

## ENTREPRENEURSHIP: A WEAPON TO FIGHT WITH UNEMPLOYMENT

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### **Abstract:**

*Unemployment is a major hurdle in India's growth path. The rate of unemployment varies over a wide range among the different states of India. When a person does not get a full time work, it is called under-employment. When the productivity and income of a person increase by changing his occupation, he is also known as under employed. Unemployment has its own effects and consequences not only economical but social and political too. When battling unemployment, entrepreneurship could be seen as a solution, entrepreneurs open doors to new ventures, new business and also new alliances. In under developed economies the need of entrepreneurship is been recognized as the major factor of growth in an economy. As the number of entrepreneurs, increasing in an economy the growth rate is high, reduction of employment and it also helps in the economic growth of the country. Along with knowledge of self-employment, some of government initiatives have been incorporated in the present article, having information for youth to become entrepreneur and generate more jobs for others.*

**Key-words:** *Unemployment, self-employment, entrepreneurship, government schemes*

### **Introduction:**

Unemployment may be defined as “a situation in which the person is capable of working both physically and mentally at the existing wage rate, but does not get a job to work”. According to its latest report by International Labour Organization, India has an estimated 18.6 million jobless in the country in the year of 2018 which will increase to 18.9 million in 2019 (India today, 2018).

Among the states and Union Territories of India, Gujarat had the lowest unemployment rate of 1.2% followed closely by Karnataka at 1.8%, Maharashtra and Chandigarh at 2.8%, Madhya Pradesh at 2.9% and Telangana at 3.3% while Sikkim had the highest at 15.8%. In the northern India, the unemployment rate is quite high, Jammu and Kashmir at 10.5%, followed by Himachal Pradesh at 7.5%, Rajasthan at 6.5%, Punjab at 5.8%, Delhi at 5.2% and Haryana at 4.8% (Biswas, 2016). On the other hand, unemployment rate is higher among women at 8.7 percent versus 4.3% among men. Women unemployment rate is higher in the rural areas than in urban sectors of the country. Unemployment is a social scourge. It is wasteful and impoverishing and generates discontent, frustration and resentment. Ultimately, if not checked and reversed, it can lead to the disintegration or destruction of the society itself.

## Reasons of Unemployment in India:

The major reason of increasing unemployment rate is rapid growth of population and defective system of education, which lacks skill development in youth. Similarly, during recent years a number of universities has increased manifold. As a result of this educated unemployment or white collar unemployment has increased. Some other factors are also responsible i.e. slow growth in the agricultural sector, degeneration of village industries, inappropriate technology and slow growth of industrial sector. Mobility of labour in India is low. Due to attachment to the family, people do not go to far off areas for jobs. Factors like language, religion, and climate are also responsible for low mobility. Immobility of labour adds to unemployment.

## Consequences of unemployment:

As a result of massive unemployment there is poverty and increase in social evils like robbery, crime etc. The social consequences of the educated unemployed are quite serious. People with superior qualifications are doing jobs, which could be done by less qualified people. This results in under-utilisation of one's capacity. For example, a graduate engineers doing jobs which could be performed by diploma holders. Similarly, there may be clerks and typists with postgraduate qualifications where perhaps matriculates could do the work. This is because people with lesser qualifications (matriculates) are unable to find jobs so they go for higher education with the hope that they will be in a better position to qualify for the same jobs.

Many thieves, pickpockets, smugglers, drug traffickers etc. take up these activities because they are unable to find gainful employment. The frustrations of unemployed youth can also lead to terrorism. The highly educated unemployed have anger against society for their state of affairs. They feel that if this system cannot meet their aspirations for getting proper jobs it should be destroyed. This leads them to take to organised violence against the state. Terrorism in different parts of the country is largely a result of the large number of educated unemployed youth in these states, among other factors.

## Solutions to the unemployment in India:

The very first solution for the unemployment is to control the rising population of our country. The quality of Indian education should be improved. Government should keep a strict watch on the education system and try to implement new ways to generate skilled labour force. However both the solution is time consuming and results would be seen in 2-3 decades. However, the concept of self-employment took a concrete and immediate solution. In earlier approaches to self-employment, though not explicitly laid down, small and cottage industries were regarded as the main activities and therefore emphasized as the most 'appropriate path towards rural industrialization. But the scope of self-employment activities has now expanded to all sectors of the economy. This will encourage entrepreneurship among the youth of country. Entrepreneurs generate employments to many in a country. They also promote capital formation and employ resources leading to add the value to a specific industry. They don't let wealth concentrate in a few hands, there is more equity in the distribution of wealth.

Entrepreneurial development today has become very significant; in view of its being a key to economic development. The objectives of industrial development, regional growth, and employment generation depend upon entrepreneurial development.

