

EXAMINING THE ROLE OF GOVERNMENT POLICY IN ENTREPRENEURSHIP DEVELOPMENT

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ABSTRACT

In an effort to increase the overall number of company start-up programs, venture capital funding, and investments in innovation, enterprise development is often the first strategy to be considered. It aims to identify networks of entrepreneurs and provide a means to encourage the growth of such networks on regional, national, and international scales. The role of the government in encouraging entrepreneurial spirit is crucial. In order to facilitate the acceleration and adoption of changes in industrial growth, the government established programs to assist entrepreneurs in the areas of technique, finance, market, and entrepreneurial development. To achieve this goal, the federal and state governments established a number of institutions.

Keywords: Government policy, Entrepreneurs, Development,

I. INTRODUCTION

One of the most important factors in determining a country's economic future is the degree to which its government supports entrepreneurial endeavors. When governments foster an atmosphere that rewards risk-taking, innovation, and company development, entrepreneurship flourishes—a phenomenon widely recognized as a key driver of economic growth and employment creation. Individuals are able to launch entrepreneurial endeavors with the support and framework provided by government policies, which act as the framework around which entrepreneurship is built. Inspiring new ideas, employing people, and boosting national income are all outcomes of entrepreneurial endeavors, which in turn shape a country's economic landscape. A variety of policies have been put in place by governments throughout the globe to encourage and support entrepreneurial activity, as they have come to recognize the transformative power of entrepreneurship.

The availability of capital is a cornerstone of government programs aimed at fostering entrepreneurial spirit. The acquisition of initial and ongoing funding is a common source of stress for entrepreneurs. In order to help prospective entrepreneurs convert their original ideas into sustainable business endeavors, the government offers funding incentives, grants, and subsidies. Also, banks may be enticed to lend to SMEs with lower collateral requirements or more favorable interest rates, which would be great for entrepreneurship.



Another important factor that shapes the entrepreneurial landscape is the government's regulatory framework. Businesses may find it difficult to get off the ground and expand due to overly bureaucratic processes and complicated regulatory frameworks. When governments simplify and streamline regulations, it makes administrative procedures easier for businesses to traverse. A culture of entrepreneurship may flourish in an atmosphere where regulations are clear and businesses are welcome to take risks, drawing in investors from across the world. Policies enacted by governments to encourage entrepreneurial activity often include monetary and regulatory incentives as well as programs to improve citizens' educational backgrounds and professional abilities. With the help of government programs, schools can do a lot to encourage kids to think like entrepreneurs. Students who participate in entrepreneurial education programs get the background they need to seize opportunities, mitigate threats, and realize their wildest dreams. In addition, people may get practical insights via vocational training programs and seminars, which can help them prepare for the obstacles and uncertainties of entrepreneurship.

The government's support systems for startups go beyond just getting the ball rolling; they also include things like helping businesses expand and stay in business. With the help of government-backed programs, innovation hubs, accelerators, and incubators provide a supportive setting for businesses by way of mentoring, networking, and shared resources. In addition to helping individual companies expand, these systems also aid in the formation of a thriving entrepreneurial environment. It is also very important for government policy to promote diversity and inclusion in the entrepreneurial ecosystem. Opportunities may be created for underrepresented groups, such women and minorities, via affirmative action programs and other policies that encourage diversity and inclusion in entrepreneurship. Governments should promote social and economic justice by removing prejudices and obstacles to entrepreneurship so that people from all walks of life can reap its advantages.

