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Opportunity for Startups and Entrepreneurship

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Abstract: *Economy of a country is characterized by its number of enterprises established and are successful. Various entrepreneurs create new organizations, utilize new methods, bring in new products to satisfy unfilled demands, and correct market deficiency. Entrepreneurial entry also heightens competitions and forces incumbents to be more innovative and productive. Long-run economic growth and job creation will not happen without a continuous supply of new, innovative enterprises.*

I. ENTREPRENEURIAL CREATION AND THE QUALITY OF GOVERNMENT

This section discusses how gauge related to government quality and government influence might facilitate or impede entrepreneurial formation. Government could promote entrepreneurship by securing property rights; easing entry procedures and reducing the cost of entry; facilitating the exchange of information; and providing start-up financing. On the other hand, certain government policies impede new venture creation. Indian government has undertaken several enterprises and instituted policy measures to foster a culture of innovation and entrepreneurship in the nation. Job creation is a foremost obstacle facing India. With a significant and distinctive demographic upper hand, India, however, has enormous potential to innovate, raise entrepreneurs and create jobs for the welfare of the nation and the world. In the recent years, the Government of India has created a wide spectrum of new programmes and opportunities to nurture innovation across a number of fields. From engaging with academia, industry, investors, small and big entrepreneurs, non-governmental organizations to the most underserved sections of society. Perceiving the importance of women entrepreneurship and economic input in validating the country's growth and prosperity, Government of India has ensured that all policy initiatives are acting towards enabling equal encounters for women. The government seeks to bring women to the forefront of India's entrepreneurial ecosystem by providing access to loans, networks, markets and trainings.

A. A few of india's efforts At promoting Entrepreneurship And Innovation are

- 1) **Startup India:** Through the Startup India initiative, Government of India promotes entrepreneurship by mentoring, nurturing and facilitating startups throughout their life cycle. Since its launch in January 2016, the initiative has successfully given a head start to numerous aspiring entrepreneurs. With a 360 degree approach to enable startups, the initiative provides a comprehensive four-week free online learning program, has set up research parks, incubators and startup centres across the country by creating a strong network of academia and industry bodies. More importantly, A 'Fund of Funds' had been introduced to help startups gain access to funding. At the core of the initiative is the effort to build an ecosystem in which startups can innovate and excel without any barriers, through such mechanisms as online recognising startups, Startup India Learning Programme, Facilitated Patent filing, Easy Compliance Norms, Relaxed Procurement Norms, incubator support, innovation focused programmes for students, funding support, tax benefits and addressing of regulatory issues.
- 2) **Make in India:** Designed to transform India into a global design and manufacturing hub, the Make in India initiative was implemented in September 2014. It came as a powerful call to India's citizens and business leaders, and an invitation to potential partners and investors around the world to overhaul out-dated processes and policies, and centralize information about opportunities in India's manufacturing sector. This has led to renewed confidence in India's capabilities among potential partners abroad, business community within the country and citizens at large. The plan behind Make in India was one of the largest undertaken in recent history. Among several other measures, the initiative has ensured the replacement of obsolete and obstructive frameworks with transparent and user-friendly systems. This has in turn helped procure investments, foster innovation, develop skills, protect intellectual property and build best-in-class manufacturing infrastructure.
- 3) **Atal Innovation Mission (AIM):** AIM is the Government of India's ventures to improvise a culture of innovation and entrepreneurship, and it serves as a platform for promotion of superior -star Innovation Hubs, Grand Challenges, start-up businesses and other self-employment activities, particularly in technology driven areas. In order to foster

curiosity, creativity and imagination right at the school, AIM recently launched Atal Tinkering Labs (ATL) across India. ATLs are workspaces where students can work with tools and equipment to gain hands-on training in the concepts of STEM (Science, Technology, Engineering and Math). Atal Incubation Centres (AICs) are another programme of AIM created to build innovative start-up businesses as scalable and sustainable enterprises. AICs provide impressive-star incubation provisions with appropriate physical infrastructure in terms of capital equipment and operating facilities. These incubation centres, with a presence across India, provide access to sector experts, business planning support, seed capital, industry partners and trainings to encourage innovative start-ups.

