

Role of Training in Entrepreneurship Development – An Insight

Dr. Neeraj Manchanda

Astt. Professor, Faculty of Commerce, Agra College, Agra (U.P.) India.

I INTRODUCTION

Training and Entrepreneurship development are intricately related with each other. If we want to develop more and more entrepreneurs than we will have to provide opportunities for effective and worth while training. No doubt Entrepreneurship requires some inbuilt and inherent skills but the importance of training and development can't be underscored at any cost. Entrepreneurship development and training is one of the key elements for development of micro, small and medium enterprises (MSMEs), particularly, the first generation entrepreneurs. The National Institute of Small Industry Extension Training (NISIET), Hyderabad The Indian Institute of Entrepreneurship (IIE), Guwahati, and the National Institute of Entrepreneurship and

Small Business Development (NIESBUD), NOIDA have been set up as national - level institutions for promotion of MSMEs through training and entrepreneurship development. To promote and assist entrepreneurship development in the country, the Ministry has also been implementing (in addition to the schemes of SIDO) two important schemes, namely, promotion of entrepreneurship development institutions (EDI) and scheme of National Entrepreneurship Development Board (NEDB).

The main objectives of these programmes are

- (i) promoting entrepreneurship for creating self-employment through enterprise creation;
- (ii) Facilitating creation of training infrastructure; and
- (iii) Supporting research of entrepreneurship related issues.

II CONCEPTS OF ENTREPRENEURSHIP DEVELOPMENT

According to Cantillon, "An entrepreneur is the agent who buys factors of production at certain prices in order to combine them into a product with a view to selling it at uncertain prices in future." He gives example of a farmer who pays out contractual income to the landlord and the labourers and sells the agricultural produce at uncertain prices. Similarly a merchant makes certain payments in expectation of uncertain receipts; under this view an entrepreneur is the person who assumes incalculable and non-insurable risks.

According to Joseph Schumpeter, an entrepreneur is an innovator who brings economic development through new combinations of factors of production. This interpretation of the entrepreneur has been criticized. Under developed countries like India where private capital is shy and small, skill and

technical knowledge is deficient and socio-economic infrastructure is inadequate do not have many innovators. Such countries need imitators who can implement the innovations made in developed countries.

In short we can conclude that an entrepreneur is the person who bears risk, unit's various factors of production and carries out innovations. An entrepreneur can, therefore be defined as an individual or a group of individuals who tries to create something new, who organizes production and undertakes risk involved in the establishment and operation of a business enterprise. The term entrepreneur is not confined to those who start a new business and extend to those who seek out new opportunities and then combine the factors of production to exploit the perceived opportunities.

III SCHEMES OF ENTREPRENEURSHIP DEVELOPMENT

(a) Entrepreneurship development Institutions

(EDI) Scheme - Under the EDI scheme, grant is given for setting up of new entrepreneurship development institutions (EDIs) and also for up-gradation and modernization of existing EDIs in the country. Under the scheme, a matching grant of 50 per cent, subject to a ceiling of Rs.100 lakh is provided for building, equipment, training aids etc. the balance is contributed by the State/Union Territory Governments and other agencies. Financial assistance provided under this scheme is only catalytic and supportive to the contribution and efforts of State/Union Territory Governments and other agencies. Against budgetary allocation of Rs.250 lakh for 2006-07, Rs.85 lakh have been released up to 31.12.2006 under this scheme.

(b) National Entrepreneurship Development Board (NEDB) scheme

- This is an ongoing scheme from the Ninth Plan, which was continued in the 10th Plan. The main objective of the scheme is to promote entrepreneurial climate and inculcate entrepreneurship as a career. During 2006-07, a budget provision of Rs.200.00 lakh has been made against which Rs.26.03 lakh has already been released up-to 31.12.2006. A recent review of the scheme has revealed that continuation of the NEDB had become individual scheme components has not been optimal. Government has, therefore, decided to abolish the NEDB and recast the scheme contents/components, with a view to sharpening their focus and improving their impact. Therefore, for the Eleventh Plan no allocation has been

proposed for this scheme, rather it is being replaced by a new scheme to be now known as the Scheme of "Micro and Small Enterprises - Initiation, Support, Promotion, Integration, Revitalization and Empowerment (MSE - INSPIRE)

IV INSTITUTES OF ENTREPRENEURSHIP DEVELOPMENT

- (a) **Indian Institute of entrepreneurship (IIE), Guwahati** - The Indian Institute of Entrepreneurship (IIE) was set up at Guwahati in 1993. It took over NISIET's NER Centre from 1st April 1994. The Institute is completing 13th year of its operation on 31st March 2007. During this period the Institute has expanded its activities to a great extent covering all facets of MSME activities. IIE's Regional Office at Uttaranchal has become fully operational. Since its establishment and up to December 2006, the Institute has organized 1090 training programmes/workshops/seminars/meets where 35342 participants participated. The Institute has obtained ISO-9001-2000 certification from the Bureau of Indian Standards. The Institute has expanded its canvas not only in terms of geographical coverage but also diversifying into various areas of the activities related to socio-economic development. The Institute organizes training programmes and undertakes research and consultancy services in the field of promotion of MSMEs and entrepreneurship.
- (b) **Highlights of the main achievements of the Institute are as under:-**
- (i) Promotion of new entrepreneurs has been the major focus of training organized by the Institute. In order to promote new entrepreneurs, the Institute organizes rural, general and women EDPs, sector specific EDPs, etc. details of which are given below:
 - (ii) Besides continuing its Rural Industries Programme (RIP) in Meghalaya, Manipur and Barpeta in Assam, the Institute started its RIP at Nongpoh in Meghalaya with the help of SIDBI. Another area approach that the Institute has undertaken is the STED Project in Bongaigaon to promote entrepreneurship with technological intervention sponsored by the Department of Science and Technology.
 - (iii) At the instance of Coir Board, Ministry of Agro and Rural Industries, the Institute organized 16 sector-specific programmes in Coir based industries, covering 1217 participants from North Eastern Region.
 - (iv) At the instance of the Ministry of Science & Technology, Government of India, the Institute also organized three programmes,

