

Policy Entrepreneurship in India

Vivek Mishra & Dr T k Jain

Abstract: The policies concerning the creation & management of social entrepreneurs are yet to be crafted in majority of the countries including India. This paper focuses on policies & recent policy developments within India. Attempt has been made to highlight necessities & developments a entrepreneurship policy requires to grow in India. On one side where there is no or very less efforts have been done for promotion of policy entrepreneurship in countries like India, on other side, many efforts have been taken in developed countries. Main goal of paper is highlighting foundation for development and expansion of policy entrepreneurship in India.

Keywords: Policy entrepreneurship, Enterprise; Entrepreneurship; Policy; Government; India

1 . INTRODUCTION

The paper lays the nascent foundation for understanding how the different actors of entrepreneurship ecosystem can come forward for constructive entrepreneurship policy development in India.

There is increase in per capita income, because of positive impact of entrepreneurship on it in India (Awasthi et al., 2006). There is great scope and requirement for entrepreneurial economy in the developing countries like India (Figini and Santarelli, 2006)

As competition is increasing day by day in all fields globally, government is generating employment, supporting local businesses in particular and enhancing the global competitiveness of the small firms, under New initiatives like „Make in India „ policy (2014).

There are many other policies of government of India, which lead to rapid technological advancements, like, National policy for skill development and entrepreneurship“ (2015).

As government has recognised role of policy entrepreneurship in increase in its per capita income, Furthermore, there has been an increased recognition of the role of entrepreneurship in employment generation, economic wealth creation, social and economic renewal, addressing inequality, and a range of other social and economic problems (Awasthi et. al., 2006; Carree and Thuruk, 2003; GEM, 2002)

In other parts of world, also, Governments paying attention to entrepreneurship policy and its promotional activities and are subsequently implementing strategies in order to enhance the level of entrepreneurial activity in their respective nations (Minniti, 2008). The research analysing the importance of entrepreneurship in economic growth is increasing across many nations.

Entrepreneurship and related activities are being recognised as representing socially innovative and sustainable model of future development for the whole world (Leadbeater, 1997; Oatley, 1999)

By :Vivek Mishra Research scholar ,Suresh Gyan Vihar University,Jaipur

Dr T k Jain : Research supervisor , Suresh Gyan Vihar University ,Jaipur

2. LITERATURE REVIEW

Entrepreneurship offers opportunity to create businesses that are economically viable, scalable and job creating (Harding R, 2004). The role of SEs in employment generation is globally acknowledged (Noya and Clarence, 2007; OECD, 1999).

Entrepreneurship not only play role in promoting local development, , improving attractiveness of an industry and locality (ECOTEC, 2001) but also has impact in fighting a range of other social issues, entrepreneurship represent the most effective strategies (as compared to either private or public) for fulfilling the public goals.

Entrepreneurships contribute more effectively to sustainable growth and development of the economy for nations.

Indian government is taking many steps for empowering entrepreneurship policy in India , through SIDBI, NABARD & MSME , entrepreneurship is also promoted through under public-private-partnership (PPP) model, not only in single state but in whole country .

Funds are major hurdle for running a business by any entrepreneur , but government of India has taken initial step to promote entrepreneurship by helping such entrepreneurs through regulating the “Social Venture Funds” within India. (In 2013,,,InCube Connect Fund”” Gujarat, was recently approved by SEBI under SEBI (AIF), Regulations, 2012 as India”s first social venture fund). Such policy interventions are hopeful to greatly impact the entrepreneurship and entrepreneurship policy development within the nation.

Different types of entrepreneurships in India are :

- 1) Hybrid structures : which is combination of both profit & non profit organisations
- 2) Profit organisations: sole proprietorship (like ACE CHEMICALS), partnership , private firm and co-operative.
- 3) Non profit organisations: religious foundations , charity like birla foundations

Government of India is involved in shaping the policies concerning the management of Micro, Small, and Medium Enterprises (MSMEs) within India.

