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Building New India Through Entrepreneurship : Study On How Entrepreneurship Can Drive The Agenda Of Overall Development For New India

Pallavi Choudhary

Research Scholar, Deptt. Of Commerce,Manipal University Jaipur

Professor (Dr) M.L. Vadera

Director, School of Business & Commerce,Manipal University Jaipur

Abstract

Purpose

Not all independent business people are true entrepreneurs and not all entrepreneurs find the courage to tread the path of entrepreneurship. True entrepreneurs are resourceful, passionate people who fight on the frontline and do not worry being criticized in the beginning. But, succeeding on the path of entrepreneurship requires more than being driven by entrepreneurial spirit and passion, it requires an entrepreneurial framework and entrepreneurial support system in the economy to help them survive their initial years.

This research paper aims to study the agenda of entrepreneurship development of the government of India to analyse the ease of doing business in India. As entrepreneurship has been considered the backbone of economic development in any country, fostering entrepreneurship is the need of an hour for the Indian government.

Design/methodology/approach

This research is descriptive in nature and secondary data has been used wherever necessary.

Findings

Through this research, it was found that the government of India has started taking initiatives for the entrepreneurship development and entrepreneurial awakening in India, through various programmes and schemes, though the pace of such initiatives have been slow. Recently, there has been a material increase in the number of Indian youth starting off on their journey of entrepreneurship, mainly because of the improved entrepreneurial environment in the country.

Research limitations/implications

The accuracy of the research is dependent upon the accuracy of the secondary data used in the research.

Practical implications

The results of this study would help in better understanding of the agenda of entrepreneurship development of the government of India and its impact on the Indian Economy. Also, this research will help in facilitating the adoption and prioritization of the initiatives of entrepreneurship development. Academics can use the results to build models that would further expand the process of entrepreneurship development.

Originality/value

This research is the original work of the researcher. The entrepreneurship development as the area of research is the newer one and hence this research is probably the earliest one to systematically study and determine the agenda and course of entrepreneurship development in India by analysing its various aspects to make a comment on the effectiveness of measures taken by the government of India for fostering entrepreneurship.

Keywords: Entrepreneurship, Entrepreneurship development, Entrepreneurial environment

Introduction

Entrepreneurship is the process of starting a business, a startup company or other organization. The entrepreneur develops a business plan, acquires the human and other required resources, and is fully responsible for its success or failure. Entrepreneurial venture operates within an ecosystem as per the domain of its business and within the larger socio-economic ecosystem.

Entrepreneurs are leaders willing to take risk and exercise initiative, taking advantage of market opportunities by planning, organizing, and employing resources, often by innovating new or improving existing products. While Competition brings with it challenges, risks and failures, entrepreneurs are not deterred by failures. An entrepreneur continuously tries to enhance his/her skills in all areas, will keep looking for new opportunities to provide better value to his customers and will do more than what is expected of him.

Entrepreneurial activities differ substantially depending on the type of organization and creativity involved. Entrepreneurship ranges in scale from solo, part-time projects to large-scale undertakings that create many jobs.

Entrepreneurship in India is on the verge of explosive growth and is the need of an hour for employment generation, poverty elevation and societal and economic development at grass root level through developmental interventions in the entrepreneurial space in India. India has almost 300 million youth, but only 100 million jobs. Therefore, the country faces a 200 million employment gap and this gap can be bridged through self-employment and entrepreneurship-driven employment.

Small And Medium Enterprises in India

Economic progress in India through development of its small and medium scale enterprises has taken off in the recent times and government of India has started taking steps to ensure that entrepreneurial ventures continue to stay competitive and achieve sustained growth in the era of globalization. Entrepreneurs and small businesses are always most vulnerable in times of crisis when funding becomes dearer and difficult to come by. In order to support entrepreneurship, the right framework, support, environment, funding and mentoring needs to be provided. The government of India has come forward to support such entrepreneurial ventures through structured programmes to maximize the chances of success among young entrepreneurs Government aims to nurture innovative thinking in small enterprises and support them with the financial resources to transform their ideas. The government has developed such programmes which aim to foster an entrepreneurial environment that helps small businesses contribute to India's overall economic development.

