

A Study of government's Incentives towards Budding Entrepreneurs

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Abstract:

Entrepreneur is an answer to overcome unemployment in an economy like India where opportunities are huge but awareness of government initiative and subsidies granted by government to assist budding entrepreneurs in India is less. It also tries to address key issues and opportunities present for entrepreneurs in developing economy by highlighting the initiative taken by government from time to time such as Stand-up India, Start-up India and Make in India. India is currently facing many problems like poverty, illiteracy, less employment opportunities and many more. Entrepreneurs could be the solution of all such problems. Government of India has already launched many schemes and if we discuss about Start-up India then Start-up India was launched on 16th January 2016 by our Honourable Prime Minister. Shri Narendra DamodardasModi. Aim of this scheme was to help start-ups and catalyse entrepreneurship and their objective is to generate employment opportunities, economic development, motivate youth of India for Entrepreneurship.

Keywords: entrepreneur, government incentives, digital India, Start-up India

Introduction

Literate and skilled population is the foundation stone of growing economy. The Ministries of the Government of India have come up with various incentives from time to time. These incentives could be either Central, state specific or collaboration between the Centre and the states to help new start-ups. Incentive is something that motivates an organization, group or an individual to start their ventures which creates job for others. India is a country with lots of resources but it is just the matter of using them in effective and efficient manner. Government understands the way to use them and that is to produce more and more entrepreneurs so that they can use local resources. In the current scenario, when government is promoting “Atmanirbhar Bharat” & “Local for Local” campaign. Entrepreneurship is the answer of many question that country like India is needed the most. The IMF has said that the Indian economy will bounce back in 2021 with a development pace of 8.8 percent. India will recapture its situation as the quickest developing arising economy in 2021. India can do far better than this as it is considered to be one of the youngest nation because large number of population is in between age group of 20-35 years.

India need to grab all the possible opportunities with both hands as this young country tag will not be forever. India is a developing country. India's economy is the fifth largest on the planet with a GDP of \$2.94 trillion, surpassing the UK and France in 2019 to take the fifth spot. When developed nations was growing by 2-3 % India was focused on breaching 7.5% in 2018. Most of the nations want to do business in India as everyone is aware with resources that India is having. Government of India want to create a favourable environment for them to do business and got a lot of good outcomes for their steps in the form of ease of doing business. From 142th rank in 2014 to 63rd rank in 2020. Government is working very rapidly on their infrastructure and making rules more liberal & favourable. Infrastructure is the basic thing that should be good enough to attract investors. But government is not only focusing on foreign investors but also the budding entrepreneurs who exist in the domestic boundaries of the nation. Government took many initiatives in the name of Start-up India, Stand-up India, Atal Innovation Mission, and many more to promote or to give assistance to them. Entrepreneurs are job creators and government want people to become job creators. Small scale industries is the backbone of India and now government is focusing to make strong base of an economy by making India as an Global Manufacturing Hub.

Review of Literature

S. No	Year	Name of the Author	Title of Research paper	Name of Journal	Findings of Research Paper
1	2005	Mohanti, Sangram Keshari	Fundamentals of Entrepreneurship	PHI Learning	<ul style="list-style-type: none"> • Entrepreneurship is being explained step by step as it is very complex • Researcher examined on giving help to potential business visionaries to set up and effectively deal with their own independent business.
2.	2015	Vivek, Tharaney	A study of educational entrepreneurship in the field of higher technical education in the state of Rajasthan	Maharshi Dayanand Saraswati University	<ul style="list-style-type: none"> • In a country with more entrepreneurs, there is more employment, thus justifying the technical education's need and relevance. Without an expanding business sector, the technical education cannot survive.
3.	2005	Clemen, Ronal W.&Lal, Anil k.	Economic development in India: The role of individual enterprise and entrepreneurial spirit	Asia-Pacific Development Journal	<ul style="list-style-type: none"> • India can create extra financial development by cultivating innovative action inside its border. • India should now give instruction explicitly about innovative aptitudes, financing of enterprising endeavors and systems administration among likely business visionaries.
4.	2014	Kumari, Indira	A study on entrepreneurship development process in India	Indian Journal of Research	<ul style="list-style-type: none"> • Entrepreneurs creates economic destiny of nations • Entrepreneurs creates competition in market • EDP enhances skills
5.	2014	Abhyanka, Ravindra	The government of India's role in promoting innovation through policy initiatives for entrepreneurship development –	Technology Innovation Management Review	<ul style="list-style-type: none"> • Government of India established National Innovation Council • This research tells about current innovation environment and challenge it faces • With the help of government policies entrepreneurs can make change to the whole of the