Entrepreneurs are, thus, the seeds of industrial development and the fruits of industrial development are greater employment opportunities to unemployed youth, increase in per capita income, higher standard of living and increased individual saving, revenue to the government in the form of income tax, sales tax, export duties, import duties, and balanced regional development.



Entrepreneurs have a positive influence on many aspects of society. Besides challenging existing companies and thus contributing to increased economic efficiency, startups also have a positive influence on job creation. When startups enter an existing market with already established companies, competition increases, as startups and established companies compete for the same market shares. When new companies enter a market, two things happen: 1) a large part of the new companies are unable to be sufficiently competitive and as a result leave the market, and 2) the new companies succeed in becoming so competitive that existing companies either lose market shares or must leave the market altogether. This mechanism ensures that only the most competitive and effective enterprises remain in the market. Thus, increased competition as a result of more entrepreneurial activity is good for society, because it helps to increase effectivity, strengthen the innovation capacity and in this way generate more types of product and problem solutions, which benefits the consumer in the end (Fritsch, 2008).

Self employment is not a new idea in Indian culture, it also shows in four cast system where Vaishya were the people who had the qualities of trading and merchanting (Shivdas, 2016). On the same track Indian government has an initiative of startup, intended to build a strong ecosystem that is conducive for the growth of businesses, to drive sustainable economic growth and generate large scale employment opportunities ([www.startupindia.gov.in](http://www.startupindia.gov.in)).

### Government schemes to support:

Some important official government schemes and websites where a person can find information about to start own business and become entrepreneur:

#### Stand-Up India scheme:

The objective of the Stand-Up India scheme is to facilitate bank loans between 10 lakh and 1 Crore to at least one Scheduled Caste (SC) or Scheduled Tribe (ST) borrower and at least one woman borrower per bank branch for setting up a greenfield enterprise. This enterprise may be in manufacturing, services or the trading sector. In case of non-individual enterprises at least 51% of the shareholding and controlling stake should be held by either an SC/ST or Woman entrepreneur ([www.standupmitra.in](http://www.standupmitra.in))

#### Ministry of Skill Development And Entrepreneurship:

The Ministry is responsible for co-ordination of all skill development efforts across the country, removal of disconnect between demand and supply of skilled manpower, building the vocational and technical training framework, skill up-gradation, building of new skills, and innovative thinking not only for existing jobs but also jobs that are to be created (<https://www.msde.gov.in>).

#### Pradhan Mantri MUDRA Yojana:

It is a scheme for providing loans upto 10 lakh to the non-corporate, non-farm small/micro enterprises. These loans are given by Commercial Banks, RRBs, Small Finance Banks, Cooperative Banks, MFIs and NBFCs. The borrower can approach any of the lending institutions mentioned above or can apply online through this portal. Under the aegis of PMMY, MUDRA has created three products namely 'Shishu', 'Kishore' and 'Tarun' to signify the stage of growth / development and funding needs of the beneficiary micro unit / entrepreneur and also provide a reference point for the next phase of graduation / growth ([www.mudra.org.in](http://www.mudra.org.in)).

#### Pradhan Mantri Kaushal Vikas Yojana:

It is the scheme of the Ministry of Skill Development & Entrepreneurship (MSDE). The objective of this Skill Certification Scheme is to enable a large number of Indian youth to take up industry-relevant skill training that



will help them in securing a better livelihood. Individuals with prior learning experience or skills will also be assessed and certified under Recognition of Prior Learning ([www.pmkyofficial.org](http://www.pmkyofficial.org)).

### Women as Entrepreneurs:

Entrepreneurship for Women development is an essential part of human resource. In Comparison to other countries, the development of women entrepreneurship is very low in India, especially in rural areas (Ansari, 2016). However, now a days the development of women entrepreneurs and their involvement to the national economy is quite noticeable in India. First Prime Minister of India Pandit Jawahar Lal Nehru stated, "When women moves forward, the family moves the village moves and the nation moves". Women entrepreneurs need to be acclaimed for their increased utilisation of modern technology, increased investments, finding a niche in the export market, forming a considerable occupation for others, and setting the trend for other women entrepreneurs within the organised sector. While women entrepreneurs have validated their potential, the fact remains that they are capable of contributing much more than what they already are. Women entrepreneurship represents a vast untapped source of innovation, job creation and economic growth in the developing world, they are recognised during the last decade as an important unused source of economic growth (Fazalbhoj, 2014).

### Discussion and Conclusion:

Being an entrepreneur is not just starting a business, it is about having an approach and one should be motivated to succeed in the achievement of goals and objectives. Entrepreneurs need to possess the required skills and abilities. They should be well prepared to face the opportunities and challenges within the internal and the external environmental conditions. In the present existence, entrepreneurship has to a large extent contributed towards the economic development of the country and has generated employment opportunities for number of individuals. More than increasing national income by the formation of new jobs, entrepreneurship acts as a constructive force in economic growth by serving as the bridge between innovation and market place.

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