

## **Youth Entrepreneurship as a Way of Boosting Indian Economic Competitiveness: A Study of Orissa**

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**ABSTRACT:** Recently, interest in youth entrepreneurship has been fuelled due to high levels of unemployment amongst young people and as a way to foster employment opportunities or to address social exclusion. Youth entrepreneurship has gained more importance in recent years in many countries, with increased interest in entrepreneurship as a way of boosting economic competitiveness and promoting regional development. Based on survey and interview of the young entrepreneurs through a structured questionnaire in Bhubaneswar and Cuttack, the twin cities of Orissa, the researchers have made an attempt to study the factors contributing to the promotion of young entrepreneurs to start up their own enterprise, to find out the constraints that impedes and prospects that motivates the young people in starting and running a business and to assess the performance of the young entrepreneurs in Orissa.

**Keywords:** Youth entrepreneurship; Economic development; Unemployment

**JEL Classifications:** M10; M160

### **1. INTRODUCTION**

The role that entrepreneurship plays in the socio-economic development of a country is well acknowledged. As a result, a large number of programmes to support entrepreneurship to fulfill its economic and societal roles designed by the governments and international organizations. However, due to the perception that the concepts of entrepreneurship and youth entrepreneurship are interchangeable, youth entrepreneurship remain somewhat unaddressed in many countries while considerable attention has been made upon entrepreneurship in general. The problems of entrepreneurship have been addressed in the same way for different groups within the population by the use of 'one size fits all' policies and programmes. Recently, interest in youth entrepreneurship has been fuelled due to high levels of unemployment amongst young people and as a way to foster employment opportunities or to address social exclusion. Furthermore, entrepreneurship is seen as a channel for the talents of many highly educated young people in areas such as information technology, biotechnology and other modern industries.

Youth entrepreneurship has gained more importance in recent years in many countries with increased interest in entrepreneurship as a way of boosting economic competitiveness and promoting regional development. While youth entrepreneurship is an under-explored field in academic and policy debates, two main factors account for its growing attention in developed countries. The first is the increased number of unemployed young people compared to the rest of the population; the second is the need for greater competitiveness, and the accompanying pressures for skills development and entrepreneurship as a way of addressing the pressures of globalization. In general terms youth unemployment is connected to: firstly, the difficult transition from school to work; secondly, the unwillingness of employers to employ inexperienced workers, and; thirdly, the frequent job changes by young people in an attempt to find a satisfactory job (United Nations, 2003). Although the literature on youth entrepreneurship is limited, there is evidence (Greene, 2005) that young people think that working for themselves as a career option since it offers them an interesting job, freedom and autonomy which other working atmosphere might not provide.

Out of 15 major states of India, Orissa is one of the states that have the advantage of rich mineral deposits and favourable natural resources like vast land with low population density, forests, water bodies and marine resources to accelerate the progress of economic growth through industrial development. Particularly since 1980s, the state adopted a progressive industrial policy to encourage small scale industry (SSI) units and entrepreneurship among Oriyas at the decentralized level. In spite of this, there has been little structural transformation of the state economy. More than 70 per cent of the state's population still sticks to low yielding and rain-fed agriculture vulnerable to both droughts and floods. Promotion of youth entrepreneurship in the state will not only quicken the pace of economic development but will allow the youth to utilize and make best use of their potentialities and will also solve the problem of spiraling unemployment.

Entrepreneur and Entrepreneurship has been defined by various authors in various ways. Peter Drucker defines it as one who always searches for change, respond to it and exploit it as an opportunity. Innovation is a specific tool of entrepreneur, the means by which they exploit change as an opportunity for a different business / service. According to Schumpeter, an entrepreneur is a person who is willing and able to convert a new idea or invention into a successful innovation. Entrepreneurship employs what Schumpeter called "the gale of creative destruction" to replace in whole or in part inferior innovations across markets and industries, simultaneously creating new products including new business models. In general terms an entrepreneur is one who creates and establishes a new endeavor by analyzing prospect for profit/growth, as well as endows his/ her majority of the time and resources to make it his/her principal source of earning.

For the purpose of this paper, 'youth' has been defined as a person between 18-35 years of age and a youth entrepreneur is defined as the entrepreneur with in the age group 18 – 35 years.

