

Role of Government in Supporting Entrepreneurship in India- A fresh Relook

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Abstract: *Everyone wants to be a profitable and successful entrepreneur, but it's one of the hardest things to do and a challenging process. In order to create and make their firm successful, entrepreneurs need to ensure that a great deal of things are done correctly from the beginning and then build on that. To put it another way, they have to start from scratch and make it a successful company; and without the assistance of the state, and central governments, this would not be possible. In order to support entrepreneurs in accelerating and accepting the changes in industrial development, the government has established initiatives in the areas of technique, finance, marketing, and entrepreneurial development. To achieve this goal, the central and state governments established a number of institutions which help's and support budding entrepreneurs in India. This paper takes a new look at the government's support of entrepreneurship in India.*

Keywords: Entrepreneur, Entrepreneurship, Role, Government

I. INTRODUCTION

Entrepreneurs have a crucial role in determining the economic course of a country by generating wealth and employment, providing goods and services, and collecting taxes for the government. As a result, entrepreneurship is strongly associated with economic progress in a given nation. Innovations, a key source of competitiveness in a world economy that is becoming more and more globalised, are turned into commercial opportunities by entrepreneurs. It is the force behind innovation, the creation of new companies, and the introduction of innovative goods and services to the market. That's why the majority of governments throughout the world work to increase the number of globally competitive entrepreneurs in their nations, but, Establishing and maintaining a business can be difficult. Entrepreneurs frequently encounter difficulties obtaining capital, negotiating rigorous rules, and developing their necessary expertise. Here in comes the role of governments. They are crucial in promoting entrepreneurship and building an atmosphere that fosters and supports it (World Economic Forum, 2023).

Meaning of Entrepreneur: An entrepreneur is a person who uses their innovative idea to fill a particular gap in society. Modern businesses succeed because of its entrepreneurs, who identify market opportunities, foster profitable innovation, and maintain the company's competitive edge. A successful entrepreneur must possess a variety of traits, such as creativity, optimism, independence, teamwork, perseverance, commitment, and so on.

Meaning of Entrepreneurship: The art of starting, growing, and maintaining a firm with the goal of making money later on is known as entrepreneurship. An entrepreneur wants to use their business to influence society for the better while also fostering interpersonal relationships. Entrepreneurs take their concepts and put them into practice. The skill set of an entrepreneur includes their propensity for taking calculated risks and their desire to create wealth.

The dynamic process of entrepreneurship is devoted to generating wealth. It means taking on new challenges that need time, energy, and willingness to take financial, emotional, social, and psychological risks. In exchange, entrepreneurship offers the individual independence and personal fulfilment, both tangible and intangible (Dey & Biswas, 2021).



Fig 1: Entrepreneurial process

Objectives

- To understand role of government for supporting and encouraging entrepreneurship in India.
- To highlight the promotion of Central and State government for entrepreneurial environment in India.
- To know various challenges faced by entrepreneurs while setting up an enterprise.

II. METHODOLOGY

This research paper is focuses on various data and information published on role of central and state government for supporting and encouraging entrepreneurship in India. The research study is based on secondary sources which consist of personal observations, referred magazines and journals, reports and articles published on various internet websites etc.

Challenges faced by entrepreneurs in India before setting up a business

In addition to having the qualities of a manager, leader, dreamer, inventor, risk-taker, lifelong learner, and decision-maker, entrepreneurs are also driven to succeed in their enterprises and, most importantly, they put these qualities to use. There are several instances of Indian entrepreneurs who are today regarded as success icons. Entrepreneurship may appear thrilling, seductive, and motivating after hearing about their successes, but it's not always that easy to succeed. To become a successful businessman, one must overcome a number of challenges, or what we call barriers.

The following outlines the key problems and challenges that entrepreneurs came across:

A. Family Challenges: Convincing family members to accept the risk of an entrepreneur's chosen field of work, such as choosing a profession in "business," is the largest challenge faced by an entrepreneur. The Indian family still sees "job" as easy and low-risk because it doesn't require more time, money, or risks to thrive. Or they could decide to go back to their previous employer. Most parents attempt to choose the simplest and most secure way for their child to earn money. The biggest problem is the extent to which families participate in decision-making, which encourages many individuals to think about launching a business.

B. Social Obstacles: People face social obstacles as a result of their social surroundings and society. Usually, it involves drawing comparisons between an entrepreneur and a close friend or relative who is employed by the government or a large corporation and is succeeding in their career. A working person may easily afford basic necessities such as a car, a home, air conditioning, and an urban lifestyle. But being successful as an entrepreneur takes time, and it also means sacrificing part of your luxury for investment and business growth. It also requires endurance. These kinds of social challenges might demotivate early-stage entrepreneurs

C. Technological Difficulties: It is evident that students are not being taught the importance of contemporary technology advancements in the Indian educational system. Access to the newest technologies allows a business owner to grow significantly more quickly than the average one. Indian businesses are far behind their counterparts in China, Japan, and the US in terms of technical proficiency.

D. Financial Challenges: One of the ongoing difficulties faced by entrepreneurs is obtaining funding for their new ventures. The high poverty to middle class ratio in the nation is the cause of it. The majority of people don't get financial support from their families. The extremely high financing rates that non-banking organisations charge add to the difficulty of starting a business.

E. Policy Barriers: Policy changes often coincide with major changes in the government. Specifically, challenges acquiring raw materials, securing equity funding, indigenous technology obsolescence, rising pollution, ecological imbalance, etc.

F. Hiring a Right Talent: Once you've made the decision to launch your own business, you need a team. A dream team is what powers any successful company, whether it's the original start-up team or selecting the ideal co-founder. Finding a partner that shares your passion for your project or enterprise is always the hardest but also the most important.

G. Dealing with Stress: As they say, "No pain, no gain." An entrepreneur faces numerous challenges, whether they are personal or professional. Being a successful business owner requires a great deal of strength and calmness. Thus, if you are launching your own business, be ready to handle the stress that comes with it every day.

H. Facing Failure: Not every one of your ideas will be successful. The idea of "failing fast" arises with the introduction of new products and the expansion of markets. Many new endeavours won't work for you, and you won't be successful with every one of those ideas.

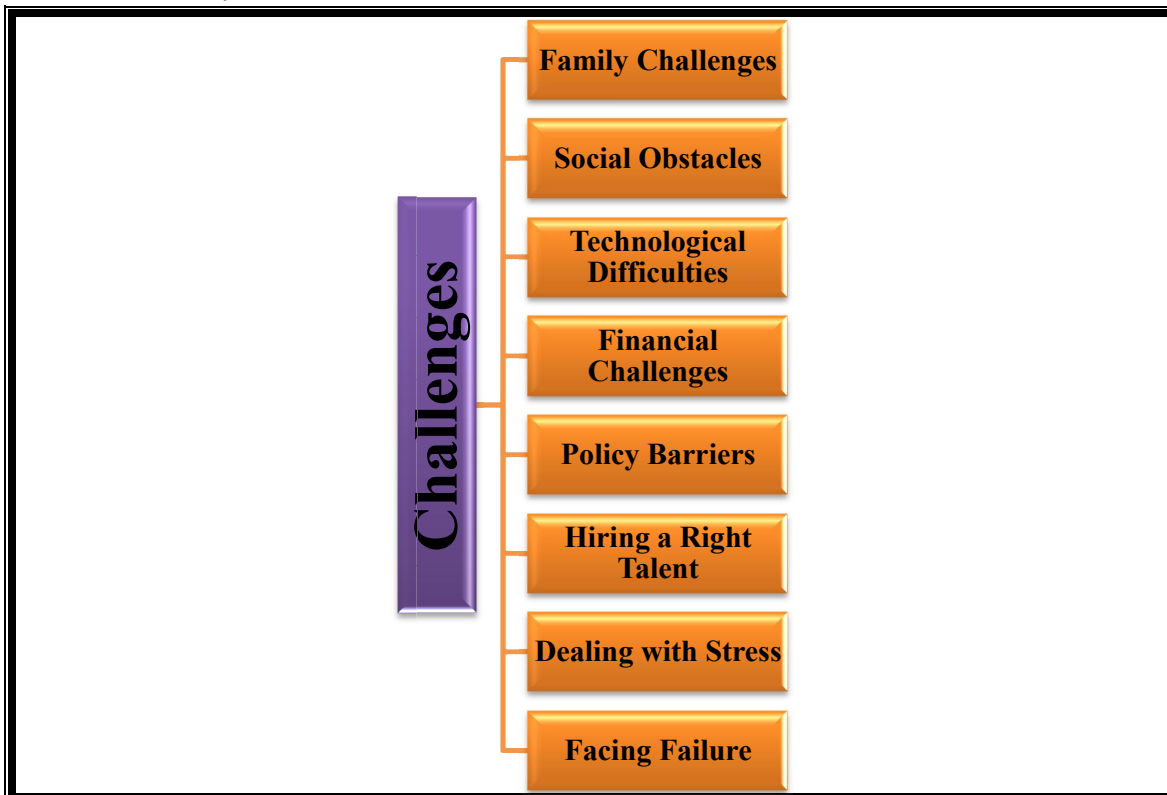


Fig 1: Challenges faced by Entrepreneurs

III. ROLE OF GOVERNMENT FOR SUPPORTING ENTREPRENEURSHIP

The concept of skill development was founded by India's first industrial policy after independence, which first concentrated on the formal Technical and Vocational Training Education and Training (TVET) sector with particular institutions for technical and vocational education. The purpose of the 1961 Apprenticeship Act was to provide technically trained people with hands-on training in a range of trades while also producing new skilled workforce. The Indian Education Commission, often called the Kothari Commission, was founded in 1964 with the goals of reforming the Indian educational system and establishing policies and guidelines for the country's educational growth. The National Labour Policy was created in 1966. In 1968, the first National Policy on Education was created. Established in 1969, the first Industrial Training Institute (ITI) in India was formed by the Ministry of Labour and Employment (MoLE). A brand-new national education policy was created in 1986. The government organisation in charge of overseeing and providing money for polytechnics and other technical institutions in India was founded in 1987 and is known as the All-India Council of Technical Education (AICTE). The National Policy of Education was changed in 1992. The economy started to open up in the 1990s, with notable growth in the IT and service sectors and a noticeable downturn in the manufacturing and engineering industries. It was thought that jobs outside of the conventional trades were available for those with training or semi-skilled labour. With this goal in mind, the National Skill Development Corporation (NSDC) was established in 2008 (Chadha, 2022).

This paradigm shift led to the formulation of the first national skill development policy in 2009 and the endeavour to fortify the private partnership to augment the sector's capability for skill training. A plan for a National Qualifications Framework (NQF) was created upon the establishment of the National Skills Development Agency (NSDA) in 2013. In 2014, the Apprenticeship Act was amended to include non-engineering trades, and the Ministry of Skill Development and Entrepreneurship (MSDE) was established. In 2015, the "Skill India" Mission was launched, the Training and Apprenticeship Division was moved from the MoLE to the MSDE, and the National Policy on Skill Development and Entrepreneurship was formulated. "Skill" refers to a person's aptitude, expertise, understanding, and ability to carry out a certain task or job successfully. It may come from a natural source or develop gradually over time. Hard skills are those that are acquired via education, training, and experience; soft skills, on the other hand, are those that are indicative of an individual's unique qualities and aptitudes and include interpersonal, communication, leadership, and other talents. Employers seek candidates with both hard and soft talents to ensure that the necessary work can be done successfully and efficiently within their organisation (Pahuja, 2016).

Therefore, as part of the hiring process, the employer assesses these abilities to determine which individuals are the greatest fit, and then strives to enhance the skills of those selected candidates through training and development. It has been evident in recent years that graduates from academic institutions do not possess the abilities required to fulfil the demands of the business world. In order to close the skills gap and prepare the new workers for the job, skills development is desperately needed. Workplace effects from technological breakthroughs and disruptions are ongoing and ever-changing. To keep up with the rate of change, the workforce needs to be updated, unskilled, and improved on a constant basis. If they don't, they run the risk of being obscure, out of date, and finally fired from their positions. As part of the attempt to prevent extinction and elimination, skill development is stressed as a means of preparing the workforce for the future. A competent workforce is crucial for the recently announced national missions, such as "Make in India," "Digital India," "Smart Cities," etc. India must combine education and training to create a workforce that is educated, competent, and productive enough to achieve global standards for quality and productivity if it is to realise this objective. The purpose of the Diverse Sector Skill Councils is to identify the skills that are required in different sectors, create training programmes for those sectors, and oversee the implementation of those programmes by different organisations and authorities. Therefore, there is a mutually beneficial relationship between the industries in that sector and the populace looking for opportunities in that sector (Bahera and Gaur, 2022).

The Ministry of Skill Development and Entrepreneurship (MSDE) in India is responsible for instituting all national initiatives related to skill development, bridging the skills gap that exists between the supply and demand for human resources, establishing the foundation for technical and vocational education, developing new skills, upskilling employees, and encouraging creative thinking for both present and future career prospects. In order to realise its goal of creating a "Skilled India," the Ministry wants to promptly and to a high degree skill individuals

This initiative is supported by the Department for Promotion of Industry and Internal Trade (DPIIT), the National Skill Development Agency (NSDA), the National Council for Vocational Education and Training (NCVET), the National Skill Development Corporation (NSDC), the National Skill Development Fund (NSDF), 33 National Skill Training Institutes (NSTIs) or NSTIs (women), roughly 15000 Industrial Training Institutes (ITIs) under DGT, 38 Sector Skill Councils (SSCs), and 187 training partners. The Ministry intends to work in conjunction with the industry's network of colleges, training facilities, and other alliances. In order to engage stakeholders on multiple levels and carry out skill development initiatives more successfully, partnerships with relevant central ministries, state governments, foreign organisations, businesses, and NGOs have also been initiated (Source: Ministry of Skill Development and Entrepreneurship, 2022).

In support of the "Skill India Mission," the Ministry of Skill Development and Entrepreneurship (MSDE) has begun constructing state-of-the-art, prominent and inspirational model training centres in the majority of Indian districts under Central and State Governments. These initiatives and schemes, which are listed below, are intended to inspire young people to pursue self-improvement and entrepreneurship.

1. Short Term Training-

- Pradhan Mantri Kaushal Vikas Yojana (PMKVY)
- Pradhan Mantri Kaushal Kendras (PMKK)
- Jan Shiksha Sansthan (JSS)
- India International Skill Centre (IISC)
- School Initiatives and Higher Education

2. Long Term Training-

- Craftsman Training Scheme (CTS)
- Craft Instructor Training Scheme (CITS)
- Advance Vocational Training Scheme (AVTS)

3. for Women-

- Vocational Training Programme for Women
- Dual System of Training (DST)
- Initiatives in the North East and LWE Regions
- Skill Strengthening for Industrial Value Enhancement (STRIVE)
- Women Entrepreneurship Schemes and Training by State & Central Govt.

4. for Entrepreneurship-

- National Entrepreneurship Awards (NEA)
- Pilot Projects on Entrepreneurship
- Entrepreneurship Development and Training Programmes (EDTP) by state and Central Govt.
- Make in India

5. for Startups-

- Startup India
- Startup India Seed Fund Scheme
- State government scheme for Incubators
- Venture Capital Fund Scheme
- ASPIRE (A Scheme for Promotion of Innovation, Rural Industries and Entrepreneurship)
- Startup Leadership Programme
- AtmaNirbhar Bharat App Innovation Challenge

Other Schemes and Initiatives-

- a. National Apprenticeship Promotion Scheme (NAPS)
 - b. RozgarMela
 - c. Aspirational Skilling Abhiyan
 - d. Indian Institute of Skills (IIS)
 - e. Skill Loan Scheme
 - f. Skill Acquisition and Knowledge Awareness for Livelihood Promotion (SANKALP)
- (Source-Ministry of Skill development and Entrepreneurship, 2022)

IV. CONCLUSION

The growth and success of entrepreneurship, which is defined as the integration of ideas, efforts, and opportunities, depend on a positive and motivating environment. The success of entrepreneurship has a big impact on the economy of any country. In addition to assisting people in realising their aspirations, it helps them achieve objectives including achieving financial success, self-fulfilment, and social identification. India is currently experiencing a period of entrepreneurial development, with numerous business entities, the government, and society all working to promote entrepreneurship. India's climate for entrepreneurship has tightened in recent years, particularly with the expansion of knowledge-intensive services. The proportion of young individuals who want to start their own business but have never done so before has been rising. "Techno-pruners" have easy access to institutional support and finance.

To support start-ups and promote the "culture" of entrepreneurship among Indians, the Indian government has launched a variety of programmes and policies in recent years. In the wake of the "COVID-19 Pandemic," the Indian government is making great efforts to establish a strong start up ecosystem. The Indian government has recently increased its efforts and launched new plans and initiatives to support start-ups and entrepreneurship in the country. Additionally, the government has set up a ministry whose goal is to assist start-up businesses by providing them with essential guidance and other resources so they can grow and empower entrepreneurs. But by the time India managed to emerge from a long period of policy paralysis and carry out many major reform measures, the groundwork had already been established. The eradication of structural rigidities, the continuation of reforms, and the development of a pro-business policy environment are some of the significant steps taken in the last few years to unleash India's growth potential. Additionally, based on its trajectory since 2014, India is predicted to become the third-largest economy globally, surpassing Japan by 2029 and Germany in 2027.

Right now, with so many government schemes aimed at promoting entrepreneurship, is the perfect time to start a business and fulfil our dream.

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BIOGRAPHY



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