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GOVERNMENT POLICY ON REFORMS AND ENTREPRENEURSHIP IN INDIA FOR ECONOMIC DEVELOPMENT

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ABSTRACT:

Executive Summary- The process of economic development and entrepreneurship is complementary to each other. Absence of entrepreneurship development will create difficulties for economic development. Instead of job seeker the Indian youth can be job provider. A large democratic geographic country having a dividend of young population, agro base economy favorable climatic and political conditions, increasing importance to higher education steady growth rate can produce good entrepreneur who will shape the pace of future development. The industrial as well service sector is nicely opened for doing business easily. Programmes policies are announced recently for smooth starting of business. Institutes are coming ahead to provide education for entrepreneurship development. First generation entrepreneurs are coming around the business world. Attracting to foreign direct investment, opening of various sectors, legal and administrative reforms, leadership at worlds forum and in world groups are creating opportunities of development. The positive and conducive atmosphere can create employment as well as entrepreneurship opportunities.

Entrepreneurs can play crucial role in economic development. The developed countries are so called developed because they are developed at the front of entrepreneurship. Japan has set the excellent example of the entrepreneurship. The country is developed due to number of small enterprises. Government policies and programmes are helping to entrepreneurs as well as first generation entrepreneurs. The legal, administrative, labour, economic as well as other reforms can contribute to economic development. Startup is new way for entrepreneurship.

Government Policies for Entrepreneurs



KEYWORDS: Entrepreneurship economic development, Indian Entrepreneurs .

1) INTRODUCTION-

The new economic order is accepted by India from the financial year 1991. After that adoption one can see changes in different aspects of economy. The industrial, export- import, banking, infrastructure, financial, foreign exchange, trade and

commerce policy has changed to facilitate advantages of globalization. The change in labour law, licenses, and monopoly restrictive practices act changes the industrial pattern of productivity and working. The quality focused approach is observed on all

fronts. The banking business becomes e- banking and various norms are introduced fro protection of records transaction and information. The foreign trade policy is changed to expand the market operation beyond most favored nations. The administrative reforms -I and

administrative reforms II are introduced in governance. Agriculture policy is tailored in light of India conditions. Though all steps are taken to ensure speedy economic development and acceleration of growth rate the momentum is lost due to global slow down. The policy implementation shows various difficulties. Direct subsidy and food security policy is announced by government. Recently Tax on Goods and services bill is passed with expectations to simplify the structure of Indirect taxes.

Government policies, education in country are the instruments of economic development. Education can contribute to entrepreneurship development which will automatically help to economy. The policy of industrial sector, human resource should be such that it can attract the job seekers to become job providers. Our planning process can be framed in such a way that along with educated population we must be able to produce, generate entrepreneurs and service providers.

2) TERMINOLOGIES

2.1) Government Policy - There is no such definition of Government policy. In general terminologies it is considered as the policy or the frame work adapted by the government in the area of economic judiciary education administration and so on.

2.2) Economic policy-is one who always search for change respond to it and exploits it as an opportunity. Innovation is the specific tools of entrepreneurs the means by which they exploit change an opportunity for as different business or services. -

2.3) Entrepreneur means to undertake.

2.3.1) Entrepreneur is a person who only provides capital without taking active part in the leading role in enterprise – Adam Smith.

2.3.2) An entrepreneur is one who always search for change respond to it and exploits it as an opportunity. Innovation is the specific tools of entrepreneurs the means by which they exploit change an opportunity for as different business or services. -

2.4) Economic Development :

As per economists the concept of Economic development has following two approaches:

2.4.1) Traditional View- As per traditional approach, economic development means planned changes in the structure of national product and the occupational pattern of labour force also the institutional and technological changes that bring about such changes or accompany such changes.

2.4.2) Modern view - If there is substantial reduction in poverty unemployment and inequality, then beyond doubt this is period of development for a particular country. The modern view is much border the traditional view.

3) OBJECTIVES OF STUDY

- To evaluate the role of Indian entrepreneurs in economic development
- To consider evaluate the programmes and policies announced by the government of entrepreneurship development.

4) MOTIVES OF ENTRPPRENURES

We have adopted mixed economy system for economic prosperity. The public sector and private sector must develop simultaneously for economic wellbeing. The strategic lines are retained by Govt. for protection of national interest.

The motives behind becoming and providing entrepreneurs are classified as Govt. motives and personal motives.

4.1) Govt. Motives

(A) Employment Generation:-

It is not possible for Govt. to generate employment for large number of unemployed youth. The entrepreneur who is self employed can generate several employment opportunities. New Business can

provide employment opportunities and medium and small scale entrepreneur can provide opportunities to local youth.

(B) Better use of Economic Resources

The private entrepreneurs can use available economic resources efficiently. It will avoid wastage of scarce resources. All economic resources cannot be exploited by Govt. on its own. The entrepreneur with innovation and new techniques can use the resources appropriately. Since our country is having a large number of natural resources and population the policy to encourage self-employment will be benefited.

(C) Regional Balance Development

Govt. can provide opportunity to entrepreneurs to start business units at economically backward areas. It helps for balanced development. The service sector can boost the economy and prosperity can be achieved.

4.2) Individual Motives

- a) An individual for his livelihood may start enterprise as per his expectations.
- b) Some personalities require recognition from Society. They may start their own enterprise for satisfaction.
- c) Prosperity can be achieved by entrepreneurship. It is a proven fact. One can start it for becoming a wealthy person.

5) ROLE OF ENTREPRENEURS.

