

## **Elderly Factor Impacts In Entrepreneurship & Economic Development of South Asia**

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### **ABSTRACT**

Entrepreneurship serves as a positive source of economic growth and development. Governments should attempt to increase their supplies of market-transforming entrepreneurship. Still in LDCs youth participation is to be implemented. When governments promote the supply of entrepreneurship, they are essentially encouraging entrepreneurs to seek out what parts of the market demand them. It is important to see that economic development - in both the less and more successful countries - is intimately connected to the phenomenon of population ageing and the many related issues that arise. The importance of promoting women to engage in economic activities is being increasingly realized in all developing countries.

Most countries in Asia have a relatively young population at present. By next twenty to thirty years, however, the majority of the elderly in the world will be living in Asia. Several South Asian countries will experience a rapid change from young to old in their demographic structure. By 2025, the total number of the elderly will double to about 1.2 billion. A large majority of them – 72% will be living in developing regions. Thus, in the 75 years between 1950 and 2025, the elderly population of the world is projected to grow six fold - double that of the total world population, which will only have tripled by that time. Population ageing raises many vital issues other than the 'economic burden of the elderly'. Changes occur over last 50 years in South Asian countries like India, Bangladesh, Pakistan, Nepal, Afghanistan, Sri Lanka are being explained in this paper. Further, we shall discuss some descriptions of efforts which are to be implemented in India. In this paper we will discuss in context of the South Asian disabled persons, concern has been expressed about the need to strengthen the overall functioning of job placement services for people.

**Key words: Economic burden of elderly, Market-transforming entrepreneurship, strengthening entrepreneurship**

## **INTRODUCTION**

Scholars from multiple disciplines in the social sciences have grappled with a diverse set of interpretations and definitions to conceptualize this abstract idea. Over time, "some writers have identified entrepreneurship with the function of uncertainty-bearing, others with the coordination of productive resources, others with the introduction of innovation, and still others with the provision of capital". The term "entrepreneur" was first introduced by the early 18th century French economist Richard Cantillon. In his writings, he formally defines the entrepreneur as the "agent who buys means of production at certain prices in order to combine them" into a new product (Schumpeter, 1951). Shortly thereafter, the French economist J.B. Say added to Cantillon's definition by including the idea that entrepreneurs had to be leaders. Say claims that an entrepreneur is one who brings other people together in order to build a single productive organism (Schumpeter, 1951).

Over the next century, British economists such as Adam Smith, David Ricardo, and John Stuart Mill briefly touched on the concept of entrepreneurship, though they referred to it under the broad English term of "business management." Whereas the writings of Smith and Ricardo suggest that they likely undervalued the importance of entrepreneurship, Mill goes out of his way to stress the significance of entrepreneurship for economic growth. In his writings, Mill claims that entrepreneurship requires "no ordinary skill," and he laments the fact that there is no good English equivalent word to encompass the specific meaning of the French term entrepreneur (Schumpeter, 1951).

The necessity of entrepreneurship for production was first formally recognized by Alfred Marshall in 1890. Marshall believed that entrepreneurship is the driving element behind organization. By creatively organizing, entrepreneurs create new commodities or improve "the plan of producing an old commodity" (Marshall, 1994). Marshall's entrepreneurs must have the ability to foresee changes in supply and demand and be willing to act on such risky forecasts in the absence of complete information (Marshall, 1994). Like Mill, Marshall suggests that the skills associated with entrepreneurship are rare and limited in supply. He claims that the abilities of the entrepreneur are "so great and so numerous that very few people can exhibit them all in a very high degree" (1994). Marshall believed entrepreneurship was simply the driving force behind organization, many economists today, but certainly not all, believe that entrepreneurship is by itself the fourth factor of production that coordinates the other three.

In general, entrepreneurs are risk-bearers, coordinators and organizers, gap-fillers, leaders, and innovators or creative imitators. Although this list of characteristics is by no means fully comprehensive, it can help explain why some people become entrepreneurs while others do not. Thus, by encouraging these qualities and abilities, governments can theoretically alter their country's supply of domestic entrepreneurship.

