

Growth Entrepreneurship

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Chapter 3 Growth of Entrepreneurship.

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Define Entrepreneurship Growth

Entrepreneurship growth means organization plans to achieve its objective to grow and expand a business by its quality, quantity and turnover. Moreover, it refers to the development in the field of entrepreneurial activities. Entrepreneurship growth is directly related to various aspects of entrepreneurship such as capital formation, production improvement, innovation, employment creation, etc. It is considered as catalyst of prosperity in a country.

Growing the start-up rates through increasing the entrepreneurial base is the main aim of such entrepreneurship growth. This will eventually help in generating employment prospects and accelerating the economic growth.

Emerging Concepts in Entrepreneurship Growth

Following are the emerging concepts in entrepreneurship growth:-

1. Social Entrepreneurship:

It is an approach by individuals, groups, start-up companies or entrepreneurs, in which they develop, fund and implement solution to social, cultural or environmental issues. In other words, the form of entrepreneurship that focuses on uplifting the standard of marginalized and poor people in the society is known as social entrepreneurship.

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creation of value.

The successful examples of e-entrepreneurship are google.com, amazon.com, foodmandu.com, daraz.com, etc.

The primary types of e-entrepreneurship is B2C, B2B and C2C.

4. Green entrepreneurship:

Green entrepreneurship is the entrepreneurial activities that aims at creating and implementing solutions to environmental problems and to promote social change so that the environment is not harmed. It adopts principles, policies, and practices to improve the quality of life of the customers, employees, communities and the planet.

Factors Affecting the Entrepreneurial Growth

1. Economic factors:

Economic factors include:

- a) Capital: It is important factor for establishing enterprise. Having easier availability of capital directly influences the birth and of growth of entrepreneurship. Lack of enough capital can create hindrance to the growth of the company. Hence, for smooth growth of the company, capital is one of important factors.

b) Labour:

Quality labour is an important factor for success of entrepreneurial activities. The supply, quality and ability of labor along with its force have a high impact on entrepreneurial growth and development. So, the skilled labor is essential for the development of entrepreneur.

c) Raw materials.

The availability and supply of raw material and resources at reasonable rates is one of the factors that influence the emergence of entrepreneurship. Having good amount of raw material motivates entrepreneur to establish entrepreneurship and vice-versa.

d) Market

The potential of market influences the growth of entrepreneurship. Higher the potential market, greater will be the entrepreneurship practices and vice versa. The market size and its composition both influence entrepreneurship emergence and development. People are struggling in Nepal is due to its small size and limited market.

2. Social factors.

Social factors constitute a social system where entrepreneurship emerges and operates to satisfy social needs.

The key social factors include:

- Legitimacy of entrepreneurship

The degree of approval that a society grants to the entrepreneurship is known as legitimacy of entrepreneurship.

- Social mobility:

The movement of individuals, families, household, etc within or between social groups in a society is termed as social mobility.

- Marginality:

Marginality is used to describe and analyze social-cultural, political and economic spheres, where disadvantaged people struggle to gain access to resources and full participation in social life.

- Security:

When people feel there is a high degree of security people incline themselves towards entrepreneurship for opportunities. It refers to the assurance of socially secured and fearless environment in the society/nation.

3. Psychological factors:

A few psychological factors that affect the entrepreneurship are given below:

- Need achievement:

Need for achievement motivates individual towards the accomplishment of a challenging job. It inspires them to take risks, initiate new ventures and convert innovation into new product.

- Withdrawal of status respect:

Change is inevitable. It is thus entirely possible that many social groups experience a drastic loss in their power, position, and financial stronghold. This withdrawal of status respects encourage them to entrepreneurship and restore the status respect.

- 4. Political factors:

It includes government policies, actions, and regulation. Public policies regarding industries, trade, energy, technology, tourism, labor, taxation, and resources mobilization have a significant bearing on entrepreneurship emergence and development.

- 5. Technological factors:

Technological factors refer to all technological surroundings that affect entrepreneurship. Technology converts resources into a product with the help of skills, method, system, equipment and includes inventions and innovations.

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Rural Entrepreneurship:

Rural entrepreneurship is the creation of a new organization that introduces a new product, serves or creates a new market or utilizes a new technology in a rural areas. In other words, rural entrepreneurship refers to establishing industrial and business units in rural areas.