Desired entrepreneurship policy outcome means an increased level of entrepreneurial activity in an economy. If entrepreneurship is a system, then the role of the Government and institutions is to foster environment that

will produce a continuous supply of new entrepreneurs as well as to offer conditions that will enable them to start and grow enterprises.

Lundstrom and Stevenson (2005), defined entrepreneurship policy for the first time as the policy measures taken to stimulate entrepreneurship at different stages (pre-start, start-up and early post start-up phases) of an entrepreneurial process.

According to a foreign author , policy entrepreneurship is essentially a systemic process, activities, a social phenomenon that emerges within the broader social, economic and political context and involves a diverse and large number of actors.

Policies for entrepreneurs should be designed in such a way that policy that will regulate, reinforce and promote the interactions between different system components as well as social entrepreneurial activities within the ecosystem. The outcome of the systemic process should ideally help in bringing in a new supply of potential entrepreneurs, while on other hand ensuring their success in establishing, managing and growing the business ventures.

Success of business venture not only depends on general business skills (like creative problem solving, strategic thinking, negotiating, deciding under uncertainty etc.), but also a range of other social business skills (like networking, resourcefulness, passion for its causes, business value creation, business capital etc.)

Government role in promoting entrepreneurships

- 1) The policy measures at this stage would be strive to obtain the combination of skills through diverse entrepreneurial education and training programs for upcoming entrepreneurs.
- 2) Government utilizes the already existing network of education, training and entrepreneurship research institutions within the country
- 3) Government also do supporting the individual social entrepreneurs through providing multi-aspect support and services at pre-start and start-up phases of individual policy entrepreneurship process like start-up financing facilities which include for example better access to start-ups finance/soft loan/venture or angel capital, increasing „impactful capital” „social venture fund” „business incubators” etc.

- 4) Government is identifying the key sectors with high social impact as well as will strengthen and improve the future research and development of the entrepreneurial sector in India.
- 5) Government is providing the ease of establishing as well as running an enterprise within an economy, like providing these at economic or tax free prices example , construction permits, getting electricity, registering property, accessing credit, protecting investors etc.
- 6) legal recognition of entrepreneurship is must advocate as far as policy framework of entrepreneurship is concerned. Internet/social media access may be regarded as an important for entrepreneur's infrastructure variable in modern days and thus can be prioritized by policy measures. All these are provided by government at economic prices.

Policy entrepreneurship- Reviewing level

Through government support and various programmer running under government banner , policies can be implemented.

Implementation of policies depends upon how much a policy can support a entrepreneur venture and can be beneficial for entrepreneur. objective of evaluation can well be managed by making assessment under subheading „Policy Implementation Unit“, under „National policy for skill development and entrepreneurship-2015“.

CONCLUSION:

Policy development for entrepreneurship is still at its budding stage, still lot of has to be done in this field. Till the date there was no concern with developing policies for entrepreneurs in India as well as many other countries But with passage of time , now governments are taking interest in developing framework concerns for entrepreneurs across the globe , yet it is challenging field of policy development within India. The framework is expected to stimulate the discussions on the need and implications of reviewing existing or emerging plans for policies on entrepreneurship promotion and regulation within the country. For a better productive and conducive policy framework, the researchers can advance the current model by identifying and incorporating different levels of analysis, between running system and its components.