- 4) *Support to Training and Employment Programme for Women (STEP)*: STEP was inaugurated by the Government of India's Ministry of Women and Child Development to up skill women with no access to formal skill training means, especially in rural India. The Ministry of Skill Development & Entrepreneurship and NITI Aayog recently redrafted the Guidelines of the 30-year-old initiative to improvise to present-day needs. The initiative reaches out to all Indian women above 16 years of age. The programme imparts skills in several sectors such as agriculture, horticulture, food processing, handlooms, traditional crafts like embroidery, travel and tourism, hospitality, computer and IT services.
- 5) *Jan Dhan- Aadhaar- Mobile (JAM)*: JAM, for the first time, is a technological intervention that enables direct transfer of subsidies to intended beneficiaries and, therefore, eliminates all intermediaries and leakages in the system, which has a potential impact on the lives of millions of Indian citizens. Besides serving as a vital check on corruption, JAM provides for accounts to all underserved regions, in order to make banking services accessible down to the last mile.
- 6) *Digital India*: The Digital India initiative was implemented to revolutionize the Indian economy to makes all government services available electronically. The initiative aims to transform India into a digitally empowering society and knowledge economy with universal access to goods and services. Given historically poor internet penetration, this initiative aims to make available high-speed internet down to the grassroots. This program aims to improve citizen participation in the digital and financial space, make India's cyberspace safer and more secure and improve ease of doing business. Digital India hopes to achieve equity and efficiency in a country with immense diversity by making digital resources and services available in all Indian languages.
- 7) *Biotechnology Industry Research Assistance Council (BIRAC)*: BIRAC is a not-for-profit Public-Sector Enterprise, set up by Department of Biotechnology to strengthen and empower emerging biotechnology enterprises. It aims to embed strategic research and innovation in all biotech enterprises, and bridge the existing gaps between industry and academia. The ultimate goal is to develop high-quality, yet affordable, products with the use of cutting-edge technologies. BIRAC has initiated partnerships with several national and global partners for building capacities of the Indian biotech industry, particularly start-ups and SME's, and has facilitated several rapid developments in medical technology.
- 8) *Department of Science and Technology (DST)*: The DST comprises several arms that work across the spectrum on all major projects that require scientific and technological intervention. The Technology Interventions for Disabled and Elderly, for instance, provides technological solutions to address challenges and improve quality of life of the elderly in India through the application of science and technology. On the other hand, the *ASEAN-India Science, Technology and Innovation* Cooperation works to narrow the development gap and enhance connectivity between the ASEAN countries. It encourages cooperation in science, technology and innovation through joint research across sectors and provides fellowships to scientists and researchers from ASEAN member states with Indian R&D/ academic institutions to upgrade their research skills and expertise.
- 9) *Stand-Up India*: Launched in 2015, Stand-Up India seeks to leverage institutional credit for the benefit of India's underprivileged. It aims to enable economic participation of, and share the benefits of India's growth, among women entrepreneurs, Scheduled Castes and Scheduled Tribes. Towards this end, at least one woman and one individual from the SC or ST communities are granted loans between Rs.1 million to Rs.10 million to set up greenfield enterprises in manufacturing, services or the trading sector. The Stand-Up India portal also acts as a digital platform for small entrepreneurs and provides information on financing and credit guarantee.
- 10) *Trade related Entrepreneurship Assistance and Development (TREAD)*: To address the critical issues of access to credit among India's underprivileged women, the TREAD programme enables credit availability to interested women through non-governmental organizations (NGOs). As such, women can receive support of registered NGOs

in both accessing loan facilities, and receiving counselling and training opportunities to kick-start proposed enterprises, in order to provide pathways for women to take up non-farm activities.

- 11) *Pradhan Mantri Kaushal Vikas Yojana (PMKVY)*: A remarkable step taken by the Ministry of Skill Development & Entrepreneurship (MSDE), this is a Skill Certification initiative that aims to train youth in industry-relevant skills to enhance opportunities for livelihood creation and employability. Individuals with prior learning experience or skills are also assessed and certified as a Recognition of Prior Learning.
- 12) *National Skill Development Mission*: Set in motion in July 2015, the mission main aim is to build synergies across sectors and States in skilled industries and initiatives. With a vision to build a 'Skilled India' it is designed to expedite decision-making across sectors to provide skills at scale, without compromising on quality or speed. The seven sub-missions recommended in the starting phase to guide the mission's skilling efforts across India are: (1) Institutional Training (2) Infrastructure (3) Convergence (4) Trainers (5) Overseas Employment (6) Sustainable
- 13) *Science for Equity Empowerment and Development (SEED)*: the main aim of SEED is to bestow favourable circumstances to predetermined scientists and field level workers to undertake action-oriented, location specific projects for socio-economic gain, particularly in rural areas. Efforts have been made to associate national labs and other specialist S&T institutions with innovations at the grassroots to enable access to inputs from experts, quality infrastructure. SEED focuses on equality in development, so that the advantages of technological enlarge to a vast section of the population, particularly the underprivileged.