Types of Rural Entrepreneurship:

Rural entrepreneurship is a powerful means of rural economic development. It is very important for a country like Nepal where the majority of the people live in a rural areas.

1. Farm entrepreneurship:

Farm entrepreneurship is related to farming. It involves agricultural activities for earning a livelihood.

2. Artisan entrepreneurship:

It includes ~~man~~ masonry, black-smithy, carpentry, repair of pump-sets, art, board-painting, etc.

3. Merchants and traders.

It includes businessmen dealing with the products mainly needed by the local population. They may be producing goods themselves or acting as middlemen.

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4. Tribal entrepreneurship:

Tribal entrepreneurship belong to those who operate predominantly in tribal village. Their source of origin is the tribal community.

Significance of Rural Entrepreneurship:

Following are the importance or significance of rural entrepreneurship.

- Employment generation
- Income generation
- Balanced regional development.
- Promotion of cultural
- Reduction of rural-urban migration
- Environment friendly.
- Utilization of ideal capital
- Utilization of local resources

Problems of Rural entrepreneurship:

Rural entrepreneurship is based on rural factors of production. It suffers from a number of problems. Some of them are:-

Types of Rural Entrepreneurship

Rural entrepreneurship is a powerful means of rural economic development. It is very important for a country like Nepal where the majority of the people live in rural areas. The development of the country cannot be imagined without the development of rural areas. Rural entrepreneurship takes various forms as mentioned below.

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Farm entrepreneurship is related to farming. It involves various agricultural activities for earning a livelihood.

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4. Tribal entrepreneurship:

Tribal entrepreneurs belong to those who operate predominantly in tribal villages. Their source of origin is the tribal community.

Significance of Rural Entrepreneurship

The significance/importance of rural entrepreneurship is mentioned below.

1. Employment generation:

Rural industries are labor-intensive. Hence, they are important in generating employment in rural areas.

2. Income generation:

Rural industries create employment and self-employment. It helps to generate income for the rural people. It further reduces the income gap between the rural and urban populations.

3. Balanced regional development:

Rural entrepreneurship promotes entrepreneurship in rural areas. This helps to have a balanced regional development. This is rather more important to a country like Nepal where the majority of the people live in rural areas.

4. Promotion of culture:

The industries in the rural areas are traditional. They are based on rural culture and traditional technology. Hence, they help to promote art and culture.

5. Reduction of rural-urban migration:

With the development of rural entrepreneurship, the independence of the rural people increases. It reduces rural-urban migration. It also helps the city areas to grow better.

6. Environment friendly:

Since rural industries take small forms and are based on rural technology, they are environmentally friendly. Unlike urban industries, they emit less smoke and wastage. This results in the promotion of the environment.

7. Utilization of idle capital:

Rural entrepreneurs raise finance from the scattered sources and use them for entrepreneurship development. Hence, rural entrepreneurship is important to use the idle capital in the rural area.

8. Utilization of local resources:

Rural entrepreneurs mainly depend on local resources. It helps to develop the rural economy.

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Problems of Rural Entrepreneurship

Rural entrepreneurship is based on rural factors of production. It suffers from a number of problems. Some of them are;

1. Financial problems:

Rural entrepreneurship is largely found to suffer from financial problems. It is normally carried with family or personal savings which may not be sufficient for carrying business activities. Rural entrepreneurs borrow funds from their relatives or from informal sources. It hinders rural entrepreneurship to grow and prosper. As per the latest Rural Credit Survey, it is estimated that the institutional sector meets the only % of the demand for credit from the entire rural sector. There is a gap between the demand and supply of rural credit in Nepal.

2. Lack of technological know-how:

Technology has become an integral part of entrepreneurship. It helps to reduce cost and enhance quality. However, rural enterprises use labor-based or obsolete technology. The rural entrepreneurs also lack proper knowledge about technology to be used. All these negatively affect the growth and development of rural entrepreneurship.

3. Lack of awareness:

One of the major problems faced by rural entrepreneurship is a lack of awareness and knowledge about the importance of developing industries in rural areas. Rural people are not interested in building their careers as entrepreneurs.

4. Prone to salaried employment:

Rural people are found to be more interested in salaried employment because of assured income, lesser time, a lesser degree of responsibility, etc. This is further supported by the high status of the salaried people than the self-employed people. This has adversely affected rural entrepreneurship.