REFERENCES

- [1]. Dees, J. G. (1994). Social enterprise: Private initiatives for the common good. Harvard Business School.
- [2]. Bornstein, D. (2004). How to change the world: Social entrepreneurs and the power of new ideas. Oxford University Press.
- [3]. OECD. (1999). Social Enterprises. Paris: OECD
- [4]. Social Enterprise London (2001b) Understanding Social Enterprise. London: SEL
- [5]. Young, C. (2006). Have you faced the leadership challenge?, Social Enterprise, May, 2006, Social Enterprise Coalition, London
- [6]. Smallbone, D., North, D., Roper, S., and Vickers, I. (2003). Innovation and the use of technology in manufacturing plants and SMEs: an interregional comparison. Environment and planning c, 21(1), 37-52.
- [7]. Hansmann, H. B. (1980). The role of nonprofit enterprise. Yale law journal, 835-901
- [8]. Austin, J., Stevenson, H., and Wei-Skillern, J. (2006). Social and commercial entrepreneurship: same, different, or both?. Entrepreneurship theory and practice, 30(1), 1-22.
- [9]. Johnson, S. (2000). Literature Review on Social Entrepreneurship, Canadian Centre for Social Entrepreneurship, Edmonton
- [10]. Nielsen, C., and Carranza, D. (2010). Knowledge Networks for Social Enterprise Success: A Systems Approach to Case Studies in Latin {1}America. Jacob France Institute, University of Baltimore
- [11]. Minniti, M. (2008). The role of government policy on entrepreneurial activity: productive, unproductive, or destructive?. Entrepreneurship Theory and Practice, 32(5), 779-790.
- [12]. Global entrepreneurship monitor: South African executive report. Graduate School of Business, University of Cape Town, 2002.
- [13]. Satar, M. S. (2015). „Social entrepreneurship: Solution to topical problems“, The Rising Kashmir, 31st Oct. 2015. Available at <http://www.risingkashmir.com/news/socialentrepreneurs-hip-solution-to-topical-problems>[Accessed: October 31st 2015].
- [14]. Audretsch, D. B., and Thurik, A. R. (2001). What's new about the new economy? Sources of growth in the managed and entrepreneurial economies. Industrial and corporate change, 10(1), 267-315.
- [15]. Reynolds, P., Hay, M., Bygrave, W. D., Camp, S. M., and Autio, E. (2000). Global entrepreneurship monitor. Executive Report
- [16]. Reynolds, P. D., Hay, M., and Camp, S. M. (1999). Global entrepreneurship monitor (p. 3). Kansas City, Mo.: Kauffman Center for Entrepreneurial Leadership.
- [17]. Wennekers, S., and Thurik, R. (1999). Linking entrepreneurship and economic growth. Small business economics, 13(1), 27-56.
- [18]. Awasthi, D., Kashyap, S.P., and Yagnik, J. (2006). Entrepreneurial manifestations: Present trend and changing landscape in an inter-regional context, unpublished report, New Delhi, Government of India, Ministry of Micro, and Small and Medium Enterprises. Figini, P., and Santarelli, E. (2006). Openness, economic reforms, and poverty:

Globalization in developing countries. *The Journal of Developing Areas*, 39(2), 129-151.

[19]. European Commission. Directorate-General for Regional Policy, and Cohesion. (1998). *Economic and social cohesion in the European Union: the impact of Member States' own policies* (Vol. 29).

[20]. Verheul, I., Wennekers, S., Audretsch, D., and Thurik, R. (2001). *An eclectic theory of entrepreneurship: policies, institutions and culture* (No. 01-030/3). Tinbergen Institute Discussion Paper.

[21]. Nisa, S., & Ravichandran, N. (2013). *Trade Policies and Their Impact on Business Models: A Comparative Study*. *IUP Journal of Business Strategy*, 10(1), 20.

[22]. Noya, A., and Clarence, E. (2007). *The social economy: building inclusive economies*. Publications de l'OCDE.

[23]. CIRIEC (2012), *The Social economy in the European Union*, N°. CESE/contract CES 18.106 – 2012, The European Economic and Social Committee (EESC).

[24]. Leviner, N., Crutchfield, L. R., and Wells, D. (2007). *Understanding the impact of social entrepreneurs: Ashoka's answer to the challenge of measuring effectiveness*. *Research on Social Entrepreneurship and Contributing to an Emerging Field*, 89-103.

[25]. Ireland, R. D., Hitt, M. A., Camp, S. M., and Sexton, D. L. (2001). *Integrating entrepreneurship and strategic management actions to create firm wealth*. *The Academy of Management Executive*, 15(1), 49-63.