## **ECONOMIC DEVELOPMENT BY YOUTH THROUGH ENTREPRENEURSHIP**

Entrepreneurship is a necessary ingredient in the process of economic development; it both serves as the catalyst for market transformation and provides new opportunities for economic growth, employment, and increased per capita income. Although entrepreneurship can directly affect the rate of an economy's transformation and development, few countries have actively pursued entrepreneurship encouragement programs. Additionally, many LDCs

have focused more on encouraging entrepreneurship in the form of multi-national corporations (MNCs) rather than domestic and indigenous entrepreneurship. MNCs can certainly increase a country's income, provide market innovations, and serve as the catalyst for market transformations; thus, MNCs can be used as a source of entrepreneurship-led development. Thus, instead of producing goods that might not be consumed within the country, domestic market forces encourage domestic entrepreneurs to create innovations and creative imitations that fulfill a real market deficiency domestically. Hence, MNCs can be used for entrepreneurship-led development, but domestic entrepreneurship is thought to be more effective.

Many of the small family enterprises and shop-houses that make up the informal sector are indeed entrepreneurial ventures. Close-knit structure of the small-family enterprise is conducive for the incubation of ideas that are tested in the informal sector and later used to transform market products and processes. Women and young people are traditionally excluded from the formal sector; thus, their entrepreneurial ideas are locked out of the formal market. Small-family enterprises in the informal sector typically involve women and youth participation, the informal sector can often serve as the outlet for their entrepreneurial ideas.

Although it is debatable as to whether the informal sector is truly a source of entrepreneurs, governments can insulate themselves from this debate by focusing on the encouragement of market-transforming entrepreneurship, and not simply business ownership in both the formal and informal sectors. Still in LDCs youth participation is to be implemented. The concept of entrepreneurship should be implemented not from college level but from schools. This will promote the beginning of an era with new ideology for promotion in economic development. One major aspect is to involved youth of different field ex. Engg., Medical, etc. in the process of entrepreneurship due to aspect of every life is to earn money which will further promote in economic development.

## **POLICYMAKERS & ENTREPRENEURSHIP**

The supply of entrepreneurship is determined by two factors: opportunity and willingness to become an entrepreneur. Opportunity is "the possibility to become self- employed if one wants to." Alternatively, willingness is the relative valuation of work in self-employment compared to one's other options for employment. In terms of opportunity cost, an individual's willingness is positive whenever self-employment is perceived as the best available career option. Marshall implies that the skills of an entrepreneur can be taught (1994). Policymakers can improve the economic factors that face potential entrepreneurs by initiating market reforms that both increase the market incentives and the availability of capital that is available to entrepreneurs (Wilken, 1979). Davidsson and Wiklund (1995) suggest that regional variations in the levels of entrepreneurship are influenced by the cultural values of the people. They claim that "cultural and economic-structural determinants of the new firm formation rate were positively correlated," thus suggesting that cultural differences in both values and beliefs help explain regional variances in the supply of entrepreneurship. Despite this relationship, other studies on migrant and ethnic entrepreneurs have found that cultural beliefs and values rarely suppress aspiring entrepreneurs.

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Policymakers can affect the level of entrepreneurship in their countries by crafting policies that reform the market in order to encourage entrepreneurship both economically and educationally. For countries to benefit from increasing their supplies of entrepreneurship, traditional economics suggests that those countries' would also need to promote the demand for entrepreneurship. Entrepreneurs are gap-fillers who perceive and correct for market deficiencies. Thus, so long as there are market deficiencies, there will naturally be demand for entrepreneurs to correct them. As a result, when governments promote the supply of entrepreneurship, they are essentially encouraging entrepreneurs to seek out what parts of the market demand them. In no part of the world is this better illustrated than in Asia. Beginning with the prime example of Japan's spectacular economic recovery in the decades after the Second World War, a number of Asian countries, like the Western industrialized countries that preceded them, have achieved substantial economic growth and have high expectations for the future.

Importance of promoting women to engage in economic activities is being increasingly realized in all developing countries. Ministries of labour in non-industrialized countries face a range of new challenges in providing a wide spectrum of labour services for the benefit of workers and employers. It is important to see that economic development - in both the less and more successful countries is intimately connected to the phenomenon of population ageing and the many related issues that arise.

### **SOUTH AND EAST ASIA: PAST AND FUTURE TRENDS**

South Asian region has seen reflective change over the last 60 years. From economies devastated by the conflicts of the Second World War have arisen the most dynamic growth areas in the world. That growth has been so rapid and so sustained that the levels of development in several parts of East and Southeast Asia have come to challenge, and even surpass, those of the so-called developed countries of Europe, North America and Australasia. An integral part of this transformation has been the increasing spatial mobility of populations across national boundaries. Not only has there been a growth in the volume of international migration but so too has there been an increase in the types and complexity of the migrant flows.

