

# The Challenges of Entrepreneurship Development in Jammu and Kashmir

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## Abstract

The economy of state Jammu and Kashmir has suffered from disturbed conditions prevailing in the state since past 24 years. Both the centre and state governments are trying to put the economy back on the rails by enabling the average person to get employment opportunities. In a state ridden with violence and having a population of 600,000 unemployed youths, the challenges before J & K state are immense. In this scenario, the thrust is on employment generation for youth—both boys and girls in state. This research work shall examine the challenges of entrepreneurship development in state Jammu and Kashmir. This paper sees entrepreneurship as the process of creating something new with value by devoting the necessary time and effort, with the accompanying financial and social risks, and receiving in return monetary rewards, personal satisfaction and independence. In this era of shrinking economic activities, government should endeavor to provide the necessary infrastructures required for skills acquisition among its citizenry. This is because without technological skills, entrepreneurial spirit which drives economic development through job creation will be lacking. The paper concludes that entrepreneurship is essential for rapid and sustained economic growth but there is an urgent need to change the mindset of the average Jammu and Kashmir especially the youths towards embracing self-employment and de-emphasize the search for white collar jobs that are non-existent. Entrepreneurship as a means of self-employment suffers a number of great challenges, and these challenges are what this research work would identify.

**Keywords:** - Entrepreneurship Challenges, Development, Awareness

## Introduction

The state Jammu and Kashmir is blessed with abundant human and natural resources which if properly harnessed would have turned this country into a developed economy. But given the massive corruption, lack of commitment, the dominant role of public sector in the economic life of the state, J & K has lost opportunities for growth and sustainable development. The current government policy of private sector led growth for job and wealth creation which is anchored on entrepreneurship is being pursued with vigor. In this new dispensation, government is to provide an enabling and conducive environment for the private sector to strive. This could only come from total

Change of attitude and a genuine embrace of entrepreneurial development

Which is a contemporary phenomenon now? Globalization calls for value creation and greater competitiveness for state Jammu and Kashmir not to lose out.

The objective of this research is to examine what needs to be done to tackle the challenges faced by entrepreneurs to unleash and harness the entrepreneurial spirit of its people to enable it become an economic giant in the nearest future. The compounding issue to be addressed will have to do with the challenges and problems militating against the success of our entrepreneurs in this state. They are faced with numerous challenges and problems; the sole aim of this research is to find out those problems and challenges and if possible, provide a lasting solution so that the economy will move from grass to grace through a sound entrepreneurial practices.

## Objectives of the study

1. To know about the entrepreneurship development in J&K
2. To study the prospects and challenges faced by entrepreneurs in J&K

## Methodology

The study is largely based on the secondary data. The secondary data related to growth, performance and challenges of entrepreneurship development in Jammu and Kashmir. Besides the secondary source including various books, reports, and research papers in journals, magazines and periodicals has been consulted thoroughly for the present study

## Limitations of the study

The present study which is based on secondary sources could have been broadened by including more information and data regarding entrepreneurship development in Jammu and Kashmir

## The Concept of Entrepreneurship

The whole idea about entrepreneurship is about self-employment which will generate employment opportunities

to other that must work with him as he cannot work alone. Entrepreneurship is the most effective method for bridging the gap between science and the market place, creating new enterprises, and bringing new products and service to the market. These entrepreneurial activities significantly affect the economy of an area (Nig) by building the economic base and providing jobs.

According to Peter Ducker (1970) and K. knight (1967), entrepreneurship is about taking a risk; it is the process of creating new values that did not previously exist; it is the practice of starting new organization, especially new business; it involves creation of new wealth through implementation of new concepts. Ducker (1970) believes that what entrepreneurs have in common is not personality traits but a commitment to innovation. For innovation to occur the entrepreneur must have not only talent, ingenuity and knowledge but he must also be hard working, focused and purposeful.

Howard defines entrepreneurship as the pursuit of opportunities without regard to resources currently controlled. To be enterprising is to keep yours eyes open and your mind active. It is to be skilled enough, confident enough, creative enough, and discipline enough to seize opportunities that present themselves regardless of the economy condition (Nwafor 2007).

Robert (1985) looked at entrepreneurship as the process of creating something different with value by devoting the necessary time and effort, and social risk and receiving the rewards of monetary and personal satisfaction. Development in entrepreneurship is sometimes seen as arising from three sources, namely;

- (i) From the contributions of economic writers and thinkers on the role of the entrepreneurs in economic development and the application of economic theory.
- (ii) From the psychological trait approach on personality characteristics of the entrepreneurs and
- (iii) From social behavioral approach which stresses the influence of Social environment as well as personality trait. For the purpose of This research, we shall adopt the economist / managerial Perspective to define entrepreneurship.

McGrath and Macmillan identified five characteristics of habitual entrepreneurs:

- (i) They passionately seek new opportunities, are alert, always seeking for the change to profit from change and disruption in the way business is done.
- (ii) They pursue opportunities with economics discipline, are not only alert to spot opportunities but make sure they act on them.
- (iii) They pursue only the very best opportunities and avoid chasing after every option, are ruthlessly disciplined about limiting the number of projects they pursue and go after a tightly controlled portfolio of opportunities in different stages of development.
- (iv) They focus specifically on adaptive execution, rather than analyzing new ideas to death, people with entrepreneurial mindset execute yet they are adaptive-able to change direction as the real opportunity and the best way to exploit it evolves.
- (v) They engage the energies of everyone in their domain; involve many people, inside and outside the organization in the pursuit of an opportunity. They create and sustain networks of relationship rather than going alone, making the most of the intellectual and the other resources people have to offer and helping those people achieve their goals too (Soyibo 2006).