			Technology innovation management research		economy
6.	2020	Gupta, Ashish and Goel, Puja and Kumar Singh, Vinod and Tandon, Anushree	Impact of digitisation on entrepreneurial ecosystems: an Indian perspective	International Journal of Business and Globalisation	<ul style="list-style-type: none"> The advancement of India's beginning up base has been the subject of much conversation because of its foreseen consequences on the whole economy. The goal of this paper - is to consider the effect of digitisation on the pioneering environment in India, combined with the ascent of computerized business visionaries particularly, in setting of new companies.
7.	2014	Haldar, O.P. & Jewlikar, Sarang S.	Effectiveness of EDP conducted by Maharashtra center for entrepreneurship development in creating entrepreneurs	Effectiveness of EDP conducted by Maharashtra center for entrepreneurship development in creating entrepreneurs	<ul style="list-style-type: none"> It is very important to look that how many persons starts their venture after EDP The core aim of EDP is to prepare the EDP trainee an job creators
8.	2013	Aggarwal, Anil	Performance appraisal of rural entrepreneurship development programs	International Journal of Management & Business studies	<ul style="list-style-type: none"> The main objective of this research is to make easy to understand the history of entrepreneurship, its development stages Women also contributing in boosting economy by starting their ventures
9.	2013	Shrivastava, Roopal & Shrivastava, Sangya	Role of entrepreneurship in economic development with special focus on necessity entrepreneurship and opportunity entrepreneurship	International Journal of Management & Social Sciences Research	<ul style="list-style-type: none"> Research shows that impacts of need and opportunity business on financial development and improvement is high. Need entrepreneurship has no impact on financial turn of events. Opportunity new business venture has a positive and huge impact.
10.	2012	Pramod, Kalam and Bhavsar, Sunil	A study of entrepreneurship development in small-scale industries with special reference to Beed district in Maharashtra India	Educational research and multimedia publication	<ul style="list-style-type: none"> These (Customer, Land, Raw Material and closest commercial center) are having significant part in business venture improvement in private company. This research shows the importance of entrepreneurship in development of small businesses
11.	2011	Glaub,	A critical review	Enterprise	<ul style="list-style-type: none"> The researcher showed 30

		Matthias	of the effects of entrepreneurship trainings in developing countries	Development and Microfinance	distributed and unpublished researches that broke down 10 diverse business venture preparing programs in developing nations like India & China. <ul style="list-style-type: none"> • Researcher used sound methodologies
12.	2019	Upasana	Rural Entrepreneurship - Scope And Challenges	Journal Global Values	<ul style="list-style-type: none"> • Rural entrepreneurship holds a lot of potential of inclusive development through generation employment. • The challenge is to motivate and involve rural people to take up these ventures
13.	2016	Jetain	The role and contribution of development banks in entrepreneurship promotion in India	Maharshi Dayanand University	<ul style="list-style-type: none"> • “Development banks and the new entrepreneurship in India” gave birth to an idea to study not only the relationship between ‘development banks and the entrepreneurship’ but also the role and contribution of the former in the promotion of the latter. • Complementing the efforts of development financial institution at all India level.
14.		Manshani, Sapna and Dubey, Anjna	Start-up women in start-up India: A study of women entrepreneurs in India.	International Journal of Business and General Management (IJBGM)	<ul style="list-style-type: none"> • As the climate is changing quick, speculators begin contributing on lady initiative, and their commitment in monetary improvement is additionally being perceived and increment at an impressive rate. • Start-up India, a stand-up India activity by government to advance the way of life of business venture by instructing ladies about their shrouded possibilities and qualities through pioneering direction programs, spreading mindfulness and cognizance among ladies to upstage in the field of business by their inventive and imaginative thoughts, causing them to understand their significant situation in the general public and how they can add to the whole economy of the nation.

