



## Prospect and Motivation - Youth Entrepreneurship in India

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### ABSTRACT

Youth unemployment is one of the most critical challenges the world is facing today: young people make up almost half of the world's unemployed, despite accounting for only one quarter of the working population. An unemployed person is defined as someone who does not have a job but is actively seeking work. Unemployed youth has been called "a lost generation": not only because of productivity loss but also because of the long-term direct and indirect impact unemployment has on young people and their families. Being unemployed for a long period of time in youth have been correlated to decreased happiness, job satisfaction and other mental health issues. In order to boost employment and job creation for young people, entrepreneurship is increasingly accepted as an important means to create jobs and improve the economic independence of young people. Youth entrepreneurship is nothing but the practical application of enterprising qualities, such as initiative, innovation, creativity, and risk-taking into the work environment (either in self-employment or employment in small start-up firms), using the appropriate skills necessary for success in that environment and culture. Youth entrepreneurship support programs and talent development programs that are mainly induced with the intention of providing them the tools, techniques, and opportunities to improve their odds at success. Successful youth entrepreneurship programs offer a plethora of benefits, including financial education, role models and the necessary tools to successfully operate a business. These programs also offer youth an opportunity to take risks, manage the results and learn from the outcomes while also motivating youth to be productive and engaged in their communities.

### KEYWORDS

youth unemployment, opportunities, youth entrepreneurship, motivation.

### INTRODUCTION

A lack of job opportunities disproportionately affects youth, permitting only a small percentage of these young men and women to follow their professional dreams. This trend prevails even during positive economic situations and is worse during bad economic times. Entrepreneurship is understood in a wide social, cultural and economic context, as well as being innovative at home, school, leisure and at work. Entrepreneurship involves life attitudes, including the readiness and the courage to act in the social, cultural and economic context. Effective youth entrepreneurship education prepares young people to be responsible, enterprising individuals who become entrepreneurs or entrepreneurial thinkers and contribute to economic development and sustainable communities. Youth unemployment does not have to end in a catastrophe. They might actually benefit from the situation if the different stakeholders could provide support mechanisms, which are tailored to the next generations' skills and talents and help them develop the career they are actually best suited for, may it be academic, corporate, entrepreneurial, political or social.

### OBJECTIVES OF THE STUDY

- To study the importance of youth entrepreneurship
- To know the different employment opportunities through youth entrepreneurship.
- To understand the inspiration of young people to engage in entrepreneurship.
- To provide suitable suggestions to promote youth entrepreneurship.

### YOUTH ENTREPRENEURSHIP

Youth entrepreneurs face greater challenges than adult entrepreneurs, and therefore would benefit from talent development programs to support them with skills, mentoring, networking, and access to resources in order to increase their rate of success. There are three transitional periods of a youth entrepreneur:

**Pre-Entrepreneurs:** These are the youngest and greenest of the youth entrepreneurs. They are typically 15-19 years of age and have not yet gathered much experience. They are usually at an experiential stage, testing future career options. They require awareness of entrepreneurship and business startups as viable career options, and need to learn about the various entrepreneurship possibilities, including social enterprise, service-based startups, and technology-based ventures. Awareness at this stage, and earlier, is a key to building a culture of entrepreneurship as a career choice rather than a hobby.

**Budding Entrepreneurs:** These are the next-stage youth entrepreneurs. They are typically aged 20-24 years of age and have gained some capital, confidence, or experience to start an enterprise. Due to their limited resources, enterprises at this stage typically follow one of three routes: i) leading to success, ii) going out of business, or iii) becoming stuck in marginal activities. The challenge of support programs at this stage is to increase the enterprise's rate of survival through targeted business development training, access to role models and mentors and access to finance and resources.

**Emergent Entrepreneurs:** These entrepreneurs are at the prime stage of the transition. They are typically the most experienced of the youth entrepreneurs and have access to greater capital. Having launched their business, they now require tactical skills for growth, which are different than those required for starting a new venture. These entrepreneurs require targeted business development training, business counseling, mentors, and access to working capital and operational support.

### IMPORTANCE OF YOUTH ENTREPRENEURSHIP

The importance of promoting youth entrepreneurship lies in the following:

Creating employment opportunities for both the self-employed youth and other young people

Bringing back the alienated and marginalized youth into the economic mainstream

Helping address some of the socio-psychological problems and delinquency that arise from joblessness

Promoting innovation and resilience in youth

Promoting the revitalization of the local community

Young entrepreneurs may be particularly responsive to new economic opportunities and trends

Enterprise helps young women and men develop new skills and experiences that can be applied to many other challenges in life.

