

Psychology & Economic Development

→ Entrepreneur Syndrome — 10

→ Women Entrepreneurship — 10

→ Entrepreneurship development & promotion — 15
(ED&P)

• Entrepreneur is a person who engages in an energetic, expansive business activity rather than short run efficiency & accumulation of greater wealth in liquid form.

— McClelland

* Different Types of Entrepreneurs

(i) Empire Builders

↳ venture after venture

(ii) Mobile Entrepreneurs

↳ create a venture & sell it off

(iii) Innovative Entrepreneurs

↳ in the same company, keep making new products

(iv) Managerial Entrepreneurs

↳ They might not grow the business or do something new but maintain it.

↳ family business

* The characteristics of Entrepreneurs → Entrepreneur Syndrome.

(i) They will have superior stress Mgmt. Skills

(ii) Moderate risk taking

(iii) They will always be optimistic people → driven by hope for success rather than fear of failure.

(iv) Time orientation → They live in the present.

(v) Excellent comm. skills

- (vi) ^{Low} need for affiliation.
- (vii) High level of resilience & internal locus of control.
- (viii) Openness to feedback & learning from experience.
- (ix) Need to influence others
- (x) High nAch
- (xi) " sense of self-efficacy
- (xii) flexible leadership style
- (xiii) Competitive & collaborative orientation.
- (xiv) Above average intelligence
- (xv) Realistic goal setting
- (xvi) They love challenging tasks
- (xvii) Low on social consciousness (generally)
- (xviii) Desire to make money
- (xix) Dignity of labour (respect for labour whether white collar or blue collar)

Entrepreneurship is the process by which opportunities to create future goods & services are discovered & evaluated & exploited. Entrepreneurship drives innovation & technical change and therefore generates economic growth. It is a process through which supply & demand are equilibrated & new knowledge is converted in goods, products & services. It is crucial to the development of human and intellectual capital. Entrepreneurship involves human agency. The entrepreneurial process occurs because people act to pursue opportunities. People differ in their willingness & abilities to act on opportunities because they are different from each other. Variation among people in their willingness & ability to act has important effect on entrepreneurial process. Recent research

accepts that people vary in their willingness & ability to engage in entrepreneurial process because of motivational as well as non-motivational ind. diff. such as opportunity cost, financial capital, career experience, etc. Therefore, to study entrepreneurial motivation, other factors that could have causal effect on the process should be controlled & these factors include⁽ⁱ⁾ political factors (such as political stability, legal restrictions, currency stability.

(ii) Market factors (Market size, labour market, tech regime)

(iii) Resources (skill availability, transportation & infra.)

Before 1960s, entrepreneurship dev. was a topic of academic discussion among psychologists, sociologists & economists and it was in 1960s, McClelland showed:

- (i) Entrepreneurship has +ve linkage with economic prosperity.
- (ii) It can be developed through the planned effort. Today, it is understood that Ent. Dev. & Promotion follows a cycle, consisting of:

a) simulatory activities

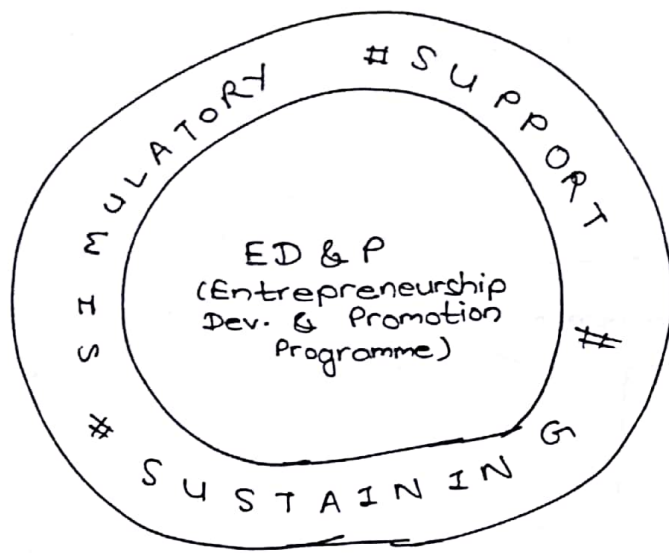
These ensure the supply of individuals ready to take the initiative & set up an enterprise, risking their own career.

b) support activities

This includes providing infrastructural facilities & resource abilities and various skills for enterprise launching & mgmt.

c) sustaining activities

All those efforts which facilitate growth & continuity through expansion, modernisation, diversification & tech. upgradation.



