

Emerging Economic Scenario In Entrepreneurs: Challenges And Opportunities

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ABSTRACT

In the present economic scenario no country can afford to slow down the pace of its economic growth. The growth of economy business cycle must be in motion, products and services must be purchased. Now the one who can understand the market better will win the race and also contribute to country's economic growth. Till now we talk about the budding managers that Indian Inc. needs but now comes in picture the emerging people known as entrepreneurs. Entrepreneurs are the one who not only help in meeting their goal but by this way they cater the several needs of society knowingly and unknowingly with their excellent enterprising skills. With the increase of entrepreneurship activities all over the world there is a generation of productive and meaningful employment and these employment opportunities are significantly necessary for the emerging economies as they are going to be hub of business activities. Industrial development is based on the entrepreneurial competencies of the people. The SAARC countries are the fastest growing economy and among these some also have significant percentage of youth but surprisingly have almost lowest entrepreneurial activities. This paper strives to dig out the facts that what are the opportunities and barriers which hinder the emergence of entrepreneurs and how the knowledge of these economies can help them to open consumer oriented ventures.

Key words: Entrepreneurs, Economic development, Employment, Challenges, Emerging economies

Introduction

We often hear that so and so is an entrepreneur who has started his or her own business. It is also the case that when we hear the term entrepreneur, we tend to associate it with a person who has or is starting their own ventures or in other words, striking it on their own. This is indeed the case as the formal definition of Entrepreneurship is that it is the process of starting a business or an organization for profit or for social needs. We have used the phrase for profit or for social needs to delineate and separate the commercial entrepreneurship from social and charitable entrepreneurship. After defining entrepreneurship, it is now time to define who an entrepreneur is and what he or she does.

An entrepreneur is someone who develops a business model, acquires the necessary physical and human capital to start a new venture, and operationalizes it and is responsible for its success or failure. Note the emphasis of the phrase responsible for success or failure as

the entrepreneur is distinct from the professional manager in the sense that the former either invests his or her own resources or raises capital from external sources and thus takes the blame for the failure as well as reaps the rewards in case of success whereas the latter or the professional manager does the job and the work assigned to him or her for a monetary consideration. In other words, the entrepreneur is the risk taker and an innovator in addition to being a creator of new enterprises whereas the professional manager is simply the executor.

Attributes of Entrepreneurs

Moving to the skills and capabilities that an entrepreneur needs to have, first and foremost, he or she has to be an innovator who has a game changing idea or a potentially new concept that can succeed in the crowded marketplace. Note that investors usually tend to invest in ideas and concepts which they feel would generate adequate returns for their capital and investments and hence, the entrepreneur needs to have a truly innovative idea for a new venture.

Leadership Qualities

Apart from this, the entrepreneur needs to have excellent organizational and people management skills as he or she has to build the organization or the venture from scratch and has to bond with his or her employees as well as vibe well with the other stakeholders to ensure success of the venture. Further, the entrepreneur needs to be a leader who can inspire his or her employees as well as be a visionary and a person with a sense of mission as it is important that the entrepreneur motivates and drives the venture. This means that leadership, values, team building skills, and managerial abilities are the key skills and attributes that an entrepreneur needs to have.

Creative Destruction and Entrepreneurship

We often hear the term creative destruction being spoken about when talking about how some companies fade away whereas others succeed as well as maintain their leadership position in the marketplace. Creative destruction refers to the replacement of inferior products and companies by more efficient, innovative, and creative ones wherein the capitalist market based ecosystem ensures that only the best and brightest survive whereas others are blown away by the gales of creative destruction. In other words, entrepreneurs with game changing ideas and the skills and attributes that are needed to succeed ensure that their products, brands, and ventures take market share away from existing companies that are either not creating values or are simply inefficient and stuck in a time warp wherein they are unable to see the writing on the wall. Therefore, this process of destroying the old and the inefficient through newer and creative ideas is referred to as creative destruction which is often what the entrepreneur does when he or she launches a new venture.

An Entrepreneur is a Risk Taker

We have discussed what entrepreneurship is and the skills and attributes needed by entrepreneurs along with how they engage and indulge in creative destruction. This does not mean that all entrepreneurs are successful as the fact that they can become victims of creative destruction as well as due to lack of the other traits means that a majority of new ventures do not survive past the one year mark of their existence. Now, when ventures fail, the obvious

question is who takes the blame for the failure and whose money is being lost. The answer is that the entrepreneur puts his or her own money or raises capital from angel investors and venture capitalists which means in case the venture goes belly up, the entrepreneur and the investors lose money. Note that as mentioned earlier, the employees and the professional managers lose their jobs and unless they are partners in the venture, their money is not at stake. Therefore, this means that the entrepreneur is the risk taker in the venture which means that the success or failure of the firm reflects on the entrepreneur.

