

# Structural shift in the Indian Economy and Role of Entrepreneurship

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**Speaker** : Prof Prabal K. Sen ( Retd Professor from IRMA, XLRI and is known as one of the brilliant professors in Economics and Entrepreneurship. He was conferred as 'Best Teacher' award in 2011 by Higher Education Forum Mumbai. He is a visiting Professor to IIMs and a Board member in a number of institutions including Banks and other Financial Institutions)



Dr P. K. Mishra, Vice Chancellor felicitated Prof Sen and Dr Braja S. Mishra, Dean SSS gave a brief introduction about him.

Master's students from SSS, SET and SoB , Deans , Faculty members of the three Schools attended and participated in the lecture and interaction session of Prof Sen.

## Excerpts

The structural change of an economy takes place mainly along two dimensions: one is the changing sector-wise shares in GDP and the second is the changing share of the labour force, engaged in each sector. In Indian economy the primary sector is losing its share fast whereas secondary sector is being dominated by the tertiary sector. With more

and more mechanisation and automation in all the sectors of economy, the scope of mega industries ( both in public and private sector) providing large number of wage/salaried employment has diminished drastically over a period of time.

With introduction of Fiscal Responsibility and Budget Management System (FRBM) , the focus of the government has remained to reduce the fiscal and revenue deficit significantly. Thus government cant afford to create employment in its various departments and public sector undertakings. At the same time about 15 million people are joining our workforce every year, especially the educated youth. In a country like India where there is large population and large natural resource base, the only alternative for economic growth is making more people self employed or in other words creating an eco-system where people become job creators than job seekers through entrepreneurship. Though a culture of large number



entrepreneurship promotion is a new phenomenon in our country, it has alternative but to take an acceleration.



To promote entrepreneurship needs a paradigm shift in our thoughts and actions. According to Prof Sen, it requires two endowments- traits and skills. Though, traits play a significant role in turning a person as an entrepreneur, but large number of people can be made entrepreneurs only through systematic training and skill being imparted to them. For example, Dhirubhai Ambani was a successful entrepreneur without any formal education and training, whereas his two sons could grow their enterprises through their education and training. Traits are inherent whereas skills are imparted through education and training. Even having skills and training, one must have fire in the belly to take a risk. This means , one has some idea and a strong determination to ground it taking a calculated risk.

There are again two factors which supports entrepreneurship - resource endowment and demand in the market (business opportunities). There are lot of resources around us which we can make use to produce something to meet the demand in the market. On



the other hand we can create or build something innovative and create a demand in the market by educating the consumers.

Now business need not grow under a single roof physically at one place, rather it can grow vertically , horizontally and spatially across the country and beyond without mortar and brick structures.

Prof Sen discussed about a number of examples of enterprises started by the students from high- end to low-end institutions/universities , and how they could make them

viable and grow. Though their rate success varies, they have proved to be job creators. According to him, all these living examples are the harbingers for rest of the youth who pass out their diploma, degree etc and venture into entrepreneurship.

At the end of his deliberation, he responded the questions put by the students and faculty members.

Dr Rupak Gupta, Dean SoB , proposed a vote of thanks to express the gratitude on behalf of the University to Prof Prabal K. Sen .