[26]. ECOTEC. (2001). *External evaluation of the Third System and Employment Pilot Action*, Ecotec Research and Consulting Limited, Final Report, August. Referred to in OECD 2003.

[27]. Karnani, A. (2007). *Fortune at the Bottom of the Pyramid: A Mirage, How the Private Sector Can Help Alleviate Poverty*, Stephen M. Ross School of Business at the University of Michigan Working Paper. *the California Management Review*, 1-42.

[28]. Oatley, N. (1999). *Developing the social economy*. *Local Economy*, 13(4), 339-345.

[29]. Leadbetter, C. (1997) *The rise of social entrepreneurship*. London: Demos.

[30]. Amin, A. (2005). *Local community on trial*. *Economy and society*, 34(4), 612-633.

[31]. Peredo, A. M., and McLean, M. (2006). *Social entrepreneurship: A critical review of the concept*. *Journal of world business*, 41(1), 56-65.

[32]. Alvord, S. H., Brown, L. D., and Letts, C. W. (2004). *Social entrepreneurship and societal transformation an exploratory study*. *The journal of applied behavioral science*, 40(3), 260-282.

[33]. Dees, J. G., and Elias, J. (1998). *The challenges of combining social and commercial enterprise*. *Business Ethics Quarterly*, 8(1), 165-178.

[34]. OECD. (2013). *European Commission, Policy Brief on Social Entrepreneurship: Entrepreneurial Activities in Europe* (2013), http://www.oecd.org/cfe/leed/Social%20entrepreneurship%20policy%20brief%20EN_FINAL.pdf [35]. Mendell, M., Pestoff, V., Noya, A., and Clarence, E. (2009). *Improving*

Social Inclusion at the Local Level Through the Social Economy: Report for Poland.

[36]. Askoha/McKinsey and Company (2012), *Etude d'évaluation de l'impact de l'entrepreneuriat social* (unpublished).

[37]. Carree, M. A., and Thurik, A. R. (2003). *The impact of entrepreneurship on economic growth*. In *Handbook of entrepreneurship research* (pp. 437-471). Springer US.

[38]. Government of India (GOI), e Planning Commission, 2011 b): e Planning Commission Approach to the Twelve Year Plan, Technology and Innovation:

http://12thplan.gov.in/12fyp_docs/13.pdf

[39]. GOI, Planning Commission 2103

http://planningcommissionplan/pdf/12fyp_vol1.pdf

[40]. GIZ (2012). *Enablers for Change -A Market Landscape of the Indian Social Enterprise Ecosystem*, September 2012, Prepared for GIZ by Ernst and Young Pvt. Ltd.

<https://www.giz.de/en/.../giz2012-enablers-for-change-india-en.pdf>

[41]. Asian Development Bank, ADB. (2012). *India social enterprise landscape report*, Mandaluyong City, Philippines: ADB publications.

<http://adb.org/sites/default/.../2012/india-social-enterprise-landscape-report.pdf>

[42]. Allen, S., Bhatt, A., Ganesh, U., and Kulkarni, N. K. (2012). *On the Path to Sustainability and Scale: A Study of India's Social Enterprise Landscape*.

[43]. Granados, M. L., Hlupic, V., Coakes, E., and Mohamed, S. (2011). *Social enterprise and social entrepreneurship research and theory: A bibliometric analysis from 1991 to 2010*. *Social Enterprise Journal*, 7(3), 198-218.

[44]. Satar, M. S., John, S., and Siraj, S. (2016). *Use of marketing in social enterprises*. *International Journal of Social Entrepreneurship and Innovation*, 4(1), 16-24.

[45]. Dees, J. (1998). *Enterprising Non-profits*. *Harvard Business Review*, 76(1), 54-67.