Role of Entrepreneur in Economic Growth

The prosperity of a country is related to its overall development and when we say overall development we talked about the number of production units that are prevailing in that economy. An economy is known as an emerging economy or an emerging market when it is seen through the entrepreneurial nature of the economy. In the past decade, developed countries have grown diminutively. Several developing economies have expanded at extraordinary rates. As developing countries are significant part of the world's economic output many leading economist have predicted them as emerging economies and the global competitive advantage is also shifting from developed to developing countries.

Entrepreneurship played a significant role in economic growth, innovation, and alleviating poverty and awareness regarding entrepreneurship is needed. Entrepreneurship may affect economic growth in various ways:

1. They may introduce important innovations by entering markets with new products or production processes.
2. They may boost efficiency by mounting competition.
3. They may enhance our knowledge of what is technically viable and what consumers prefer by introducing variations of existing products and services in the market.
4. The resulting learning process speeds up the discovery of the dominant design for product-market combinations.
5. Knowledge spillovers play an important role in this process
6. Finally, they may be prone to strenuous working hours as their income is prominently linked to their working effort.

In this paper we strive to find out that what are the upcoming or already embedded challenges and opportunities for entrepreneurs especially young in the emerging economies especially SAARC nations and how with environment they should retain sustaining success.

Reflection of SAARC Nations Guide to Future Economic Growth

However, many investors, entrepreneurs and business leaders are still struggling with it as a guide for future investment and business opportunities. The SAARC countries are distinguished from a congregation of other promising emerging markets by their demographic and economic potential to rank among the world's largest and most significant economies in the 21st century. The SAARCs are important drivers of economic growth and that's why they are considered as emerging economies. Bascially there are three drivers of economic growth land, labour and capital which are also known as the factors of productions. A country's population and demographic conditions are one of those factors that could affect the potential size of the economy and also shows its competence to function as steam engine

of economic growth. As early as 2003, Goldman Sachs forecasted that China and India would become the first and third largest economies by 2050, with Brazil and Russia capturing the fifth and sixth spots.

India – A Hope to Win

After the reforms of 1991 India took a new beginning and started its journey to become one of the developing and emerging economies. India has many good reasons which come to be seen as the each man of emerging nations, an epitome that captures the finest and nastiest tricks of all the most vibrant young economies. There is unbelievable diversity in the country in which youth still have the options between world class engineering schools and Maoist mutiny, yet the large command of English among elites can make it highly uniform and easily accessible to the outside world. India is opening doors for many of the entrepreneurial opportunities and in the previous year's facts have shown that there is lot of entrepreneurial development in our economy. The growing young population is becoming a competitive edge, and a driver of economic growth. By 2025 the average Chinese will be 37 years old, the average Indian will be 29. This data create a hope that China will get old before it gets rich and India will reach the middle income class status while still they are young. India had numerous opportunities in the field of real estate, IT and communications, retail, education and the list is long.

Challenges faced by India

It is said and researches shows that attitude towards entrepreneurs and entrepreneurship is an important factor that determines entrepreneurial growth in a country but talking about the Indian culture it continues to remain risk averse. Even certain studies have shown that our Indian business men want to invest less in our country because of regulatory environment and are ready to invest abroad. The entrepreneurs here face challenges like limited access to finance, bureaucratic procedure, and poor infrastructure etc. The distribution system is one more challenge for the entrepreneurs in India because of poor infrastructure, low internet penetration

The cronyism in this country is a big hurdle for entrepreneurial growth. According to the survey conducted by the National Knowledge Commission, 2008: 50% of the entrepreneurs experienced difficulties while seeking statutory clearances and licenses. Two-thirds faced hassles while filing taxes and 60% claimed to have encountered corruption. To avoid a crisis and to have a better environment India needs to create a society governed more by rules than by personal connections.

Conclusion

Each of the SAARC country is offering various opportunities for the entrepreneurs but the present situation need not be neglected as these challenges would help the entrepreneurs to sustain success through developing strategies. Talking about sustainability it demands for living and carrying out business in such a way that financial gain and economic growth do not move toward at the cost of debasing the environment or make vulnerable living standards and social well-being. The entrepreneurs have to design their business models accordingly to the economies advantages and disadvantages. The entrepreneurs in order to sustain their success should not only focus on these SAARC but other breakout

nations like turkey, Saudi Arabia, Indonesia etc. Creating the favorable conditions for rapid growth is more art than science, unconventional polices are required to promote more of entrepreneurial culture.

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