15.	2017	HarisAbrar, Kashmiri and Rubeena, Akhter	Promoting entrepreneurship through government policy: A study of budding entrepreneurs at Jammu & Kashmir Entrepreneurship Development Institute (JKEDI), State'S Premier entrepreneurship development institute	International Journal of Research in Social Sciences	<ul style="list-style-type: none"> • A place like Jammu & Kashmir had a very dark history in which it showed that some of the youth of Jammu & Kashmir deviated from success due to many reasons. • Entrepreneurship can be the solution and as government also promoting that can lead to good opportunities for the youth. • Employment can lead them to better life and better future. • Government has formed many policies with which youth can take help and start some start-ups and can create jobs for other youth.
16.	2020	Kumar Singh, Vijay	Policies and regulatory changes for a successful start-up revolution: Experiences from the start-up action plan in India.	ADBI working paper series	<ul style="list-style-type: none"> • There is a more noteworthy requirement for set up organizations to handhold the new companies and energize them through mentorship, hatching, and monetary help, making their job in the current biological system of business. Individuals ought not to see the start-up unrest as a prevailing fashion. • It is uplifting news that the start-up environment so far has performed well as per the SAP. Rising quantities of soon unicorns (new companies that can possibly turn into unicorns soon) and unicorns (new companies with an incentive over a billion US dollars) in India are witnesses.

Objective of the study

To know the benefits of government incentives for job creators. It also studies about the government support for job creators i.e. Entrepreneurs.

Research Methodology

The research paper is descriptive in nature and based upon the secondary data which has been collected from different sources i.e. many government sites, newspaper, magazines, and other agencies.

Analysis

Start-up India

Start-up is nothing but a hope for the dream of billions of people who wants to start their ventures and Government of India fulfilled the hope of those peoples by launching the scheme of **STARTUP INDIA** under the guidance of our Honourable Prime Minister Shri Narendra Damodardas Modi on 16th January 2016. This scheme was organized by The Department of Industrial Policy and Promotion (DIPP).It implies a substance which is consolidated India not more than five years and the yearly turnover not surpassing Rs.25cr. in any monetary year. This plan gives help to advancement, improvement, arrangement, or commercialization of new items and administrations. This plan was made to construct a solid eco-framework for supporting development and engaging Start-ups in the nation.

Components of Start-up India

1. Compliances based on Self-Certification:- This initiative has been taken to reduce the burden on start-ups so that they can focus on their business rather than other things to maintain their cost low.
2. Start-up India hub: - Government to set up a Start-up India Hub which will be a solitary purpose of contact for Start-ups. Such centre will empower information trade by teaming up with different partners, for example, the Central and State Governments, lawful accomplices, experts, colleges, R&D establishments and aid the financing cycle.
3. Providing funding support to start-ups: - The government of India planned to provide Rs.2500cr. per year and a total amount of Rs.10000cr. over a period of four years.
4. Credit Guarantee Fund for Start-ups: - To support banks and different moneylenders to give adventure obligations to new businesses, credit ensure system through National Credit Guarantee Trust Company (NCGTC)/SIDBI is being considered with the financial plan of Rs.500cr. every year for the following 4 years.
5. Tax exemption on capital gains: - This was to advance interests into Start-ups. The Government of India chose to give charge exception to the individuals who have capital

increases during the year and have put such capital additions in the assets of assets perceived by the public authority.

6. Tax exemption to start-ups for 3 years: - Government also assure start-ups that they do not have to give any tax to the government for a period of 3 years.

And there are many other things that government is providing to budding entrepreneurs and assisting them in several ways as it is very easy to get registered for start-ups through mobile application launched by government.

India is one of the youngest nation in this world right now so government want youth to help nation to find its real place in the world with the help of strong economic condition. That is why government of India focusing on entrepreneurs as they know that entrepreneurs is the solution of many problems that India is currently facing.

