

## THE NEED FOR CAPACITY BUILDING IN AUGMENTING AN ENTREPRENEURIAL DEVELOPMENT ACROSS THE COUNTRY

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### **ABSTRACT**

Entrepreneurs create new businesses. Entrepreneurship not only plays a revolutionized role but also invigorates economic freedom unfurling economic sustainability with an effectual social change. Simultaneously it also strengthens one's morale and adds some vital inputs to their lives which can have a cascading effect on our economy on a positive note. Thus it has been precariously noted that an ambience of entrepreneurship, a mind of an enterprise is required to stimulate the intrinsic ideas and galvanize our economic and social growth to the utmost. Capacity building in this arena draws a significant corner in supplementing an escalated entrepreneurship development throughout the country. Capacity building is the process of unleashing, strengthening, creating, adapting and maintaining capacity over time (OECD, 2006). Capacity building in all levels – individual, social and organizational – is needed to enable an overall development. It has been found that people often dither to take up entrepreneurial activities in our country. These unwitting and unobservant attitudes need to be changed. Here comes the need for capacity building through various strategies, structures, information, skills, understanding, knowledge, standards, assessment and overall enforcement. The paper delves deep into the relevance and the dire need of capacity building in the field of entrepreneurship development and how can capacity development nourish and equip oneself with the adroitness and prowess of an entrepreneur who can create a virtuous cycle in our economy and rise high above the plateaued growth.

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**Keywords: entrepreneurship development, capacity building, economic growth, social change**

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## **PRELUDE**

India has undergone a paradigm shift in its economic position in the world. We have also witnessed a sustained increase in economic growth down the years. But still we find ourselves in the ‘capital poor’ economies. A problem of poverty, unemployment, income inequality still grapples our system and the gap widens. India still standing with the circlet of ‘developing country’ needs to resuscitate their growth strategy as it is through this change, productivity capacity can be increased and vicious circle of poverty could be turn down. A productive partnership would help enhance the overall development of the country which is possible through capacity building activities. Improving the functioning of the different institutions, enhancing the capacity of representative bodies, ongoing improvement of research and development in entrepreneurship growth, one would harness the entrepreneurial development expertise and lead to a sustained economy. Various study and research have emphasized that entrepreneurship in a country do have a positive effect on the level of economic growth in that country. Several empirical studies go on finding the factors which determine the cause of economic growth and ‘entrepreneurship’ acts as one of the importunate factors as Daniel Smith points out ‘ Innovation will be defined as the creation of previously unknown economically profitable ideas’ provided society pursues pro market government policies. Capacity building plays a vital role in this series. Capacity building is much more than training. It is an approach that helps not only individual development but also social development through understanding the obstacles that restricts in achieving the desired goal through strengthening and enhancing one’s knowledge, skills, abilities and competencies thereby achieving measurable results. Such an approach would definitely quicken, stimulate and liven up entrepreneurial activities.

## **OBJECTIVE**

➤ To find out the importance level of capacity building for augmenting an entrepreneurial development in the mind of the common people

## **HYPOTHESIS**

Here following hypothesis has been constructed to deal with the overall intended objectives. Here selected items in this study were verified by the experts of the concern field.

**H<sub>1</sub>:** The opinions regarding ‘emphasizing need and importance of capacity building for entrepreneurial development’ are above average level

### **METHODOLOGY:**

This research study is based on both secondary and primary data. The secondary data include published sources available in the form of research papers, articles, reports, internet etc. The primary data were collected from the respondents through questionnaire. Convenience Sampling with sample size of 100, was selected for this study. Purba Medinipur district of West Bengal was chosen for data collection. The age group more than 18 years was targeted in this study. The reliability of questionnaire has been established in this study. As per the research requirements, One-Sample T Test is designed to test if opinions regarding ‘emphasizing importance on capacity building for entrepreneurial development’ are above average level.