Entrepreneurial space in India Pre-Independence

Entrepreneurship is not new to India. In fact to quote from the Indian Industrial Commission Report (1916-1918)–"At a time when the West of Europe, the birth place of modern industrial system, was inhabited by uncivilized tribes, India was famous for the wealth of her rulers and for high artistic skill of her craftsmen. And even at a much later period, when the merchant adventures from the West made their first appearance in India, the industrial development of this country was, at any rate, not inferior to that of the more advanced European nations."

In fact an earlier version of the current Make in India policy was the Swadeshi movement launched in 1905 during the pre-Independence to boycott British made goods and use Indian made goods.

Entrepreneurial space in India Post-Independence till 2000

After taking a long sigh of political relief in 1947, the Government of India tried to spell out the priorities to devise a scheme for achieving balanced growth. For this purpose, the Government came forward with the first Industrial Policy, 1948 which was revised from time to time (Kuchhal 1963).

However, post-independence the policy focus of increased public investment in heavy industries and setting up of PSUs did not provide an ideal environment for entrepreneurship. The main problems faced by an entrepreneur were lack of mentoring facilities, technology support or easy availability of credit. Though

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different Reports on employment highlighted the need for promoting entrepreneurship as means of self-employment, entrepreneurship did not scale up.

Therefore, The Government accorded emphasis on development of small-scale industries in the country. Particularly since the Third Five Year Plan, the Government started to provide various incentives and concessions in the form of capital, technical know-how, markets and land to the potential entrepreneurs to establish industries in the industrially potential areas to remove the regional imbalances in development. This was, indeed, a major step taken by the Government to initiate interested people of varied social strata to enter the small-scale manufacturing field. Several institutions like Directorate of Industries, Financial Corporations, Small-Scale Industries Corporations and Small Industries Service Institute were also established by the Government to facilitate the new entrepreneurs in setting up their enterprises.

Expectedly, small- scale units emerged very rapidly in India witnessing a tremendous increase in their number from 121,619 in 1966 to 190,727 in 1970 registering an increase of 17,000 units per year during the period under reference.

Entrepreneurial Space in India from 2001-2010

If we look at the last two decades of economic growth, it has been, solely, due to the rise of various entrepreneurial start-ups in the country, primarily in the IT and ITeS sectors, experts say. Entrepreneurship, in the future will drive economic growth.

It was for seen that in the next two decades, opportunity in the social entrepreneurship domain will positively influence the global economy. With over 70 per cent of the population still working in the agricultural sector in India, 90 per cent of the jobs would still be driven by this industry. The country during this period was chugging along, only because of the emergence of small and medium start-ups in this sector, adds R Sreenivasan, Co-Founder, Career Launcher.

In the **S.P Gupta "Special Group Report on Targeting 10 million Employment Opportunities Per Year" (2002)** recommended "appropriate programmes should be launched to increase entrepreneurial capabilities and skill for self employment."

The **Montek Singh Ahluwalia "Report of the Task Force on Employment Opportunities"**, July 2001 also mentions about developing entrepreneurship ability among the newly self-employed. The Report even recommends entrepreneurship training for the informal sector. To quote, "A large part of the employment generated by the economy will be self-employment in the informal sector. These self-employed entrepreneurs need training of the multi-skill variety, going beyond production skills to include marketing, finance and accounting and elementary management. Such skills cannot be developed through structured formal training but require the guidance of 'mentors' in actual business conditions".

Several partnerships were initiated with central and state governments to encourage youth to start their own small entrepreneurial ventures. Various organizations came up that were involved in revitalising Industrial Training Institutes (ITRs) with various state governments. They saw this initiative, in a couple of years, creating entrepreneurial enthusiasm among the rural youth. These organizations partnered with states like Rajasthan to create tools to make the youth of the state employable and make them entrepreneurial.

Several organizations moved into setting up schools in villages in rural India that could not only empower them but also encourage them to come up with innovative solutions for rural issues. Partnering with state and central governments, along with like minded organisations to foster entrepreneurship was thought to become the cornerstone to empower rural India.With these initiatives, it was thought that it would not only strengthen the rural landscape but would also uplift the quality of workforce moving into urban India.