### **1.1. Objectives and Methodology**

- i. To study the factors contributing to the promotion of young entrepreneurs to start up their own enterprise.
- ii. To analyze the constraints that impedes and prospects that motivates the young people from starting and running a business.
- iii. To assess the performance of the young entrepreneurs in Orissa.

The study is based on an exploratory research of 100 young entrepreneurs from the cities of Bhubaneswar and Cuttack. For undertaking the survey, a structured questionnaire was prepared which covered different issues relating to the social and economic background of entrepreneurs, motivating factors for entrepreneurship, problems faced by the entrepreneurs' and the like. Secondary data, i.e., through websites, books and journals were also referred for the preparation of the research article. The sample young entrepreneurs in these twin cities were drawn by using a multi stage cluster sampling method. Due to shortage of time it was not possible to have an in-depth study of all the 100 sample entrepreneurs and we have studied two case studies which are given in Annexure – III and Annexure – IV.

### **1.2. Orissa – Brief Outline**

The State is also endowed with vast mineral deposits like coal, iron-ore, manganese-ore, bauxite, chromite, dolomite, nickel, precious and semi precious stones, etc. Of the major rivers of the country, the Mahanadi, which is a deltaic river, passes through the State with a large number of tributaries and distributaries. The state is divided into ten agro-climatic zones on the basis of soil, rainfall, climate and other relevant characteristics. Orissa's economy grew at 8.35% in 2009-10 and its growth rate is in line with national trends. In terms of real per capita income, the State has lagged behind the national average ever since independence. Orissa per capita net state domestic product in 2008-09 was 71 paisa. Orissa economy has been undergoing a structural change, with the sector becoming more and more pronounced. In 2008-09, the service sector accounted for 55% of the Gross State Domestic Product followed by industry 25% and agriculture 20%. According to National Family Health Survey-3 and 2001 Census, Orissa ranked 19<sup>th</sup> with 68.8% and 63.08% of literacy rate respectively.

Mounting unemployment, predominantly among educated unemployed, is one of the burning problems of the State. The agglomeration of unemployment has been estimated at 14.13 lakh person years in the state at the beginning of Eleventh Five Year Plan (2007-08) and it has been projected that about 10.53 lakh additional labour force are likely to join the labour market.

The incidence of poverty Orissa among all Indian states is high. Orissa appears in the forefront of all states signifying all indices. Almost 85% percent of people live in rural area of the state. Around 42 % people in Orissa and 47% people of rural Orissa live below poverty. Although it is the state of mineral resources and it spreads over 6000 sq km area. Iron ore occupies 33% of India's reserve, Bauxite is 50%, Nickel is 95%, chromite is 98% and coal is 24 %, still it is difficult and stupendous task to do away with poverty in Orissa.

Although the state has succeeded in removing poverty by 2.92 % between 1993-94 and 2004-05 but in absolute number the people below poverty has risen from 140.9 lakhs in 1993-94 to 151.75 lakhs in 2004-05 in Orissa against all India figure of decreased from 2440.31 to 2209.24 lakhs. This failure is achieved in time span of eleven years. So the annual average rate of reduction is only 0.265%.

Growth of Micro, Small and Medium Enterprises sector is being emphasized not only because of its potential for generation of employment opportunities but also for its contribution to the output of the State. During 2008-09, 4806 Micro, Small and Medium Enterprises went into production with total investment of Rs.227.92 crore and 20,996 persons were provided employment opportunities. There has been a decline in the cottage industries in the state. During 2008-09, 9294 cottage industry units were functioning in the State with an investment of Rs.34.83 crore and employment generation of 16,279 persons as compared to 2001-02 where 26,196 cottage industries were functioning with an investment of Rs. 61.72 crore and employment generation of 36,937 persons

During 2008-09, there were 25 public sector Commercial Banks with 1,658 branches, 11 Private sector banks with 101 branches and 5 Regional Rural Banks with 871 branches functioning in the State. In addition, 328 branches of Orissa State Cooperative Banks and 5 branches of OSCARD banks were also functioning in the State, i.e. altogether 2,990 branches of different banks were functioning in the State.

