

ENTREPRENEURSHIP'S CONTRIBUTION TO ECONOMIC DEVELOPMENT IN INDIA

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Abstract

The economic development of India is greatly influenced by entrepreneurship. India's economy, which is expanding quickly, is dependent on the spirit of entrepreneurship to spur innovation, produce job opportunities, and promote economic progress. The innovation engine is the entrepreneurial spirit. They locate market insufficiencies, create fresh goods or services, and present fresh business concepts. They are willing to take chances and think creatively, which results in the development of novel solutions and, ultimately, a boost to the economy. Creation of new jobs through entrepreneurship is important. Large contributors to the creation of jobs in India are small and medium-sized businesses (SMEs), which are frequently run by entrepreneurs. These businesses improve the broader economic environment by creating jobs as well as raising productivity and encouraging skill development. Overall, through innovation, job creation, and market effectiveness, entrepreneurship drives economic development in India. To maintain economic growth, promote a vibrant business ecosystem, and address socioeconomic difficulties in the nation, it is essential to encourage and support entrepreneurial initiatives. The researcher had considered 203 people involved in economic development to know the role of entrepreneurship in economic development in India. It is found that Entrepreneurs take chances and think creatively, which results in the development of novel solutions and Rise of new businesses, increased productivity, and decreased income inequality due to entrepreneurship promotion.

Keywords: Entrepreneurship; Economic Development; India; Business Growth

Introduction

The economic growth of India has been significantly impacted favorably by entrepreneurship. India led to the recognition of considerable relationships between these elements and the "relationship among entrepreneurship and economic growth" in an economy (**Mahalik, & Mallick, 2014**). They emphasized the significance of entrepreneurship in advancing the economy. Entrepreneurs have helped to diversify and grow the Indian economy by bringing new business concepts, cutting-edge goods, and services to market. Along with opening job prospects, their endeavours have also boosted market efficiency and competition. This led to a rise in productivity, better resource allocation, and higher consumer welfare-all of which are essential for economic progress.

Additionally, entrepreneurial capital, which includes a variety of elements including "human resources," "social wealth," and "institutional wealth," greatly influenced economic growth (**Aparicio, Urbano, & Stenholm, 2021**). They emphasized how important entrepreneurship is to India's economic development on many levels, including social and institutional as well as financial issues. Entrepreneurs have helped to construct a favorable environment for economic growth by utilizing human talent, forging solid social networks, as well as determining supportive institutional frameworks.

The function of entrepreneurship education in promoting entrepreneurial intention and its effects on economic development, students' intentions to start their own businesses were greatly influenced by their attitude towards entrepreneurship education (**Jena 2020**). People who have education in entrepreneurship are more prepared to recognize possibilities, seize them, take calculated risks, and launch creative businesses. Students who are encouraged to have an entrepreneurial mindset may be more likely to engage in business ventures, promote innovation, and advance India's economy. The contribution of "returnee entrepreneurs" to the expansion of high-tech enterprises. They emphasized the necessity of international entrepreneurial education and experience in promoting the growth of these sectors in India. (**Gruenhagen, & Davidsson, 2018**). With their international experience and knowledge, returning entrepreneurs have been instrumental in developing creative firms, bringing new technology, and luring foreign capital (**Pruthi, 2014**). Their efforts not only promoted technological development but also produced job opportunities and improved the nation's

standing in the world market. The success of returning entrepreneurs is an example of how their outside experiences have been important resources in promoting economic growth in India.

Digital entrepreneurship has played a significant role in shaping India's economic growth, as the function of entrepreneurship in the digital age and its impact on innovation systems. Notably, thriving companies in sectors such as e-commerce, fintech, and technological development owe their emergence to the efforts of digital entrepreneurs. These entrepreneurs have not only disrupted established markets but also introduced innovative business strategies, leveraging digital technologies to contribute to the nation's economic expansion.

Furthermore, the pivotal role of small and medium-sized businesses (SMEs) in India's economic development examined the impact of SMEs on economic growth. SMEs, characterized by their "small scale" and "flexibility," play a vital role in fostering innovation, job creation, and higher productivity. They act as incubators for new ideas, fueling market competition and contributing to sustainable growth across various industries. The success of SMEs has had a positive cascading effect on the overall economy, contributing to long-term, sustainable development.

