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RESEARCH ARTICLE

ROLE OF THE STATE IN CULTIVATING AND NURTURING ENTREPRENEURIAL CULTURE IN LIBERALIZED INDIA - A FOCUS ON PROSPECTIVE YOUNG ENTREPRENEURS

Vijayan P.K

Assistant Professor Post Graduate Department of Commerce and Management Studies, Sri C Achuthamenon
Government College, Thrissur, Kerala.

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Abstract

Entrepreneurs carry the economic world on their shoulders. They take risks and face all uncertainties that are hidden in any market ventures. They are working hard for enhancing social well-being and productivity. Entrepreneurs do not come from vacuum. They need a conducive entrepreneurial culture for their thriving and preservation. In this article I explore the need and significance of the role of the state in creating conducive entrepreneurial culture for young, educated and talented prospective entrepreneurs in India. More than fifty per cent of Indian population are youth so we cannot let their future to be taken care of crony capitalism alone. We should help them to reach their own destiny on their feet. Cultivating a new entrepreneurial class of youth who can tap the economic potential of liberalised India is one of the major objectives of the state. State is not a passive spectator of the onward march of crony corporate capitalism is the basic premise upon which this article has been articulated.

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Introduction:-

Today's modern sophisticated liberal world is a world of "entrepreneurship" (Becker et al., 2012)¹. The concept of entrepreneur and entrepreneurship are very old. In modern business entrepreneur is playing a vital role from the very inception of a business idea to the beautiful and rewarding execution of that idea. Across business history we can see two popular models of entrepreneur class. Social benefactor model of Schumpeter and social vampire model of Karl Marx. In the eyes of Schumpeter an entrepreneur is one who takes all the risks of a business and invests his hard earned money for the production of goods and services for enhancing social productivity of the nation bearing the brunt of uncertainty in the market. He is sacrificing everything for the business and his fellow human beings. He is a giver. He risks everything he owes for the benefit of the nation. Schumpeter has glorified the role of an entrepreneur. On the other side of the spectrum we see Karl Marx who portrays an entrepreneur as someone who sucks the life blood of workers who are destined to work for the benefit, enjoyment and satisfaction of the entrepreneur under inhuman working conditions till he dies. A worker is nothing but a slave in the eyes of an entrepreneur in Marxian scheme of capitalism. Entrepreneurs in capitalism are just vampires in the eyes of Karl Marx. They are not having any respectable position in Marxian scheme of political economy. While Schumpeter portrays an entrepreneur as someone who provides life and happiness for the working class, Karl Marx sees him as someone who appropriates everything of the workers have.

Corresponding Author:- Vijayan P.K

Address:- Assistant Professor, Post Graduate Department of Commerce and Management Studies, Sri C Achuthamenon Government College, Thrissur, Kerala.

Marx saw the entrepreneur class through the lens of a staunch critique of capitalism with little positive concern and regards for them. The bourgeois of Europe where Marx lived and analysed capitalism were nothing but a little more sophisticated feudal lord who were not in any way short of cruelty as their past generation feudal cousins. Freeing of the working class from the yoke of feudal lords was a prerequisite for bourgeoning and flourishing capitalism. So creating a liberal individual who has freedom, independence, agency and choice was an inevitable necessity of the bourgeois. Schumpeter saw the polished and hypocritically polite capitalist who worked under the control of democratic nation states that plucked the claws and nails of the Marxian Vampire. Modern capitalism has been sucking blood of workers and consumers under the veil of ‘‘consumer is the king and capitalists are only takers of price dictated by the market where demand forces and supply forces rule’’.

Socialism and democracy do not go hand in hand. Socialism always presupposes some kind of authoritarian dictatorial behaviour on the part of the government that little respects individual freedom and choice. Capitalism follows economic principles of laissez faire and political ideology of individualism. Both laissez faire and individualism conform to the principles of modern capitalism. In modern world entrepreneurs are providing jobs, income, social security and better standard of living for large number of people. Appropriating maximum surplus value, as envisaged by Marx in his magnum opus ‘‘The Capital’’, may not be the only consideration for modern capitalist class. Social responsibility and the self-assigned role of trustees of natural resources and the needs of future generations are also influencing their decision making.

‘‘Entrepreneurship is an essential element for economic progress as it manifests its fundamental importance in different ways: a) by identifying, assessing and exploiting business opportunities; b) by creating new firms and/or renewing existing ones by making them more dynamic; and c) by driving the economy forward – through innovation, competence, job creation- and by generally improving the wellbeing of society. Entrepreneurship affects all organizations regardless of size, or age, whether they are considered a private or public body, and independently of their objectives. Its importance for the economy is reflected in its visible growth as a subject of interest for the economic press and in academic literature. For this reason, it is a matter of interest to academics, businessmen and governments the world over’’ [Alvaro, 2012].

Entrepreneurs cannot come out of emptiness. They need favourable environment or culture that helps them to thrive. Entrepreneurship culture implies a set of values, norms and traits that are conducive to the growth of entrepreneurship. It is the organizational culture that focuses on new opportunities and creation of a set-up where these opportunities can be perused earnestly. An entrepreneur utilizes the opportunities, seeks for ways and means to achieve newer opportunities by managing the organization and amassing the resources and gaining control on them. As against this, a manager in a non- entrepreneurial culture is primarily concerned with the resources under his control, the relation between the market and the structure of his organization. He is also concerned with matching the opportunities with organizational abilities. The entrepreneurial managers are driven by the perception of opportunities. They manipulate possibilities of changes in the political regimes, social values, consumer preferences, technology etc.

