

SELF-EMPLOYMENT: NEED OF THE HOUR

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Abstract:

In this modern age of competitiveness and the quest for sustainable income source through the adoption of innovative approaches, the preference towards self-employment is ever-increasing among individuals. Public support of self-employment has a long tradition in India. Self-employment plays a very important role in terms of innovation, employment, and income generation as well as facilitating a mechanism to diversify against income risks. Many programs have therefore been developed over the decades to support business foundations through consulting services and financial resources, research and development co-operations, preferential treatment in labor, etc. SMEs in general and craft-related businesses, in particular, are a special concern of economic policies in India. The promotion of business foundations for unemployed persons is based on former positive experience with such programs not only the scale of the programs was extended but the target group was defined much wider: small-scale businesses even self-employment without employees were promoted. The former focus on crafts and trade-related businesses shifted towards services in general.

Keywords: Self-employment, Innovation, Economic development, SMEs.

Introduction:

Persons who operate their own farm or non-farm enterprises or are engaged independently in a profession or trade on their own account or with one or a few partners are self-employed in household enterprises [1] (Mathew, November-2006). The essential feature of the self-employed is that they have autonomy (i.e., regarding how, where, and when to produce) and economic independence (i.e. regarding market, scale of operation, and money) for carrying out an operation [2] (D. Hunter and K. Leslie with inputs from M. Frosch, 2018). The fee

or remuneration received by them consists of two parts - the share of their labour and profit of the enterprise. In other words, their remuneration is determined wholly or mainly by sales or profits of the goods or services which are produced. Self-employment, or entrepreneurship, is commonly held to provide an important avenue for Individuals to advance up the income ladder. For some, it may provide a better route than paid employment, while for others, who may be disadvantaged when pursuing paid employment; it may provide the only one route which perceived importance of self-employment is reflected in government programs such as the Indian Small Business Administration's loan programs and the Self-Employment Assistance programs that several states have used to help the unemployed to open their own businesses [3] (Lin, 2014).

With increased competitiveness, reduced employment opportunities, and the introduction of technologies and concepts at a rapid pace, preference towards self-employment opportunities has increased in recent years [4] ((International Labour Organization), 2020). Agriculture, Information Communication and Technology, vocational skill-based small enterprises, and trades are among the most preferred areas for self-employment opportunities in developing economies [5] (Majumdar, 2020). Self-employed individuals are the ones, dependent on the limited resources either it is financial, technical, or human, and working on diverse areas in an independent manner. With self-employment, individuals can have an opportunity of creating their own image and brand, can play with the concepts and ideas, can apply innovative approaches based on updated resources, can work with full creative freedom and independency over time-bound or contract bound opportunities [6] (Organization, 2016).

Self-employment programs emerged as an important bridge from unemployment to sustainable economic activity. Evaluation results came to positive results regarding reintegration effects and budgetary efficiency [7] (Forum, 2016). However, is this bridge also the way to rising and sustainable income? The question, creating job opportunities for those who choose to work is central to inclusive economic growth. An increase in job opportunities, in turn, encourages more working-age people to seek employment. This expands the pool of potential workers, a key input to faster economic growth.

Needs for Self-Employment

The need for the creation of self-employment opportunities in the society becomes urgent due to the following factors [8].

- By providing self-employment, the village industries have high potential for income generation in rural areas. Thus, they help in reducing disparities in income between rural and urban areas.
- The industries encourage dispersal of economic activities in the society and promote balanced regional development.
- Self – employment serves as an anecdote to the widespread problems of disguised unemployment or underemployment in the society.
- Self-employment increases the economic progress of the country.
- It also protects the migration of rural people to the urban areas.
- It increases the standard of living of the people in the society.
- Self-employment motivates the people to start business or industry, which will lead to the development of the society.
- It increases the welfare of the society.

Benefits of self-employment

Creative freedom - By going self-employed you'll be in charge of the decision-making. You'll have the freedom to explore a number of creative solutions to problems that arise and have the satisfaction of seeing your ideas through to completion.

Independence - As well as creative freedom, you'll also be able to set your own hours and fit your work around other commitments, which often leads to an improved quality of life.

Job satisfaction - Reaping the rewards of your hard work can be very satisfying, while you also have the autonomy to do the things you love most.

Location - Working from home, if applicable, means that you don't have to worry about office politics, company hierarchies or an expensive and stressful daily commute.

Salary - Your earning potential is much higher when self-employed - everything is in your hands, meaning you can take on more work at various times of the day. Financially, the sky's the limit.

Variety - As you're in control of your workload, you'll have the opportunity to work on a range of projects with a number of clients and develop new skills. You'll also gain experience in the different areas of setting up a business, including overseeing the finances and administrative work.

Objective of the Study:

The objectives of the paper are to:

- Discuss and explore key issues surrounding self-employment among young people.
- Review and analyze the impacts of and interventions for young people – what works, why and for whom?

Conclusion:

The overall observation in the study is that small trades contributed more towards self-employment. Self-employment in modern trades needs very high investment, and major part of finance comes in form of institutional finance. Larger the investment, higher the returns on the investment and vice-versa. Traditional activities are self-employment-oriented, as compared with modern trades. Self-employed units are employing both hired and family labourers. Modern trades are more income generating, while traditional trades generate more of self-employment.

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