Tourism sector is an important sector, which has the potential to stimulate growth and employment generation in the related fields like hotels, transports, shopping and catering. During 2008-09, tourists' arrival in the State was about 64.02 lakh including 0.44 lakh tourists from foreign countries. Inflow of funds to the State through tourist expenditure has increased from Rs.2423.12 crore during 2005-06 to Rs.3327.96 crore during 2008-09.

The passion for going the entrepreneur way, outlining king-size ventures, intrinsic moves and the risk taking capacity to think out of the box is lacking in the state. The government and the people of Orissa need to take the drive come together and work for a better Orissa. They need to visualize bigger than petty issues like changing the name of "Orissa" to "Odisha". "Orissa has a long way to go – Orissa shining".

## **2. REVIEW OF LITERATURE**

Baker (2008) in the paper "Fostering a Global Spirit of Youth Enterprise" outlines the present challenge of youth unemployment and investigates the role that youth enterprise can play in tackling this challenge, before examining the opportunities for public and private sector collaboration to achieve meaningful social and economic change. The paper draws on examples of existing collaborative youth enterprise initiatives suggesting how these may be replicable and scalable.

The first report in YBI's Making Entrepreneurship Work series (2009) on "Youth entrepreneurship - Recommendations for action" suggested that Business, governments, and other sectors of society increasingly perceive that supporting young entrepreneurs can be a highly effective way to reduce youth unemployment and encourage growth in local communities.

Satapathy (2006) in his article "Youth Entrepreneurs in Orissa, India" focuses on the school-to-work evolution of youth in Orissa, with the aim of identifying essential issues related to youth transition and nature of entrepreneurship existing in India. Above all, it investigates the role and capacity of civil society organisations in sustaining and supplementing the government sponsored employment generation programme in India for capacitating a smooth youth transition into the world of work.

Nancy and Thomas (2008) in their article "Entrepreneurial Orientation among the Youth of India: The Impact of Culture, Education and Environment", states that even though a combination of social configurations and cultural values within India that historically confined entrepreneurship, a number of efforts in recent years seem to have significantly recasted the national mindset regarding

entrepreneurship, particularly among India's youth who were found to exhibit a significantly higher level of interest in starting new ventures than their US counterparts.

Llisterri et al. (2006), "Is Youth Entrepreneurship a Necessity or an Opportunity?" the authors examine the differences between youth who become entrepreneurs by necessity or by opportunity and also evaluate the range and quality of policies and programs that governments, development agencies and civil society are implementing to support the groups of young entrepreneurs.

### 3. DATA ANALYSIS

#### *Characteristics of enterprise and entrepreneur*

The characteristics of the sample enterprises are given in Annexure - I and it was found that around 44% of the enterprises have 5 to 10 years of existence whereas 27% of the enterprises have 0-5 years of existence. The sample reveals that around 92% of the enterprises belonged to the category of small enterprises. 79% of the enterprises are selling consumer products, 15% industrial whereas only 6% are into intermediate selling. Nearly 88% of the enterprise sold their products in the local market, 11% in other districts and 1% in villages. Out of the total enterprise 87% are sole proprietors whereas 13% are into partnership form of business. 76% of the enterprise established their enterprise in market place whereas 16% and 8% established their enterprises at their home and industrial area respectively.

The characteristics of the sample entrepreneurs, as given in Annexure – II, revealed that 57% of the respondents belonged to joint family whereas 43% belonged to nuclear family. Around 73% of the respondents hailed from business origin and 27% from non business origin. Out of the total respondents 97% are male entrepreneurs and only 3% are female entrepreneurs. 69% respondents are married whereas 31% are unmarried. Nearly 42% of the respondents are graduate, 29% under graduate, 18% matriculates and 11% post graduates. About 60% have average academic performance, 37% good and 3% poor academic performance. 84% belonged to middle class family, 14% upper class and 2% of the respondents are from lower class. A majority of respondents i.e., 75% are from business family, 24% service and 1% from agriculture family. 70% of the respondents have no prior working experience whereas 30% have few years of working experience.