## **EMPLOYMENT OPPORTUNITIES FOR YOUTH THROUGH YOUTH ENTREPRENEURSHIP**

Through youth entrepreneurship, young people, including those with disabilities, learn organizational skills, including time management, leadership development and interpersonal skills, all of which are highly transferable skills sought by employers. The following are the opportunities available for youth through youth entrepreneurship:

### **Opportunity for Work Based Experiences**

Work experiences for youth with disabilities during high school, both paid and unpaid, help them acquire jobs at higher wages after they graduate. Also, students who participate in occupational education and special education in integrated settings are more likely to be competitively employed than students who have not participated in such activities.

### **Opportunity to Exercise Leadership and Develop Interpersonal Skills**

By launching a small business or school-based enterprise, youth with disabilities can lead and experience different roles. In addition, they learn to communicate their ideas and influence others effectively through the development of self-advocacy and conflict resolution skills. Moreover, they learn how to become team players, and to engage in problem solving and critical thinking -- skills valued highly by employers in the competitive workplace of the 21<sup>st</sup> Century. Mentors, including peer mentors both with and without disabilities, can assist the youth in developing these competencies.

### **Opportunity to Develop Planning, Financial Literacy, and Money Management Skills**

The ability to set goals and to manage time, money and other resources are important entrepreneurship skills which are useful in any workplace. For youth with disabilities, learning about financial planning, including knowledge about available work incentives is critical for budding entrepreneurs with disabilities who are currently receiving cash benefits from the Supplemental Security Income Program (SSI).

### **Opportunities to the rural youth:**

It helps in creating more employment opportunities in the rural areas through intensive farming, greater irrigation facilities, extension of community projects, and organization of co-operative farming, development of village industry and settlement of agricultural labourers on the reclaimed land.

## **INSPIRATION OF YOUNG PEOPLE TO ENGAGE IN ENTREPRENEURSHIP**

There are various reasons why young people decide to start a business, relating to their living circumstances, their personal attitudes, preferences and objectives and their particular interests and individual strengths. Recognizing these reasons is crucial for understanding and stimulating youth entrepreneurship.

Living conditions: Necessity-vs. Opportunity motivated entrepreneurship

“Starting up a business was the only chance to find employ-

ment and to earn my own money. In the area where I live, unemployment is a big problem, and if you are young and educated then it is particularly difficult to find any kind of job.” (Ana Dukanovic, young entrepreneur from Hungary). “The main reason of starting the business was to be my own boss and, at the same time, to find an activity which yielded enough to live decently and that allows for economic growth.” (Marcela Del Carmen Gutiérrez, young entrepreneur from Argentina). The Global Entrepreneurship Monitor (GEM) study distinguishes between opportunity-motivated entrepreneurship and necessity-motivated entrepreneurship. Group A: Enterprise able Current status – will be an employee or student with either business experience or business qualifications. Personal characteristics – likely to have been exposed to enterprising role models and/or had an enterprise education experience. Service needs – likely to require general information and advice about business start up. Group B: Enterprising Current status – will be preparing to be self-employed, or already is self-employed. May have business qualifications. Personal characteristics – likely to have self-employed parents, or prior work experience in the same industry and had an enterprise education experience. Service needs – likely to require specialized information and business advice and/or mentoring, and the opportunity to network with other enterprising young people. Group C: Pre-enterprise Current status – will be an employee or student Personal characteristics – unlikely to have been exposed to enterprising role models and/or had an enterprise education experience. Service needs – likely to require exposure to information about being enterprising and what it takes to start a business. Group D: Enterprise aware Current status – will be interested in being self-employed or already be self-employed. Personal characteristics – likely to have self-employed parents, prior work experience and/or had an enterprise education experience. May already have a business idea. Service needs – likely to require skill development and information and advice about business start-up or management. Readiness Low Intention High High 12 Entrepreneurship is driven by economic necessity when there is no other alternative for income generation or making a living. According to GEM study, necessity-driven entrepreneurship levels in a country is associated with factors like low tax revenue as a percentage of GDP, lower levels of participation in both secondary and tertiary education and high levels of income disparity and low levels of social security<sup>36</sup> That is why especially youth in developing and low-income countries tend to engage in business out of economic necessity (e.g. lack of employment opportunities, need to supplement household income and poverty). In contrast, opportunity-driven entrepreneurship refers to entrepreneurship that is the result of the desire to pursue a perceived business opportunity, which is not the only option for generating an income and making a living at a time. The level of opportunity entrepreneurship is associated with a belief in having the skills to start a business, knowing someone who has started a business in the last two years, seeing good business opportunities in the future, and high business angel investment and support activity.<sup>38</sup> That is why opportunity entrepreneurship tends to be more dominant in the high-income countries. However, in practice, it is fairly difficult to draw a clear separation line between both types of entrepreneurship as both motivations often overlap.