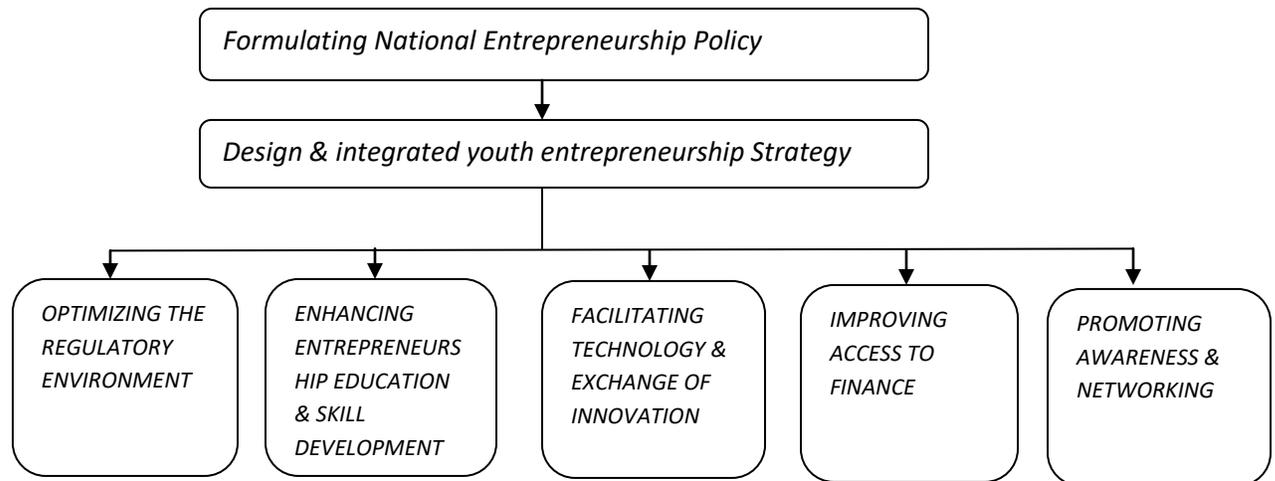
### **CAPACITY BUILDING**

Capacity building is a long term, continuing and complex process, which depends on the participation and constant interaction between all the involved stakeholders. Capacity building strategies and approaches demand a high degree of flexibility. The demand for capacity building may vary enormously between countries, regions and sectors and the demand for capacity building is constantly changing (Govindarajan, 2016). UNEP described capacity building as ‘building abilities, relationships and values that will enable organizations, groups and individuals to improve their performance and achieve their development objectives’ (Discussion paper, UNEP, May, 2006). It focuses to bring about a change within a state, a society and an individual through initiation and a sustainable process. UNEP identified the following ways to improve the effectiveness of capacity building:

- 1) *Identifying needs and building on existing capacity*
  - 2) *Being clear about the objectives*
  - 3) *Using a wide range of capacity building approaches*
  - 4) *Making the training of trainers approach work*
- 5) *Institutionalizing capacity building programmes of regional and national level*
- 6) *Target the right people to build a critical team*

United Nations Conference on Trade and Development (UNCTAD) strongly believes in the ‘potential contributions of entrepreneurship to job creation and inclusive growth’. They focused on strategies and identified ways to develop and aggrandize entrepreneurship and ‘maximize its contribution to national goals. UNCTAD in collaboration with the commonwealth Secretariat has developed a capacity development framework for augmentation of entrepreneurship.

**Figure 1: Capacity development framework for augmentation of entrepreneurship**



### **ENTREPRENEURSHIP – as a tool for empowerment across the country**

Entrepreneurship is more than mere creation of business. It is a dynamic process of vision, change and creation. The Indian society essentially requires economic security which is possible when entrepreneurs try to convert their ideas into economic opportunities through innovations which help them and our country stand apart and gain competitive advantage. It requires an application of energy and passion towards creation and implementation new ideas and creative solutions. The following points highlights the significance of entrepreneurship so needed that amplify one’s liberated ideas and innovations.

**Figure 2: Important variables for capacity building in entrepreneurship development**



**Source:** Meenakshi, S., Subrahmanyam, V. & Ravichandran, K ( 2013)

### **The Need for Capacity Building in Entrepreneurship Development**

1. Capacity Development programmes helps to accelerate the development of entrepreneurial attitude, behaviour and action across the society and particularly among the people who are agog.
2. Capacity building programmes help in understanding and developing the entrepreneurial ecosystem where people get to learn that for creating entrepreneurial venture it is not alone a body or a person who can start up. It is a combined effort which includes ‘business (large & small firms, as well as entrepreneurs), policy makers (international, national, regional, local) and formal and informal educational institutions.
3. Capacity building programme assists the budding entrepreneurs as well as thoughtful mind deciding to startup and succor on an initial assessment of the current business structure, focusing on training in important components which identified as most for growth stimulation.
4. Capacity building workshops helps to identify and create entrepreneurial talent and direct them towards proper selection of business.
5. Capacity building activities carries a process of creating self awareness and development of individual capacity for creative thinking, innovative decision making, and policy implementation. It provides a holistic approach for developing one’s inner capabilities in terms of personnel and other facilities that facilitates learning.