#### *Idea for establishing the enterprise*

**Table 1. Sources of Idea Establishing The Enterprise**

Sl. No.	Sources of Idea of Establishing the Enterprise	Success	Failure	Total (%)
1	Friends and Relatives	20	37	57
2	Media Coverage of Business and Business People	1	15	16
3	Ideas Received from Training Programme	2	3	5
4	Career Advisers	4	1	5
5	Others	7	11	18

Starting a new business means having a business idea translated into a concrete and structured business plan. Future entrepreneurs will first of all need to evaluate the feasibility of the entrepreneurial idea through a careful analysis of the product and of its reference market. Through the sample survey it was found that around 57% of the respondent got the idea of setting up the enterprise through their friends and relatives, 18% from other sources like market study, own idea, father and the like, followed by media i.e., 16%, training programmes and advisors 5% each. Two case studies revealed that the entrepreneur that they got idea of establishing the enterprise from market survey and from relatives.

#### *Reason for choosing entrepreneurship as a career*

Many people opt for entrepreneurship as their career because of many reasons. Some delve into the industry because they would want to run their own business, answering to no one and setting all the rules and protocols by themselves. Others jump into entrepreneurship because they have seen that most successful people in the world own a successful business. There are also others that make entrepreneurship as a second career because their current jobs are not earning enough for them. From the sample research it was found that nearly half of the sample i.e., 50% of the respondents chose entrepreneurship as a career because they have the desire to be independent while 23% want to earn

more money, 14% of the respondents have to manage their family business. Both the entrepreneurs in the case study said that they desired to be independent and wanted to earn more money.

**Table 2. Choosing Entrepreneurship as a Career**

Sl. No.	Reasons of Choosing Entrepreneurship as a Career	Success	Failure	Total
1	Desire to be Independent	16	34	50
2	To Create Jobs for Others	2	5	7
3	Inability to get Desired Jobs	3	2	5
4	Dislike for the Previous Job / Employer	2	3	5
5	To Earn more Money	9	14	23
6	To Manage family Business	4	10	14

**Reason for the Choice of Present Location**

Choosing the right location for a business is very vital to its success. The location will definitely affect the target consumers of the company. According to the sample analysis it was found that 44% of the respondents chose their present location of enterprise because of availability of market whereas 40% due to local area. Around 9%, 6%, 3% and 1% chose because of easy availability of materials, infrastructure facilities, cheap labour and to avail government incentives. The entrepreneurs in the case study revealed the reasons behind the choice of present location were local market and availability of market.

**Table 3. Choice of Present Location**

Sl. No.	Reasons of Choosing Present Location of the Unit	Success	Failure	Total
1	Local Area	10	30	40
2	To Avail Government Incentives	1	0	1
3	Easy Availability of Materials	4	5	9
4	Cheap Labour	2	1	3
5	Availability of Market	15	29	44
6	Availability of Infrastructure Facilities	3	3	6

**Source of Initial Capital**

There are various sources of capital for a business to start up to stand viable and survive the global challenges, because enough money is required for business support, marketing, sales and distribution. Nearly 51% of the respondents got their initial capital from family funds, 21% from their own funds followed by loan from others and loan from financial institutions i.e., 17% and 16% respectively. The two case studies revealed that family funds and loan from financial institutions were the major sources of initial capital.

**Table 4. Source of Initial Capital**

Sl. No.	Source Of Initial Capital	Success	Failure	Total
1	OWN FUND	8	13	21
2	LOAN FROM OTHERS	8	9	17
3	FAMILY FUND	11	40	51
4	LOAN FROM FINANCIAL INSTITUTIONS	8	8	16

**Perception of Society About Young Entrepreneurs**

Good perception of society is needed to inspire youth that entrepreneurship is a strong opportunity for young people and they must be nurtured. The sample study reveals that around 51% of the respondents felt that their society perceives entrepreneurship as too risky occupation whereas 49%

think that society perceives it as respectable career. From the sample case studies it was found that both of them felt that the society perceived entrepreneurship as a respectable career.