[46]. Mair, J., and Marti, I. (2006). *Social entrepreneurship research: A source of explanation, prediction, and delight*. *Journal of world business*, 41(1), 36-44.

[47]. Storey, D. J. (1994). *Understanding the small business sector*. Cengage Learning EMEA.

[48]. Storey, D. J. (1999). *Six steps to heaven: evaluating the impact of public policies to support small businesses in developed economies*. Centre for Small and Medium Sized Enterprises, Warwick Business School.

[49]. Rotter, J. B. (1966). *Generalized expectancies for internal versus external control of reinforcement*. *Psychological monographs: General and applied*, 80(1), 1.

[50]. McClelland, D.C. (1961). *The Achieving Society*. New York and London: Collier Macmillan.

[51]. Harding, R. (2004). *Social enterprise: the new economic engine?*. *Business Strategy Review*, 15(4), 39-43.

[52]. Conway, C. (2008). *Business planning training for social enterprise*. *Social Enterprise Journal*, 4(1), 57-73.

[53]. Dana, L. P. (2000). *Creating entrepreneurs in India*. *Journal of Small Business Management*, 38(1), 86.

[54]. Burns, P. (2010). *Entrepreneurship and small business*. Palgrave Macmillan.

- [55]. Seanor, P., Bull, M., and Ridley-Duff, R. (2007). Mapping social enterprise: do social enterprise actors draw straight lines or circles?
- [56]. GOI. (2015). National Skill Development and Entrepreneurship policy of 2015
www.skilldevelopment.gov.in/National-Policy2015.html
- [57]. Peredo, A. M., and McLean, M. (2006). Social entrepreneurship: A critical review of the concept. *Journal of world business*, 41(1), 56-65.
- [58]. Alex, N. (2006). *Social Entrepreneurship: New Models of sustainable social change*. Oxford University Press
- [59]. Short, J.C., Moss, W.T. and Lumpkin, G.T. (2009), "Research in social entrepreneurship: past contributions and future opportunities", *Strategic Entrepreneurship Journal*, Vol. 3, No. 2, p. 161-194
- [60]. Hill, J. (2000). A multidimensional study of the key determinants of effective SME marketing activity: Part 2. *International Journal of Entrepreneurial Behaviour and Research*, 7(6), 211-35.
- [61]. Certo, S. T., and Miller, T.(2008). Social entrepreneurship: Key issues and concepts. *Business horizons*, 51(4), 267-271.
- [62]. Stevenson, L., and Lundström, A. (2001). Patterns and trends in entrepreneurship/SME policy and practice in ten economies (Vol. 3). Elanders Gotab:Stockholm, Sweden
- [63]. Lundstrom, A., and Stevenson, L. A. (2005). *Entrepreneurship policy: Theory and practice* (Vol. 9). Springer Science and Business Media.
- [64]. Dutz, M. A., Ordoñez, J. A., and Willig, R. D. (2000). Entrepreneurship, access policy and economic development: lessons from industrial organization. *European Economic Review*, 44(4), 739-747.
- [65]. Kim, Y, W. Kim and T. Yang, 2010. The effect of public policy on entrepreneurial activity: Evidence from OECD countries. <http://sbaer.uca.edu/research/icsb/2010/Policy131-The%20Effect%20of.pdf> .
- [66]. Dana, L. P. (1992). A framework for the classification of government policy on entrepreneurship: contrasting six models. *Journal of Small Business and Entrepreneurship*, 10(1), 2-12.
- [67]. Dana, L. P. (1995). Public policy and entrepreneurship in the Caribbean: nine styles of policy. *J. Private Enterp*, 10, 119-141.
- [68]. Satar, M. S., and John, S. (2016). A conceptual model of critical success factors for Indian social enterprises. *World Journal of Entrepreneurship, Management and Sustainable Development*, 12(2).
- [69]. Kantis, H., Ishida, M., and Komori, M. (2002). Entrepreneurship in emerging economies: The creation and development of new firms in Latin America and East Asia. *Inter-American Development*