



An Empirical Study of the Government Policies for the Entrepreneurship Development and an Analysis of the Associated Factors

Suchitra Labhane¹ and Athar Ali²

1. Assistant Professor, RIMR, RTM Nagpur University.

2. Assistant Professor, RIMR, RTM Nagpur University.

Abstract: *This research focus to investigate impact of policy measures on entrepreneurship development in India. It is an accepted fact that the entrepreneurship development is a key for the economic development of the nation and both these aspects of development are greatly affected by the policies which the government of that nation frames from time to time. Most of the country has realised the fact that in the present scenario, it is very important to introduce various policies that would enhance the innovation among the youth so that they could start their entrepreneurial journey which definitely would raise the standard of living of the society, would create more jobs and would bring about the economic development of the country. However, when we analyse the global scenario in terms of rules, regulations and policies of the government of other countries, the business might get affected positively or adversely. This paper would analyse the impact of various initiative policies taken by the government of India for the enhancement of entrepreneurial characteristics among the youth of India and the simultaneous economic growth of the nation.*

Keywords: *Government Policies, Entrepreneurship Development, Economic Development, Innovation.*

Introduction:

The word "Entrepreneur" is derived from the French verb 'entreprendre'. It means 'to undertake'. In the early 16th century the Frenchmen who organized and led military expeditions were referred as 'Entrepreneurs'. In the early 18th century French economist Richard Cantillon used the term entrepreneur to business. Since that time the word entrepreneur means one who starts a new organization or introduces a new idea, product or service to society.

According to J.B. Say, "An Entrepreneur is the economic agent who unites all means of production; land of one, the labour of another and the capital of yet another and thus produces a product. By selling the product in the market after paying the rent of land, wages to labour, interest on capital and what remains is his profit". Thus an

Entrepreneur is an organizer who combines various factors of production to produce a socially viable product.

An entrepreneur is a person who has the ability to initiate and motivation to set up a business or enterprise of his own. He They look for opportunities, identify them and seize them mainly for economic gains. An action oriented entrepreneur is a highly calculative individual who is always willing to undertake risks of the medium level in order to achieve their goals.

According to Joseph Schumpeter, "An entrepreneur in an advanced economy is an individual who introduces something new in the economy, a method of production not yet tested by experience in the branch of manufacture concerned, a product with which consumers are not yet familiar, a new source of raw material or of new

market and the like". According to Cantillon "An entrepreneur is the agent who buys factors of production at certain prices in order to combine them into a product with a view to selling it at uncertain prices in future". To conclude an entrepreneur is the person who bears risk, unites various factors of production, to exploit the perceived opportunities in order to evoke demand, create wealth and employment.

Most of the developed and developing economies are emphasizing entrepreneurship development as their most important agenda. The final communiqué of the 2014 G20 Leaders' Summit called for enhanced economic growth that could be achieved by the "promotion of competition, entrepreneurship and innovation". There was also a call for strategies to reduce unemployment, particularly amongst youth, through the "encouragement of entrepreneurship". This desire to stimulate economic and job growth via the application of entrepreneurship and innovation has been a common theme in government policy since at least the 1970s.

The importance of entrepreneurship development in several economies globally cannot be overemphasized; as such majority of countries worldwide have established programs to support entrepreneurship within their communities. Among such countries is the Indian government too which would like to empower its youth by presenting them a helping hand through various so as to enhance the enthusiasm of entrepreneurship development among them.

Objectives

India is an economy with the huge availability and reserves of resources. Among these resources was the idea and the confidence among the literate youth. However, in spite of these and other

available resources, the literate youth were not taking an initiative towards entrepreneurship because of large number of limitations and constraints in front of them such as the availability of fund, proper guidance for the establishment of the business, knowledge about the utility and applicability of the resources available, etc.

Main objectives of this paper are as follows:

1. To list various policies introduced by the government of India under start up India and Make in India program.
2. To analyze the utility of this program through questionnaire collected from the students graduating from the urban and rural areas, professionals from multinational organization and the entrepreneurs from the urban and rural areas of India.
3. To make several suggestions for the implementation of the policies so as to make the process of establishing a new organization easier.
4. To suggest the alternatives for the dyeing start ups because of non availability of the resources with the entrepreneur.