6. Capacity building provides a large scope for application of information and communication technology tools and build capacity for various stakeholders thereby covering more inclusive decision making platform
7. It is through capacity building workshop and activities that help in steering the entire process of planning, monitoring and conceptualizing the entrepreneurship skills that help in overall development of the stakeholders.
8. Capacity building workshops, activities help in community engagement which might not be otherwise possible. They provide a link to the entrepreneurs to and learn from potential clients, strategic partners and professionals thereby strengthening their entrepreneurship motives
9. Capacity building strategies help in 'real world learning' thereby guiding them in diverse range of competency building pedagogical methods
10. Capacity building apart from assisting and instilling the skills among people and alarming the country regarding the development of entrepreneurship activities also hone a person leadership skills and groom them to be competent individual, a visionary and a inspirational icon which is essential for credibility of an entrepreneur.

**Table 1: Capacity Building Pillars for strong entrepreneurial venture**

<b>OPERATIONAL CAPACITY BUILDING</b>	It is essential to understand the dynamics on the floor, the ground level activities and operations that gives an overview as well as insight of the business
<b>MANAGEMENT CAPACITY BUILDING</b>	Gaining management experience is critical for building up an entrepreneurial venture successful. Understanding of responsibility, accountabilities, loopholes, resources, skills, managing people is another pillar for strengthening one's own entrepreneurial circumspection.
<b>FINANCIAL MANAGEMENT CAPACITY BUILDING</b>	For entrepreneurship development it is vital for understanding financial resources, financial statements and management of

	overall financial health of a company that helps a person identify the key indicators
<b>PERSONAL CAPACITY BUILDING</b>	Above all in spite of a deeper insight into operations, management and finance, it is essential to build one's own capacity for restoring and polishing up business and business ideas. It is required to learn through the passage of development of capacity building such behaviours as 'dedication, perseverance, ambition, determination, strong will, transparency, openness etc.

Source: <https://strategyplanone.wordpress.com/2012/03/07/the-four-capacity-building-pillars-of-entrepreneurship/>

## **CAPACITY DEVELOPMENT ACTIVITIES FOR AUGMENTING ENTREPRENEURSHIP**

**Common Services Centre Scheme (CSCS)** of Ministry of Electronics and Information Technology, Govt. of India have taken up vital initiatives in capacity building skills in promoting new vistas for village level entrepreneurship and generation of local wealth to support a more sustainable lifestyle. CSCS are trying to gear up and focus on overall entrepreneurship awareness and skill development activities and training. CSCS emphasized on:

- Awareness with respect to growing and diversified livelihood opportunities in rural areas.
- Appreciation of advancement in ICT (Information & Communication Technology) and the potential influence it should have on rural economy in terms of business generation and employment.
- Exposure to the local and national best practices.
- Exposure to government programmes, institutions and community programmes.
- Business acumen, administration, financial management and marketing skills
- Ability to recognize and seize new business opportunities
- Exposure to rural entrepreneurship concepts and practices

**National Skill Development Corporation, India** (NSDC) has been fostering skill enhancement among the people of India who are eager to create a skilled country through their incisive intellect and determined mind. NSDC with their endeavour are trying to upgrade skills to international standards, initiate PPP, guiding capacity building strategies for marginalized and special groups supporting self employment and entrepreneurship programmes. A scheme has been designed for entrepreneurship development by Ministry of Skill Development and Entrepreneurship. It covers the following elements in proselytizing entrepreneurship upshot:

- Educate and equip potential and early stage entrepreneurs across India
- Connect entrepreneurs to peers, mentors and incubators
- Support entrepreneurship through enterprise hubs (e-Hubs)
- Catalyze a culture shift to encourage entrepreneurship
- Promote entrepreneurship among women
- Foster social entrepreneurship and grass root innovation
- Encourage entrepreneurship among underrepresented groups

**TARA LIVELIHOOD ACADEMY** plays a crucial role in making people; especially the rural youth enter into a new phase of economic development through enterprise development programmes and firmly believes in creating many entrepreneurs. The academy highlights on the making of the business plan to knowledge about market linkage in a sequential way.