Public procurement rules are another tool that governments may use to encourage entrepreneurship. Small and medium-sized enterprises (SMEs) and startups may be given a fair chance to compete and innovate by having a share of government contracts set aside for them. By creating a stable market for new companies' wares, this strategy does double duty: it boosts economic development and inspires entrepreneurs. Government policies in one country must take worldwide repercussions into account due to the globalized character of modern economy. In order to encourage entrepreneurship, governments should work to create conditions that are favorable to international commerce and cooperation. New opportunities for entrepreneurs to investigate and extend their enterprises outside national boundaries may be created by trade policies that lower barriers to entry for firms in the global market and diplomatic initiatives to establish international relationships. Although there is no denying that government policies have a favorable effect on entrepreneurial growth, the difficulties and risks that may arise must also be recognized. A lack of flexibility to respond to shifting economic conditions, uneven policy execution, and excessive regulation may all put a damper on entrepreneurial efforts. Maintaining a steady course of policy review and change is necessary to strike the delicate balance between offering assistance and preventing excessive involvement.

II. ROLE OF GOVERNMENT IN PROMOTING ENTREPRENEURSHIP

An essential part of the government's responsibility is to foster an entrepreneurial spirit. Numerous organizations have been established to encourage entrepreneurship by both the federal and state governments. Those people are:

- The country's policies for the growth of small-scale enterprises are developed by the Small enterprises Development Organization (SIDO). Encouragement of rural business is bolstered by this program.
- In order to enhance the industry's managerial performance, the Management Development Institute (MDI) runs management development programs.
- Twelve separate institutions and centers for entrepreneurship development at the state level have been established with the assistance of the Entrepreneurship Development Institute of India (EDI).
- The government receives advice on all matters pertaining to the small scale industry from the All India Small Scale Industries Board (AISSIB). It is responsible for deciding on policies and initiatives that will help small businesses grow.
- The many agencies participating in entrepreneurial development programs are overseen by the National Institution of Entrepreneurship and Small Business Development, often known as NIESBUD.
- Aiming to guide and organize training programs for small business owners, the National Institute of Small Industries Extension Training has developed curricula. For managers and small business owners, it provides workshops.
- Through its marketing network, National Small enterprises Corporation Ltd. (NSIC) offers a large market for the goods of small enterprises. Additionally, it facilitates the export of goods from small units to other nations.

III. RECENT EFFORTS AT PROMOTING ENTREPRENEURSHIP

Startup India

The government of India encourages entrepreneurship via its Startup India program, which provides support to new businesses at every stage of their development. Many would-be business owners have benefited from the initiative's assistance since it began in January 2016. The project has established research parks, incubators, and startup centers nationwide via the creation of a robust network of academic and industrial entities, and it offers a thorough four-week free online learning curriculum as part of its complete approach to enabling entrepreneurs. The creation of a "Fund of Funds" to assist startups in obtaining capital is of paramount importance. Incubator support, student innovation programs, online startup recognition, the Startup India Learning Programme, easier patent filing, relaxed procurement norms, funding, tax benefits, and the resolution of regulatory issues are all part of the initiative's core goal of creating an environment where startups can thrive and innovate without obstacles.

Make in India

Launched in September 2014, the Make in India program aims to turn India into a major center for design and production on a global scale. It was a strong message to the people of India and their business leaders, as well as an open invitation to global investors and partners to modernize antiquated regulations and procedures and consolidate data on prospects in India's manufacturing sector. Because of this, both Indian and foreign businesspeople and residents have a fresh sense of faith in India's capacity to succeed. Make in India was one of the biggest plans that has been implemented recently. The program has made sure that there are open and user-friendly systems in lieu of old and obstructive ones, among other things. As a result, we have been able to attract investment, encourage innovation, train our workforce, safeguard our intellectual property, and construct world-class manufacturing facilities.