Policies Introduced by the Government of India for enhancing the entrepreneurship qualities among the aspiring entrepreneurs:

Ministry of Skill Development and Entrepreneurship has announced various schemes for ploughing the seed of entrepreneurship in the minds of youth. Various policies of the ministry include:

1. Educating and providing the necessary resources to the potential entrepreneurs:

Government of India along with the experts is preparing a world class entrepreneurship education curriculum for which no fees will be charged from the aspiring entrepreneurs. Taking its digital India mission forward, Government of India would be providing entrepreneurship education in an online mode. In addition, entrepreneurship education will also be integrated into the mainstream curriculum in 3,000 colleges around India. Entrepreneurship education courses will also be delivered in approximately 325 industrial clusters across the nation. 50 nodal Entrepreneurship Hubs (E-Hubs) has been set up across all states through which the existing and potential entrepreneurs will be targeted for entrepreneurship education modules that suit their needs.

2. Provision of mentors to the aspiring entrepreneurs:

According to the government of India's policy, all the aspiring entrepreneurs will be connected with each other through web and mobile based applications with the help of which they can access the content online. A national network of highly qualified and trained mentors will be provided to the aspiring entrepreneurs.

3. Setting up of Entrepreneurship Hubs (E-Hubs) to support the aspiring entrepreneurs:

Government of India has decided to set up several E-hubs on the national and state level so as to provide the required resources to the aspiring entrepreneurs. According to the statistics provided by the government of India One national, 30 state, 50 Nodal and 3,000 college based E-Hubs will be set up for supporting the aspiring entrepreneurs.

4. Creating and learning the culture required for developing an entrepreneurial attitude among the youths:

An interactive session at the national and the international level will be convened by the government of India. To promote entrepreneurship, Aspiring entrepreneurs will be provided with the international internship opportunities and exchange trips to global entrepreneurship hubs such as Silicon Valley and Israel. Brand ambassador will be nominated, awards will be distributed and a national entrepreneurship day will be celebrated across the nation to create awareness among the youth for becoming an entrepreneur.

Methodology:

In order to analyse the effect of various policies introduced by the government of India, responses from a total of 433 individuals were taken through questionnaires which included 200 students, 160 professionals and 73 entrepreneurs who were contacted through questionnaire about the policies of the program and the views of 73 entrepreneurs were taken so as to analyse the viewpoints of the students and the professionals and at the same time various suggestions were taken from the entrepreneurs for the better implementation and the use of the policies introduced by the government.

Findings and analysis:

In this research paper, various factors that act as a decisive factor for the individual whether he or she should become an entrepreneur are taken into consideration. These factors include:

1. Investment or Funding Constraints.
2. Decision related to the product or services
3. Innovation and start up motives

4. Risk Taking
5. Relevant education
6. Formulating an entrepreneurial ecosystem and Easy access to the policies of the government
7. Hand on pre-entrepreneurship training.

All the above stated factors were discussed with the respondents and following are the findings of the research made through questionnaire:

Table 1: Investments and funding constraints act as a decisive factor for entrepreneurship.

Views of respondents	Students	Professionals	Entrepreneurs
Strongly Agree	132 (66 %)	105 (65.62 %)	48 (65.75 %)
Agree	40 (20 %)	32 (20 %)	15 (20.54 %)
Somehow	12 (6 %)	17 (10.62 %)	03 (4.1 %)
Disagree	11 (5.5 %)	04 (2.5 %)	06 (8.21 %)
Strongly Disagree	05 (2.5 %)	02 (1.25 %)	01 (1.36 %)
Total	200	160	73

Above table shows that 66 % of students, 65.62 % of professionals and 65.75 % of entrepreneurs strongly feels that Investments and funding constraints act as a decisive factor for entrepreneurship while 20 % of students, 20 % of professionals and 20.54 % of entrepreneurs also agree with the same factor and 6 % of students, 10.62 % of professionals and 4.1 % of entrepreneurs somehow feels that Investments and funding constraints act as a decisive factor for entrepreneurship.

Table 2: Precise choice of product or service act as a decisive factor for entrepreneurship.