To promote self-employment as a means of job-creation and to promote entrepreneurship for further job creation, the Micro, Small and Medium Enterprises (MSME) Act, 2006 was enacted to facilitate the promotion, development and enhancing the competitiveness of micro, small and medium enterprises.

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Though entrepreneurship had been privy to India and despite various schemes being in place the country did not witness the natural gradation from self-employment to entrepreneurship in the first half of this decade, as part of the growth process excepting a few cases. In spite of the initiatives, the entrepreneurship development did not take off fully during this period. Entrepreneurship in India remained confined to being own-account workers with one or more helpers and did not expand in size beyond that. As maybe seen from the **Fifth Economic Census 2005**, 95 percent of establishments were engaging not more than five workers and they accounted for almost 64 percent of the employment.

However, the emergence of new generation entrepreneurs and their contribution to the national economy started becoming quite visible during the latter half of this decade in India. In order to harness their potential and sustain development, it had become essential to devise effective strategies for supporting and executing their efforts towards the entrepreneurial cause. And several organizations would need to be lauded for their contribution in this direction.

Entrepreneurial Space in India from 2010-2017

India, during this time, India has reached that stage of the demographic transition wherein more than 60 percent of the population is in the economically active age group of 15-59 years, commonly referred to as the DEMOGRAPHIC DIVIDEND. For India to tap this dividend it is necessary that the economy is able to generate enough job opportunities to productively absorb this economically active population. We do keep mentioning of 500 million strong workforce by 2022 but India faces challenges in reaping this demographic dividend considering that illiteracy levels among the labour force is still high and between 70-80 percent of the labour force have education levels below secondary. Almost 48 percent of the workforce is engaged in agriculture while contribution of agriculture to GDP is not more than 16 percent. This situation may be attributed to the low level of education and thereby inability to access decent jobs in the non-farm sector. In terms of status of employment 52 percent of the workforce is self-employed as own-account workers or helpers, 30 percent as casual workers while only around 18 percent have regular jobs.

The Start-Up Revolution

A change is being witnessed today, as quoted by Prime Minister Shri. Narendra Modi, "The convergence of technology, integration across diverse fields, distributed architecture and people willing to back an idea, have opened a new world for enterprise. I see Start-ups, technology and innovation as exciting and effective instruments for India’s transformation, and for creating jobs for our youth." For start-ups today, there are different levels of financial support that has come to provide the initial seed capital in the form of incubators, angel funds or venture capital funds followed by private equity and debt in that order. Between January-September 2015, Angel Funds and VCFs have invested $7.3 billion in early stage Indian Start-ups. India’s first generation e-commerce and mobile entrepreneurs have become angel investors which is a sign of maturing of startup ecosystem. However, there is a danger that too many mentors/ angel investors with little experience may lead to a situation of unsuccessful startups.

Importance of technological development in fostering entrepreneurship in India

Most developing countries have followed the strategy of building up their basic scientific and technological infrastructure and of importing foreign technology in a regulated manner for promoting technological development. Such approach has benefitted those countries in a limited way; it has generally failed to solve the basic problem of linkages between country's production system and its research and development system. (Jequier and Hu, 1989)

Technological developments are needed to accelerate growth and development and make production system cost effective, efficient and competitive. A focused strategy and a well-directed technology policy guiding the technology institutions would help to exert an important influence in the process of technological development.

India spends around 1 per cent of GDP on science and technology research. India posses adequate human resource to carry out research but it lacks a well defined policy and programme.

Role of Start-UP Incubators in fostering entrepreneurship in India

Recently, many incubators centers have been established in India with the mission to give the encouragement to many innovative ideas.

Business incubators are organizations geared toward speeding up the growth and success of startup and early phase companies. They're frequently a safe route to capital from angel investors, state governments, economic growth alliances and other investors. Majority of the business incubation programs are sponsored by individual companies or municipal entities and public establishments, such as colleges and universities. Their goal is to help create and grow young businesses by offering them necessary sustenance, financial and technological services.