5. Poor infrastructure facilities:

Infrastructure facilities include transport, communication, security facilities, etc. A transport facility is needed for the entrepreneur for distributing their output. Communication facility brings effectiveness in the entrepreneurial development, Security is also very important to run a business smoothly, However, rural entrepreneurs lack such facilities.

6. Low-risk bearing capacity:

Rural entrepreneurs have a low risk-bearing ability, Hence, they are always fearful of investing in a business. This has adversely affected the entrepreneurial growth in rural areas.

7. Low purchasing power of the people:

The purchasing power of the rural consumer is lower compared to the urban consumers. It hinders the market performance of the rural business, It further affects rural entrepreneurship adversely,

8. Competition:

Rural entrepreneurs face' tough competition from large organizations and urban entrepreneurs. They cannot compete with them on grounds of economies of scale, product quality, and marketing.

Factors Affecting Rural Entrepreneurship

Rural entrepreneurship is very important for the development of a rural economy. It promotes rural industrialization and employment generation. For a country like Nepal where a majority of the people live in rural areas, rural entrepreneurship is very important for the overall development of the country. There are a number of factors that affect rural entrepreneurship. They are mentioned below.

1. Availability of capital:

Capital is the most important factor that determines the development of entrepreneurship in rural areas. Easy availability of short as well as long-term capital promotes rural entrepreneurship.

2. Availability of raw material:

The raw material is the basic input in the production process. Hence, it plays a vital role in the promotion of rural entrepreneurship. For this, the raw material base should be strengthened in the villages.

3. Institutional support:

Rural entrepreneurship can be promoted by institutional support by governmental as well as non-governmental institutions. They can support capital as well as Other aspects of entrepreneurship to support the rural entrepreneurs.

4. Training and education:

Rural entrepreneurship can be promoted through training and education. Training helps to develop entrepreneurial skills. Education at the school and college level develops an entrepreneurial attitude among the local masses.

5. Public awareness:

For the development of rural entrepreneurship, awareness should be created among the rural people regarding the importance of developing industries in rural areas. They should be motivated to build their career as entrepreneurs.

6. Development of infrastructure facilities:

Infrastructure facilities include transport, communication, security facilities, etc. The development of infrastructural facilities attracts rural people towards entrepreneurship.

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Concept of Tourism Entrepreneurship

Tourism may be defined as the activities, services, and industries that deliver a travel experience. It comprises transportation, accommodation, eating and drinking establishments, retail shops, entertainment businesses, and other hospitality services provided to individuals or groups traveling away from home. Tourism has been an important activity for every nation because of its direct effects on the social, cultural, educational, economic sectors, and international relations.

Entrepreneurship involves purposeful and systematic innovation for the exploration of opportunity. For exploitation of opportunity, resources are acquired and managed.

Tourism entrepreneurship refers to the activities designed for the effective and profitable interaction of demand for and supply of tourism products; at the same time assuring competitive professionalism and gainful socio-economic status. It includes all sorts of activities involved in the creation and operation of a legal tourism enterprise. A legal tourism enterprise excludes all forms of illegal activities.

With the world's highest mountain range, the Himalayas, and 8 of the 10 highest peaks in the world, Nepal has long been popular among mountaineers, trekkers, and adventure seekers. It offers beautiful lakes, steep rivers and gorges, unique wildlife, historic monuments, impressive fine arts, significant religious sites, and exotic cultures attracting a wide array of travelers for a variety of reasons. Lumbini, the birthplace of Lord Buddha, and Pashupatinath, and other Hindu pilgrimage sites are the main attractions for people following Buddhism and Hinduism.

Types of Tourism Entrepreneurship

Tourism entrepreneurship takes various forms. They are mentioned below.

1. Travel agents:

Travel agents provide information to the people for various travel destinations. They also provide advice to tourists about available holiday packages. They basically sell travel-associated products such as foreign exchange, rental, insurance, etc.

2. Tour operators:

They provide holiday packages. They need significant marketing experience, as well as experience in the finance, customer service, and hospitality industries. Tour operators must have good communication skills. They organize tours for holidays or historic places.

3. Lodging and catering service providers:

They provide accommodations to tourists. They may be marketed through a tour operator or individually. They also provide catering services to tourists.

