

IMPORTANCE OF YOUTH ENTREPRENEURSHIP IN INDIA

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Abstract

Youth unemployment is a serious issue in emerging countries like India. Lack of funding and financial risks was found to be major demotivators for young people's hesitation to start a business. Government should promote the purchase of items made locally and eliminate red tape for entrepreneurs. Universities should teach students entrepreneurship skills and more effective incubation facilities should be built around the nation. According to a study of young entrepreneurs in India, the majority of respondents had degrees or other qualifications in addition to their high school diplomas. Young people's unwillingness to launch a firm has been proven to be significantly demotivated by a lack of finance and financial concerns. It is essential that Indian youth have access to mentorship, adequate entrepreneurship training, support systems, and startup funding if they are to become successful entrepreneurs.

Key words:- Youth Employment, Entrepreneurship, De-motivation, Entrepreneurial Education Barriers.

The importance of entrepreneurship in fostering innovation, employment growth, and economic development is becoming more and more widely recognized. Youth unemployment is a problem in most developing

countries, but it also affects wealthy countries. Traditional career paths and job prospects are disappearing quickly. The promotion of entrepreneurship can improve a country's capacity for innovation and economic growth. Youth entrepreneurship has an impact on society's

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social, cultural, and economic advancement. Entrepreneurship can help boost the economy, provide a solution to social problems, and create jobs.

Youth's social identity is frequently boosted through entrepreneurship by strengthening their sense of belonging to and value in a community. In India, youth have been neglected by numerous governments.

Statement of the Problem

Students in India are concerned about not having a say in policies promoting their economic interests, particularly entrepreneurship. Students at universities believed that entrepreneurship classes overemphasized concepts without providing them with the "know-how" to launch and operate a business. The experience of India shows that there is a pool of capable and willing people who are unable to find profitable job despite having finished their primary, secondary, and higher education.

Objectives of the Study

1. To carry out research on the importance of young entrepreneurship.
2. To investigate how entrepreneurial education affects young people's employment.

Unemployment

A person who is unemployed does not have a job but is actively looking for one, according to Palanivelu and Manikandan. A person who is qualified for employment (whether it be physical or mental) and who is eager to work for the right pay but cannot find employment

is said to be unemployed. Ikechi-Ekpendu of the International Labour Organization defines unemployment as a state in which people lack employment despite actively seeking employment over the previous four weeks.

Entrepreneurship

The entrepreneur is viewed as a pioneer who has the courage to go beyond the reach of well-known beacons. Entrepreneurship, according to Mba & Godday, is a process of recognising possibilities and producing value through locating unmet needs or chances for change. It is important to take account whether an enterprise is founded out of necessity or to take advantage of an opportunity while studying enterprise development and entrepreneurship.

Youth Entrepreneurship and its Importance

Entrepreneurship is the art of starting, developing, growing, and expanding an enterprise or organisation. As a result, it would be especially beneficial to young people, their families, society as a whole, and the national economy. Most at-risk youth in developing countries exhibit the traits of involvement in armed conflict, crime, drug misuse, sex work, and radicalization. Entrepreneurs are responsible for finding investment opportunities, deciding which opportunities to take advantage of, and promoting and establishing business enterprises. Entrepreneurship can generate jobs, increase productivity and pique interest in small- and public-sector businesses. Young Indians are often seen as having a high level of entrepreneurial spirit.

Youth Entrepreneurship: Barriers

The biggest obstacles for aspiring young business owners are a lack of entrepreneurial skills and restricted access to financing and startup cash. When a new administration takes office, it abandons the policies and programmes of the outgoing one without taking into account the cost and degree of implementation. Long-term unemployment in young people has been linked to lower levels of happiness and work satisfaction as well as other mental health problems.

Entrepreneurial Education

The educational system needs to undergo fundamental adjustments, claim Brixiová, Ncube, and Bicaba. Early in the educational process, entrepreneurship courses should be offered, and entrepreneurship’s advantages should be better promoted. Universities should hire instructors in entrepreneurship education who have real-world expertise in addition to teaching and learning tools.

Research Methodology

A structured questionnaire was used to gather the data from the main source. Stratified random sampling was used to gather the sample. There were two primary components to the questionnaire. Basic information about the respondents is covered in Section A, while details about the study are covered in Section B. Young people between the ages of 20 and 40 made up the target respondents. 220 young entrepreneurs in Kerala contributed data. To gather data on the subject, a questionnaire was created utilizing a five-point Likert scale, with the options being strongly agree(5) and strongly disagree(1).

Results and Discussions

220 young entrepreneurs in Kerala received questionnaires intended to better understand youth entrepreneurship in India. Between 20 and 40 years old was the range of respondents. Using a Likert scale, the questionnaire’s response options ranged from Strongly Agree (5) to Strongly Disagree (1).

