

Indian Government Policies in Promotion of Entrepreneurship

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Abstract - In today's global era, entrepreneurship plays an important role in development of particular country, boost countries economic growth and also improve standard of living of the country. When a particular country try to promote entrepreneurship government of that country try to focus that effective utilization of available resources should be done. So that per capita income will increase, export get promoted, creates employment opportunity etc. Keeping this view researchers try to examine and study various policies framed by government for promoting entrepreneurship. In this paper researchers laid down various policies and schemes frame by Government of India for promoting entrepreneurship activity. The present study also laid several suggestions for promoting entrepreneurship to examine comparative study between the various schemes. Researchers made this study on the basis of secondary data.

Index Terms - Economic Growth, Export, policies, schemes.

GOVERNMENT INTRODUCTION

Government policies cover the measures to promote entrepreneurship. High level initiatives such as startup India, make in India have been launched by government to promote entrepreneurship development. Since early 1990's, India has implemented lots of structural reforms to promote private sectors development such as low-income sectors, micro business investment in transport, enterprises are able to spread locally and globally.

For the development of business, they need investment, experts and support of government to reach their full potential. Government policies play crucial role to create suitable environment in which business can flourish. For that which kind of policies does modern entrepreneurship need to grow the developing enterprises?

OBJECTIVES

- To study the government policies which promote entrepreneurship.
- To analyze the impact of government policies which has been introduced in earlier days.
- To check the utilization of policies.
- To suggest some remedies for the development of entrepreneurship other than this government policies.

LITERATURE REVIEW

1. Van Looy, Debackere and Andries (2003), concluded that development of entrepreneurial activity is the responsibility of the government. It is possible by framing policies and programs. According to them policies are not as supportive as it could be due to improper implementation of policies.
2. Kumar and Liu (2005), argue that entrepreneurship sector is responsible for employment generation and increase in GDP of the country which flourishes countries economy. So, there is a need of liberalizing the restrictions on entrepreneurship which push them downward.
3. Pals (2006), Study reveals that for the successful implementation of policies, there is need to frame policies which are related to entrepreneurship, but the power should not be in hands of administration for achieving goals.
4. NkemOkpaObaji, Mercy UcheOlugu, stated that in the developing countries governments are always trying to bring out the entrepreneurial activities in different forms. As the success of entrepreneurship of any country is mostly dependent on the behavior of the government policies.
5. Wennekers Sander and Roy Thurik (2001) and De (2001), suggested that for launching new

businesses people need financial support which acts as a motivation and the skills required for running the business activities. For that government can introduce financial institution, skill development institutions, etc. at country level.

6. Reynolds, Paul R. , Michael Hay S. M. Camp (1999), observed that to promote entrepreneurial activity government need to be focused on the efforts for creating a valid culture and to promote entrepreneurship activity. It should develop its capacity to identify the opportunities and capture it. Their target should be to frame specific policies and programs for entrepreneurship development. New entrepreneurs, through these programs and institutions, developed their skills enough to start and run a business efficiently and effectively.

RESEARCH METHODOLOGY

Research type: - Descriptive research.

Research design: - Sample random sampling. Data

collection: - From various websites. Primary data: - In this research primary data did not used by researchers.

Secondary data: - This research is mainly depend on secondary data which was collected from journals, articles, etc.

Research Problem

Research would like to find out the key government policies to promote entrepreneur ship, keeping this view in mind study was undertaken titled as "Government policies to promote entrepreneurship".

Scope

Helpful to the students for their project work.

He pfui to the entrepreneur.

Helpful to the government for better improvement.

DATA ANALYSIS

1. MUDRA YOJANA

In India, financing is one of the main problems that act as a barrier for the sustainable development of entrepreneurship. Also, finance is one of the important parts to fight against poverty and provide opportunities. So in accordance with those problems Governor of RBI Y. V. Reddy introduced first, the

concept of financial inclusion in 2005. This inclusion helps to provide financial services to the weaker section of the society as well as the group having low income at a cheaper rate. So Pradhan Mantri Mudra Yojana is one of the financial inclusion initiative which is introduced for such low income groups, small business groups and micro enterprises.