4. Transport operators:

They provide formal transport services to the tourists. They could be airlines, cruise lines, rentals, etc.

5. Information and guiding:

They are basically involved in providing information to the tourists. They include a number of service providers such as insurance, recreational communication, banking services, ticketing agents, and holiday sellers.

6. Attractions:

It involves the establishment of attractions for tourists and develops particular tourism locations. It includes the creation and management of museums, parks, galleries, heritage buildings, etc.

Opportunities in Tourism Entrepreneurship

The following are some of the opportunities in tourism entrepreneurship in Nepal

- There are opportunities in developing tourism infrastructure (hotels, restaurants, roads, airports, etc):
- There is also great potential for expanding the – market for meetings, international conferences, and events (MICE).
- Plans to upgrade the current international airport are underway which will increase the tourist traffic significantly.
- The expansion of existing tourism products and the introduction of new and innovative products have the potential to attract different types of tourists and extend their average length of stay.

Problems of Tourism Entrepreneurship

Tourism entrepreneurship has enormous potentiality in Nepal. Its rich biodiversity and cultural heritage provide a number of opportunities to tourism entrepreneurs in Nepal. However, there are a number of problems with tourism entrepreneurship. They are discussed below.

1. Lack of proper infrastructures:

Nepal is a beautiful country due to its richness in natural sceneries, historical and religious sites, arts, architecture, and cultures. Nepal can take advantage of the tourism sector through its uniqueness. However, infrastructural problems have remained as one of the main hurdles in tourism development in Nepal. Lack of transportation and communication facilities have adversely affected tourism entrepreneurship in Nepal.

2. Lack of conservation of cultural and religious sites:

Nepal has many cultural and religious sites. Some of them are enlisted in the World Heritage List. They are the major source of attraction. However, they lack proper conservation which is hampering tourism entrepreneurship in Nepal.

3. Lack of tourism centers:

Tourists need information that is provided to them through information centers. However, Nepal lacks such centers. It has negatively affected tourist arrival in Nepal. Hence, it has adversely affected tourism entrepreneurship in Nepal.

4. Lack of publicity:

Publicity at the national as well as the international level is one of the factors of the development of the tourism sector in the country. Nepal has not been able to publicize its tourism in an expected way. It has discouraged tourism development in Nepal.

5. Lack of security:

Tourists visit different places for the sake of entertainment and amusement. In such a situation, they want to be secure. The situation of tourism security is not found in a satisfactory state in Nepal. It has a negative impact on tourism entrepreneurship in Nepal.

6. Political instability and unrest:

The politics in Nepal has been unstable since long ago. It has resulted in strikes, banda, political movements, etc. All these activities have adversely affected tourism development in Nepal.

Factors Affecting Tourism Entrepreneurship

Tourism entrepreneurship has become one of the important drives of economic development. There are different factors that affect tourism entrepreneurship. They are;

1. Participation of the private sector:

The participation of the private sector is important for the development and diversification of tourism products. Likewise, the government should involve in infrastructure development and play the role of coordinator and motivate for the growth of the travel and tourism industries.

2. Development of tourism infrastructures and facilities:

For the development of the tourism sector, tourism infrastructure and facilities should be developed. Priority should be given to developing new tourist destinations, particularly in the rural areas.

3. Promotion of religious tourism:

Improvement of popular religious tourism sites promotes religious tourism which further affects tourism entrepreneurship positively.

4. Focus on adventure tourism:

More tourists may be attracted by focusing on adventure tourism. It creates a number of opportunities for tourism entrepreneurs.

5. Security:

Tourist service and facilities should be developed to make places secure for tourists.

6. Encouragement to local investment:

If there is institutional encouragement to local investment, it promotes tourism entrepreneurship.

7. Transport and communication facility:

Availability of transport and communication facilities helps to carry out tourism-related activities smoothly and efficiently. It eventually promotes tourism entrepreneurship.

8. Diversification:

Tourism should be diversified to rural areas. It improves employment opportunities, foreign currency earnings, growth of national income, and regional imbalances. Diversification of tourism activities supports tourism entrepreneurship.

9. Promotion of environment:

If natural, cultural, and human environments of the nation are promoted, it helps to develop and expand tourism entrepreneurship.

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