

## INDIAN ECONOMIC DEVELOPMENT – THE ROLE OF SOCIAL ENTREPRENEURSHIP

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### Abstract:

Entrepreneurs are essential to the country's growth in society and economy, in the Indian economy. Entrepreneurs are the main drivers of innovation, job creation, and economic growth. Entrepreneurial activity can have an impact on a nation's economic performance in the Indian economy. Entrepreneurs play a crucial role in India's economic development; they are essential to the transformation of underdeveloped countries into developed ones. Entrepreneurs boost economic development of India by generating employment opportunities, balance economic growth. The single most important component for a nation's prosperity is said to be entrepreneurship, provide employment possibilities that propel the country's economy forward. The ability of entrepreneurs to transform their ideas into goods will help the nation to advance. Social enterprises will enable decision – makers to harness the transformative potential of social enterprises and forge a future that is not only economically prosperous but also socially inclusive and environmentally sustainable. The study focuses on the impact of entrepreneurship development on the Indian economy; it emphasizes on how the entrepreneurship helps in economic development of the country.

**Key Words:** Entrepreneur, Entrepreneurship, ED- Economic Development, EDP-Economic Development Programme, KVIC- Khadi and Village Industries Commission. SE – Social Enterprise.

### Introduction:

Entrepreneurship has a positive effect on economic growth because it boosts capital formation, creates a lot of jobs, raises living standards for the population, encourages wealth creation and decentralized distribution of economic resources, boosts Gross National Product (GNP) and per capita income, encourages export trade, and aids in the nation's overall development. The ability of entrepreneurs to scan, examine, and find opportunities in the environment and turn them into business propositions through the development of economic entities. According to conventional neoclassical theory, a nation's ability to produce both labor and capital, as well as the degree of technology it possesses, determines how quickly its economy will grow. The Influence of capital, technology, and human talent is a key component of entrepreneurship. Entrepreneurship can be used in both large and small businesses, as well as in both economic and non-economic endeavors. Distinctive features of Entrepreneurs: 1. Entrepreneurs seek out and seize chances. 2. They generate national income and wealth in the form of commodities and services by converting resources like land, labor, and capital. 3. They aid in raising the nation's per capita income and net national product. 4. Entrepreneurs play a crucial role in fostering

economic growth by founding new companies, generating jobs, and improving a number of critical metrics like GDP, exports, the standard of living, skill development, and community development. 5. Having an entrepreneurial spirit boosts output costs are decrease earnings and incomes increase, demand increases, economic growth and job creation, speed up businesses and employees become more efficient. Necessity to promote Entrepreneurship: A nation's progress is significantly influenced by entrepreneurship; it is the most crucial ingredients for economic growth. The volume and caliber of entrepreneurs have an impact on the nation's economic expansion. Developed countries such as the United States, Russia, and Japan attest to the concept that entrepreneurship is a necessary precondition for economic success. The people of developing and underdeveloped countries are now aware of the significance of entrepreneurship for economic growth because to the vital and significant role played by entrepreneurs in the economic development of industrialized nations. Entrepreneurs can only fully use the potential of the country's resources, including labor, capital, and technology.

Developing dynamics in Entrepreneurship Sector: ♣ Digitalization and mechanization ♣ Collaborations in Business ♣ Emphasis on Customer Service ♣ Investments and Diversification ♣ Focusing an emphasis on research and development and innovation Entrepreneurs' contribution in economic growth: ⌘ One of the fundamental requirements and objectives of economic development is to create and distribute wealth through the pooling of capital. ⌘ Generating new Jobs. ⌘ Entrepreneurs encourage capital creation by mobilizing the optimal public savings, which is crucial for the country's industrial and economic development. ⌘ Entrepreneurs help the unemployed, by offering them large-scale employment opportunities immediately. ⌘ Encourages balanced regional development by the establishment of industries in undeveloped and underdeveloped areas. ⌘ Enhancement of living conditions in the quality of life for its citizens. ⌘ Promoting a nation's export trade, which is a crucial component of economic growth. ⌘ Entrepreneurs serve as change's catalyzing agent, setting off a chain reaction. ⌘ An entrepreneur is someone who constantly seeks out change. They also provide novel ideas and fresh combinations of factors, better investment and wealth distribution are made possible. Entrepreneurship Impact on India Economic Growth: An entrepreneurial culture hastens a nation's overall growth, they stimulate new employment through the development of novel goods and services, which eventually accelerates economic growth. Entrepreneurs drive local and national economic change and competitiveness by innovating and seizing chances; both the gross domestic product and the per-capita revenue of a nation's citizens can be increased with the aid of entrepreneurs. Global growth of a nation is accelerated by entrepreneurship; Venture investor density determines how quickly a region can expand. According to the Global Entrepreneurship Monitor (GEM) India Report (21–22), India's entrepreneurial activity increased in 2021, with its total entrepreneurial activity rate rising to 14.4% in 2021 from 5.3% in 2020. The goals of entrepreneurship development programs are to improve the knowledge and abilities of current entrepreneurs and to inspire others to start their own businesses. It increases a community's vibrancy by bringing in more job possibilities.

