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## Role of Government in Entrepreneurship

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**Abstract:** This paper presents a Role of Government in Entrepreneurship; Unemployment is one of the pain areas and prickly issues being faced by any economy. Unemployment not just in uneducated but also has branched its roots in the educated sectors. India being a young country constitutes a major chunk of its population be youth and to tap their full potential we need to empower our youth with the right set of skills and opportunities. Entrepreneurship is our greatest weapon to counter act this issue and to empower our youth. Youth by default are energized and empowered, they are willing to explore new territories and take up new challenges and risks. Government plays a very important role in developing entrepreneurship. The government set Programmes to help entrepreneurs in the field of technique, finance, market and entrepreneurial development so that they help to accelerate and adopt the changes in industrial development. Various Institutions were set up by the central and State government in order to fulfill this objective.

**Keywords:** Entrepreneur, Entrepreneurship, weapon, Government.

### Introduction

Entrepreneurship is driven by the entrepreneur, a person who launches and oversees the operations of a new business venture. The entrepreneur is generally self-employed, self-motivated, and ambitious and is willing to take chances to meet his or her goals. Entrepreneurs play a key role in any economy, using the skills and initiative necessary to anticipate needs and bring good new ideas to market. The Indian entrepreneurship segment, comprising of SME's, Start-up's, first generation entrepreneurs and those looking to expand their family business, is a thriving and dynamic part of the Indian economy. Over the past decade, these have been major transformations, both favorable and otherwise, that have impacted the segment. But rise of technology enables systems and services or innovative consumer engagement and millennial friendly business approach, to the government and taxation policies, GST, improved access to FDI and ease of getting investments etc., have all brought about unprecedented changes to the sector, at an accelerated speed.

Entrepreneurs who prove to be successful in taking on the risks of a startup are rewarded with profits, fame, and continued growth opportunities. Those who fail, suffer losses and become less prevalent in the markets. To overcome failures in Entrepreneurship Government plays a very important role in developing

entrepreneurship. The government set's various Programmes to help entrepreneurs in the field of technique, finance, market and entrepreneurial development so that they help to accelerate and adopt the changes in industrial development.

### **Research Methodology**

The research paper is based on empirical study. It is a type of descriptive research paper. **Objectives of Study:**

1. The objective of the paper is to highlight the Role of Government in Entrepreneurship
2. To know Institutions set up by Central & State Government schemes and facilities.

### **Importance of the Study:**

- 1) The study will highlight's the how Entrepreneurs Add to National Income
- 2) Impact of Entrepreneurship is important as it has the ability to improve standards of living and Create wealth, not only for the entrepreneurs, but also for related businesses.
- 3) Impact of Entrepreneurship also help drive change with innovation, where new and improved products enable new markets to be developed.
- 4) Impact of Entrepreneurship Economy wise, higher earnings thanks to entrepreneurship can Help boost national income and tax revenue.
- 5) Entrepreneurs contribute in other ways as well, such as investing in community projects and supporting local charities.

### **Data Collection:**

This paper is a descriptive paper based on secondary data collected from different books, news-paper articles and research journals.

### **Limitations of the Study:**

1. The study is completely based on the secondary sources.
2. No Quantitative data were collected.

### **Role of Central Government and State Government in Promoting Entrepreneurship with Various incentives, Subsidies, Grants last Five Years.**

The Government of India has undertaken several initiatives and instituted policy measures to foster a culture of innovation and entrepreneurship in the country. Job creation is a foremost challenge facing India. With a significant and unique demographic advantage, India, however, has immense potential to innovate, raise entrepreneurs and create jobs for the benefit of the nation and the world.

In the recent years, a wide spectrum of new Programmes and Opportunities to nurture innovation have been created by the Government of India across a number of sectors. From engaging with academia, industry, investors, small and big entrepreneurs, non-governmental organizations to the most underserved sections of society.

Recognizing the importance of women entrepreneurship and economic participation in enabling the country's growth and prosperity, Government of India has ensured that all policy initiatives are geared towards enabling

equal opportunity for women. The government seeks to bring women to the forefront of India's entrepreneurial ecosystem by providing access to loans, networks, markets and trainings.