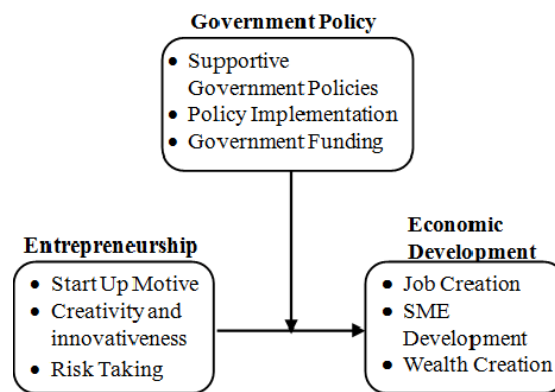


Figure 1: Entrepreneurship Development through Government Policies

Atal Innovation Mission (AIM)

The goal of the Indian government's AIM initiative is to encourage entrepreneurship and innovation by providing a forum for the launch of new ventures, challenges, and innovation hubs as well as other forms of self-employment, especially in sectors driven by technology. Recently, AIM established Atal Tinkering Labs (ATL) all throughout India to encourage students' natural curiosity, creativity, and imagination in the classroom. ATLs are classrooms that include STEM (Science, Technology, Engineering, and Mathematics) principles via practical application by providing students with access to a variety of tools and equipment. Another initiative of AIM, Atal Incubation Centers (AICs) help creative new companies get off the ground and running. When it comes to capital equipment and operational facilities, AICs provide incubation facilities that are on par with the best in the world. With locations all around India, these incubation facilities help creative new businesses get off the ground by connecting them with mentors, funding, industry connections, and trainings.

Support to Training and Employment Programme for Women (STEP)

In an effort to provide women, particularly those living in rural areas without access to traditional educational opportunities, the Indian government's Ministry of Women and Child



Development established STEP. To make it more relevant to today's demands, the guidelines of the 30-year-old project were recently revised by the Ministry of Skill Development & Entrepreneurship and NITI Aayog. Anyone a woman in India above the age of 16 is welcome to participate in the program. Skills in agriculture, gardening, food processing, handlooms, traditional crafts (such as embroidery), hospitality, tourism, computer science, and IT are among those that participants in the program will acquire..

Jan Dhan- Aadhaar- Mobile (JAM)

JAM is a groundbreaking technical intervention that might change the lives of millions of Indian residents by facilitating the direct distribution of subsidies to their intended users. This would remove middlemen and leakages in the system. To ensure that financial services are available to everybody, even in the most remote areas, JAM opens accounts in all underserved regions, which acts as a crucial check on corruption.

Digital India

Launched with the goal of modernizing the Indian economy, the Digital India program aims to make all government services accessible online. The eventual goal of the program is to make all of India's products and services accessible to everyone via a knowledge economy and a digitally empowered society. The goal of this program is to provide high-speed internet to the masses, which has been traditionally underserved. Making India's internet safer and more secure and making it easier for businesses to operate online are all goals of this initiative. By providing digital resources and services in all Indian languages, Digital India aspires to promote justice and efficiency in a nation with vast variety.

Biotechnology Industry Research Assistance Council (BIRAC)

In order to support and encourage new biotechnology businesses, the Department of Biotechnology established BIRAC, a non-profit public sector corporation. As a whole, it hopes to close the gap between academia and business by making strategic research and innovation a part of every biotech company. The end game is to leverage state-of-the-art technology to create items that are both high-quality and inexpensive. Initiating relationships with several national and international organizations, BIRAC has helped speed up medical technology advancements and strengthen the Indian biotech sector, especially start-ups and SMEs.

Department of Science and Technology (DST)

All important initiatives requiring scientific and technology involvement are handled by the various components of the DST. For example, the Technology Interventions for Disabled and Elderly program in India uses science and technology to help the elderly overcome obstacles and live better lives. Meanwhile, the ASEAN-India Science, Technology and Innovation Cooperation aims to link the ASEAN nations and reduce the development gap. It offers scholarships to researchers and scientists from ASEAN member nations to work with

R&D/academic institutions in India to improve their research abilities and knowledge, and it promotes collaboration in science, technology, and innovation via cross-sectoral research.

Trade related Entrepreneurship Assistance and Development (TREAD)

The TREAD initiative works with non-governmental organizations (NGOs) to make loans available to women who are interested, tackling a major problem with low-income women in India who lack access to traditional lending institutions. To help women transition out of agriculture and into non-farming occupations, registered NGOs may facilitate loans, as well as provide counseling and training to help launch new businesses.