* Simulatory

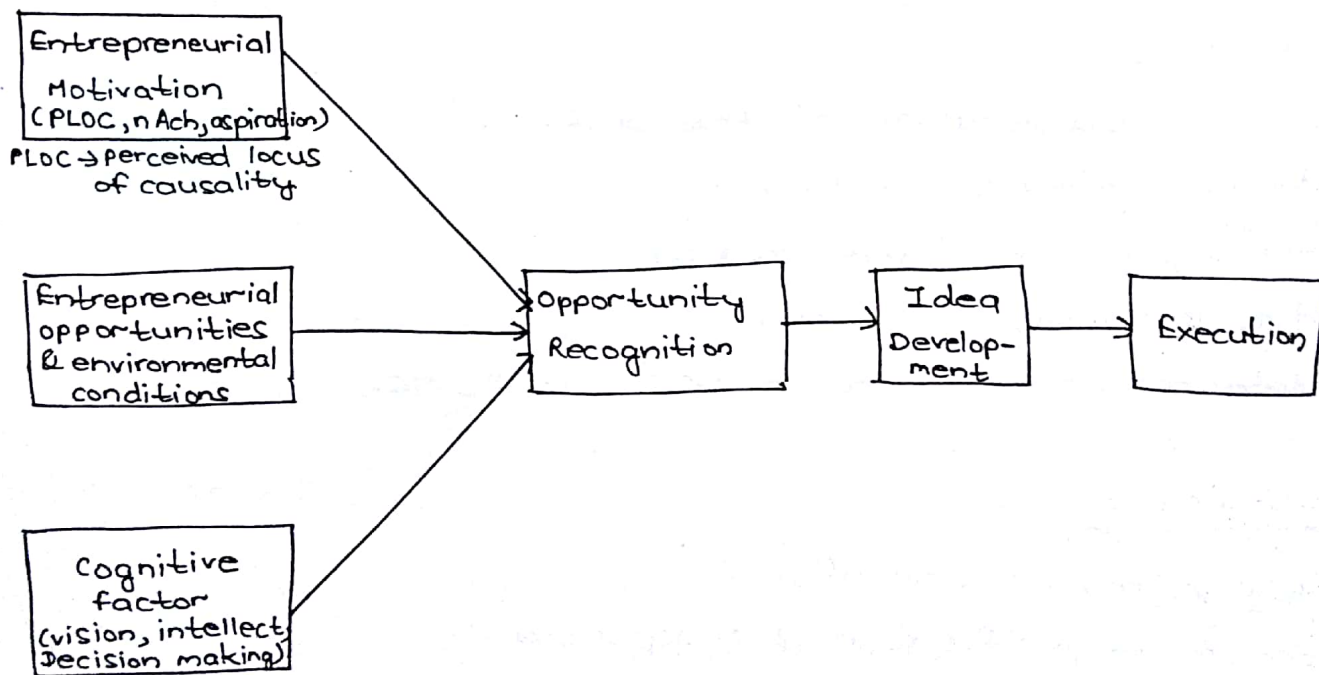
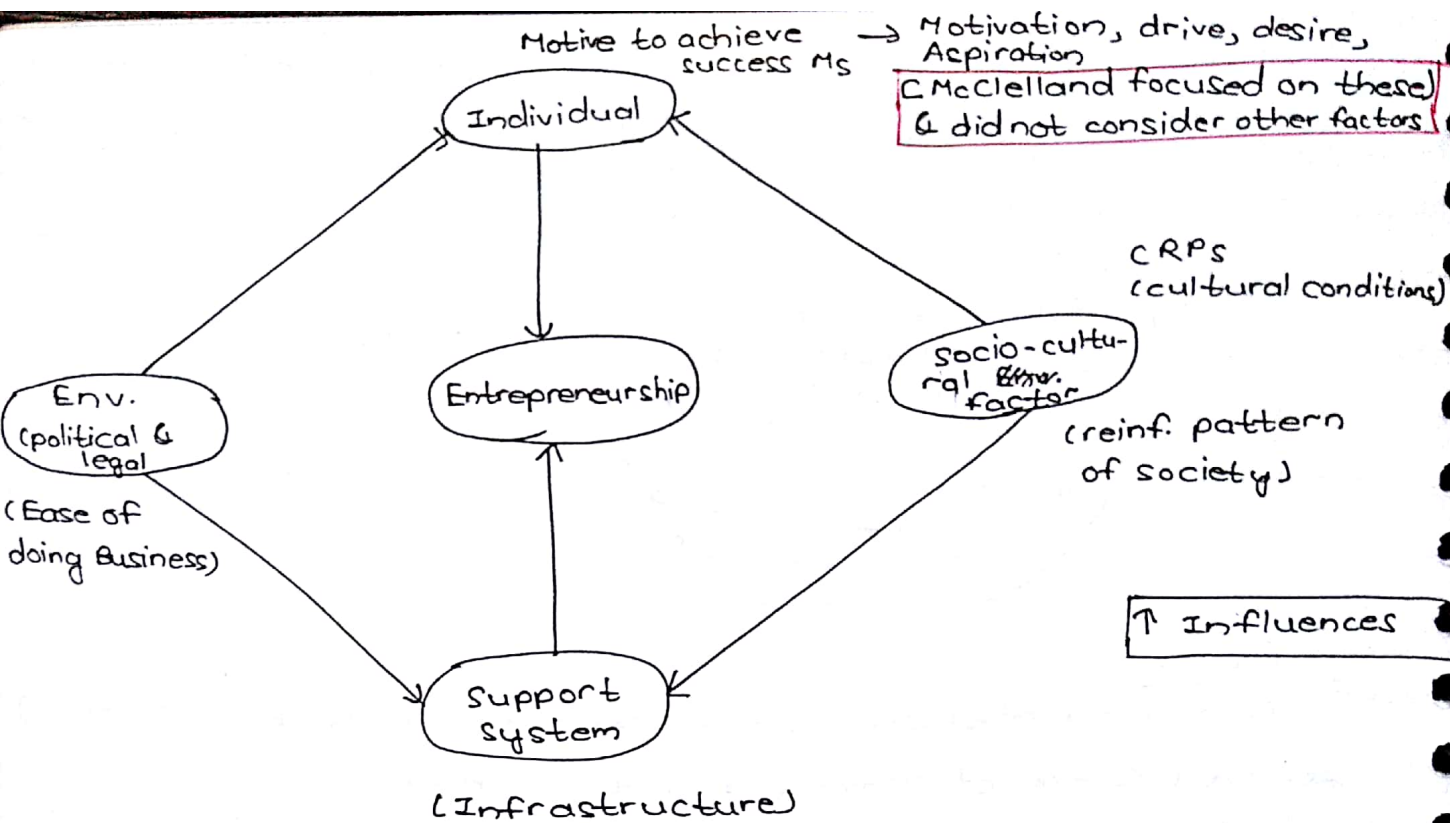
- (i) Entrepreneurial education → (Mass media must provide info.)
- (ii) Identification of potential Entrepreneurs
- (iii) Training " " "
- (iv) Help in selection of project