Most countries in South Asia have a relatively young population at present. By 2025, however, the majority of the elderly in the world will be living in Asia. Several South Asian countries will experience a rapid change from young to old in their demographic structure. What are the consequences of the change? Is the reliance on strong family structures, in which it is considered a duty and a privilege to take care of the aged in the family, sufficient to cope with the increasing numbers of the elderly? What is happening to the elderly today? Which are the social protection measures presently in place? What are the issues that need to be tackled when a large part of the population is older? What are the policy options?

Till 1950, there were about 200 million people above 60 years of age in the world, evenly distributed between developed and developing regions. By 1975, there were about 340 million elderly people with a similar distribution. Projections, however, indicate that a

definite change in pattern is occurring. By 2000, the total world elderly population will be about 600 million, with about two-thirds living in developing regions. In 2025, the absolute number of the elderly will double to about 1.2 billion. A large majority of them - 72 per cent - will be living in developing regions. Thus, in the 75 years between 1950 and 2025, the elderly population of the world is projected to grow six fold - double that of the total world population, which will only have tripled by that time. Within this wide demographic picture there are three important trends which have major policy implications: the increasing dependency ratios of youth and the elderly; the growing proportion of the very old; and the larger number of older women compared with older men. Among older people, large proportions in most countries are 'not married', that is, single, widowed, separated or divorced. The proportion ranges from 37 per cent in Bangladesh to 64 per cent in Indonesia. On average, nearly half of the aged in both industrialized and developing countries do not currently live with a spouse.

Country	Aged 'not married	Country	Aged widows
Bangladesh	37	India	10
India	48	Indonesia	64
Indonesia	64	Japan	61
Japan	45	Korea, Rep. of	75
Philippines	40	Malaysia	61

Sources: Calculated from data in B.B. Torrey, K. Kinsella, and C.M. Taeuber: *An aging world* (Washington, DC, U.S. Government Printing Office, 1987), table 6; G.C. Myers: "Cross-national patterns and trends in marital status among the elderly", in *Population âgées et révolution grise* (Louvain, Institut de Démographie, Université Catholique de Louvain, 1990), table 1; and Pham Do Nhat Tan: "Lonely old people and issues encountered in social policy making", in *Scientific Bulletin on Labour and Social Affairs* (Hanoi, 1994).

## **PROBLEM OF AGEING IN SOUTH ASIA**

South Asian countries have already begun to confront the complex issues arising with the ageing of their populations. Several others will have to face similar issues in the not too distant future. The choices that countries will be forced to make as a result of this demographic phenomenon are not likely to be dramatic ones and will certainly not be new. No cataclysmic changes are likely to be needed. Rather, countries will have to deal with age-old issues related to economic growth and the equitable distribution of income and wealth in the context of fewer children and more old people.

The phenomenon of an ageing society is basically an outcome of a country's prior policy decisions and economic achievements. It results, in large part, from a country's successful investment of human resources and economic capital to promote economic growth. It is also fuelled by higher levels of education, greater economic opportunities (especially for women), and rising incomes, each of which promotes lower fertility rates. In both developed and developing countries, there is a rise in the proportion of the older population associated with a concurrent increase in GDP, greater life expectancy, earlier retirement, changing health-

care needs, and collective income provision for retirement. The determinants of growth are more likely to be business savings, human and capital investment, technological change, managerial/ entrepreneurial skills, etc. Population ageing raises many vital issues other than the 'economic burden of the elderly'. It is important that countries understand the changes that are occurring with the ageing phenomenon, and the shifts in public and private attitudes and practices that need to be considered.

## **WED IN SOUTH ASIA**

The importance of promoting women to engage in economic activities is being increasingly realized in all developing countries. The need is two fold:

- I. Empowering women by bringing them into the mainstream of development and by improving their economic status; and
- II. Providing new employment opportunities by way of income generation, self-employment and entrepreneurship to women from different socioeconomic sectors.

Encouraging women to undertake economic activities through Women Entrepreneurship Development (WED) programmes have led to WED becoming the most effective way of fulfilling these needs. Experience demonstrates that there is a large number of women in most developing countries, capable of and willing to be involved in economic activities. However, in many situations there is a lack of integrated and need-based training programmes and a paucity of skilled trainers and facilitators, which inhibits the efforts at promoting women entrepreneurs (WEs). Encouraging women and developing them into successful entrepreneur's calls for the adoption of a systematic approach, including the provision of training as well as follow-up support which can help to link WEs with credit, marketing and other support services.

## **INDIA**

India is still one of the most underdeveloped countries in the world. Despite the grim situation that faces much of the country, several technology-focused cities have recently had impressive success with technology driven development. In 1991, the Indian government introduced numerous market reforms to overhaul the Indian economy. The information technology industry is probably that which has benefited most from the reforms. For the educated urban class, information technology businesses have provided a new source of income. To utilize the educated youth, who have been trained in engineering and computer programming, international IT companies began locating in India, particularly in Bangalore. The result is that Bangalore has become a powerhouse for software production. Although Indian technopreneurs were not originally at the center of Bangalore's technology development, they are now beginning to pop up throughout southern India, largely due to the government's help in creating "the right climate to encourage this sunrise industry" (Soota, 1998).

Domestic entrepreneurship is encouraged in Bangalore with tax incentives and a relatively advanced communications infrastructure (Soota, 1998). Hyderabad is now following its

example. Although smaller in scale, the success of Hyderabad suggests that the Bangalore model of technology-led development may be applied in other parts of the country. The emergence of women entrepreneurs and their contribution to the national economy is quite visible in India. The number of women entrepreneurs has grown over a period of time, especially in the 1990s. While women entrepreneurs have demonstrated their potential, the fact remains that they are capable of contributing much more than what they already are. It is necessary to formulate appropriate strategies for stimulating, supporting and sustaining their efforts in this direction.

## **BANGLADESH**

In Bangladesh an ordinary person has income below the \$1.0/Day/ Purchasing Power Parity (PPP) international benchmark. Such poor PPI can never indicate progressive development emerging in a country. Thus, there is a great need to think out of the box to enhance economic advancement. The most important fact behind entrepreneurship is economic freedom and self dependency. Bangladesh is a lower income country which is deprived of enjoying the essence of global economic benefits and left far behind the financially viable scenario. There should be effective proposals designed to provide suggestions how to improve present socio-economic picture with strategic advising in decision-making to excel in positive economic impact.

## **AFGHANISTAN**

Afghanistan remains one of the poorest countries in the world with an estimated per capita income of 300 US dollars and average mortality age of 47 years. According to the literature, entrepreneurship plays an important role in driving countries out of poverty traps, and even out of conflict situations. Part of the literature also stresses that, rather than entrepreneurship per se, it is productive entrepreneurship that nurtures development. The 9% of the households in Afghanistan rely on a small business as a source of income. One of the striking findings is that entrepreneurs in Afghanistan appear to have a strong tendency to adapt to ongoing conflict and continue to operate across districts with very different levels of security and conflict activity.

## **NEPAL**

Nepal is a least developed country. More than 32 percent of population lies below the poverty line and the annual per capita income is not more than US\$ 370. The pace of industrialization in Nepal has remained very slow. The industrial sector contributes around 8 percent to GDP and provides employment to about 2 percent of economically active population. Nepal has been experiencing unemployment and acute under-unemployment problem. In a case study conducted by Nepal Rastra Bank, the percentage of unemployed in the total labor force was estimated at 3.1 percent. Similarly the under-employment rate worked out to 46.4 percent and 33.6 percent in rural and urban Nepal respectively (Nepal Rastra Bank: 1988:64, 75). Therefore, entrepreneurs have important role to play in the process of industrial as well as economic development. They could assist to generate employment opportunities, to raise income and to break the vicious circle of poverty.

## **PAKISTAN**

In Pakistan innovation and risk taking is severely inhibited by the intrusive role of government in the marketplace. From the early days of planning when protection and subsidy policies determined winners in the market place, entrepreneurship has been diverted to seeking government favours. The key issue that is preventing entrepreneurial growth in Pakistan is that the women are not given the opportunity to start a venture and nurture it into a successful business. Women are looked as the “food-makers” rather than the “food-earners.” However, research does show that those women who have been given the chance and the proper resources have worked to become strong entrepreneurs. As an increasing number of women are fighting for their right to enter into the business world, entrepreneurship amongst women is giving rise to some excellent business ventures.

## **SRI LANKA**

Sri Lanka had been a socialist economy from 1948 till 1977. Today, Sri Lanka has the highest per capita income in the South Asia with population growth rate of 1.3%. Also, a literacy rate of 92% is the best in the developing world. Government and private business schools, the World Bank and private organizations are pushing for increase in entrepreneurship activity. However, the opportunity is not exploited fully because of conflict between the rebel Liberation Tigers of Tamil Eelam (LTTE, Tamil Tigers) and the government. The entrepreneurial drive of Sri Lankan successful entrepreneurs resulted from a desire for social power through social fulfillment and social achievement, and is different from the western ideology of motivation rested on a desire for individual self fulfillment and goal achievement through the rational entrepreneurial processes. We suggest that cultural values have helped to shape entrepreneurial drive, therefore entrepreneurship development strategies and programs need to be reassessed, emphasised their alignment with values and beliefs in the context of Sri Lanka.