one on Herbal Medicine, one on Areca nut leaf plates and one Rubber Plantation Industry where a total of 66 participants participated. The Institute also organized two programmes, one each on Finishing and Dying Techniques covering 45 participants.

- (v) For creation of environment for entrepreneurship development, during April-December 2006, the Institute has organized 13 programmes for orientation of officials from sport agencies covering 328 participants.
- (vi) For creation of awareness and orientation for college and university students regarding entrepreneurship, during April- December 2006, the Institute has organized 15 programmes covering 884 students from various colleges, universities and polytechnic institutes. In the area of information technology, the Institute has organized 3 Training Programmes. The Institute has also organized 1 Programme on Basic Computer Application Skills where 21 participants attended. It also organized one AIRTSC sponsored programme for youths of schedule caste community where 25 participants participated. The Institute also started its six months Teachers' Training Programme on Computer Applications where 20 teachers are participating.
- (vii) During April-December 2006, the Institute has organized three workshops on trade related entrepreneurship assistance and development scheme and one each on handloom Cluster Scheme and SFURTI. Altogether 218 participants attended these Workshops/Seminars.
- (viii) The Institute has been implementing a comprehensive entrepreneurship development programme (CEDP) on gem stone processing hosiery and woolen garment manufacturing. The Institute has set up two training centers, one at its campus and one at Aizwal, for gem stone processing; and two centers for hosiery and woolen garment manufacturing, one in Sikkim and another in Arunachal Pradesh. This initiative is the first of its kind in the North-East for imparting skill development training to prospective entrepreneurs and artisans by offering six-month and three-month certificate courses, in gemstone processing and hosiery processing, respectively. Besides, incubation facilities, technical support, market linkages, etc. are also provided to prospective entrepreneurs. Till December 2006, 30 entrepreneurs in Gemstone and 56 in Hosiery were trained.

- (ix) The Cane & Bamboo Cluster at Dimapur in Nagaland and Handloom Cluster in Manipur, are the Institute's maiden ventures into the cluster initiative in North East. Considering the availability of local resources and local craftsmanship, the Institute has initiated the process of development of cluster of traditional and rural artisans in these sectors. The Institute organized a five-day Exhibition-cum-Sale Campaign of Handloom & Handicraft products of cluster actors as part of its Cluster Initiative at Guwahati from 23 to 27 October 2006.
- (x) The Institute has been appointed as a Technical Agency by the Ministry of Agro and Rural industries for overlooking several khadi, village industries and coir clusters in Eastern and North-Eastern Regions under Scheme for Fund for Regeneration of Traditional Industries (SFURTI). The Institute has started a series of sensitization programmes and pre-diagnostic studies for the prospective clusters in the region.
- (xi) Business Facilitation & Development Centre (BFDC) is a wing of IIE to provide support services to small enterprises in North-East Region including Sikkim. The BFDC has been positioned to help the first generation entrepreneurs. During the year, 347 entrepreneurs utilized the services of BFDC. 80 Project Reports have been prepared and submitted to commercial Banks and NEDFI for finance, out of which financial assistance for 27 projects have already been sanctioned. A total of 35 new business units made operational during the year.
- (xii) During the year the Institute has completed the following Research and Consultancy studies:
- Pro poor Dairy Development in Assam: Improving Traditional Dairy Marketing and Processing - sponsored by International Livestock Research Institute.
 - Women Entrepreneurs and Institutional Finance - sponsored by Office of Development Commissioner of Small Scale Industries.
 - A Study on Coir related activities in North East vis-a-vis Potentials- sponsored by Coir Board.

In addition, a study on Industries based on ancillary and support services of large and medium industries of North East India is in progress.

It includes programme like Promotion of New Entrepreneurs (PNE), Growth of Existing Entrepreneurs (GEE); Creation of Environment for Entrepreneurship (CEE), Entrepreneurship Education (EE), Information Technology (IT), Seminar/

workshops etc. As far as the area of involvement of NIESBD is concerned, it includes programme like Trainer's/ Promoter's programs, Small Business Opportunities & Development Programme for women/ weaker section, Entrepreneurship continuing Education Programme, Seminars, workshops & Conferences, EDPs and International training programmes.

V CONCLUSION

In short we can conclude that an entrepreneur is the person who bears risk, unit's various factors of production and carries out innovations. An entrepreneur can, therefore be defined as an individual or a group of individuals who tries to create something new, who organizes production and undertakes risk involved in the establishment and operation of a business enterprise. The term entrepreneur is not confined to those who start a new business and extend to those who seek out new opportunities and then combine the factors of production to exploit the perceived opportunities.

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