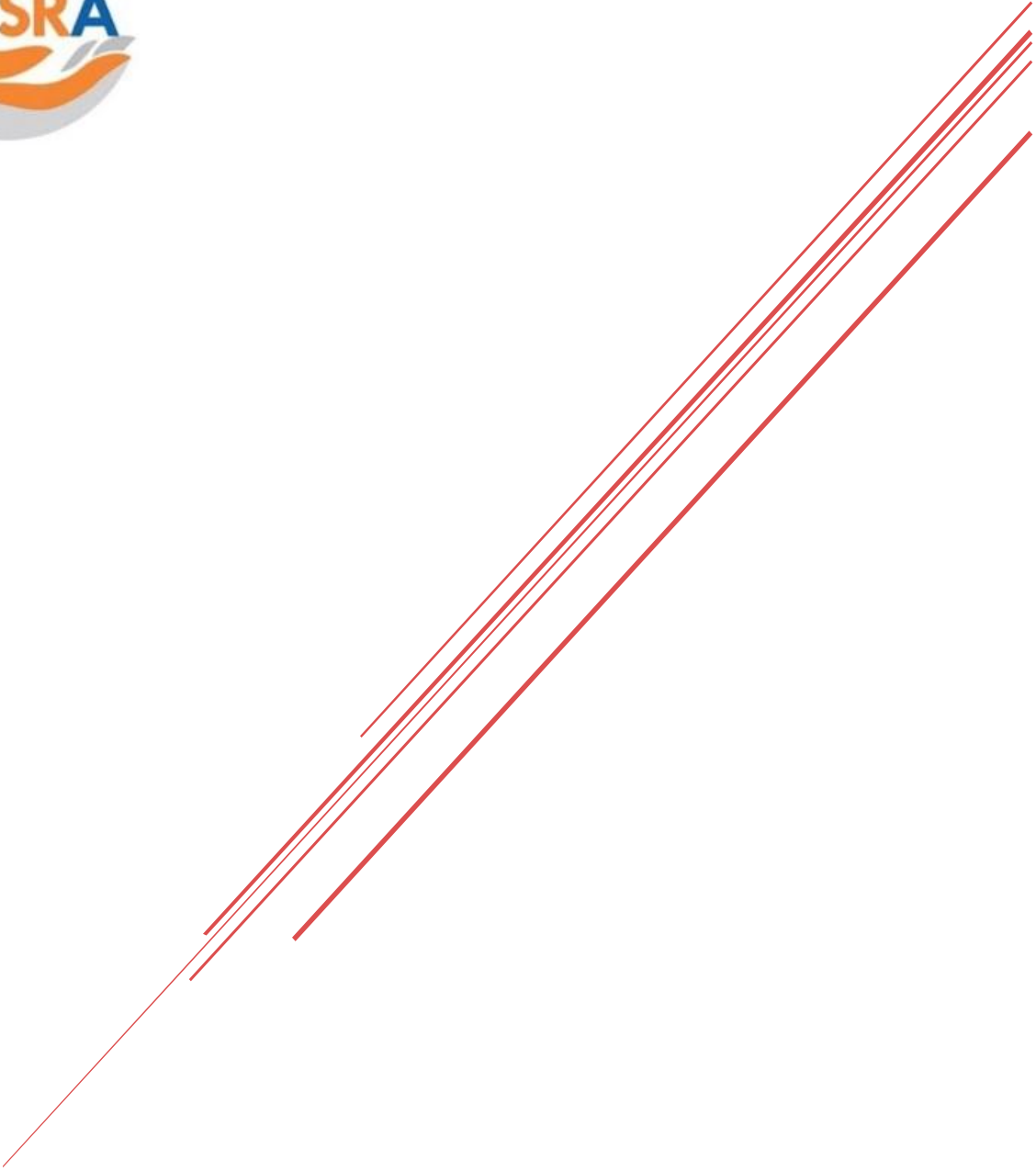


# Entrepreneurship & Innovation

## Information Pack



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# 1. Entrepreneurship in India

Social businesses and rural entrepreneurship are emerging as new areas of work. A recent survey of 763 commercial entrepreneurs in India who experienced a transition from commercial to social entrepreneurship between 2003 and 2013 and a quantitative analysis of a final sample of 493 entrepreneurs indicate that 21 percent of the successful entrepreneurs shifted to social change efforts.<sup>1</sup>

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*“Dalits and poor people, if given an opportunity, can bring in various reforms in the country. That’s my vision for Stand-up India...This scheme is going to transform the lives of Dalit and tribal communities.” – Narendra Modi, Prime Minister, India*

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The National Youth Policy (NYP), 2014, seeks to empower the youth of the country to achieve their full potential. **Entrepreneurship is one of the priority areas** of NYP 2014 along with education, employment and skill development. Immediate measures that can gear up entrepreneurship at ground level include integrating and disseminating awareness on entrepreneurship schemes and policies amongst the rural masses and particularly on the National e –Governance Plan (NeGP) 2006 - a multi –stakeholder programme which primarily focuses on making critical public services available and promoting rural entrepreneurship. Emphasis has also been given to incentivize women entrepreneurship. In India, the cash transfer programmes to provide employment for local young people and poor people, have provided resources for funding job searches and led to increased access to other sources of credit for entrepreneurship, as stated in the UNDP report - “India and the MDGs”, dated February 2015.

Entrepreneurship Development Scheme is currently being developed by the Ministry of Skill Development and Entrepreneurship<sup>2</sup>. Also, the **Stand-Up India scheme** has been introduced which will facilitate two entrepreneurial projects on an average of one for each category (Women and SC/ST) of entrepreneurs per bank branch. To promote agriculture-based businesses, the Government of India has started ‘**A Scheme for Promotion of Innovation, Rural Industry and Entrepreneurship**’ (ASPIRE). Under this scheme, a network of technology centres and incubation centres would be set up to accelerate entrepreneurship and to promote start-ups for innovation and entrepreneurship in agro-industry.

***When looking at a policy environment conducive to the promotion of entrepreneurship, it is to be borne in mind that accelerating entrepreneurship requires an enabling work environment, including financial support, and opportunities to collaborate and cross-fertilize ideas.***

## 1.1. Key statistics

### 1.1.1. Key statistics - India & other countries

Entrepreneurship is the professional application of knowledge, skills and competencies and/or of monetizing a new idea, by an individual or a set of people by either launching a new enterprise or diversifying from an existing one (distinct from seeking self-employment as in a profession or trade), to pursue growth while generating wealth, employment and social good<sup>3</sup>. When an entrepreneur draws up a business plan and tries to get it underway, the first hurdles that need to be overcome are the procedures required to incorporate and register the new firm. In developing countries, weaker legal institutions often pose a problem. Cumbersome entry procedures push entrepreneurs into the informal economy, where businesses pay no taxes and many of the benefits that regulation is supposed to provide are missing.

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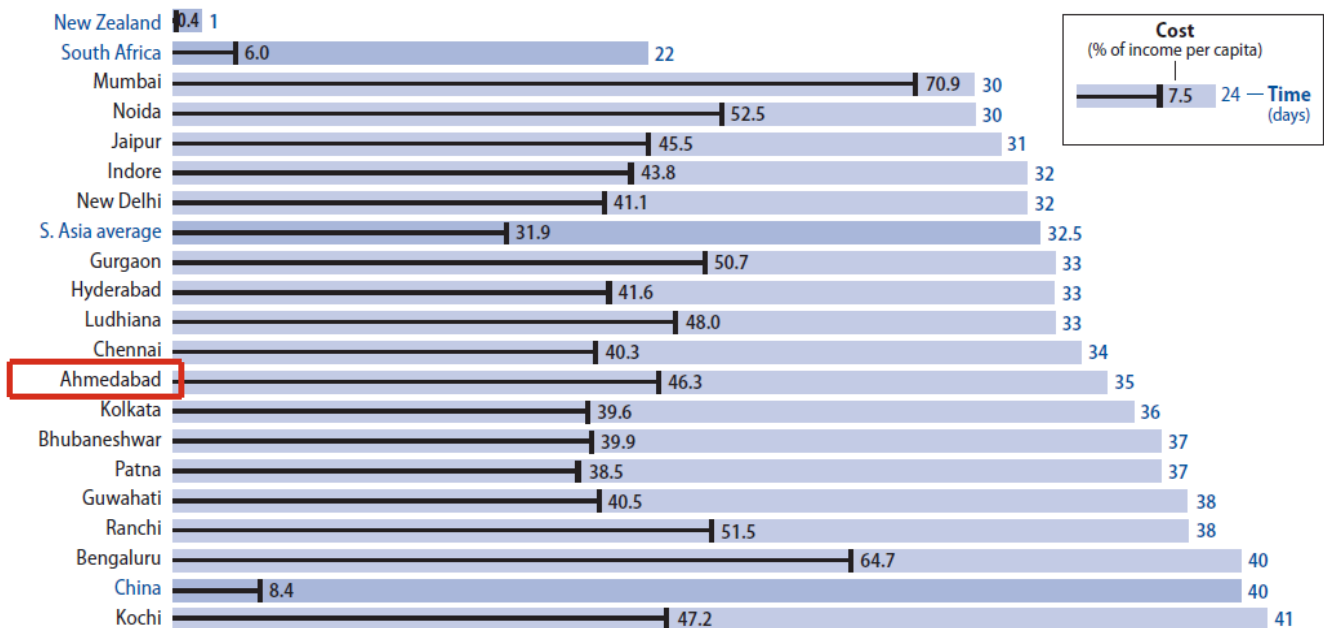
<sup>1</sup> Vissa 2015 (Human Development Report 2015)

<sup>2</sup> <http://www.skilldevelopment.gov.in/proposed-scheme.html>

<sup>3</sup> [http://knowledgecommissionarchive.nic.in/downloads/documents/NKC\\_Entrepreneurship.pdf](http://knowledgecommissionarchive.nic.in/downloads/documents/NKC_Entrepreneurship.pdf)

Technology has now made it increasingly easier to start a business. When individuals have identified a good idea in the course of their work and want to pursue it, they have more tools at their disposal to support their entrepreneurial efforts. A recent estimate indicates that in **countries with 73 percent of the world's population**, there are **455 million entrepreneurs** today, up from **400 million in 2011**.<sup>4</sup>

*Figure 1: Starting a business -time and cost to start a business in India and selected economies*



Source: Doing Business database.

India has managed to reduce the time to start a business from 71 days to 35 days by simplifying a complex tax registration system. Previously, stamp duty payment was routed through the stamp office only. Now, certain dealers have been authorized to affix stamps on most of the documents. India has also reduced the corporate income tax rate from 36.59% to 33.66%. In the future, the e-governance initiative of the Ministry of Company Affairs (MCA), referred to as the MCA-21 project, is expected to further reduce the time to complete all procedures for which the ministry is responsible, such as the approval of company names, the vetting of Memorandum and Articles of Association and registration. The main goal of this project is to make electronic filing available through the MCA website so that Indian entrepreneurs can register their companies online.<sup>5</sup>

### **1.1.2. National Schemes and Programmes**

#### **Entrepreneurship Development Institute of India**

Entrepreneurship Development Institute of India (EDII), headquartered at **Ahmedabad** is a resource institution committed to entrepreneurship education, training and research. It is an autonomous body and not-for-profit institution, set up in 1983, and is sponsored by apex financial institutions, namely the IDBI Bank Ltd, IFCI Ltd, ICICI Ltd and State Bank of India (SBI). EDI has been spearheading entrepreneurship movement throughout the nation with a belief that entrepreneurs need not necessarily be born, but can be developed through well-conceived and well-directed activities.

<sup>4</sup> