



## CENTRAL GOVERNMENT INITIATIVES FOR ENTREPRENEURSHIP DEVELOPMENT

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### **Abstract**

*At present, India needs entrepreneur to create wealth and employment. India is in the midst of a start-up boom, the magnitude and scales of which has surpassed all previous records. Fuelled by Indian Govt.'s "Start-up India Stand up India" action plan which was unveiled in 2016. Indian entrepreneurs are right now being presented with excellent opportunities and platform to aid their growth. India is fastest growing economy with very young population, on other side the level of awareness of schemes provided by the central government is not known to budding entrepreneur. The government of India both the central and state both have taken lot of initiatives to develop entrepreneurship in India. Entrepreneurship is backbone for the growth of economy of the country. In the last decade lot of new measures and policies were initiated by the government. This paper has an objective of studying the current entrepreneurial measures and its influence in the entrepreneur sector. This paper will also cover the opportunities and challenges posed by these government policies.*

**Keywords:** *Opportunities, Awareness, Measures, Policies, Challenges.*

### **Introduction**

Entrepreneurship is a new business which setup by a person to enjoy the most of the rewards. An entrepreneur is an inventor of a new business with a source of creative and innovative ideas, but the capital formation is difficult task for starting up of a new entrepreneurship. Therefore, the central government started many schemes to promote and support entrepreneurship in India. On the other side the level of awareness of schemes provided by the central government is not known to budding entrepreneur. The Government has initiated lot of entrepreneurial measures to develop the entrepreneurship in India. The Government is also creating many opportunities to budding entrepreneur. The study is also focusing on the benefits of the various schemes provided by central government towards entrepreneurship development and challenges faced by the entrepreneur & government.

### **Reasons for encouraging entrepreneurship in India**

- To reduce Unemployment.
- Balanced development both in Rural and urban areas.
- Micro, Small and Medium Enterprises development.

### **Statement of problem**

Right from the time of independence the Government of India is taking lot of measures to improve the economy and the standard of living. As citizens we have experienced all the changes and now due to the pandemic the Government came out with a slogan, "vocal for local" and various other policy hence it is required to study the policies which were initiated exclusive for promotion of Start-ups in India and also to study the impact of the policies on the economy.

### **Objectives to study**

- To study the schemes, policies, and financial support by government towards encouraging entrepreneurship in India.
- To study the current entrepreneurial measures and benefits of the schemes provided by the government.
- To study Opportunities and Challenges posed by the central government.



### **Source of Data Collection**

The data required would be secondary in nature. Government websites, journals and published material would be utilised to study the topic of research.

### **Review of Literature**

Chung Sulin Abhay Tiwari (2020):“The Development of Entrepreneurship in India - Central Government-led Initiative”. The research paper is based on the secondary data; the data collected by government source, the main objective of this paper is to study the role of government in development of entrepreneurship, Role of Technology Based Start-ups. The authors has analysed the government initiative for the development of entrepreneurship in India.

M. UMA, ARTHI ARULMOORTHYA (2019),”Entrepreneurs Awareness towards Central Government Schemes” the research paper is based on the primary data, the collected through filled up questionnaire by 100 respondents. The main objective is to study the level of awareness of the schemes provided by central government for Entrepreneurs with the collected data and also covers the benefits of the government schemes.

Kavita Chauhan & Aashu Agawam (2017), “youth Entrepreneurship: The Role and Implications for the Indian Economy” The authors have opined that Indian youth entrepreneurship is emerging trend in development of economy and nation. The objective of study is “youth and entrepreneurship, role of youth entrepreneur, the market and economic development, personnel development of entrepreneur and also the unemployment problem of India”. The research paper is based on the secondary data. The collected data was from various research paper published worldwide. The study suggested increasing the awareness level among youth entrepreneurs about role and importance of the youth entrepreneurship.

### **The Main Schemes and Policies of Central Govt.Of India**

#### **Start-Up India Initiatives**

The Prime Minister of India launched the Start-up India Initiative in the year 2016. The intention to increase wealth and employability of by giving wings to entrepreneurial spirits. The central government provides tax benefits to start-ups under this scheme and around 50,000 start-ups have been recognized via this scheme in a period of a little more than five years, as of June 3, 2021. The Department of Industrial Policy& Promotion is maintaining this initiative and is treating it as a long term project. Moreover, the overall age limit for start-ups has been increased from two years to seven years, and for the biotechnology firms, the age limit is ten years from the date of incorporation. It is one of the best government which started start-up schemes for entrepreneurs as it is provide several concessions.

#### **Stand Up India Scheme**

Stand-Up India is a government of India scheme for financing women entrepreneurs belonging to SC/ST category. According to this scheme, bank loans between 10 Lakhs to 1 crore can be borrowed ,Scheduled Cast (SC) or Scheduled Tribe (ST) borrower and only one woman per bank is allowed, to brand to set up a Greenfield enterprise. The Greenfield enterprise it is based of manufacturing, services or the trading sector. In case of non-individual enterprises, it is mandatory that an SC/ST or a woman entrepreneur holds at least 51% of the shareholding and controlling stakes.

#### **Aspire**

(A Schemes for promoting innovation and rural entrepreneurship)

This scheme was announced in budget of 2015 to provide proper knowledge to the entrepreneurs to start with their new business and emerge as entrepreneur. In India 56% of the population lives in rural areas, the government has encouraging entrepreneurship and innovation in the rural areas by this scheme. The ASPIRE scheme aims at reducing poverty, increasing employment and encouraging innovation in rural sectors of India, to attract youths for agriculture development the government providing financial support for the new



agribusiness. However, the main intention is to promote the agro-business industry. So that, people are attracted towards natural products and to promote agriculture in India.

### **Mudra yojana**

Micro Units Development Refinance Agency (MUDRA), banks have been created to enhance credit facility and boost the growth of small business in rural areas. The government has introduced the scheme to support small businesses in India. In 2015, the government allocated Rs 10,000 crores to promote start-up culture in India. The bank provides start-up loans of up to Rs 10 Lakhs to small enterprises, business which are non-corporate, and non-farm small/micro enterprises. It comes under Madras Yolanda of central government which was launched on 2015. The loans have been segregated as Tarun, Kishore, and Shish schemes. The assets are created through the bank's finance and there is no need of security for the loan.

**Skill India**-The Ministry of Skill Development and Entrepreneurship is been assigned with the task of promoting entrepreneurship was earlier given to different departments and government agencies. In 2014, the Prime Minister decided to dedicate an entire ministry to build this sector as the skill development required support from the government's side the idea is to reach 500 crore people by the year 2022 through gap-funding and skill development initiatives.

**E-Biz Portal**-E-Biz was the first electronic government-to-business (G2B) portal, which was established in January 2013. The main purpose of the portal was to transform and develop a conducive business environment in India. It was designed by Infosys in a public-private partnership model. It was designed as a communication centre for investors and business communities in India. The portal has offered more than 29 services in over 5 states of India, viz., Andhra Pradesh, Delhi, Haryana, Maharashtra, and Tamil Nadu. The government has also announced that it will add more services to the scheme. However, after many discussions about the shutting down of the portal, it was finally shut down on account of low service integration. The government is again planning to revive portals like E-biz according to the 2020 updates

**The Venture Capital Assistance Scheme (Vac)**-Small Farmer's Agri-Business Consortium (SFAC) has launched the Venture Capital Assistance (VCA) scheme for the welfare of agri-entrepreneurs and to develop their agricultural business. The scheme is approved by financial institutions regulated by the RBI. It intends to provide assistance in the form of term loans to farmers so that they can meet the capital requirements for their project's implementation. Venture Capital Assistance promotes the training and nurturing of agri-entrepreneurs. The quantum of the loan will be 26% (40% for hilly regions) of the equity. The amount of loan provided under this scheme will be up to Rs 50 Lakhs.

### **Findings**

#### **According to the Economic Survey 2020-21**

- Only 21% start-ups and MSMEs benefited from government Schemes in the year 2020.
- 45 % is estimated growth of new business in the year 2021.
- The central government has listed 41,061 start-ups in India.
- More than 39,000 start-ups have created 4, 70,000 jobs in year 2020-21.
- 319 start-ups have been benefited income tax exemptions till November 2020.
- More than 40 start-ups are working on space and satellite projects in India.
- At present India is world's third largest start-up ecosystem, with 38 firms being valued at over \$1 billion.
- In the start-up world, a company which is valued at over \$1 billion is called a unicorn.
- At present total number of unicorns start-ups are 66 in India; it was 38 unicorns at the end of 2020.
- India stands at the 20th position among the top 100 countries that have been ranked in the Global Start-up Ecosystem Index 2021 (Start-up Blink).



## Conclusion

The government is providing lot of opportunities by various schemes to support the entrepreneurship in India, the youths of the country has to take benefit of the schemes financial assistance. For the unemployment problem the entrepreneurship is the best solution and the entrepreneurship is the best way for the self and nation development. The government is required to provide the awareness about the schemes to encourage the youths for more start-ups. Entrepreneurship is the key for development door of the country; therefore the entrepreneurship development is very essential for the Indian economy growth.

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