The characteristics of the young entrepreneurs interviewed are shown in the tables above (Tables 1 through 6). Male respondents made up 40 per cent of the respondents, while female respondents made up 45 per cent. High school (32.73 per cent) was the most advanced level of education among the respondents, followed by a bachelor’s degree (31.36 per cent), a diploma (14.09 per cent), and a master’s degree (4.09 per cent). The majority of respondents (47.27 per cent) were between the ages of 20 and 30; 37.27 per cent were between the ages of 31 and 40. The industries they worked in were cross-sectoral.

Table 1

Gender of the Youth Entrepreneurs

Gender	Frequency	Percentage
Female	99	45
Male	88	40
No Response	33	15
Total	220	100

Source: Primary data

Table 2

Education level of the Youth Entrepreneurs

Education	Frequency	Percentage
High School	72	32.73
Diploma	31	14.09
Degree	69	31.36
Post Graduation	9	4.09
No Response	39	17.73
Total	220	100

Source: Primary data

Table 3
Age of the Youth Entrepreneurs

Age	Frequency	Percentage
20-30 years	104	47.27
30-40 years	82	37.27
No Response	34	15.46
Total	220	100

Source: Primary data

Table 4
Industry to which the Youth Entrepreneur belongs to

Industry	Frequency	Percentage
Agent Banking	3	1.36
Automobile	3	1.36
Beauty	14	6.36
Branding	5	2.27
Catering	2	0.91
Photography	2	0.91
Engineering	18	8.18
Event	7	3.18
Fashion	40	18.18
Food and Beverage	11	5
Hospitality	3	1.36
ICT	10	4.55
Manufacturing	5	2.27
Oil and Gas	8	3.64
Pharmacy	2	0.91
Real estate	3	1.36
Retail	25	11.36
Sport	2	0.91
Stationery & Bookshop	7	3.18
Others	6	2.72
No response	44	20
Total	220	100

Source: Primary data

Table 5
No of employees employed by the youth entrepreneur

No. of employees	Frequency	Percentage
0-3	83	37.73
4-7	49	22.27
8-10	24	10.91
>10	16	7.27
No Response	54	21.81
Total	220	100

Source: Primary data

Table 6
Legal Status

Legal Status	Frequency	Percentage
Business Name	133	60.45
Limited Liability Company	33	15
No Response	54	24.55
Total	220	100

Source: Primary data

The fashion industry accounted for the majority of the featured industries, with a percentage of 18.18 per cent, followed by the retail (11.36 per cent), engineering (8.18 per cent), beauty (6.36 per cent), food and beverage (5 per cent), information communication technology (ICT) (4.55 per cent), oil and gas (3.64 per cent), bookshop & stationery (3.18 per cent), event (3.18 per cent), branding (2.27 per cent), manufacturing (2.27 per cent), agent banking (1.36 per cent), automobile (1.36 per cent), hospitality (1.36 per cent), real estate (1.36 per cent), catering (0.91 per cent), Photography (0.91 per cent), Sport (0.91 per cent), Pharmacy (0.91 per cent), and others (2.72 per cent). The majority of SMEs (37.33 per cent) had 0–3 employees, followed by 4–7 employees (22.27 per cent), 8–10 employees (10.91 per cent), and more than 10 employees (7.27 per cent). 15 per cent of firms were established as limited liability companies, while 60.45 per cent were registered as business names.

Table 7
Factors Influencing the Decision to be Entrepreneurs

Sl. No.	Statement	Mean	Standard Deviation
1	To be my own boss	4.34	0.75
2	To materialize my ideas	4.42	0.67
3	To do something new	4.32	0.76
4	To seek a new challenge	4.25	0.69
5	To follow passion	4.10	0.80
6	To be respectful in the society	4.25	0.97

Source: Primary data

The respondents were asked to rank how much they agreed with various claims about what motivated them to become business owners. The research revealed positive averages with a standard deviation of 0.67 to 0.97, and values ranging from 4.10 to 4.42. “To materialize my ideas” got the highest mean (4.42), while “To follow my passion” had the lowest mean (4.10).