**WADHWANI FOUNDATION** launched the National Entrepreneurship Network or NEN in 2003 to build powerful entrepreneurship programmes with schools, colleges, universities so that they can be aware of and indulge in this brand new arena and support thousands of entrepreneurs who are looking forward for a unique opportunity or heading high. They focus on robust entrepreneurial ecosystem. They have a couple of programme for entrepreneurship development. The prime among them is ‘Capacity Building’ where NEN train and certifies faculties across the network so that India can get more and more entrepreneurship mentors. Other programmes include

- National Advocacy and Recognition programme
- Angel Platform
- Mentor Platform

➤ Entrepreneur Academy

**TATA TRUST** in collaboration with Harvard University South Asia Institute (SAI) is launching a programme for learning entrepreneurship skills and developing opportunities that would lead to a path of sustainable prosperity. Research project and a workshop entitled ‘Livelihood creation in India through social entrepreneurship and skill development’ is a first step towards capacity building among people to provide them economic empowerment. They are invigorating participants of the programme to step ahead and deal with the market and make a profitable and sustainable venture.

### **CAPACITY BUILDING AND WOMEN ENTREPRENEURSHIP**

A woman has been regarded as the nuclei of a nation. In India, women are desperate to unchain themselves and stand out. Thereby these women need more avenues of skill development to intensify and improve their competency. Thus female entrepreneurship represents untapped source of economic growth and innovation. Several capacity building activities are conducted across the country to reveal their inner bent in entrepreneurship development. Mahila Coir Yojana is a woman oriented self employment scheme in the coir industry which promote ample scope for rural women artisans in producing coir fiber. Sameem Mahila Mandali has taken a prospective step by building 100 rural BPL women capacity through training and non formal education and improving their opportunities of entrepreneurship development. It helps them to attain self reliance through various capacity building workshops. STEP (Support to Training and Employment Programme) scheme aims to provide skills that would help to find jobs for women and ingrain in them virtuosity and skill that enable women to set a new path for employability and entrepreneurship.

### **Research Findings**

This research study indicates good reliability (Cronbach's Alpha-- 0.831) between different items of multiple item scale. In this research the face validity have been ensured since it is determined by the judgment of the researchers. Content validity is determined by taking opinion of other experts in the concern field.

**Hypotheses Testing:**

H<sub>1</sub>: The opinions regarding ‘emphasizing need and importance of capacity building for entrepreneurial development’ are above average level

**Table 2: One-Sample T Test (Test Value = 3)**

Items	Mean	Std. Deviation	t-value	P-value
People should concern about Economic development of our country for entrepreneurship development initiatives.	3.812	0.923	16.885	<0.001**
People should inculcate their leadership qualities for entrepreneurship development initiatives.	3.979	0.964	20.436	<0.001**
People should increase their self confidence for entrepreneurship development initiatives.	3.977	0.754	17.39	<0.001**
People should enhance their social interaction for entrepreneurship development initiatives.	3.761	0.891	19.05	<0.001**
People should increase their participation and engagement for entrepreneurship development initiatives.	3.879	0.996	16.561	<0.001**
People should emphasize on decision making capabilities for entrepreneurship development initiatives.	3.797	0.853	19.132	<0.001**
People must have the sense of achievement for entrepreneurship development initiatives.	4.012	.657	23.681	<0.001**
People should enhance the awareness for entrepreneurship development initiatives.	3.840	0.748	22.213	<0.001**
People should increase their problem solving capabilities for entrepreneurship development initiatives.	4.123	0.669	17.18	<0.001**
People should emphasize on different inherent skills for entrepreneurship development initiatives.	3.921	0.702	24.484	<0.001**

**Note: \*\* denotes significant at 1% level**

Since P-values are less than 0.001, the hypothesis is accepted at 1 % level of significance. Hence it is concluded that the opinions regarding ‘emphasizing need and importance of capacity building for entrepreneurial development’ are above average level. Based on the mean score, we can understand that people are very much concern towards capacity building for entrepreneurship development initiatives.

## **CONCLUSION**

Capacity building not only enhances necessary skills but also provide networking and mentoring opportunities across India. It is through capacity building activities that entrepreneurship development leads to a positive impact on the lives of the people in India. It helps to find out latest trends and techniques in the field of business making India more competitive. Capacity building activities should be appreciated and escalated not only for entrepreneurship promotion but also for social inclusion. The different initiatives taken by India on governmental, social and individual level has enriched people across the country with self reinforcing ideas and implementations. Exchange of best practices in terms of planning and implementation would unveil productive and worthwhile entrepreneurship strategies. Thus it has become a high time to drive the process of strengthening, vitalizing and boosting individuals as well as the entire system to generate more and more entrepreneurial opportunities, vistas and avenues and instill sustainable and purposeful business venture.

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