Views of respondents	Students	Professionals	Entrepreneurs
Strongly Agree	102 (51 %)	81 (50.62 %)	33 (45.20 %)
Agree	31 (15.5 %)	58 (36.25 %)	18 (24.65 %)
Somehow	29 (14.5 %)	05 (3.12 %)	13 (17.80 %)
Disagree	21 (10.5 %)	07 (4.375 %)	06 (8.22 %)
Strongly Disagree	17 (8.5 %)	09 (5.625 %)	03 (4.11 %)
Total	200	160	73

Above table shows that 51 % of students, 50.62 % of professionals and 45.20 % of entrepreneurs strongly feels that Precise choice of product or service act as a decisive factor for entrepreneurship while 15.5 % of students, 36.25 % of professionals and 24.65 % of entrepreneurs also agree with the same factor and 14.5 % of students, 3.12 % of professionals and 17.80 % of entrepreneurs somehow feels that Precise choice of product or service act as a decisive factor for entrepreneurship.

Table 3: Innovative ideas and startup motives play an important role in becoming an entrepreneur.

Views of respondents	Students	Professionals	Entrepreneurs
Strongly Agree	132 (66 %)	115(71.87 %)	48 (65.75 %)
Agree	28 (14 %)	33 (20.62 %)	21 (28.76 %)
Somehow	31 (15.5 %)	09(5.62 %)	03 (4.11 %)
Disagree	07 (3.5 %)	01(0.62 %)	01 (1.37 %)
Strongly Disagree	02 (1 %)	02 (1.25 %)	00 (0 %)
Total	200	160	73

Above table shows that 66 % of students, 71.87 % of professionals and 65.75% of entrepreneurs strongly feels that Innovative ideas and startup motives play an important role in becoming an entrepreneur while 14 % of students, 20.62 % of professionals and 28.76 % of entrepreneurs also agree with the same factor and 15.5 % of students, 5.62 % of professionals and 4.11 % of entrepreneurs somehow feels that Innovative ideas and startup motives play an important role in becoming an entrepreneur.

Table 4: An entrepreneur should be a risk taker.

Views of respondents	Students	Professionals	Entrepreneurs
Strongly Agree	79 (39.5 %)	69 (43.12 %)	54 (73.97%)
Agree	91 (45.5 %)	58 (36.25 %)	10 (13.7 %)
Somehow	16 (8 %)	28(17.5 %)	06 (8.22 %)
Disagree	08 (4 %)	04(2.5 %)	02 (2.74 %)
Strongly Disagree	06 (3 %)	01 (0.62 %)	01 (1.37 %)
Total	200	160	73

Above table shows that 39.5 % of students, 43.12 % of professionals and 73.97 % of entrepreneurs strongly feels that an entrepreneur should be a risk taker while 45.5 % of students, 36.25 % of professionals and 13.7 % of entrepreneurs also agree with the same factor and 8 % of students, 17.5 % of professionals and 8.22 % of entrepreneurs somehow feels that An entrepreneur should be a risk taker.

Table 5: Relevant education is necessary for becoming an entrepreneur.

Views of respondents	Students	Professionals	Entrepreneurs
Strongly Agree	162 (81 %)	139(86.87 %)	44 (60.27 %)
Agree	34 (17 %)	23 (14.37 %)	22 (30.14 %)
Somehow	02 (1 %)	04(2.5 %)	03 (4.11 %)
Disagree	02 (1 %)	11(6.87 %)	02 (2.74%)
Strongly Disagree	00 (0 %)	03 (1.87 %)	02 (2.74 %)
Total	200	160	73

Above table shows that 81 % of students, 86.87 % of professionals and 60.27% of entrepreneurs strongly feels that Relevant education is necessary

for becoming an entrepreneur while 17% of students, 14.37 % of professionals and 30.14 % of entrepreneurs also agree with the same factor and 1% of students, 2.5 % of professionals and 4.11 % of entrepreneurs somehow feels that Relevant education is necessary for becoming an entrepreneur.

Table 6: Formulation of an entrepreneurial ecosystem by the government and Easy access to the policies of the government helps in becoming an entrepreneur.

