

Knight also described entrepreneurs to be a specialized group of persons who bear uncertainty, is defined

as a risk which cannot be insured against and is incalculable. He, thus, draws a distinction between ordinary risk

and uncertainty. A risk can be reduced through the distribution of the outcome in a group of instances known. On

the contrary, uncertainty is the risk which cannot be calculated.

(ii) Entrepreneur as an Organiser :

Jean-Baptiste say, an aristocratic industrialist, with his unpleasant practical experiences developed the concept of entrepreneur a little further which survived for almost two centuries. His definition associates

entrepreneur with the functions of coordination, organization and supervision. According, to him, an entrepreneur

is one who combines the land of one, the labour of another and the capital of yet another, and, thus, produces a

product. By selling the product in the market, he pays interest on capital, rent on land and wages to labourers and

what remains is his/her profit.

He further elaborates that in the course of undertaking besides a number of complex operations like obstacles to be surmounted, anxieties to be suppressed, misfortunes to be repaired and expedients to be devised,

three more implicit factors are deemed to be essential. These are

1. Moral qualities for work judgement, perseverance and a knowledge about the business world

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2. Command over sufficient capital, and

3. Uncertainty of profits.

(iii) Entrepreneur as an Innovator :

Joseph A. Schumpeter, for the first time in 1934, assigned a crucial role of 'innovation' to the entrepreneur

in his magnum opus 'Theory of Economic Development'. Schumpeter considered economic development as a

discrete dynamic change brought by entrepreneur by instituting new combinations of production, i.e., innovations.

The introduction, according to him , may occur in any one of the following five forms:-

1. The introduction of a new product in the market.

2. The instituting of a new production technology which is not yet tested by experience in the branch of manufacture concerned.

3. The opening of a new market into which the specific product has not previously entered.

4. The discovery of a new source of supply of new material.

5. The carrying out of the new form of organization of any industry by creating of a monopoly or breaking up of it.

Schumpeter also made a distinction between an inventor and an innovator. An inventor is one who discovers

new methods and new materials. And, an innovator utilizes inventions and discoveries in order to make new

combinations.

ii) Village Industries: Village industries were established in clusters. These mostly involve bell and brass metal works, manufacturing of textile and handloom and so on.

British colonialism adversely influenced the Indian handicrafts which were regarded as world's finest. It was after 1840 that the manufacturing entrepreneurship in India started developing.

Industrial entrepreneurship using factory system commenced in India with the introduction of railways in

1840. The first textile mill was opened in 1854 in India. Prior to this, a Nagar Brahmin by the name of R. Chotulal

thought of manufacturing textile through modern factory system in 1847.

A biased economic policy was adopted from the start by the British towards Indian entrepreneurs. Due to

this, the industrial entrepreneurship in India got seriously affected.

3) Period III: Entrepreneurship During 1850-1947:

The path for the speedy industrialisation was paved in the mid-nineteenth century. When the railway was

introduced in India in 1853, the chances of industrialisation boosted quite substantially. India's natural resources

were now being utilised by the Britishers for their own benefit and at the same time, they were involved in developing

infrastructural facilities like the railways, roads, ports, etc. Over a period of time, a very conducive environment

for investment in both manufacturing and trading was developed due to the collaborative efforts of British and the Indian merchant class.

In fact, entrepreneurship in India from 1850-1947 can be seen as per the below scenarios:

i) Entrepreneurship in the east region of India, and

ii) Entrepreneurship in the west region of India.

In eastern India, Europeans were mainly involved in entrepreneurship and were mostly dealing in the export of coal, tea, textile, jute, etc. But in Western India, Indians were mainly handling the activities of entrepreneurship. This was the result of comparatively extended political independence and the benefits which

were enjoyed by the West Indian communities. There was no direct imposition of British exploitation.

There was no elimination of Indian merchants from finance and trade once the commercial and political activities were initiated by East India Company.

1) Emergence of Parsis as Entrepreneurs: The arrival of British colonial rule preceded by the East India Company

is considered as the cause of the rise of manufacturing entrepreneurship in India by some social researchers. As

a result, a fresh impetus was provided to the business community by way of different changes in the economy

and fostering the imports of finished products and the export of raw materials. In fact, the East India Company

had a huge influence on the Parsis. The relationship between the East India Company and Parsis strengthened

during this era.