### **Personal attitudes, self-interests and individual strengths**

Apart from living conditions, the motivations of young entrepreneurs are bound up to their personal attitudes, preferences and objectives and their particular interests, individual strengths and skills. In contrast to pure economic entrepreneurs, social entrepreneurs have a strong desire to change and improve society. Their motivation is often based on altruism, the need to be true to one's values and beliefs, the need to be socially responsible and in being a long-term interest in the health of the local economy, environment and the community. Furthermore, in industrialized countries, young people cite various personal motivations and reasons to start their own business: To be one's own boss, to be more independent and flexible, to pursue a new job perspective, to seek a new challenge, to earn more money (or to become wealthy), to real-

ize a vision or an idea, to get more reputation and to connect a passion with the job (in order to obtain better quality of life), to continue family traditions. "There's no simple answer to that – I engaged in business because: I wanted to see my funds increasing, not melted down over time. I wanted to be my own boss and create desirable working conditions, atmosphere and organizational culture. My family did it – I wanted to see whether I could do it as well. I wanted to realize my ideas/vision, to connect my job with something I did well in my private life – to advise people, help them with their needs, to forward them the information they need and make them feel better about themselves by supporting their creativity and market-viable ideas. I saw I was good at what I did pro bono, and wanted to get paid for at least some of it" (Mirta Didara, young entrepreneur from Croatia).

### **SUGGESTIONS TO PROMOTE YOUTH ENTREPRENEURSHIP**

Youth entrepreneurship benefits an economy by creating jobs, increasing competitiveness, creating innovative goods and services, creating a strong community and cultural identity, and producing income. Improvements can be made in providing on-going support, beyond a program's challenge, competition, or experience timeline. The suggestions for promoting youth entrepreneurship are listed below:

A focus on peer networking (ambitious youths meeting other entrepreneurial youths) as well as traditional student-to-business-leader networking is beneficial in helping youth gather contacts, build confidence, and identify team members for their present and future ventures.

Other areas for improvement include a focus on building long-term experience, rather than the short-term delivery of programs. Linking existing programs that are available through universities, not-for-profits, and private industries can create a long-term experience and act as a talent pool for the community. It could be a simple method for ambitious and talented youth to be identified and rise to the top, while simultaneously extending their experience, talent development, and networking in the community.

An immediate improvement that could be enacted immediately is search engine optimization of the wide variety of programs available. Improving the accessibility of online information would ensure greater engagement of entrepreneurial youth.

The best way to improve success rates of youth entrepreneurs is to provide quality support, skills, and resources to youth entrepreneurs so that they are better prepared when their time comes.

Case studies are an effective method to spur students' curiosity, putting them face-to-face with real-life business situations. By studying past or present corporate success stories and operational hiccups, students can dig deeper into processes and procedures that executives follow to make decisions.

It is good to invite business executives and ask them to teach a full course, make a presentation, or share their experiences with students.

Universities can work in partnership with student-entrepreneurs and institutions such as the Small Business Administration to conduct market research, obtain financing, and create viable businesses.

### **CONCLUSION**

Youth has a natural disposition for innovation and change on which we can capitalize, as long as we are clear that successfully launching a new enterprise - however small - is a process of innovation. Youth's natural disposition for innovation and change make young people well suited for entrepreneurship provided the community can give youth the right support to overcome their challenges and improve their odds of success. A city's economic development benefits from youth entrepre-

neurship in terms of employment creation, product and service innovation, market competition, community revitalization, and income generation. Youth entrepreneurs face greater challenges than adult entrepreneurs, and therefore would benefit from talent development programs to support them with skills, mentoring, networking, and access to resources in order to increase their rate of success.

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