Pradhan Mantri Kaushal Vikas Yojana (PMKVY)

This Skill Certification program is the brainchild of the Ministry of Skill Development & Entrepreneurship (MSDE) and its primary objective is to provide young people with the knowledge and abilities they need to become successful in today's job market. As a Recognition of previous Learning, we also evaluate and certify individuals who have previous learning experience or abilities. As part of this initiative, the government will pay for all training and assessment costs.

National Skill Development Mission

Initiated in July 2015, the mission seeks to foster collaboration across various sectors and states in relation to skilled industries and related activities. Building a "Skilled India" is the goal, and this plan aims to speed up and improve the quality of decisions made across industries so that more people can get the skills they need. Institutional training, infrastructure, convergence, trainers, overseas employment, sustainable livelihoods, public infrastructure leveraging, and seven sub-missions were suggested in the first phase to direct the mission's skilling activities throughout India.

Science for Equity Empowerment and Development (SEED)

SEED's mission is to help highly-motivated scientists and field workers in rural regions and beyond take part in location-specific, action-oriented initiatives that will have a positive social and economic impact. In an effort to facilitate access to expert inputs and quality infrastructure, efforts have been undertaken to link grassroots inventions with national laboratories and other specialized S&T organizations. To ensure that many people, especially those at a disadvantage, share in the advantages of technical advancements, SEED places an emphasis on equity in development.

IV. CHALLENGES FACED BY GOVERNMENTS IN IMPLEMENTING EFFECTIVE ENTREPRENEURSHIP POLICIES

When trying to enact laws that encourage entrepreneurship, governments face several obstacles. An ambitious entrepreneur's capacity to successfully traverse complicated administrative processes is often obstructed by the complex web of bureaucratic red tape. To

tackle this, we need to work together to simplify and streamline regulatory procedures. We can do this by using digital solutions, which will minimize paperwork and improve efficiency. Assuring access to capital is another major obstacle, especially for startups and small and medium-sized businesses (SMEs). Governments should provide financial tools like venture capital and low-interest loans to encourage investment in entrepreneurial endeavors and create an atmosphere that is favorable to innovation.

Another major obstacle to business is the lack of education and skills. Aspiring company owners may fail due to a lack of training in the necessary skills and an inadequate education in entrepreneurship. Government spending on educational programs emphasizing innovation, entrepreneurship, and practical business skills is necessary to overcome this obstacle. Inadequate technology and infrastructure may also be a hindrance to entrepreneurial endeavors. As a result, we must work together to promote digital technologies and improve infrastructure, which includes dependable transportation and communication networks.

There are further challenges with market access and competition. Entrepreneurs have difficulties into both local and foreign markets, and they also have to deal with unfair competition tactics. The role of governments in lowering trade barriers, creating a fair playing field for enterprises, and easing access to markets via trade agreements is crucial. Finally, entrepreneurship is greatly endangered by policy instability and inconsistency. In order to inspire trust among entrepreneurs, it is crucial to prioritize policy consistency and stability and avoid frequent policy changes. To tackle these complex issues, we need governments and other stakeholders to work together to provide an environment that supports and encourages entrepreneurial efforts.

V. CONCLUSION

VI. Government policy must be able to respond quickly to the ever-shifting global economic landscape. To keep policies successful in meeting the changing demands of entrepreneurs, they must be evaluated and adjusted on a regular basis. In order to create a climate conducive to entrepreneurship, governments must monitor new developments in technology, trends, and global trends and change their regulations appropriately. Essentially, government policy plays a crucial and ever-changing role in fostering entrepreneurship. Entrepreneurial endeavors may reach new heights and contribute to national wealth with the help of a well-crafted and adaptable legislative framework. In today's complicated economic climate, it is more important than ever for governments to foster an entrepreneurial spirit, which, when developed, can propel innovation, generate employment opportunities, and mold the global economy of tomorrow.

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