Carrol R R (1986) describes incubator as a mother hen, which help the new ventures to hatch, grow and leave. In a similar way the startup entrepreneur's business idea is incubated in the incubation centers. Entrepreneurship has been conventionally rated as risky career, to break the myth and to augment the supply of new entrepreneurs through education, research and training, the incubation centers have been established, their goal is to help create and grow young businesses by providing them with necessary support and financial and technical services. The startup companies spend on an average of two years in a business incubator during which numerous benefits like funding, office space, equipment's etc. is provided by incubators to startup entities.

Types of Incubators in India

Business Incubators (BI)

BIs promote continuous regional and national, industrial and economic growth including increasing employment through general business development or stimulating specific economic objectives such as industrial restructuring and wealth generation or utilization of resources. The incubator combines a variety of small enterprises support elements in one integrated affordable package. It has a special niche, i.e. nurturing early stage, growth-oriented ventures, through focused assistance within a supportive environment.

Technology Incubators (TI)

TIs are intended for bolstering the technology development stage. The primary goal of technology incubators is to promote the development of technology-based firms, and assist in completion of the technologies under development.

Technology Innovation Centres (TIC)

The TICs conduct research and development (R&D) and technology innovations required by the industrial field, which aims to jointly invest resources into university campuses or research institutions and achieve commercialization with support from business enterprises or public institutions.

Technology Business Incubators (TBI)

The TBI is a venture of universities, public research institutes, local government and private institutions to promote and bolster a new technology intensive enterprise.

Some of the Incubation Centres, Entrepreneurship Cells and Entrepreneurship Development Institutes in India set up by the Government of India

- Centre for Innovation, Incubation and Entrepreneurship (CIIE), IIM Ahmedabad
- Nadathur S Raghavan Centre for Entrepreneurial Learning (NSRCEL), IIM Bangalore
- Centre for Entrepreneurship and Innovation (CEI), IIM- Calcutta

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- Entre Club - IIM Ahmedabad
- E-Cell, IIM Calcutta
- Abhiyan, Entrepreneurship Cell of IIM Lucknow
- E-Cell IIM, Kozhikode
- Entrepreneurship Cell (IIM Rohtak)
- Saksham- The E-Cell of IIM Udaipur
- E-Cell of IIM Indore
- I-Cube , E-Cell of IIM Shillong
- Society for Innovation and Entrepreneurship (SINE), IIT Bombay
- Science and Technology Entrepreneurship Park (STEP), Technology Business Incubator, IIT Kharagpur
- Technology Business Incubation Unit (TBIU), IIT Delhi
- SIDBI Innovation and Incubation Center (SIIC), IIT Kanpur
- IIT Madras Incubation Cell (IITM-IC), IIT Madras
- Malaviya Centre for Innovation, Incubation and Entrepreneurship (MCIIE), IIT (BHU)
- E-Cell, IIT Bombay
- E-Cell, IIT Kharagpur
- Entrepreneurship Development Cell (EDC), IIT Guwahati
- Entrepreneurship cell (IIT Hyderabad)
- Entrepreneurship Development Cell (EDC-IIT Roorkee)
- Entrepreneurship Club (IIT Patna)
- Institute of Entrepreneurship Development (UP)
- Centre for Entrepreneurship Development of Karnataka
- Maharashtra Centre for Entrepreneurship Development
- Centre for Entrepreneurship Development, Bhopal
- Institute of Entrepreneurship Development, IEDO, Bhubneswar
- Kerala Industrial & Technical Consultancy organisation Ltd, Cochin
- H.P.C.E.D., Udyog Bhawan, Bemloe, Shimla
- Centre for Entrepreneurs Development, CED SIPPO Madurai
- Entrepreneurship and Management Laboratory Building, Jaipur
- J&K Entrepreneurship Development Institute (J&K, EDI) Jammu/ Srinagar
- IED Bihar, PATNA
- EDII, Ahmedabad

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Institutions set up by Central Government to foster entrepreneurship

1. **Small industries development organization (SIDO)**

   SIDO was established in October 1973 now under Ministry of Trade, Industry and Marketing. SIDO is an apex body at Central level for formulating policy for the development of Small Scale Industries in the country,headed by the Additional Secretary & Development Commissioner(Small Scale Industries)under Ministry of Small Scale Industries Govt. of India. SIDO is playing a very constructive role for strengthening this vital sector, which has proved to be one of the strong pillars of the Indian economy. SIDO also provides extended support through Comprehensive plan for promotion of rural entrepreneurship.