**Table 5. Perception of Society About Young Entrepreneurs**

Sl. No.	Perception Of Society About Young Entrepreneurs	Success	Failure	Total
1	TOO RISKY	14	37	51
2	RESPECTABLE CAREER	20	29	49

### *Obstacle in Getting Assistance*

**Table 6. Obstacle in Getting Assistance**

Sl No.	Obstacle In Getting Assistance	Success	Failure	Total
1	UNDUE DELAY	7	9	16
2	EXCESS OFFICIAL FORMALITIES	13	23	36
3	RIGID PROCEDURES	10	29	39
4	OTHERS	7	7	14

Government plays a vital role in creating a conducive atmosphere for businesses to thrive and drive the country towards economic prosperity. Government has taken many initiatives and has launched many programmes for the development of young entrepreneurs. Young entrepreneurs are unable to receive the incentives and face difficulties in getting the assistance. It was found that 39% of the respondents felt that the procedure for getting assistance from the government was the major obstacle, 36% stated excessive official formalities were the major obstacle followed by undue delay and other i.e., 16% and 14% respectively. Both the samples in the case studies agreed that excessive official formalities and rigid procedures were the hurdles in getting assistance from government.

### *Difficulty Faced In Obtaining Finance*

**Table 7. Difficulty Faced In Obtaining Finance**

Sl No.	Difficulty Faced In Obtaining Finance	Success	Failure	Total
1	YES	18	39	57
2	NO	16	27	43

The sample survey reveals that 57% of the respondents agreed that they faced difficulty in obtaining finance whereas 43% didn't agree. They all felt that their businesses had great potential for growth and were all profitable businesses but lack of funds was setting them back and limiting their growth and sustainability. From the case studies it was found that they faced difficulties in obtaining finance.

### *Impediments In Getting Start Up Funding*

**Table 8. Impediments In Getting Start Up Funding**

Sl No.	Impediments In Getting Start Up Funding	Success	Failure	Total
1	NO COLLATERAL	8	14	22
2	STRICT CREDIT SCORING	3	5	8
3	HIGH INTEREST RATE	15	30	45
4	COMPLEX DOCUMENTATION PROCEDURES	5	12	17
5	OTHERS	3	5	8

One of the severe problems faced by the young entrepreneurs is non availability of adequate finance to carry out their operations. Banks also do not lend money without adequate collateral security or guarantees and margin money which many of them are not in a position to provide. It was found that around 45% of the respondents said that high interest rate were major impediment in getting start up funding while 22% felt that no collaterals were the major impediment, 17% said it was due to complex documentation procedure and 8% said it was due to strict credit scoring methodologies and other reasons. No collaterals and high interest rates were the major impediments in getting start up funds.

**Barriers and Obstacles In Start Up Of Business**

**Table 9. Barriers and Obstacles In Start Up Of Business**

Variables	Success or failure	Rank 1	Rank 2	Rank 3	Rank 4	Rank 5	Rank 6	Total
SOCIAL / CULTURAL ATTITUDE	Success	1	7	7	8	10	1	34
	Failure	5	18	14	11	9	9	66
ACCESS TO FINANCE	Success	14	5	4	6	5	0	34
	Failure	30	4	9	16	5	2	66
GOVT REGULATIONS	Success	8	7	2	8	5	4	34
	Failure	21	18	8	6	12	1	66
EDUCATION, SKILL & TRAINING	Success	0	3	11	4	1	15	34
	Failure	3	4	7	7	14	31	66
BUSINESS SUPPORT	Success	8	5	6	5	3	7	34
	Failure	7	15	17	11	9	7	66
MARKETING OF GOODS	Success	3	7	4	3	10	7	34
	Failure	0	7	11	15	17	16	66

The success or failure of an enterprise is often dependent on overcoming a series of potential barriers, e.g. securing sufficient financial backing, adequate and appropriate guidance and training etc. From the sample survey it was found that a majority of 44% respondents ranked access to finance as the important area where they faced obstacle to engage in business, whereas 29% ranked government regulation as the area of obstacle, 15% ranked business support as the major area of difficulty in startups. The two case studies revealed that lack of adequate access to finance and business support was the obstacles faced in start up of the enterprise.