The word entrepreneur is associated with business; since land, labour, capital and entrepreneur are considered as important factors of production, the entrepreneur utilizes those factors for business activity. The entrepreneur and labour are human factors, whereas capital and land are not. Entrepreneur is the person who generally floats the idea of business. In other words, he is the promoter of business. He collects capital, organizes the workers and other necessities of business. It is regarded as an attitude towards doing business. He is a man on a mission. He has accepted the idea of providing jobs instead of performing jobs. In some cases, he is the person who provides capital without taking an active part in business. But this can be a traditional view. In the modern world, along with capital, he provides ideas, innovation and style of performing business. Entrepreneurship is the function of an entrepreneur. It is a process of performing the necessities required to float, maintain and expand the business activity. It is an action – goal oriented task. It involves accepting challenge, skillful management, risk-taking attitude, innovative ideas and professional decision making. It is a process of doing business in a new and better way. He always thinks bigger and better. It is a function of investing in various production lines for achievement and desired objectives. It involves activities like raising capital, hiring labour, arranging for supply of new material and selection of good human resources, for the day-to-day operations and enterprise. Contribution in collection of revenue, employment generation, raising capital, contributing to infrastructure, creating corporate social responsibility funds are the factors which can be considered as contribution to economic development.

6) Contribution of entrepreneurs- It is difficult to measure the contribution exactly. However, we can consider the revenue generation, industrial growth and training programmes as a few factors for said purpose.

CONTRIBUTION IN REVENUE GENERATION**Table No 1**

Year	2009	2010	2011	2012	2013	2014	2015
Cor.Tax	213395	244725	298688	322816	356326	394678	428925
Service Tax	60941	58422	71016	97509	132601	164927	215971

Training provided by National Institute of Entrepreneurship and Small Business Development Table No 2

S.No	Details	Number
1	No Of programmes	20473
2	On going programmes	10974
3	Trained Candidates	213796

Compiled By author**7) RECENT POLICY AND PROGRAMMES FOR DEVELOPMENT OF ENTREPRENEURS IN COUNTRY**

Recently Government of India introduces following measures to boost new entrepreneurs which can be a first generation entrepreneurs.

7.1) Ease of doing business-Under these measure aspects like permission for construction of property, registration of property, power supply, enforcing contracts, resolving insolvency made easy and user friendly. It is supported with policies like foreign direct investment and de-licensing. National Institute of Intellectual Property Management is stated for encouragement.

7.2) Make in India - The programme Make in India is initiated by Government on 25 September 2014 with following aims and objectives.

- Facilitate investment in industrial sector
- Foster innovation
- Enhancement of skills
- Protection of Intellectual Rights
- Communication though Portal
- Industrial Corridors setting between mega cities

7.3) G2B Project- Government to Business project. Under this measure government is taking initiative to reach to business or entrepreneurs. Business operation is facilitated through portals.

7.4) Skill Development programme- Under the Ministry of Skill Development and Entrepreneurship separate special training programmes are arranged to impart and enhance skills of entrepreneurship. Efforts are being made to setup separate institution for such aspects. Colleges and educational institutions are already covered in development process.

7.5) Environmental and Forest clearance process. It was observed that much productive time is wasted in environmental and forest clearance process to start business. But the process is streamline and initiative is being taken to minimize the time. Processes of forest as well as coastal clearance and regulations become easy.

7.6) Labour Reforms -Reforms in organized and unorganized sector of labour is on cards. The legal reforms include reforms in various laws affecting the development of entrepreneurship. Universal Account Number, Insurance and Pension scheme, modification is Apprentices Act 1961 is already introduced. A scheme under the heading Apprentice Prothsan Yojana is already initiated.

7.7) Economic corridors- In order to push the growth the policy of economic corridors are adopted by government. The economic activity is to be expected on Delhi Mumbai corridors as well as on major highways and freeways.

Changes made for entrepreneurship

Table No. 3

After the economic reforms the industrial sector has changed in following manner

S.No	Factor	Before reforms	After reforms
1	Technology	Low	High
2	Capital	Indigenous	Foreign
3	Shareholders	Citizens	Scattered
4	Skill	Local	Global
5	Employment	Labour oriented	Skill oriented
6	Trade Policy	Rigid	Free
7	Labour Laws	Labour oriented	Owners oriented
8	Marketing	Positive	Aggressive
9	Labour union	Supportive	Suppressed
10	Objectives	Profitability	Growth Expansion

(Compiled By author)

8) Findings and suggestions

Findings

- 9.1) The contribution of entrepreneurs in economy is significant
- 9.2) There is scope for further development in the area of service and social sector.
- 9.3) The programmes recently announce will contribute in growth.
- 9.4) The business environment factors like government policy political factors tax policy are conducive for development of entrepreneurship.

SUGGESTIONS-

Education must provide for development of entrepreneurs in India.

- ✓ More number of education institutions is necessary for education and training.
- ✓ University Grand Commission can play positive role in this aspect
- ✓ More number of Universities as well colleges can start skill development as well as entrepreneurship development programme
- ✓ Each state can start university for entrepreneurship development
- ✓ Students and learners can be motivated for starting small scale or medium scale units by providing technical legal financial guidance in minimum cost.
- ✓ Centre for excellence and institute of prime importance status can be allotted to entrepreneurship development educational institutes.
- ✓ Tax concession for newly business activity state concession and local government can join hands in developing entrepreneurs.

CONCLUSION

The role of entrepreneurs is vital in economic development. The stable growth depends on stable policy of taxation, trade and banking. In spite of difficulties in recent years at international level the economy has maintain the growth rate. Change in education and development of attitude to start enterprise can provide success to economy.

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