2. **Management development Institutent(MDI)**

   MDI is located at Gurgaon(Haryana).It was established in 1973 and is sponsored by Industrial Finance Corporation Of India,with objective of improving managerial effectiveness in the industry.It conducts management development programs in various fields. It also conduct programmes for the officers of IAS,IES,BHEL,ONGC and many other leading PSU's.

3. **Entrepreneurship development institute of India (EDI)**

   Entrepreneurship Development Institute of India (EDI), an autonomous and not-for-profit institute, set up in 1983, is sponsored by apex financial institutions – the IDBI Bank Ltd., IFCI Ltd., ICICI Bank Ltd. and the State Bank of India (SBI). EDI has helped set up twelve state-level exclusive entrepreneurship development centres and institutes. One of the satisfying achievements, however, was taking entrepreneurship to a large number of schools, colleges, science and technology institutions and management schools in several states by including entrepreneurship inputs in their curricula. In the international arena, efforts to develop entrepreneurship by way of sharing resources and organizing training programmes, have helped EDI earn accolades and support from the World Bank, Commonwealth Secretariat, UNIDO, ILO, British Council, Ford Foundation, European Union, ASEAN Secretariat and several other renowned agencies. EDI has also set up Entrepreneurship Development Centre at Cambodia, Lao PDR, Myanmar and Vietnam and is in the process of setting up such centres at Uzbekistan and five African countries.

4. **All India Small Scale Industries Board (AISSIB)**

   The Small Scale Industries Board (SSI Board) is the apex advisory body constituted to render advise to the Government on all issues pertaining to the small scale sector.It determines the policies and programmes for the development of small industries with a Central Government Minister as its president and the representatives from various organization i.e. Central Government,State Government,National Small Industries Corporations,State Financial Corporation,Reserve Bank of India,State Bank of India,Indian Small Industries Board,Non government members such as Public Service Commission, Trade and Industries Members.

5. **National Institution of Entrepreneurship and Small Business Development (NIESBUD), New Delhi**

   It was established in 1983 by the Government of India.It is an apex body to supervise the activities of various agencies in the entrepreneurial development programmes.It is a society under Government of India Society Act of 1860.The major activities of institute are:

   i) To make effective strategies and methods

   ii) To standardize model syllabus for training

   iii) To develop training aids, tools and manuals

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iv) To conduct workshops, seminars and conferences.

v) To evaluate the benefits of EDPs and promote the process of Entrepreneurial Development.

vi) To help support government and other agencies in executing entrepreneur development programmes.

vii) To undertake research and development in the field of EDPs.

6. **National Institute of Small Industries Extension Training**

It was established in 1960 with its headquarters at Hyderabad. The main objectives of national Institute of Small Industries Extension Training are:

i) Directing and Coordinating syllabi for training of small entrepreneurs.

ii) Advising managerial and technical aspects.

iii) Organizing seminars for small entrepreneurs and managers.

iv) Providing services regarding research and documentation.

7. **National Small Industries Corporation Ltd. (NSIC)**

The NSIC was established in 1995 by the Central Government with the objective of assisting the small industries in the Government purchase programmes. The corporation provides a vast-market for the products of small industries through its marketing network. It also assist the small units in exporting their products in foreign countries.