II. WAYS GOVERNMENTS CAN ENCOURAGE ENTREPRENEURSHIP

A. *Fostering The Growth Of Entrepreneurial Ecosystems*

Since past 35 years the level of government interested in enterprise and small business evolution as promising solutions to increasing unemployment and economic growth . It helped to spawn a new field of academic study and research. This trend was boosted by the success the iconic "technopreneurs". Technology entrepreneurs such as Bill Gates (Microsoft), Larry Page and Sergey Brin (Google) , Jeff Bezos (Amazon),or Steve Jobs (Apple) have become the "poster children" of the entrepreneurship movement. One of the best known centres of high-tech entrepreneurial activity has been California's Silicon Valley. It is not the only place in which modernism and enterprise have prospered, it has served as a epitome for many governments seeking to encourage economic growth. In today's time technology parks can be found scattered around the world. They usually follow a similar format, with universities and R&D centres co-located with the park, and venture financiers hovering nearby looking for deals. Most have been financed by government plans. What governments want is to imitate Silicon Valley and establish and develop it of what have been described as "entrepreneurial ecosystems". However, despite significant investments by governments into such initiatives, their overall success rate is mixed.



III. KEY RECOMMENDATIONS FOR GOVERNMENT POLICY

- A. *Prioritizing the Formation of Entrepreneurial Activity by Government* – The formulation of effective policy for entrepreneurial ecosystems requires the active involvement of Government Ministers working with senior public servants who act as ‘institutional entrepreneurs’ to shape and empower policies and programs.
- B. *Broadly focused Government Policies*–Government should develop the policies that is comprehensive and circumscribe all components of the ecosystem rather than seeking to ‘cherry pick’ areas of special interest.
- C. *Allow For Natural Growth Not Top-Down Solutions* – Build from existing industries that have formed naturally within the region or country rather than seeking to generate new industries from green field sites. Ensure all industry sectors are considered not just high-tech – Encourage growth across all industry sectors including low, mid and high-tech firms
- D. *Serve Leadership But Delegate Accountability And Ownership* – Adopt a ‘top-down’ and ‘bottom-up’ approach devolving responsibility to local and regional authorities
- E. *Develop policy That Addresses The needs of Both the Business and its Management team* – Recognise that small business policy is ‘transactional’ while entrepreneurship policy is ‘relational’ in nature.

IV. CONCLUSION

An entrepreneur creates new business organizations to identify market opportunities, carry out new combinations of the productive elements, and actively engage in risk taking. In doing so, the entrepreneur invents new products and new business processes to fulfil market deficiencies and arbitrage away any inefficiency. The innovative nature of entrepreneurship thus dictates that it is the fundamental engine for economic growth. The Indian government has introduced over 50+ startup schemes in past few years. Each startup scheme is missioned towards boosting the Indian startup ecosystem.

Consider this: Approximately 4,400 technology startups exist in India and the number is expected to rise above 12,000 by 2020. India is also at third place behind US and Britain in terms of the number of startups. Furthermore, in line with its international counterparts, India has its own billion dollar club to boast about. This includes startups like Flipkart, Snapdeal, Ola, InMobi, Hike, MuSigma, Paytm, Zomato, and Quikr. Fintech startup MobiKwik too looks to join the unicorn club, with the next \$100 Mn funding raise. In the past 18 months, the Indian Government has come up with a wide array of startup policies and startup funds to encourage launch and growth of startups in the country. However, of the many initiatives, only a few such as Fund of Funds, Tax exemption, gain hype across the startup community. These startup policies have been introduced over a period of time and many of these were introduced before the launch of Startup India plan. But most of the startups are either not aware of these different schemes or do not have a clear idea on how to avail them.

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