Social Enterprises are a critical driver of sustainable development and economic resilience: In the past decade, a great deal changed social enterprises have gained global recognition in the business world and the policy arena. More and more companies are collaborating with social entrepreneurs to explore new ways of working that address business, sustainability and societal

goals. Governments are recognizing the role of social enterprises in strengthening our societies and are starting to implement policies to support them. As Social enterprises gain momentum worldwide the need for reliable data increases. Since 2013 A range of actors have been gathering data in more than 80 countries. Their insights reveal that social enterprises are a significant economic force driving positive outcomes worldwide. The Schwab foundation and Bertelsmann stiffling, began to support social enterprises. Global Picture of Social Enterprise: The number of establishments of social enterprises are Europe, South Asia are well represented, Latin America, sub – Saharan Africa, the Middle East and North Africa are underrepresented. India, China and United States of America appear to have the most social enterprises with respectively, an estimated 2 million, 1.75 million and 1.3 million.

**Table: 01: Year – wise, Country – wise and Agency – wise Growth and Development of Social Enterprises in the World 2019 – 2023.**

S. No	Year	Country	No. of Social Enterprises (in Millions)	Source	
1.	2019	China	1,750,000	China Social Enterprise and impact investment forum	
	"	"	342,025	British Council	
	"	Indonesia	3,738	OECD	
	"	Mexico Poland	29,535	European Commission Govt	
	"	UK	131,000	- UK	
	"	Vietnam	19,125	British Council Sleman	
	2020	Cote d Ivoire	9,100	Stiffuring World Bank	
	2.	"	Democratic Republic of the Congo	4,485	Oxfam
		"	Egypt Rwanda		Slemans Stiffuring
		"	Senegal Sudan	134,600	Slemans Stiffuring
"		Thailand Tunisia	4,300	British Council British	
"		Uganda Hong	16,500	Council Slemans	
"		Kong Nigeria	55,090	Stiffuring Slemans	
"		Singapore South Korea	120,000	Stiffuring British Council	
"		Korea	33,000	Council British Council	
2021		Australia Russia	27,400	British Council	
3.		"	Colombia Ireland	4,338	Korean Social Enterprise promotion agency
	"		443,096	Social Enterprise Australia The	
	"		7,669	Bearr Trust	
	2022		3,215	Recon Colombia Govt.	
	2023		12,033	of Ireland	
4.	"		8,000		
	"		4,500		
	"		4,335		
5.					

The above table No. 01. Says that the growth and development of social enterprises is significantly occupying a major role in industrial development. The No. of Countries

participation is increased in First three years, rest of the two years are decreased in 2019 - 2023.

**Table No:02: The Global Growth of Social Enterprises in 2019 – 2023.**

S.No	Year	No. of Countries Participated	Percentage	No. of Estimated/Actual SE Established ( in Millions)	Percentage
1.	2019	06	26.08	2,275,423	1.84
2.	2020	09	39.13	404,475	2.77
3.	2021	04	17.39	458,318	4.47
4.	2022	01	4.34	12,033	0.37
5.	2023	03	13.04	16,835	0.53
	<b>Total</b>	<b>23</b>	<b>100</b>	<b>3,167,084</b>	<b>100</b>

Source: The State of Social Enterprise: A review of Global Data, 2013 -2023, Insight Report, April - 2024.

The above table: 02 reveals that between 2019 – 2023, The No. participation of the countries in Social Enterprises are not equal in all the respective years. The year 2020 indicates the lions share was occupied and the year 2022 was registered the lowest participation. The establishment of social enterprises are also same phenomenon was continued. In the year 2021 indicating that a year of highest social enterprises Establishment year.

### **Conclusion:**

The entrepreneurs are the backbone of the Indian economy; they are capable to transform a dependent country into self-reliant economy. The government of India has taken various initiatives to promote entrepreneurship development programmes and help the budding entrepreneurs in converting their creative ideas into real life projects, these helps in economic development of the country.

Understanding of the contribution of social enterprise, informs decision making process, promotes transparency and accountability with in the sector, in turn this contribute to the overall effectiveness and sustainability of social enterprises as driving force for positive change.

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