Latest Policy initiatives for start-ups in India to foster entrepreneurship

- **Startup India-** Through the Startup India initiative, Government of India promotes entrepreneurship by mentoring, nurturing and facilitating startups throughout their life cycle. Since its launch in January 2016, the initiative has successfully given a head start to numerous aspiring entrepreneurs. With a 360 degree approach to enable startups, the initiative provides a comprehensive four-week free online learning program, has set up research parks, incubators and startup centres across the country by creating a strong network of academia and industry bodies. More importantly, a 'Fund of Funds' has been created to help startups gain access to funding. At the core of the initiative is the effort to build an ecosystem in which startups can innovate and excel without any barriers, through such mechanisms as online recognition of startups, Startup India Learning Programme, Facilitated Patent filing, Easy Compliance Norms, Relaxed Procurement Norms, incubator support, innovation focused programmes for students, funding support, tax benefits and addressing of regulatory issues.
- **Stand-Up India-** Launched in 2015, Stand-Up India seeks to leverage institutional credit for the benefit of India's underprivileged. It aims to enable economic participation of, and share the benefits of India's growth, among women entrepreneurs, Scheduled Castes and Scheduled Tribes. Towards the end, at least one women and one individual from the SC or ST communities are granted loans between Rs.1 million to Rs.10 million to set up greenfield enterprises in manufacturing, services or the trading sector. The Stand-Up India portal also acts as a digital platform for small entrepreneurs and provides information on financing and credit guarantee.
- **Make in India-** Designed to transform India into a global design and manufacturing hub, the Make in India initiative was launched in September 2014. It came as a powerful call to India's citizens and business leaders, and an invitation to potential partners and investors around the world to overhaul out-dated processes and policies, and centralize information about opportunities in India's manufacturing sector. This has led to renewed confidence in India's

capabilities among potential partners abroad, business community within the country and citizens at large. The plan behind Make in India was one of the largest undertaken in recent history. Among several other measures, the initiative has ensured the replacement of obsolete and obstructive frameworks with transparent and user-friendly systems. This has in turn helped procure investments, foster innovation, develop skills, protect intellectual property and build best-in-class manufacturing infrastructure.

- **Digital India-** Digital India Programme has been launched to provide broadband connectivity in rural and urban areas. Introduction of digital rural connectivity would give a big boost in developing traditional rural arts, crafts or other innovative ideas into business models. Intellectual Property Rights-With the growing number of startups it is essential to protect one's products from impersonators. The startups need to go for design patents, trademarks, copyright or trade secrets protection as the need maybe before marketing their product.
- **Pradhan Mantri Kaushal Vikas Yojana (PMKVY) :**A flagship initiative of the Ministry of Skill Development & Entrepreneurship (MSDE), this is a Skill Certification initiative that aims to train youth in industry-relevant skills to enhance opportunities for livelihood creation and employability. Individuals with prior learning experience or skills are also assessed and certified as a Recognition of Prior Learning. Training and Assessment fees are entirely borne by the Government under this program.
- **National Skill Development Mission-** Launched in July 2015, the mission aims to build synergies across sectors and States in skilled industries and initiatives. With a vision to build a 'Skilled India' it is designed to expedite decision-making across sectors to provide skills at scale, without compromising on quality or speed. The seven sub-missions proposed in the initial phase to guide the mission's skilling efforts across India are: (i) Institutional Training (ii) Infrastructure (iii) Convergence (iv) Trainers (v) Overseas Employment (vi) Sustainable Livelihoods (vii) Leveraging Public Infrastructure.
- **Jan Dhan- Aadhaar- Mobile (JAM)**: JAM, for the first time, is a technological intervention that enables direct transfer of subsidies to intended beneficiaries and, therefore, eliminates all intermediaries and leakages in the system, which has a protential impact on the lives of millions of Indian citizens. Besides serving as a vital check on corruption, JAM provides for accounts to all underserved regions, in order to make banking services accessible down to the last mile.
- **Udyog Aadhaar-**To simplify the regulatory framework the government introduced the Ease of Doing Business wherein an MSME unit has to fill in a single one page self-declaration online form called Udyog Aadhaar.
- **Atal Innovation Mission (AIM)-** This programme operated from NITI Aayog is about an Innovation Promotion Platform involving academicians, entrepreneurs and researchers and draw upon national and international experiences to foster a culture of innovation, R&D and scientific research in India. The platform will promote a network of world class innovation hubs and grand challenges for India. The overarching purpose of this mission is to promote a culture of entrepreneurship and innovation in India.

