

Steps Taken for Development of Entrepreneurship in India

In short, the following steps have been taken or efforts have been made for entrepreneurship development in India.

1. Declaration of Progressive Industrial Policies

The central government declared industrial policies in 1948, 1956, 1980, 1986, and 1991 and revisions therein were also made from time to time.

Plan expenditure on development of small entrepreneurs has successively increased.

The government has established various institutions, Like SIDO, national small industries corporation ltd., Small Industries Extension Training Institution, National Entrepreneurship, and Small Business Development Institute, Entrepreneurship Development Institute of India (*EDII*), etc. for achieving policy goals.

As a result of all these, the old entrepreneurs have not only started working quite freely, but the entrepreneurs have also started getting a certain and healthy industrial environment.

2. Simplification of Licensing Procedure

Now, only six industries are required to obtain licenses from the government. All other industries have been exempted from it.

License obtaining procedures and various related formalities have been simplified.

Besides, the time taken in obtaining licenses has been substantially reduced.

3. Liberal Economic Policies

The central government has made its economic policies, like export-import policy, taxation policy, fiscal policy, and monetary policy, etc. excessively liberal, which has resulted in entrepreneurship development in the country.

4. Establishment of Development Institutions

Government of India has established various development institutions for encouraging entrepreneurial development.

Institutions like National Industrial Entrepreneurship Development Centre, National Entrepreneurial and Small Business Development Institute, Entrepreneurship advisory Organisation, State Small Industries Development Corporation, and Small Industries Service Institute, etc. to provide guidance, training, and facilities to the entrepreneurs.

5. Development of Industrial Estates/Areas

The Government has developed various industrial areas/estates in various states, wherein private entrepreneurs have established their industries.

The government has attracted the entrepreneurs to establish new industries in these industrial areas by providing facilities of land, transportation, banks, warehouses, water, and electricity, etc.

Related: 19 Factors Influencing Entrepreneurship Development.

6. Development of Training Facilities

The various training institutions have been established by the government of India, banks, financial institutions and management institutions to organize training program to develop the capabilities of the entrepreneurs.

For example, in 1960, MacLell and Winter made important tests on entrepreneurial development through motivation, organized by Small Industries Extension Training Institute.

In addition to it, Small Industries Development Organization (SIDO), Small Industries Service Institute, District Industries Centers also provide information to the entrepreneurs about project development, enterprise management, and new production techniques, etc.

7. Development of Technical and Vocational Education

The central government, as well as the state government, have also established technical and vocational education centers where vocational education has been provided.

The technical and vocational education at the level of schools, colleges and universities have been introduced, where education is being provided relating to entrepreneurial development, entrepreneurial feelings and facilities and procedures for establishment of small industries, etc.

In the present education policy, the government of India aims at vocational and technical education by dispensing with the essentiality of degree and for that open universities have also been established.

Besides, management institutions also provide vocational education and training for business and industries management.

8. Establishment of Science and Technology Parks

Science and technology parks have also been established in India for the development of entrepreneurs.

Industrial development bank of India is making efforts for these parks.

Bank has established an entrepreneurial park and industrial parks.

9. Organization of Seminars and Workshops

Seminars and workshops are organized in India and other countries for entrepreneurial development.

Indian industrial entrepreneurial development institute and other popular institutions.

10. Creation of Literature

Seventeenth technical advisory organizations working in the country have created and published useful literature for entrepreneurial development.



entrepreneurship development in India

During 1984-85, 1019 feasibility studies and project reports were prepared and 261 reports relating to feasibility surveys, market surveys and development surveys were published.

11. National Awards

National awards scheme has been started to provide encouragement to small entrepreneurs.

Find out all *National Entrepreneurship Awards of INDIA*.

12. Declaration of Product Wise Policies

Government has declared product wise policies for developing new and existing entrepreneurs.

These include textile policy, electronic policy, drug policy, etc.

As a result, the entrepreneurs will be encouraged and benefited in respect of innovations in the field of industries, use of new commodities, use of new methods for production of new commodities, the search of new markets and their development.

13. Establishment of Entrepreneur Assistance Unit

Government of India had established an Entrepreneur Unit in the industries development department, in the year 1966.

Its functions are as follows:

1. This unit help in implementation of industries (development and regulation) Act, 1951, foreign cooperation, import of capital goods, providing information about foreigners of Indian origin.
2. This unit also informs the entrepreneurs about action taken on their applications.
3. This unit makes efforts for getting the problems of entrepreneurs resolved through various governmental institutions.

This unit, thus, tries to provide substantial cooperation in entrepreneurial development, which provides opportunities to the entrepreneurs to develop.

14. Special Schemes

Besides, self-employment scheme, various other schemes, like a guarantee scheme for small industries, margin money scheme, rehabilitation of sick unit scheme, government

purchase scheme, the scheme for the availability of machinery to entrepreneurs on higher purchase are being implemented by the government, for entrepreneurial development.

“Proposed Scheme on Entrepreneurship Development“

The government, as well as various organizations and financial institutions, are contributing to these schemes.

15. Development of Women Entrepreneur

In the modern age, entrepreneurial tendencies are developing in women folk also, due to co-education and women education.