Additionally, the sustainable development of India is increasingly influenced by the social entrepreneurship initiatives led by women (Agarwal, Agrawal, & Srivastava (2021) investigated the factors contributing to the sustained growth of women-led social businesses. Their research highlighted the significance of elements such as "financial assistance," "networking," and "training and capacity-building" in empowering female entrepreneurs and promoting sustainable development. Women-led social enterprises have played a crucial role in addressing social challenges, empowering marginalized groups, and creating job opportunities. The inclusive and equitable business ecosystem fostered by women's social entrepreneurship has been instrumental in advancing sustainable growth and social welfare in India.

Objective

- To ascertain Different Role of Entrepreneurship in Economic Development in India.

Methodology

The researcher had considered 200 people involved in economic development to know the role of entrepreneurship in economic development in India. The survey was conducted with the help of a questionnaire. The researcher had collected the primary data through random sampling method and was analyzed by statistical tool called mean and t test.

Findings

Table 1.1 Role of Entrepreneurs in economic development

S.no	Statements	Mean	t	Sig.
1.	Entrepreneurs drive innovation, generate employment opportunities, and contribute to overall economic progress.	3.14	2.030	0.022
2.	Entrepreneurs identify market gaps, innovate by creating new goods or services, and introduce novel business concepts.	3.19	2.772	0.003
3.	Entrepreneurs embrace risk and foster creative thinking, leading to the development of innovative solutions.	3.15	2.223	0.014
4.	Entrepreneurs play a pivotal role in job creation, enhancing productivity, and fostering skill development, thereby contributing to the improvement of the economic environment.	3.17	2.469	0.007
5.	Financial inclusion empowers entrepreneurs to overcome financial barriers, fostering the advancement of India's economy.	3.16	2.362	0.010
6.	The promotion of entrepreneurship leads to the emergence of new businesses, heightened productivity, and a reduction in income inequality.	3.13	1.887	0.030

The findings from the survey indicate several noteworthy perspectives on the role of entrepreneurs in fostering economic development. Firstly, respondents believe that entrepreneurs play a crucial role in spurring innovation, generating job opportunities, and promoting overall economic progress, as reflected in the mean score of 3.14. Additionally, the survey reveals a consensus that entrepreneurs contribute to economic growth by identifying market insufficiencies, creating innovative goods or services, and introducing new business concepts, with a mean score of 3.19

Furthermore, the respondents emphasize the risk-taking and creative thinking inherent in entrepreneurship, leading to the development of novel solutions. This sentiment is reflected in a mean score of 3.15. The study also underscores the positive impact of entrepreneurship on job creation, increased productivity, and skill development, thereby enhancing the overall economic environment, as evidenced by a mean score of 3.17.

Moreover, the findings highlight the perceived importance of financial inclusion in enabling entrepreneurs to overcome financial barriers and contribute to the advancement of India's economy, with a mean score of 3.16. Finally, respondents believe that entrepreneurship promotion leads to the rise of new businesses, increased productivity, and a reduction in income inequality, as indicated by a mean score of 3.13. Overall, these findings underscore the multifaceted positive contributions of entrepreneurs to economic development, encompassing innovation, job creation, and societal progress.

Conclusion

In summary, the pivotal role of entrepreneurship in propelling India's economic advancement cannot be overstated. Its indispensable contribution lies in fostering innovation, job creation, and overall economic expansion. Entrepreneurs play a crucial role in not only developing new markets but also in catalyzing the growth of existing industries, generating wealth through the establishment of new enterprises, and introducing groundbreaking ideas. The transformative impact of entrepreneurship is evident in its capacity to address issues of poverty and unemployment through job creation, empowering individuals to achieve financial independence. Furthermore, it instills a culture of innovation, adaptability, and risk-taking, essential elements for sustaining a robust economy. Entrepreneurs, by identifying market gaps

and devising original solutions, become catalysts for innovation. The introduction of novel goods, services, and technologies enhances competitiveness, productivity, and efficiency, leading to increased exports, foreign investments, and national economic growth. Additionally, entrepreneurship in India contributes to societal progress and inclusivity by facilitating the participation of marginalized groups, including women, youth, and rural populations. By providing opportunities for these segments of society, entrepreneurship has the potential to bridge economic disparities and promote a more equitable distribution of wealth. In conclusion, entrepreneurship emerges as a driving force for economic growth in India, fostering creativity, generating employment, and propelling expansion across diverse industries. To unlock its full potential and achieve inclusive, sustainable economic success, India must continue nurturing a thriving entrepreneurial ecosystem. The conducted study sheds light on the multifaceted roles of entrepreneurship in India's economic development, revealing that entrepreneurs adeptly identify market gaps, innovate with new products and services, create employment opportunities, enhance productivity, and contribute to the overall improvement of the economic landscape.

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