  The key objectives of the AIM are: To create an umbrella structure to oversee innovation eco-system of the country, To provide platform and collaboration opportunities for different stakeholders, To study and suggest best and novel practices to be adopted by different stakeholders in the innovation chain, To provide policy inputs to NITI Aayog and various Government Departments and Organizations, To create awareness and provide knowledge inputs in creating innovation challenges and funding mechanism to government and to develop new programmes and policies for fostering innovation in different sectors of economy.

- **Support to Training and Employment Programme for Women (STEP)-**STEP was launched by the Government of India's Ministry of Women and Child Development to train women with no access to formal skill training facilities, especially in rural India. The Ministry of Skill Development & Entrepreneurship and NITI Aayog recently redrafted the Guidelines of the 30-year-old initiative to adapt to present-day needs. The initiative reaches out to all Indian women above 16 years of age. The programme imparts skills in several sectors such as agriculture, horticulture, food processing, handlooms, traditional crafts like embroidery, travel and tourism, hospitality, computer and IT services.
- **SETU (Self Employment and Talent Utilization)-** SETU meaning bridge in Hindi is a Techno-Financial, Incubation and Facilitation Programme to support all aspects of startup businesses and other self-employment activities, particularly in technology driven areas. It is operated from NITI Aayog. An Expert Committee on Innovation & Entrepreneurship for working out the detailed contours of the Atal Innovation Mission (AIM) and SETU was constituted by NITI Aayog. The Expert Committee has identified five major drivers for creating a vibrant entrepreneurial eco system viz; (i) catalytic government policy and regulatory framework (ii) easy access to equity capital and debt (iii) businesses as entrepreneurial hubs (iv) culture and institutions which encourage entrepreneurship over careerism (v) adequate and effective collaboration forums.
- **Science for Equity Empowerment and Development (SEED)-** SEED aims to provide opportunities to motivated scientists and field level workers to undertake action-oriented, location specific projects for socio-economic gain, particularly in rural areas. Efforts have been made to associate national labs and other specialist S&T institutions with innovations at the grassroot levels to enable access to inputs from experts and quality infrastructure.
- **Trade related Entrepreneurship Assistance and Development (TREAD)-** To address the critical issues of access to credit among India's underprivileged women, the TREAD programme enables credit availability to interested women through non-governmental organizations (NGOs). As such, women can receive support from registered NGOs in both accessing loan facilities, and receiving counselling and training opportunities to kick-start proposed enterprises, in order to provide pathways for women to take up non-farm activities.
- **Apprentice Protsahan Yojana-**The Apprentices Act, 1961 was amended to enable MSME units engage apprentices which will enable the units to get trained labour as well as in turn supply skilled labour. Under the Apprentice Protsahan Yojana, 50 percent of the stipend payable to the apprentices would be reimbursed by the Government for the first two years which is an incentive for MSME units to take in more apprentices.
- **ASPIRE Scheme-** To give boost to the Make in India programme, the MSME Ministry has launched the ASPIRE scheme in March 2015, a Scheme for Promotion of Innovation, Rural Industry and Entrepreneurship. The objective of the scheme is to set up a network of technology and incubation centers to accelerate entrepreneurship and also to promote start-ups for innovation and entrepreneurship in agro-industry.
- **Electronics Development Fund-** The Ministry of C&IT has launched the Electronics Development Fund (EDF) to promote innovation, research and development, and product development in the field of semiconductors, nano-electronics, IT and associated sectors by bringing in established companies and startups on board. The objective is to do research, design and develop electronic products within the country for which the startup units would be provided supportive financial assistance from the EDF.
- **MUDRA scheme-** To ease the credit availability requirements of startups the Government had announced the MUDRA scheme- Micro Units Development & Refinancing Agency operated by SIDBI for providing refinance to micro units. This would improve the liquidity of the micro units who right now have to borrow from NBFCs and moneylenders at high rates of interest.