On April 8th, 2015. Pradhan Mantri Mudra Yojana (PMMY) was introduced by our honorable PM Shri. Narendra Modi along with the instruction of MUDRA bank. Pradhan Mantri Mudra Yojana (PMMY) is a flagship scheme of Government of India to fund the unfunded by bringing such enterprises to the formal financial system and extending affordable credit to them. This scheme enables to various small borrowers to take assistance from various financial institutions such as Public Sector Banks, RRB, Private Sector Banks, Foreign Bank, Co-operative Bank and so on for loans up to Rs. 10 lakhs for non-farm income generating activities.

Aim to involve this scheme to this development of entrepreneurship topic is, it is very helpful for the growth of local businesses or low-income groups which required financial support. Also, it gives loan to every person who is resident of India which can be use in developing a local business. Due to various restrictions small enterprises do not play their role in appropriate manner. One of the biggest constraints is raising finance for this sector. The Journal VOI-OI main motive of this scheme is to provide a support to the small business through Micro Units Development and Refinance Agency i.e. MUDRA bank. Developing a suitable structure under the PMMY scheme for credit facility to small and micro business. This scheme provides credit to micro finance institution and agencies which provide finance to retailer, small enterprises, individuals and self-help groups. Due to lack of finance, micro unit fail to capture opportunities, so this policy helps to bridges the funding gap to micro enterprises.

ELIGIBILITY

Under this scheme a person who needs finance less than Rs. 10 lakhs can get either from bank, MFI or NBFC for getting MUDRA loan. Any Indian citizen who is engage in manufacturing, processing, trading or in service sector having an income generating business plan can get advantage of this scheme.

SECTORS COVERED

The Pradhan Mantri Mudra Yojana gives helping hand to most of the home businesses which has small market and small financial budget. This scheme gives a platform for the small businesses which requires economical support. Other than this some of the sectors are as follows which gets help because of this scheme. Land Transport Sector / Activity: — Which will interalia support units for purchase of transport vehicles for goods and personal transport such as auto rickshaw, small goods transport vehicle, 3 wheelers, e-rickshaw, passenger cars, taxis, etc.

Community, Social & Personal Service

Activities: -

PMMY gives helping hand in the way of loans to social and personal businesses such as saloons, beauty parlors, gymnasium, boutiques, tailoring shops, dry cleaning, cycle and motorcycle repair shop, DTP and Photocopying Facilities, Medicine Shops, Courier Agents, etc,

Food Products Sector: —

This scheme is also available for home business activities such as Papad making, achaar making, jam/jelly making, agricultural produce preservation at rural level, sweet shops, small service food stalls and day to day catering/canteen services, cold chain vehicles, cold storages, ice making units, ice cream making units, biscuit, bread and bun making, etc.

Textile Products Sector/Activity: To provide financial support for undertaking business such as handloom, power loom, chikan work, zari and zardozi work, traditional embroidery and hand work, traditional dyeing and printing, apparel design, knitting, cotton ginning, computerized embroidery, stitching and other textile non garment products such as bags, vehicle accessories, furnishing accessories, etc.

Progress made under PMMY:

Under the MUDRA scheme Government was set to allow disbursing Rs 122188 crore loans to micro businesses; it has been accomplished by March 2016. for the money related year 2016-2017 government was set focus of 180000 crore. Week after week, the accomplishment and advancement of PMMY is seen through a PMMY gateway.

Under the PMMY government sanction Rs 1.22 lakh crore advances to small scale organization under the MUDRA by March 2016. It is plan of funding the unfunded. Below table demonstrates the progress under.

PMMY:

2.MAKE IN INDIA

On 25th September 2014, make in India initiative was introduced by the Honorable Prime Minister Shri. Narendra Modi. The aim of this scheme is to make the India global manufacturing hub. This can be done by promoting production of the multinational as well as domestic companies within the Indian territory this means that they should manufacture their products in India. In Make in India scheme, it promotes FDI by attracting foreign investors, intellectual property rights, new initiatives and try to develop manufacturing sectors, creates job opportunities.

The initiative hopes to increase GDP growth and tax revenue. With this above objective behind the initiative focuses on 25 sectors of the economy for job creation and skill enhancement. Some of these sectors are automobiles, chemicals, IT, pharmaceuticals, textiles, ports, aviation, leather, tourism and hospitality, wellness, railways, design manufacturing, renewable energy, mining, biotechnology, and electronics. It hopes to attract capital and technological investment in India.

