a major part of the economy. MSMEs are distinguished based on multitudinous criteria such as a number of employees, capital and sales turnover. In many countries, MSMEs account for 80% of enterprises; micro, small, and sole proprietorships, account

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