It was Joseph Alois Schumpeter who first brought entrepreneurs into the limelight of economic world freeing them from the negative image Marx has given to them. Most important contribution of an entrepreneur according to Schumpeter is innovation³. They are Schumpeter has identified five types of innovations. They are, ‘‘Launch of a new product or a new species of already known product, application of new methods of production or sales of a product, opening of a new market, acquiring of new sources of supply of raw material or semi-finished goods and new industry structure such as the creation or destruction of a monopoly position’’⁴. Entrepreneurial skill is a human attribute to ‘‘take up risks and uncertainties’’ [Kihlstrom, and Laffront, 1979] and need for ‘‘achievement’’ [McClelland, 1961]. Entrepreneurial skills are not spontaneous outcomes of economic factors, technological factors or social conditions. Many interconnected factors work behind the emergence of entrepreneurial culture and entrepreneurs.

Role of the government in nurturing young entrepreneurs in modern liberalized India:

About 50.1 per cent of Indian population belong to the age group of below 24 years as per 2011 census⁷. India is a very young country. Half of its population is under the age of 24. Two-thirds are less than 30. Various population estimates predict India is likely to have the world’s largest workforce by 2027, with a billion people aged between 15 and 64. If these vast youth population be beneficial to the nation or a burden to it under neo-liberal regime will depend upon how the government, corporate sector and unorganised sector will utilize our young folks. Young buds

are powerhouses of talents and new ideas. They are enthusiastic, dynamic and ready to take any risks and uncertainties. Indian Youth have all the essential potential of becoming vibrant entrepreneurs capable of doing innovations. Government must provide them opportunities to acquire desired skills for innovative entrepreneurs. Short term skill acquisition programs are to be incorporated along with regular graduate and postgraduate courses. Such courses are to be certified and make them sources of added advantages in the job market. Such cutting edge courses will help aspiring youths to polish their general skills and make them suitable to specific needs of companies.

In addition to specific skills, what the youth need is adequate liquidity to start their own businesses to be part of global supply chains of goods and services. Service industry especially information technology related and financial sector services give excellent opportunities for young entrepreneurs. Even before the liberalization waves started in India, our country had witnessed the emergence of dynamic and vibrant young entrepreneurs in the field of information technology and won global market share in an envious fashion. Medium and Small Enterprises, if they are well funded, can generate excellent job opportunities. Government must utilize the age factor of our population positively providing the youth adequate skill and financial support. Unbridled neo-liberal policies, reckless privatization, indiscriminate corporatization and informalization and contract labour system will surely destroy the zest and aspirations of our billion youth. Here lies the significance of the state having greater economic role in a liberalized globalized economy. Financial reforms should not compromise financial inclusion of weaker sections. Allocation of financial resources is to be done in accordance with gender accommodation. Those sections of the community especially scheduled castes and schedule tribes who have not yet started to enjoy the benefits of liberalized regime in India must be included with focussed attention on developing their entrepreneurial skills. Such an inclusion may help us to tap the potential of their traditional innovation capacities that may have helped them to survive the caste system. Development agenda based on exclusive development of corporate sector may not be much rewarding in India because such a development paradigm cannot solve the unemployment issue our youth have been facing. Self-efficacy and natural endowment of young folk to wed risks and uncertainties are to be tapped to the maximum helping them to utilize their hidden, latent and dormant entrepreneurial skills and potentials. Educated youngsters are so eager to start their business and thereby executing their wonderful and rewarding business ideas that are not only novel but also, as our experiences indicate, most times path breaking. Institutionalized credit provisions for such young initiatives must be provided and credit supply must be maintained without a break. To realise this aim nationalized banks are to be incorporated to this scheme of credit provisioning under a well written policy document of the government of India. Economic scaffolding and market guidance that we are talking about rather than just giving a few lakhs rupee as loan and retreating from the scene. Creating a 'young entrepreneur' friendly atmosphere in all walks of production should be the aim of the government. This move will surely help our country to attain self-sufficiency in production and we can generate export surplus as well as reduction in our import bills.

Conclusion:-

Unbridled crony capitalism has been sucking the life blood of young educated workforce in our country by placing them under precarious working conditions with depressing wages and literally little labour protection benefits. Large scale pauperisation has been on the way across the world under the forward march of crony capitalism. Youngsters are the foremost victims of this world phenomena. Eternal fear of having an inevitably unrewarding future has been draining the dreams, hopes and aspirations of our youth. This will lead to collective depression and eventually social unrest. When majority of people are forced to live in abject poverty and squalor in the midst of vulgar affluence, that is not painful alone but insulting too. No democracy can afford such brutal insult. Historical alienation of under privileged people in India still continues in different forms. Creating a conducive entrepreneurial culture that welcomes young entrepreneurs irrespective of their socio-economic background, providing such young buds adequate financial liquidity, provincial guidance and sufficient legal and moral protection are the moral responsibility of any democratic country where majority of people are youth and poor.

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