**Regulative Barriers**

**Table 10. Regulative Barrier**

Sl. No	Regulative Barriers	Average Score			F Ratio	Probability
		Success	Failure	Over All		
1	Tax Rates	2.47	1.95	2.13	4.673	.033
2	Subsidy Policy	3.56	2.68	2.98	7.664	.007
3	Trade Policy	3.53	2.61	2.92	9.458	.003
4	Others	4.71	3.67	4.02	10.161	.002

As shown in the above table it was found from the sample survey that tax rates, subsidy policy, trade policy and few other taxation regulations are the regulative problems faced by the young entrepreneurs. Tax rates were the major regulative barrier according to the sample case studies taken.

**Important De-Motivators (Fears) To Engage In Business****Table 11. Important De-Motivators (Fears) To Engage In Business**

Sl. No.	Fears / De motivators	Average Score			F Ratio	Probability
		Success	Failure	Over All		
1	Financial Risk	3.06	3.62	3.43	9.740	.002
2	Access to Finance	3.21	3.00	3.07	.754	.387
3	Social Risks	3.21	3.02	3.08	.969	.327
4	Lack of skills	2.82	2.97	2.92	.303	.583
5	Administrative Hurdles	3.06	3.18	3.14	.278	.599
6	Stigma associated with failing	3.65	3.18	3.34	2.188	.142
7	Workload	2.85	2.91	2.89	.068	.795
8	Corruption	3.12	2.86	2.95	1.049	.308
9	Competition	3.35	3.55	3.48	.992	.322
10	Market Demand	3.50	3.92	3.78	3.438	.067

It was found that financial risk had a significant impact & is considered to be an important de motivating factor for young entrepreneurs in setting up an enterprise.

**Emphasis Laid Upon By The Family****Table 12. Emphasis Laid Upon By the Family**

Sl. No.	Family Environment	Average Score			F Ratio	Probability
		Success	Failure	Over All		
1	Education	2.82	2.26	2.45	3.796	0.054
2	Adventure	3.26	2.55	2.79	11.266	0.001
3	Honesty	2.41	1.89	2.07	3.585	0.061
4	Religion	2.15	1.80	1.92	1.661	0.201
5	Innovation	2.91	2.58	2.69	2.021	0.158
6	Learning	2.59	2.05	2.23	6.538	0.012
7	Independent	2.50	2.11	2.24	1.847	0.177
8	Openness	2.88	2.59	2.69	1.379	0.243
9	Doing Business	2.32	2.18	2.23	0.308	0.580
10	Hard Work	2.21	1.71	1.88	3.549	0.063

From the sample it was found that education, adventure and learning are some factors / areas on which the families emphasized. The two case studies revealed that their family laid emphasis on honesty, religion, independent, doing business and hard work

**4. CONCLUSION**

The sample survey revealed that most of the young entrepreneurs even though had other occupational opportunities chose entrepreneurship as a career because they aspire to be independent and to earn more money. Most of the young entrepreneurs in Orissa suffer from the problem of deficiency of working capital, tax regulations and lack of adequate encouragement by the society. These have been the bane for poor performance in the state, contrary to the belief that Orissa does not have indigenous, dynamic and committed entrepreneurs. Today, youth is more daring and hardworking and career oriented, and can be easily transformed if proper training and knowledge in entrepreneurship can be provided. The cultivation of the new breed is in our hands and we have to stand-in their requirements with their skill and entrepreneurship orientation and perception enhancement for better Orissa and India. Entrepreneurship can be more acclaimed if we can capitulate the transformation process of the youth which had started in our nation and could live long and



continue if more doors can be opened in their favor because they are going to be entrepreneurial citizens of tomorrow.

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**ANNEXURE – I****CHARACTERISTICS OF ENTERPRISE**

<b>FACTORS</b>	<b>DIMENSIONS</b>	<b>FREQUENCY</b>	<b>PERCENTAGE</b>
AGE OF ENTERPRISE	0-5	26	26
	5-10	44	44
	10-15	17	17
	15-20	7	7
	20-25	2	2
	25-30	1	1
	30-35	1	1
	35-40	1	1
SIZE	SMALL	92	92
	TINY	8	8
PRODUCT CATEGORY	CONSUMER	79	79
	INDUSTRIAL	15	15
	INTERMEDIATE	6	6
LOCATION OF MARKET FOR SELLING THE PRODUCTS	LOCAL MARKET	88	88
	VILLAGE	1	1
	DISTRICT	11	11
OWNERSHIP	SOLE PROPRIETOR	87	87
	PARTNERSHIP	13	13
LOCATION OF THE ENTERPRISE	HOME	16	16
	IND AREA	8	8
	MARKET PLACE	76	76
SUCCESS	UNSUCCESSFUL	66	66
	SUCCESSFUL	34	34