Women are also getting attracted to technical and management education.

Various types of organizations, therefore, are providing cooperation to women entrepreneurs in India for entrepreneurial activities.

16. Preparation of Industrial Maps

Directorate of industries and each district industries center are working to search the industrial potential of each district and also prepare maps of future industrial potential in the district.

It facilitates the selection of a profitable enterprise. These maps also provide information about the availability of raw materials and labor.

Related: Sources of capital for entrepreneurial venture – Explained.

17. Establishment of Financial Institutions

Government of India has established various specific financial intuitions. These institutions prepare projects of the new entrepreneurs and also helps them in implementing the projects.

These institutions provide fixed capital, seed capital and working capital.

In addition, several companies in the private sector are, presently establishing venture capital fund also, to encourage new entrepreneurs to establish industries, by providing capital to new entrepreneurs.

18. Availability of Subsidies

The central government and the state governments are providing various types of subsidies, like:

1. Interest subsidy, transport subsidy and raw material subsidy to the new entrepreneurs.
2. Cash subsidy is being made available. Amount of this subsidy is based on the level of expansion of the industrial area. Higher subsidies are provided to the entrepreneurs who are working in backward areas.
3. Government of many states has exempted for the industries of new entrepreneurs from sales tax during the first few years, since the start of the industry.
4. Best Government Subsidy for Small Business in India

The subsidies provided by the government have not only helped in the establishment of various new industries, but the industries are being established even in such areas where entrepreneurs did not have an interest because they being backward areas.

19. Export Promotion Programmes

The central government has taken various measures for export promotion, as the organization of international rebates in taxes to export-oriented units, organization of international seminars and workshops and encouragement to the entrepreneurs to enter into the international market making export contracts with several countries.

The small industries development institute (SIDO) has been established in India to provide advisory services to the entrepreneurs in technical, managerial and economic fields.

20. Self-Employment Scheme

Government has started self-employment scheme for educated unemployed persons, wherein loans are provided at concessional rates.

Subsidies are also provided, to a limited extent.

“Self-Employment Schemes India”

21. Special Incentive Schemes for Small Entrepreneurs

Various schemes have been introduced and implemented in the country for the development of entrepreneurs.

Government has provided significant cooperation in development of small entrepreneurs by raising the limits of capital investment, from time to time.

Thus, for developing small entrepreneurs, not only the investment limit has been raised, but relaxations have also been provided to the small entrepreneurs in various industrial acts.

22. Increase in Research and Development Expenditure

Industries established by the government and private entrepreneurs are now laying emphasis on research and development, which has resulted in the emergence of innovations.

Due to hike in expenditure on research and development, there have been significant changes in the production process and techniques.

23. Quick Approval of Project Reports

The project reports submitted by the entrepreneurs to district industries center established by the government are quickly approved, as a result, the entrepreneur is able to quickly obtain loan from the bank or financial institution.

24. Capital Market and Capital Issue System

Government of India provides incentives in respect of the development of the capital market and liberalizing capital issue system to encourage the entrepreneurs of small industries.

Thus, on the one side, the pace of development of entrepreneurs in the country has increased, due to development of capital markets, and on another side, the establishment of enterprises has now become easier for the entrepreneurs, due to liberalization in the capital issue.

25. Startup India

Startup India is a flagship initiative of the Government of India, intended to build a strong ecosystem that is conducive for the growth of startup businesses, to drive sustainable economic growth and generate large scale employment opportunities.

The Government through this initiative aims to empower startups to grow through innovation and design.

Young Indians today have the conviction to venture out on their own and a conducive ecosystem lets them watch their ideas come to life. In today's environment, we have more Startups and entrepreneurs than ever before and the movement is at the cusp of a revolution.

However, many Startups do not reach their full potential due to limited guidance and access.

The Government of India has taken various measures to improve the ease of doing business and is also building an exciting and enabling environment for these Startups, with the launch of the "Startup India" movement.

26. Make In INDIA

The Make in India initiative was launched by Prime Minister in September 2014 as part of a wider set of nation-building initiatives.

Devised to transform India into a global design and manufacturing hub, Make in India was a timely response to a critical situation: by 2013, the much-hyped emerging markets bubble had burst, and India's growth rate had fallen to its lowest level in a decade.

The promise of the BRICS Nations (Brazil, Russia, India, China, and South Africa) had faded, and India was tagged as one of the so-called 'Fragile Five'.

Global investors debated whether the world's largest democracy was a risk or an opportunity. India's 1.2 billion citizens questioned whether India was too big to succeed or too big to fail. India was on the brink of severe economic failure.

To start a movement, you need a strategy that inspires, empowers and enables in equal measure.

Make in India needed a different kind of campaign: instead of the typical statistics-laden newspaper advertisements, this exercise required messaging that was informative, well-packaged and most importantly, credible.

It had to (a) inspire confidence in India's capabilities amongst potential partners abroad, the Indian business community and citizens at large; (b) provide a framework for a vast amount of technical information on 25 industry sectors; and (c) reach out to a vast local and global audience via social media and constantly keep them updated about opportunities, reforms, etc.