**India's recent efforts at promoting entrepreneurship and innovation are:**

**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 centers 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.

**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 outdated 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.

**Atal Innovation Mission (AIM):** AIM is the Government of India's endeavor to promote a culture of innovation and entrepreneurship, and it serves as a platform for promotion of world-class Innovation Hubs, Grand Challenges, start-up businesses and other self-employment activities, particularly in technology driven areas. In order to foster curiosity, creativity and imagination right at the school, AIM recently launched Atal Tinkering Labs (ATL) across India. ATLs are workspaces where students can work with tools and equipment to gain hands-on training in the concepts of STEM (Science, Technology, Engineering and Math). Atal Incubation Centers (AICs) are another programme of AIM created to build innovative start-up businesses as scalable and sustainable enterprises. AICs provide world class incubation facilities with appropriate physical infrastructure in terms of capital equipment and operating facilities. These incubation centers, with a presence across India, provide access to sectoral experts, business planning support, seed capital, industry partners and trainings to encourage innovative start-ups.

**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.

**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 potential 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.

**Digital India:** The Digital India initiative was launched to modernize the Indian economy to make all government services available electronically. The initiative aims to transform India into a digitally-empowered society and knowledge economy with universal access to goods and services. Given historically poor internet penetration, this initiative aims to make available high-speed internet down to the grassroots. This program aims to improve citizen participation in the digital and financial space, make India's cyberspace safer and more secure and improve ease of doing business. Digital India hopes to achieve equity and efficiency in a country with immense diversity by making digital resources and services available in all Indian languages.

**Biotechnology Industry Research Assistance Council (BIRAC):** BIRAC is a not-for-profit Public-Sector Enterprise, set up by Department of Biotechnology to strengthen and empower emerging biotechnology enterprises. It aims to embed strategic research and innovation in all biotech enterprises, and bridge the existing gaps between industry and academia. The ultimate goal is to develop high-quality, yet affordable, products with the use of cutting edge technologies. BIRAC has initiated partnerships with several national and global partners for building capacities of the Indian biotech industry, particularly start-ups and SME's, and has facilitated several rapid developments in medical technology.

**Department of Science and Technology (DST):** The DST comprises several arms that work across the spectrum on all major projects that require scientific and technological intervention. The Technology Interventions for Disabled and Elderly, for instance, provides technological solutions to address challenges and improve quality of life of the elderly in India through the application of science and technology. On the other hand, the ASEAN-India Science, Technology and Innovation Cooperation works to narrow the development gap and enhance connectivity between the ASEAN countries. It encourages cooperation in science, technology and innovation through joint research across sectors and provides fellowships to scientists and researchers from ASEAN member states with Indian R&D/ academic institutions to upgrade their research skills and expertise.

**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 of 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.

**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.

**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 grassroots to enable access to inputs from experts, quality infrastructure. SEED emphasizes equity in development, so that the benefits of technological accrue to a vast section of the population, particularly the disadvantaged.

#### **A. Institutions set up by Central Government.**

**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 economy of the country. SIDO also provides extended support through Comprehensive plan for promotion of rural entrepreneurship.

**2.Management Development Institute (MDI):** MDI is located at Gurgaon (Haryana). It was established in 1973 and is sponsored by Industrial Finance Corporation of India, with objectives of improving managerial effectiveness in the industry. It conducts management development programs in various fields. It also includes the 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 centers 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 advice 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 of 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, Nongovernment 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:

- a. To make effective strategies and methods
- b. To standardize model syllabus for training
- c. To develop training aids, tools and manuals
- d. To conduct workshops, seminars and conferences.
- e. To evaluate the benefits of EDPs and promote the process of Entrepreneurial Development.
- f. To help support government and other agencies in executing entrepreneur development programmes.
- g. 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:

- a. Directing and coordinating syllabi for training of small entrepreneurs.
- b. Advising managerial and technical aspects.
- c. Organizing seminars for small entrepreneurs and managers.
- d. 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 assists the small units in exporting their products in foreign countries.

**8. Risk Capital and Technology Finance Corporation Ltd.(RCTFC):** RCTFC was established in 1988 with an authorized capital of 15 crores rupees.The main objectives of RCTFC are provision of risk capital for the extension and expansion of entrepreneurial development and venture capital for the projects with high techniques for technology development and transfer.

**9. National Research and development corporation (NRDC):** NRDC was established in 1953 under Department of Science and Industrial Research under Government of India.Its main objectives are:

- a. Providing assistance in technology transfer
- b. Transfer of technology
- c. Establishing relations with various technology institutions and collecting various indigenous techniques developed by them.

**10.Indian Investment Centre:**This is an autonomous organization established by Central Government.Its main objective is to assist in promoting foreign cooperation with Indian entrepreneurs and providing necessary information to foreign entrepreneurs.