According to Aruwa (2004), it is the ability of some people to accept risk and Combine factors of production in order to produce goods and services. It can also be seen as the willingness and ability of an individual to seek out investment opportunities in an environment, and be able to establish run an enterprise successfully based on the identified opportunities.

### **The Challenges and Problems of Entrepreneurship Development in Jammu and Kashmir:**

The state of Jammu and Kashmir has made its place in the industrial map of the country, however, there is still a need to go a long way in achieve industrialization of the size and magnitude required to take the state out of economic backwardness. There is an immense need to remove the different bottlenecks that are coming in the way of sustained industrial development in the state. The small scale industrial sector in the state has an incredible and fantastic potential of absorbing thousands and thousands of unemployed educated youth. Therefore time has come to take bold steps to improve the industrial environment of large scale investment, which calls for a pragmatic and long term result oriented policy initiative on the part of the government. An hour is needed for both. The major challenges of entrepreneurship development in state Jammu and Kashmir have to do with the following:

#### **1. Lack of Knowledge in the Basic Science and Technology**

The role of entrepreneurship in economic development involves more than just increasing per capital output and income, it involves initiating and constructing change in the structure of business and society. This change is accompanied by growth and increased output which allow more wealth to be divided by the various participants. One theory of economic growth depicts innovation as the key, not only in developing new products or service for the market but also in stimulating investment interest in the new ventures being created. The critical point in the

product evolution process is the intersection of knowledge and a recognized social need, which begins the product development phase. This point, called interactive synthesis often fails to evolve into marketable innovation and is where the entrepreneur needs to concentrate his/her efforts. The lack of expertise in this area matching the technology with the appropriate market and making the needed adjustment is the fundamental challenge of entrepreneurship development in state;

#### 2. Capital formation:

Capital formation is considered as an important factor in the economic development of a country. Capital formation can accelerate the pace of development through fuller utilization of available resource. Entrepreneurs required to store large stock of inventories to provide adequate industrial supplies. This raises the requirement of working capital by entrepreneurs. These capital requirements are not easily met in state Jammu and Kashmir.

#### 3. Infrastructural Facilities:

The infrastructural facilities like communication, transport, power, and economic information etc also affects the growth of entrepreneurs in state. Though things are changing slowly in Jammu and Kashmir but still perceived that entrepreneur faces huge mobility constraints which become more pronounced due to insecurity rising out of the conflict in J&K.

#### 4. High Cost of doing business in Jammu and Kashmir:

Entrepreneurs are in business (take risk) because they want to make profit. Where the expected return from a venture is lower than the opportunity costs, it will act as a disincentive for the entrepreneur. Due to collapsed infrastructural facilities and unbridled conflict, where entrepreneurs have to spend huge sums to provide some basic infrastructure.

*5. Family Challenges:* Convincing to opt for business over job is easy is not an easy task for an individual. The first thing compared is – Will you make more money in business of your choice or as a successor of family business. This is where it becomes almost impossible to convince that you can generate more cash with your passion than doing what your Dad is doing.

*6. Social Challenges:* Family challenges are always at the top because that is what matter the most but at times social challenges also are very important. Let us say you and your friend graduated at the same time. You opted for entrepreneurship and your friend opted for a job. He now has a flat, car and what not because he could easily get those with a bank loan but you still have nothing to show off and this is where challenge comes.

*7. Policy Challenges:* Now and then there is lot of changes in the policies with change in the government. Problems of TRIPS and TRIMS. Problems of raising equity capital Problems of availing raw-materials. Problems of obsolescence of indigenous technology Increased pollutions Ecological imbalanced. Exploitation of small and poor countries, etc.

#### Jammu and Kashmir entrepreneurship development institute

The government of India established entrepreneurial development institute

In the state in order to boost the entrepreneurship the state. One such institute was established in Jammu and Kashmir also. Jammu and Kashmir entrepreneurship development institute is providing a pro-entrepreneurial environment to foster the progress and prosperity of state. The EDI is assisting the government in formulating and implementing its policies for entrepreneurship development by helping the practicing and potential entrepreneurs through a host of service like research, consultancy, information, training and education. It also helping to develop entrepreneurship and entrepreneurship culture in the state of Jammu and Kashmir through awareness generation, entrepreneurship education, skill up gradation, knowledge dissemination, and attitudinal modification and developing linkages with National and international organization to make entrepreneurship the most important component of state Economy. Since its establishments, J&KEDI has made valuable contributions by creating an impressive record of achievements. Institute changes its activities from time to suit the needs of the entrepreneurs in the context of globalization.

#### Conclusion and suggestions

Entrepreneurship is essential for rapid and sustained economic growth and development. It creates the required man power and skills necessary for accelerated growth, reduce unemployment and poverty. It is therefore strategic and wise for state Jammu and Kashmir to assign a significant and increasing role to entrepreneurship in their effort to revamp the economy. For the entrepreneurs to be effective in creating wealth and employment opportunities the government needs to create an investor-friendly environment encompassing stable macro-economic policies government needs to address urgently the dilapidated infrastructural facilities in the state, The educational sector needs to be revamped with emphasis on science and technology. There is need to change the mind set of young people to embrace self employment rather than waiting for non-existing government job. Lastly, there is the need to ensure that those with innovative ideas are provided with the financial support to translate such ideas into reality.

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