Views of respondents	Students	Professionals	Entrepreneurs
Strongly Agree	153 (76.5%)	126 (78.75 %)	61 (83.56 %)
Agree	31 (15.5 %)	29 (18.12 %)	09 (12.32 %)
Somehow	11 (5.5 %)	04(2.5 %)	02 (2.74 %)
Disagree	03 (1.5 %)	01(0.62 %)	01 (1.37 %)
Strongly Disagree	02 (1 %)	00 (0 %)	00 (0 %)
Total	200	160	73

Above table shows that 76.5 % of students, 78.75 % of professionals and 83.56 % of entrepreneurs

strongly feels that Formulation of an entrepreneurial ecosystem by the government and Easy access to the policies of the government helps in becoming an entrepreneur while 15.5 % of students, 18.12 % of professionals and 12.32 % of entrepreneurs also agree with the same factor and 5.5 % of students, 2.5 % of professionals and 2.74 % of entrepreneurs somehow feels that Formulation of an entrepreneurial ecosystem by the government and Easy access to the policies of the government helps in becoming an entrepreneur.

Table 7: Hand on pre entrepreneurial training is also required for becoming the successful entrepreneur.

Views of respondents	Students	Professionals	Entrepreneurs
Strongly Agree	111 (55.5 %)	139 (86.87 %)	51 (69.86 %)
Agree	42 (21 %)	19 (11.87 %)	11 (15.07 %)
Somehow	38 (19 %)	02 (1.25 %)	06 (8.22 %)
Disagree	05 (2.5 %)	00 (0 %)	03 (4.11 %)
Strongly Disagree	04 (2 %)	00 (0 %)	02 (2.74 %)
Total	200	160	73

Above table shows that 55.5 % of students, 86.87 % of professionals and 69.86 % of entrepreneurs strongly feels that Hand on pre entrepreneurial training is also required for becoming the successful entrepreneur while 21 % of students, 11.87 % of professionals and 15.07 % of entrepreneurs also agree with the same factor and 19 % of students, 1.25 % of professionals and 8.22 % of entrepreneurs somehow feels that Hand on pre entrepreneurial training is also required for becoming the successful entrepreneur.

Conclusion

Entrepreneurship is considered as the foundation of the economic development and hence the government of India has therefore introduced large number of policies to support the entrepreneurship development among the citizen of India. In our research paper, various factors and policies introduced by the government of India that could foster the enthusiasm among the citizens of India for becoming the entrepreneur are taken into consideration. Relevant education, support from the government and networking among the developing and the developed entrepreneurs is very much important for the aspiring entrepreneurs of India. Government of India has implemented various policies for the factors discussed above as we have seen in the literature section of this research paper.

From our study wherein the information has been gathered from the students, professionals and the entrepreneurs it can be concluded that investment and funding support from the government bodies and precise choice of the product or services act as the decisive factors for becoming the entrepreneur. Innovative ideas, start up motives, risk taking ability of an individual is also very much important for becoming an entrepreneur. Similarly, formulation of an entrepreneurial ecosystem by the

government and Easy access to the policies of the government and hand on pre entrepreneurship training would definitely help in becoming an entrepreneur.

References

Entrepreneurship Development and Management
by Dr. A.K. Singh, Laxmi Publication, 2009

Management and Entrepreneurship by N. V. R.
Naidu, I. K. International Pvt Ltd, 2010

<http://www.msde.gov.in>

<https://en.wikipedia.org/wiki/Entrepreneurship>

[https://en.wikipedia.org/wiki/Entrepreneurship#Un
certainty_Perception_and_Risk-taking](https://en.wikipedia.org/wiki/Entrepreneurship#Uncertainty_Perception_and_Risk-taking)

Khan, F., K. Munir, and H. Willmott 2007 'A Dark
Side of Institutional Entrepreneurship: Soccer
Balls, Child Labour and Postcolonial
Impoverishment'. *Organization Studies* 28/7:
1055—1077.

Shane, S. (2000). "THE PROMISE OF
ENTREPRENEURSHIP AS A FIELD OF
RESEARCH.". *Academy of Management
Review*. 25 (1): 217–
226. Doi:10.5465/AMR.2000.2791611