Table 8

Influencers to Start Business

Influencer	Mean	Standard Deviation
Parents and Family	3.93	1.12
Successful Entrepreneurs	3.89	0.84
Teachers	3.28	1.11
Media	3.79	0.93
Career advisors	3.89	0.89
Friends	3.68	0.95

Source: Primary data

The respondents were asked to rank the various influencers that helped the firm get off the ground. The investigation revealed positive means with a standard deviation of 0.84 to 1.12 and positive means ranging from 3.28 to 3.93. As influences, “Parents and relatives” had the highest mean (3.93) and “Teachers or lecturers” had the lowest mean (3.28)

Table 9

De-motivating Factors while Starting a Business

Demotivating factors	Mean	Standard Deviation
Financial risks	4.11	0.98
Access to finance - Capital to invest	4.12	0.90
Competition	3.51	1.18
Political instability	3.63	1.17
Lack of skills	3.34	1.23
Administrative hurdles	3.05	1.28
Social (protection) risks or costs	3.52	1.01
Corruption	3.32	1.22
Workload	3.02	1.21
Gender	2.96	1.32
The shame associated with failing	3.16	1.36

Source: Primary data

The demotivating elements when beginning a business were ranked by the respondents. According to the analysis, the means ranged from 2.96 to 4.12, and the standard deviation was between 0.90 and 1.36. Financial risks (4.11), followed by “Access to money - capital to invest,” had the greatest mean (4.12), while “Gender” had the lowest and negative mean as a demotivating factor (2.96).

Table 10

Influence of Education

Statement	Mean	Standard Deviation
Strongly influenced my entrepreneurial career	4.23	0.84
Positive effect on my entrepreneurial career	4.14	0.73
No influence on my entrepreneurial career	3.11	1.26
Negative effect on my entrepreneurial career	2.90	1.31

Source: Primary data

The influence of education on the respondents’ entrepreneurial careers was ranked by them. According to the analysis, means ranged from 2.90 to 4.23, and standard deviations were between 0.73 and 1.31. “Strongly influenced my entrepreneurial career” had the greatest mean (4.23), while “Negatively effect on my entrepreneurial career” had the lowest mean and a negative mean (2.90).

Table 11

Administrative and Regulatory Barriers

Statement	Mean	Standard Deviation
Unsupportive tax system	3.96	0.84
Procedural delays and high costs	3.99	1.01
Patents, copyrights, property rights and trademark regulations	3.68	0.87
Lack of transparency	3.68	0.87
Bankruptcy laws	3.63	0.98

Source: Primary data

The respondents were asked to rank the statements on administrative and regulatory impediments according to their level of agreement. The investigation

revealed positive averages with a standard deviation of 0.84 to 1.01 and values ranging from 3.63 to 3.99. With a mean of 3.99, “Procedural delays and high cost” was the statement with the highest mean, while “Bankruptcy rules” got the lowest mean (3.63).

Findings

In India, the achievement of dreams and goals was regarded as a major driving force behind youth company startups. Majority of respondents had degrees or other credentials in addition to their high school diplomas. They do not view administrative and regulatory obstacles to their success as entrepreneurs as obstacles. Lack of agreements, suppliers, and appropriate support networks, as well as ignorance of business support services were found to be deficient. The major findings of the study are as follows:

1. Contrary to the conventional belief that women held back from starting new ventures, both men and women are now stepping forward to the field.
2. The study shows that the majority of entrepreneurs just have a high school diploma, although they are successful in their businesses.
3. The majority of entrepreneurs fall within the 20 to 30 age group. Youngsters have the energy to take any kind of risks at this age.
4. According to the study, the majority of businesses are founded in the present profitable industries of retail and fashion technology.
5. The majority of entrepreneurs hire no more than three people, which

enables them to decrease costs in the early stag of their business.

6. The study’s findings indicate that the majority of entrepreneurs start businesses to implement their ideas, demonstrating their dedication to society as a whole.
7. Their families and parents had a bigger impact on their decision to launch their businesses, while the demotivating factor being inability access capital required in the business.
8. The entrepreneurs’ ability to develop their ventures is challenged by procedural delays and rising costs.

Suggestions

1. Through government institutions, the youth’s capacity-building and skill-upgrading needs must receive adequate and necessary attention.
2. More schemes to provide seed capital should be promoted by the government.
3. Through a special partnership with international financing organisations like the World Bank, Asian Development Bank, and International Finance Corporation, the federal government should provide a separate financial intervention for basic infrastructural development in India. Doing so will encourage entrepreneurial activities and make it easier for SMEs to operate.
4. Additionally, it is advised that government should work with banks to offer young entrepreneurs reasonable soft loans, as this will help

to address the youth's lack of access to financing for business startup.

Conclusion

The majority of respondents possessed degrees or other certifications in addition to their high school certificates, according to the study of young entrepreneurs in India. It was discovered that a lack of financial resources and financial risks considerably demotivated the respondents' unwillingness to start a firm. In addition to having high school certificates, the majority of responders had degrees or other certifications, and their businesses served to various

Indian economies. Lack of funding and financial risks was found to be major demotivators for young people's hesitation to start a business. The respondents' educational background was seen as supporting their entrepreneurial endeavors. They do not see bureaucratic and legal barriers to their success as business owners, like unfavorable tax laws and expensive registration costs. In order for Indian youth to become successful entrepreneurs, it is imperative that they have access to mentorship, sufficient entrepreneurship training, support structures, and startup capital.

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