Make in India

Make in India is a concept in which government tried to attract the foreign companies to setup their plant in India for their production so that employment opportunities become high for youth of India. Make in India concept is not a new concept in India. There was another concept just like the Make in India called “Swadeshi Movement” in 1905 to 1911. Make in India was launched on 25th September 2014 under the guidance of our Honourable PM. Shri Narendra Damodardas Modi. PM Modi wants to transform our nation to Global Manufacturing Hub. To make India a Global Manufacturing Hub, our PM visited many and countries and met with many CEOs and top level management to attract them to setup their plant in India. He is also trying to convince other nations to share new technique with India so that we also can use and save our resources in effective and efficient manner.

The Make in India initiative is depended on 4 pillars that can help India to boost their economy by assisting entrepreneurs in India. It is not just limited to manufacturing sector but also other sectors. Four pillars of this concept are:-

- **New Processes:** Ease of doing business is the main factor in Make in India to promote entrepreneurship. Government of India also changed many rules to make them more liberal for companies.
- **New Infrastructure:** If a country want to be developed then that country have to build strong infrastructure. Make in India is a concept in which industries are being invited and if companies setup their plant at one place then problems of many people get solved of that particular area. Government also introduced the list of SMART CITIES.
- **New Sector:** Twenty Five areas in manufacturing, infrastructure, and service activities has distinguished in Make in India and other data is being shared through web-based interface. Unfamiliar Direct Investment has been opened up in guard Production, development and railroads framework amazingly.

- New Mind-set: In the list of ease of doing business in the world, India was very backward but this government made rules very liberal and currently India jumped with 30 points to get in the club of top 100 countries. The government want to work as a facilitator not as regulator.

Atal Innovation Mission (AIM)

Government of India is trying to promote a culture of innovation and entrepreneurship and for which government took another step in the name of Atal Innovation Mission consist of Self-employment and Talent Utilization (SETU) on 11August 2017 under the guidelines of NITI Ayog. Atal Innovation Mission has also selected 1500 school across the country to establish Atal Tinkering Labs (ATLS) that will help to encourage innovative thinking among the students.

From the begging of this mission, 2441 schools became the part of this mission. The schools were selected from 2500 application. This will give boost to achieve its main objective to make one million children new innovators in India.

Objective

- Its objective is to promote new programs and policies for innovation in different in other sector of economy.
- It helps entrepreneurs to get the platform and collaboration opportunities for different stakeholders and creates awareness among them.
- It also creates umbrella structure to oversee innovation ecosystem of the country.

Atal Innovation Mission scheme include Atal Tinkering Labs and Atal Incubation Centres (AICs) for providing assistance to establish Incubation Centres.

Digital India

Digital India is a concept which is being introduced by the Indian government to transform India into digital empowered society and an economy well aware with technology. It was launched on 1st July 2015 to provide the services to the citizens electronically by improving the online infrastructure and by increasing Internet connectivity. Government wants to give their services to people electronically.

Digital India is beneficial to both small and large enterprise .This concept will give immense of job opportunities. It will help things to be done easily. It will also help to reduce the crime if implemented on whole and it will also deduce the documentation.

Government of India wants to add Indian Talent (IT) to Information Technology (IT) to make India Tomorrow (IT). Umbrella programme will also cover many departments.

Credit Guarantee

Government of India created this fund for Micro and Small Enterprises (CGTMSE) has dispatched this interesting Government plan to give helping hand to instructive establishments, retailers, ranchers, self-improvement gatherings, and SMEs.

Fundamentally, the Credit Guarantee plot has been dispatched to ease credit conveyance framework, as assurance conceal to 85% is given to the SMEs to advances in the name of loan up to Rupees Five lakh.

Conclusion

From the above discussion it has been found that government has provided various incentives to the entrepreneurs for the creation of the jobs. So that the unemployment rate may decrease and the growth in the Indian economy can take place at high rate. All the above mentioned schemes like Digital India, Make in India, Start-up India and many more provides assistance to the job creators in India to provide job opportunities. In the conclusion we found that entrepreneurship development is the solution of many related question of economy like India which is a developing nation.

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