## **EFFORTS TO BE IMPLEMENTED IN SOUTH ASIA**

- ✓ Without initial capital, many entrepreneurs do not have the funds to start enterprises of their own. Governments could attempt to correct for this problem by encouraging the development of venture capital companies and by implementing micro-credit programs.
- ✓ By passing legislation that is friendly towards entrepreneurs, countries can make it more culturally acceptable and less risky to be an entrepreneur. Engineering and other students can assist entrepreneurs in finding capital, setting up a business plan, and complying with the various business and tax regulations.
- ✓ Education initiatives should be created to teach entrepreneurship. By equipping more people with the skills to become entrepreneurs, Countries can effectively increase its supply of competent entrepreneurs. Economists disagree as to whether entrepreneurial skills can be



taught or whether they are intrinsic. Nonetheless, there have been successful results from such educational programs.

✓ Not only India other developing countries use licenses and permits to regulate who can participate in the formal sector. Although these policies may earn government revenue or protect state-owned enterprises, they effectively make the markets inefficient (by limiting competition) and prevent would-be entrepreneurs from starting their enterprises.

✓ In South Asian countries, many women and young persons are excluded from the formal sector because of cultural values or legal restrictions. By preventing these groups from participating in the formal market, countries are limiting the size of their pool of would-be entrepreneurs.

✓ Foreign collaboration is required for promotion of policies as policies implemented is not sufficient and entrepreneur is not avail of newly policy issued.

✓ Proper monitoring of policy will help increase in number of entrepreneur. In India, still unemployment prevails as research are being carried out but thing is that after research policy issued does not monitor properly. This led to no increase in entrepreneur. Policy can be promoted in rural areas with help of NGO.

## **CONCLUSION**

The South Asian disabled person's concern has been expressed about the need to strengthen the overall functioning of job placement services for people with disabilities in order to assist them in finding suitable jobs in the open labour market. Linked to this is the need to upgrade the skills of job placement officers in ministries of labour and social affairs, and in rehabilitation centres, in job identification, selection, recruitment and follow-up for disabled jobseekers. The guide provides an overview of approaches and strategies to improve job opportunities for disabled jobseekers. It is intended for vocational guidance and placement personnel in mainstream and specialist employment services in governmental and non-governmental organizations. It will be of use to personnel providing such services to disabled people for some time, as well as those new to these tasks. It is also meant for policy-makers in labour administration. First step in the process of dismantling the barriers disabled people face in securing employment. While it is useful to persons responsible for placing workers with all types of disability and levels of ability, it is geared, in the first instance, to people with disabilities who would be able to take up jobs in the open market, with a minimum of support, if the employment opportunity were offered.

Women's participation in the labour force in South Asia has been increasing dramatically over the last two decades. In general, absolute indicators of women's status have improved but remain low in many countries in the region. Equality of opportunity and treatment in employment between women and men is a fundamental and guiding principle of the International Labour Organization. It is a major and continuing challenge in South Asia. Expanding women's access to employment, training and economic opportunities, improving the quality of their employment, enhancing their status in the labour market and protecting

their rights as workers are priority concerns for the International Labour Organization and its tripartite constituents - governments, and employers' and workers' organizations.

The guidelines highlight the key socioeconomic, legal, political and cultural constraints faced by women workers. They draw on the experience and good practices in employment assistance shared by the tripartite partners at the workshop. They advocate strategic approaches in addressing women's issues which should act in unison and synergy for maximum impact. Policies and action are required to create an enabling environment for women's employment and training, to enhance their employability and productivity (including their access to non-traditional training and productive resources), and to link them with the labour market. The principal components of development policy that determine the combination of growth and distributional change are macroeconomic and sectoral policies. These policies do not only determine the rate of growth in income but also affect the distribution of income. Some examples help illustrate the point. In a poor society in which much of poverty is concentrated in the rural economy, a development strategy that is driven by growth in agriculture is likely to combine overall growth with a favourable change in the distribution of income. This should contribute to a rapid reduction in poverty.

A rise in the volume of public expenditure targeted to enhance the productivity and entitlement of the poor, especially when it is combined with non-inflationary budgetary policies and an equitable system of raising public revenue, should have similar results. On the other hand, fiscal support to industrialization in a poor agrarian society, through the promotion of capital-intensive technology by means of generous credit to industrialists and the underpricing of capital equipment, is likely to combine growth with an adverse change in the distribution of income. Thus the impact on poverty is powerfully influenced by the nature of macroeconomic and sectoral policies that are included in the development strategy.

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