3.Start Up India

India is a developing country and it get innovating on large scale among all the countries. In India due to large population, it implies large prospective market and takes more pressure for employment in the country. In earlier years Indian youth motivates towards

Self-employment instead of depending on parents or opportunities or government. Such kind of environment creates and promoting self-employment which supports to create the startup system in India. Startup is also defined as the temporary business organization which generated by Self-employees. Startup is a growing company which is a start on small platform and that begin to develop and grow in the first stage of operation, and it is supported by individual financial or small group of individuals.

Startup India scheme was launched on 15th August, 2015, by Prime Minister Narendra Modi. The motto of this scheme is to start small business. Also, it works on the tag line of "startup India, stand up India". Startup India plan has been introduced for motivating system that Peer-Reviewed develop entrepreneurship and job opportunities by promoting Bank Financing for startup. For encouraging the startup India, the government union budget allocates INR 1,000 crore towards the self-employment and Talent Utilization scheme. So that it gets developed properly. In earlier days India is shifting towards start up welcome policies and creating a business-friendly environment. For the Startup India development Prime Minister Narendra Modi announced Action Plan for encouraging start up on 16 January, 2016.

They are as follows:

- There is no taxation on profit.
- Entrepreneurs took 15-20 days to register a company but due to this policy it will take one day to register a company.

Among all the students in 51 lakh schools, programs were taken to encourage students about the entrepreneurship.

Develop android apps or portals for start-up India scheme registration.

Special strategies for women entrepreneurs to develop it.

- Promote biotechnology start-ups. Developing research parks.

Problems and Conclusion:

From 2010-20 India has an era of innovation. Innovation is a way for startup ecosystems and results for more industrialization. It increases the income of country. But the serious problem in Indian market is that they are not well developed and not union also. There is a lack of transparent policy motive, knowledge, communication objects and exposure. But for increment of startups, it requires a supportive operational and taxation issue that affects the working of entrepreneurship environment very much. For developing an entrepreneurial environment big corporation, educational institutions should step forward to create a healthy culture for start-up India. Policy guidelines program workshops, guidelines seminars should be organized by the government and institutions. Overall aspect is Journal that, India is

enveloping on high scale, and it has huge scope for growth of start-up environment. Now India offers the largest pie of enterprises prospect that the world is eyeing.

4. Pradhan Mantri Yuva Yojana:

Under the Ministry of Skill Development and Entrepreneurship, Pradhan Mantri Yuva Yojana was introduced for educating entrepreneurs; provide training and advocacy to over 14-lakh youth to promote maximum startups.

Following are the various institutes where the different programs offered under this yojana:

- Institute of higher learning (IHT)
- Industrial Training Institute (ITIs)
- Higher Secondary (HS) school
- Entrepreneurship Development Center (EDC)

Social Entrepreneurship

Objective:

To know the importance of scheme provided by government for entrepreneurship development

- To give valuable suggestion.

Suggestions

- Government should plan policies in favor of industries which leads to industrialization
- Laws and rules related to establishing industry and business organization should be liberalizing so that firms can easily establish.

Entrepreneurial activity should be priority to the government for effective policy making.

- Policies should satisfy the need of business.
- Foreign Direct Investment need to be increased for strengthening capital and money market.
- For small industries there should be provision for concession.
- Public sectors and private sectors should cooperate each other to maintain economic stability.
- There should be entrepreneurship literature which includes experiences of successful entrepreneurs, their activities, and detail information about facilities like incentives given by government.

CONCLUSION

By this research it is concluded that entrepreneurs are the backbone of country's economy. To develop economy there should be healthy environment for the survival of any business. For this reason, government needs to take steps to promote entrepreneurship. In the recent years government realize the importance of business and take interest in promoting entrepreneurship activity. So, to promote entrepreneurship government frames effective policies, provides concessions in various fields provide finance, gives incentives, develop institutions which work for the skill development of the entrepreneurs. These steps proved beneficial to the business organizations to get success and to survive the cutthroat competition. Government has given huge contribution through various schemes and incentives to create a strong support system to grow entrepreneurs which helps them to stand firmly in the business.

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