



Entrepreneurship in India-An analysis

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KEYWORDS :

Meaning

Entrepreneurship combined with land, labor, natural resources and capital can produce profit. Entrepreneurial spirit is characterized by innovation and risk-taking, and is an essential part of a nation's ability to succeed in an ever changing and increasingly competitive global marketplace.

Review of literature

Concept of entrepreneurship as an organized knowledge came into being about hundred years ago. Though, the economists from Adam Smith to Marshall were talking about it, but without assigning the name of entrepreneurship. They used the terms as employer, the master, the merchant and the undertaker for carrying out different entrepreneurial activities now comprising of entrepreneurship. (Drucker, 1985) The traditional neoclassical theory of economic growth was first developed by Robert Solow in his 1956 paper "A Contribution to the Theory of Economic Growth". (Todaro, 2003, pp. 128-139) In a study, Solow argued that economic growth is a function of two inputs- the levels of capital and labor in a given area. Thus, under this theory, the economic growth of a given country is determined by the amounts of labor and capital that country possesses and the technological possibilities to which that country has access (i.e., the level of knowledge within that country). (Jose & Paul, 1994) The entrepreneur organizes and operates an enterprise for personal gain. He contributes his own initiative, skill, and ingenuity in planning, organizing, and administering the enterprise. He also assumes the chance of loss and gain consequent to unforeseen and uncontrollable circumstances. The net residue of the annual receipts of the enterprise after all costs have been paid, he retains for himself. (Baumol, 1993)

Research methodology

This study is analytical research. For the purpose of this research, the secondary data was collected from various books and publications related to the entrepreneurship.

Entrepreneurship and economic Development

- Employment Generation
- National Income :
- Balanced Regional Development
- Dispersal of economic power
- Better standards of living
- Creating innovation

Government policy for entrepreneurship development

Prime Minister Narendra Modi had announced the 'Startup India, Standup India' initiative in his Independence Day address last year. Top takeaways from the prime minister's speech.

1. Compliance regime based on self certification
The objective of compliance regime based on self certification is to reduce the regulatory burden on startups. This self-certification will apply to laws like payment of gratuity, contract labour, employees provident fund, water and air pollution acts.
2. Startup India hub
A startup India hub will be created as a single point of contact for the entire startup ecosystem to enable knowledge exchange and access to funding.
3. Simplifying the startup process
A startup will be able to set up by just filling up a short form through a mobile app and online portal. A mobile app will be launched on April 1 through which startups can be registered in a day.

4. Patent protection

The government is also working on a legal support for fast-tracking patent examination at lower costs. It will promote awareness and adoption of Intellectual Property Rights (IPRs) by startups and help them protect and commercialise IPRs.

5. Funds of funds with a corpus of Rs 10,000 crore

In order to provide funding support to startups, the government will set up a fund with an initial corpus of Rs 2,500 crore and a total corpus of Rs 10,000 crore over four years. The fund would be managed by private professionals drawn from the industry while LIC will be a co-investor in the fund.

6. Credit Guarantee Fund

A National Credit Guarantee Trust Company is being envisaged with a budgetary allocation of Rs 500 crore per year for the next four years.

7. Exemption from Capital Gains Tax

Currently, investments by venture capital funds in startups are exempt from this law.

8. Tax exemption for startups

Income tax exemption to startups announced for three years

9. Tax exemption on investments above Fair Market Value

10. Startup fests

Innovation core programs for students in 5 lakh schools. There will also be an annual incubator grand challenge to create world class incubators

11. Launch of Atal Innovation Mission

Atal Innovation Mission started to give an impetus to innovation and encourage the talent among the people

12. Setting up of 35 new incubators in institutions

PPP model being considered for 35 new incubators, 31 innovation centres at national institutes

13. Setting up of 7 new research parks

Government shall set up seven new research parks - six in IITs, one in IISc with an initial investment of Rs 100 crore each.

14. Promote entrepreneurship in biotechnology

Five new bio clusters, 50 new bio incubators, 150 technology transfer offices and 20 bio connect offices will be established.

15. Innovation focused programmes for students

There will be innovation core programs for students in 5 lakh schools.

16. Panel of facilitators to provide legal support and assist in filing of patent application

17. 80 per cent rebate on filing patent applications by startups

18. Relaxed norms of public procurement for startups

19. Faster exits for startups

Skill development plan

The main goal is to create opportunities, space and scope for the development of the talents of the Indian youth and also to identify new sectors for skill development. The new programme aims at providing training and skill development to 500 million youth of our country by 2020, covering each and every village.

Features of 'Skill India'

- The emphasis is to skill the youths in such a way so that they get employment and also improve entrepreneurship.
- Provides training, support and guidance for all occupations that were of traditional type like carpenters, cobblers, welders, blacksmiths, masons, nurses, tailors, weavers etc.
- More emphasis will be given on new areas like real estate, construction, transportation, textile, gem industry, jewellery designing, banking, tourism and various other sectors, where skill development is inadequate or nil.

- The training programmes would be on the lines of international level so that the youths of our country can not only meet the domestic demands but also of other countries like the US, Japan, China, Germany, Russia and those in the West Asia.
- Another remarkable feature of the 'Skill India' programme would be to create a hallmark called 'Rural India Skill', so as to standardise and certify the training process.
- Tailor-made, need-based programmes would be initiated for specific age groups which can be like language and communication skills, life and positive thinking skills, personality development skills, management skills, behavioural skills, including job and employability skills.
- The course methodology of 'Skill India' would be innovative, which would include games, group discussions, brainstorming sessions, practical experiences, case studies etc.

how it is different from the previous policies?

It's not that we do not have any skill development programme already. The Government of India has always considered skill development as a national priority. It is just that since the ministry is new, the approach taken for skill development is also new. Earlier, the emphasis was on traditional jobs. But this time, all kinds of jobs will be given equal emphasis.

According to **NaMo**, Skill India won't be just a programme but a movement.

Advantages of Skill India

The idea is to raise confidence, improve productivity and give direction through proper skill development. This will enable the youths to get blue-collar jobs. Development of skills, at a young age, right at the school level, is very essential to channelise them for proper job opportunities. There should be a balanced growth in all the sectors and all jobs should be given equal importance.

To sum up

What shape 'Skill India' will take and what it will do only time can tell. But no doubt it seems to be a good initiative – providing skills to people. With this new approach towards skill development, India can definitely move forward towards its targeted results.

Entrepreneurship predictions in 2016

- Everyone is doing it.
- Intrapreneurs are becoming more common.
- Solopreneurs are making it big time.
- Entrepreneurs are marketers.
- Hiring contract workers is the thing to do.
- Entrepreneurs are laser-focused on revenue.
- Few entrepreneurs are starting big companies
- Innovation will focus on impact and relevance
- Work, love, life, and spirituality will come together
- Mobile use will grow and sustain businesses
- Entrepreneurship will become more inclusive
- Profitability will be key to growth
- Brands will closely connected to customers
- Scalability through the franchise model will continue
- Businesses will become more socially responsible

Conclusion

There's no question about it. Entrepreneurship is changing, and I believe that many of these changes are positive. 2016 looks like it's going to be a great year for entrepreneurs with many industries that touch our everyday lives getting better, cheaper and more automated. When I look back, I notice some of the entrepreneurs featured made interesting observations. You'll see how they were not just living the trends they predicted, but also paving the way for future entrepreneurs.