**11.Khadi and village industries Commission(KVIC):** Khadi and Village Industries Commission established by an Act of Parliament in 1956.It is a service organization engaged in promotion and development of Khadi and Village Industries in rural areas.

Its main objectives are:

- i. Providing employment in rural areas.
- ii. Improvement of skills
- iii. Rural Industrialization
- iv. Transfer of Technology
- v. Building strong rural community base and self-reliance among rural people.

**12.Indian Institute of Entrepreneurship(IIE):**It was established by the Department of Small Scale Industries and Agro and Rural Industries in 1953.It is autonomous organization with its headquarters at Guwahati. Its main objective is to undertake research,training and consultancy activities in the field of small industry and entrepreneurship.

**13.Miscellaneous Organization:**In addition to above various organizations at all India level are assisting and are engaged in entrepreneur development.These include ICICI, IFCI, SIDBI, UTI, IDBI, IIBI etc.

**14.National Alliance of Young Entrepreneurs(NAYE):** It has sponsored number of entrepreneurial development scheme in collaboration with various public sector banks.The main objective of the scheme is to encourage young entrepreneurs to explore investment and self –employment opportunities .It arranges for

their training and assists them in procuring necessary finance. In 1975 NAYE also set up a Women's Wing to make women self-reliant and to raise their status.

**15. Centre for Entrepreneurial Development (CED) Ahmedabad:** It was sponsored by the Government of Gujarat and public financial institutions operating in the State. It conducts entrepreneurial development programmes at various centers. The important features of training programme are:

- a. Training Programmes were conducted after survey for opportunities was made.
- b. Appropriate linkage was established with supporting agencies supplying finance, factory sheds, raw materials, etc.
- c. Behavioral tests were conducted to select the entrepreneurs.
- d. Training programmes covered theoretical and practical aspects.
- e. Full time project leader took follow up action after the training was over.

**16. Institute for Entrepreneurial Development (IED)** It was set up by the IDBI in association with other financial institutions, public sector banks and the State Governments. The IEDs were set up to fulfil the entrepreneurial development needs of the industrially backward States in the country.

**17. Technical Consultancy Organization (TCOs):** A network of TCOs has been established by All India Financial Institutions and State Government throughout the country. These organizations have been set up to provide comprehensive package of services to entrepreneurs in general and to small business entrepreneurs in particular. Their main functions include the following:

- i. Identifying potential industrial project.
- ii. Preparing project reports, feasibility reports and pre-investment status.
- iii. Identifying potential entrepreneurs.
- iv. Providing technical and administrative support.
- v. Conducting techno-economic studies of the projects.
- vi. Conducting market research and surveys.
- vi. Rendering advice to set up laboratories and design center.

**18. Public Sector Banks:** Public sector banks in association with NAYE have been conducting entrepreneurial development programmes. The main thrust of these banks has been to identify potential entrepreneurs in rural and backward areas. For example Punjab National Bank started entrepreneurial assistance programme in March 1977 in the States of West Bengal and Bihar. Similarly, Bank of India started entrepreneurial assistance programme since August 1972 in the States of Punjab, Rajasthan, Himachal Pradesh, J& K and the Union Territories of Chandigarh and Delhi.

The important Forms of entrepreneurial assistance are:

- i) Identifying potential entrepreneurs
- ii) Identifying viable projects.
- iii) Assisting in preparation of project profiles
- iv) Helping in project evaluation.



v)Arranging practical training.

vi)Financing the projects.

**B)Institutions set up at State Level:** There are a number of institutions establishes at state level for organizing,developing,assisting and making successful entrepreneurial development programmes.Prominent among these are:

1. Small Industries Service Institute (SISI)
2. State Financial Corporation (SFC)
3. State Small Industries Corporation (SSIC)
4. District Industries Centers (DIC)
5. Technical Consulting Organization Ltd. (TCO)
6. Industrial Directorates
7. Commercial and Cooperative Banks
8. State Industrial Development Corporation
9. Industrial Estates
10. State Industries Corporation

The above mentioned State and Central level Institutions have provided a number of concessions and facilities to promote entrepreneur development in India.They have also played an important role in balanced industrial development in the country.

### Conclusion

To conclude the above, Role of Government in Entrepreneurship,Government initiated a very vital role in developing entrepreneurship industries in urban, rural and backward areas by giving various facilities with the objective of balances regional development.Through central and state Governmentsinstitutions in order to fulfil this objective.

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