* Support

- (i) Help in registration of the unit.
- (ii) Help in getting the licenses.
- (iii) ^{Help in} Arrangement of the finance.
- (iv) Help in supply of raw material.
- (v) Help in procurement of land, power, etc.

* Sustaining

- (i) Help in mobilisation of unit.
- (ii) " " diversification & expansion.
- (iii) Additional finance for full capacity utilisation.
- (iv) Creating opportunities for effective ^{marketing.} ~~marketing.~~



* Objectives of Entrepreneurship Dev. Prog.

- (i) To increase the supply of entrepreneurs who start new ventures & to diversify the base of enterprise by promoting 1st generation entrepreneurs.
- (ii) To reduce the incidence of unemp. by creating self emp. & emp. opportunities.
- (iii) To improve the quality of entrepreneurship & avoid industrial sickness.
- (iv) To make the trainees aware of existing business scenario.
- (v) To awaken sleeping entrepreneurial characteristics of potential entrepreneurs.
- (vi) To impart managerial skills & dev. Decision Making powers among the participants.
- (vii) To assist entrepreneurs in project selection & working out feasibility details.
- (viii) To update the knowledge of participants about the processes, rules, req., various prog. & to help them in launching & setting up their own units.

* Problems faced by women in Entrepreneurship

(i) Dual Responsibility

(ii) Double Bind

↳ fear of failure as well as success (eg. no male will approach a very successful female → leads to isolation)
~~as it is~~

(iii) They are pushed into entrepreneurship rather than pulled ~~in~~ by it.

(eg. for financial compulsions)
^{or}
familial

↳ Problem with this is that when the compulsion will end, the motivation for entrepreneurship will end)

- (iv) Reliance on middle men
 eg. to get licenses
 ↳ for men the reliance might be there but it will be less
 ↳ this will reduce zeal for entrepreneurship.
- (v) Financial support
 ↳ difficulty in procuring it.
- (vi) Dependency Motivation (generally higher than men)
 ↳ Dependency Orientation due to patriarchal society
- (vii) Glass Ceiling, Harassment, social stigma (women going out in the night for meetings)
 ↳ gov. officials
 ↳ general public & male competitors
- (viii) Lack of Role Models
- (ix) Male Bias in training prog.
- (x) Institutional & infrastructural problems.

* How to reduce the problems

- (i) Single window provision
- (ii) credit Policies → make them women friendly
- (iii) Exemption from filing tax returns / ST / GST
- (iv) Govt. Support → reduce reliance on middleman
- (v) strict punishment → to officials who harass women ent.
- (vi) Role Models → Media should highlight
- (vii) Self Help groups
- (viii) Identification of talent & Training facilities (easily available & without male bias)