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- **India Aspiration Fund-** Rs. 2000 crore India Aspiration Fund (IAF) was launched by SIDBI in August 2015 to boost the startups fund of-funds ecosystem in the country. This fund would invest in various venture capital funds for meeting the equity requirement of MSME start-ups.
- **SIDBI Make in India Loan for Small Enterprises (SMILE)Scheme-** SIDBI Make in India Loan for Small Enterprises (SMILE) Scheme of Rs.10,000 crore has also been launched to catalyze tens of thousands of crores of equity investment in start-ups and MSMEs, creating employment for lakhs of persons, mostly educated youth over the next 4-5 years. The objective of SMILE is to provide soft loans in the nature of quasi-equity and term loans on relatively soft terms to MSMEs to meet the required debt-equity ratio norm. The 25 sectors under the Make in India programme would be the focus with emphasis on financing smaller enterprises in the MSME sector. There will be concessional terms for the enterprises promoted by (SC) / (ST) / Persons with Disabilities (PwD) and women. The scheme is expected to benefit approximately 13,000 enterprises, with employment for nearly 2 lakh persons. These two schemes are in addition to the Rs.20000 crore MUDRA scheme. Together the three finance schemes should boost the startups as well as MSMEs already in the transition phase and create good number of jobs in the years to come.

Till date the startups have been successful in e-commerce, and other IT based applications of service sector. The startups in manufacturing sector are yet to take off in a big way. The launch of the above-mentioned policy initiatives should give a boost to startups in manufacturing sector as well.

Conclusion

Over the years, entrepreneurship has proven to be critical to India's growth and development. In the **Global Competitiveness Index (GCI) 2015-16**, India has scored 16 points and moved up from its earlier ranking of 71 to 55 out of a total of 144 countries. In the **World Bank's Ease of Doing Business Ranking 2015** India is placed at 142 place out of a total of 189 economies, not a very impressive place, though. But, the key highlights of the report claims that India is the home for around 3,100+ start ups which is 3rd largest in the world. Around 800 plus startups are setting up annually in India every year and by 2020, a projected 11,500 startups are going to emerge employing around 250,000 people. The report also states that over 20 Mergers and Acquisitions happened in the last 3 years worth 1 billion US dollars. As per The **EY G20 Entrepreneurship Barometer 2013 report"The power of three: Together, governments, entrepreneurs and corporations can spur growth across the G20"**, India ranks 11th among G20 countries in Access to funding category. During the survey, 66 per cent of Indian entrepreneurs have said that access to private equity has improved over the three year period from 2008-2010. Standing 11th in Entrepreneurship culture, 69 per cent of entrepreneurs have mentioned that Indian environment promotes culture for entrepreneurship, against 57 per cent among G20 countries. However, Tax and regulation for entrepreneurial activities in India is not conducive and the country stands at 19th position among G20 countries.

In terms of education and training for entrepreneurship, India ranks at the last, but 70 per cent of local entrepreneurs feel that access to unofficial training networks have increased over the three year period. About 70 per cent of entrepreneurs have mentioned an improvement in coordinated support (through informal entrepreneurial networks) and the country ranks 5th in this category.

However, the new initiatives in promoting startups would enable India to move up to the top position.

To conclude, a startup ecosystem has been created through the new policy initiatives which will not only promote startups particularly in the manufacturing sector but also micro units will be able to graduate faster as small and medium units. If this objective is achieved the goal of jobrealization through self-employment will become reality as self-employment is the answer to providing jobs to the huge proportion of population in the economically active age group. This process will be fast tracked by the flagship programmes supported by the Skill India Mission which will facilitate availability of

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right skilled manpower, as entrepreneurs complains about skill mismatch. Given that startups are emerging as major job creators; governments, both at the Centre and States need to put in place, an appropriate policy framework for the promotion of start-ups.

India's economic geography is still evolving. But the changes are happening at a 100 times faster rate than what the US has experienced. At such an early point and with industrial structures not entrenched, there is a room for policy to have a substantial impact by shaping where industries plant their roots. The very dynamic times ahead for India require that entrepreneurship be embraced and supported at the Central, state and district levels and fostering entrepreneurship becomes the important agenda in the Indian economy.

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