**ANNEXURE - II****CHARACTERISTICS OF ENTREPRENEUR**

<b>FACTORS</b>	<b>DIMENSION</b>	<b>FREQUENCY</b>	<b>PERCENTAGE</b>
TYPE OF FAMILY	JOINT	57	57
	NUCLEAR	43	43
ORIGIN	BUSINESS	73	73
	NON BUSINESS	27	27
AGE	20-27	21	21
	28-35	79	79
GENDER	MALE	97	97
	FEMALE	3	3
MARTIAL STAUUS	MARRIED	69	69
	UNMARRIED	31	31
EDUCATION	MATRICULATION	18	18
	UNDER GRADUATE	29	29
	GRADUATE	42	42
	POST GRADUATE	11	11
ACADEMIC PERFORMANCE	GOOD	37	37
	AVERAGE	60	60
	POOR	3	3
ECONOMIC STATUS	UPPER CLASS	14	14
	MIDDLE CLASS	84	84
	LOWER CLASS	2	2
FAMILY OCCUPATION	AGRICULTURE	1	1
	SERVICE	24	24
	BUSINESS	75	75
PRIOR WORKING EXP	YES	30	30
	NO	70	70
YEARS OF EXP	0-5	14	14
	5-10	15	15

## CASE STUDIES – OUR ENTREPRENEURIAL JOURNEY

### ANNEXURE - III

- **MR. GUNJAN JOSHI – WHOLESALER, DISTRIBUTOR & STOCKIST OF MEDICINES**

The life of an entrepreneur can be quite challenging & arduous — more so in the early part of the journey. In case of Mr. Gunjan Joshi, life took a difficult turn years before he could even embark on his entrepreneurial journey. Even before completing his graduation his mother passed away due to serious illness. Due to continued health problems of his father, their business closed down in 1997. A few years later his father too passed away leaving his younger brother and younger sister behind. The pressure was compounded by the fact that he had to complete his studies and take the whole responsibility of the upbringing of his brother and sister. To add to the woes, he had to bear bitter experiences from his close relatives which left him shattered.

Nevertheless, Mr. Gunjan decided to take the challenges head on. After making market survey he toyed on various ideas and settled on starting wholesaling business in pharmacy. Initially he use to travel to places within Orissa selling samples, gaining knowledge about medicines and creating network with suppliers. Then he established ‘Nirmala Enterprises’ in the year 2001. With no background in running a business, he faced multiple pressures and difficulties. For example, he faced difficulties in getting financial assistance from banks, no proper guidance was provided to him, penetrating into the market was difficult, creating customer base and collecting payments was strenuous. In the year 2006 he suffered from jaundice and was nearly on death bed. It was that juncture of his life where his business was stepping towards the sky of success. Again in the year 2007 he met with a serious accident and injured his spinal cord. But it was his will power that made him survive and pull through.

His journey is punctuated by highs and lows, coupled with a fair share of wins and losses, and backed by relentless effort, sacrifice & the unwavering support of his wife. With a burning passion of becoming a business tycoon and unflinching passion for success, today Nirmala Enterprises has 7 branches all over Orissa with a turnover of more than Rs. 70 lakhs approximately, which is nearly 12 times of his initial turnover. His products are sold in local market, villages and other districts of Orissa. In a span of 9 years he has proved himself and built a level of trust in pharma world, in a skeptical market, and a business environment that was almost reluctant to new entrepreneurs. He has digged on his heels and worked away to prove himself. According to him, “**Earning money is easy but earning people is difficult**”. Over the years he has built good and strong relationships with people and has established his name in the market. He believes in providing best quality medicines and on time delivery supplies. He also supports various organizations by providing medicines at purchase prices and sometimes free of cost. He also provides medicines to the poor and needy people at lower rates. His hard work, self confidence, ability to get things done and strong determination are his key success mantras. He believes in the saying “**If my mind can conceive it, and my heart can believe it, I know I can achieve it**”.

His advice to aspiring young entrepreneurs is give importance to time, think before you leap and be patient because “**with time and patience a mulberry leaf turns into a silken gown**”. His future plans are to enter into manufacturing of surgical equipments and he has already started taking initiatives. Although he is facing problems in getting loan assistance and land allotment, still he is 101% confident of starting his new venture this year itself. He has already started stepping on the road towards success and has been trying to put in his best efforts in each try and as they say “**U don't know how high you can fly. Until you give a real good try. Just do your best in each try. And force the sky to shift a little high.....**”

#### ANNEXURE - IV

- **S. JASMANDER SINGH - DISTRIBUTOR OF GNA DURA PARTS**

S. Jasmander Singh is one of the youngest distributors of GNA Dura Part Pvt. Ltd., a pioneer concern in India having export in more than 52 countries. His enterprise is in top 10 list out of 50 – 60 distributors in India for last 5 years. He has won ‘Best Distributor’ Award in the year 2000-01.

S. Jasmander Singh was born in a middle class family. His father had a cloth business in Patiala. He completed his 12<sup>th</sup> from Patiala and then came to Bhubaneswar to do civil engineering. But fate had something else in store for him. He took training and worked under the active supervision of his maternal uncle S. Satpal Singh, a leading businessman of the state. He wanted to establish himself and wanted to have an identity of his own. So, he started his own wholesale business of automobile spare parts “Noble Agencies” in the year 1996. He completed his graduation and simultaneously handled his business single handedly. In the year 1999 he called his parents from Patiala and they settled here. He initially invested about Rs.4 – Rs.5 lakhs from his family funds and own income and today his annual turnover is more than Rs. 2.5 crores.

Initially he faced the problem of getting financial assistance from banks as there was a lot of paper work to be done and security to be deposited. The distributors were reluctant to give him orders as he was new to this field and besides that he had only 2 staff members who assisted him. But his commitment and determination held him fast to his work. **“Dreams and dedication proved to be a powerful combination”**. Attractive opportunities, good facilities and market potential motivated him to go in for automobile & spare parts business. His perseverance, keenness & dedication carried him far on the path of success.

He started his business in Bhubaneswar initially and then went on expanding and slowly covered the whole of Orissa. He is now the distributor of 5 branded companies in the major cities of Orissa like Cuttack, Balasore, Chandikhol, Bhadrak etc to name a few in the list.

In the year 2002 he met with a serious accident where his right hand got paralyzed. He had to go to Delhi every 10 days for check up and daily had to go for physiotherapy. During that tough period of one year when there was a little ray of hope & few supporting and motivating people he did not lose his determination. With full vigour, energy, unrelenting efforts and positive attitude towards life, he took up the challenge and proved that this wasn’t a handicap to his path of success. With the full support of his family members and his relatives and faith in God he stood up and faced the challenge and proved that **“where there is a will there is a way”**. Since then he never looked back.

Some of the major hurdles according to him in the path of success and growth are high taxation rates in Orissa as compared to that of its neighbouring states. In Orissa one has to pay VAT at the rate of 12.5 % whereas in West Bengal it is 4%, besides that there is entry tax of 1% also. There are administrative hurdles also.

The reasons he gives for his success are God’s grace, faith in hard work, sincerity and self confidence. No doubt he faced stiff competition in his field of work but by providing quality products, better services and dealings & offering them at good prices has helped him to be in the top 10 distributors in India since last 5 years. He believes **“if you keep your customers satisfied they will keep you in business”**. His source of inspiration is God and his family. His family had supported and motivated him. His future plans are to take up distributorship of other spare part sales and expand his business into related field.

His advice to the prospective entrepreneurs is that love for your work, devotion, sincerity, determination and honesty always pay. One should remember that **“successful people don’t do different things but do things differently”**. Whatever one thinks, one should try to achieve it. We might be tempted to think that this success roadway could be sheer luck. But we must not forget that **“Luck is the dividend for sweat. The more you sweat the luckier you get”**.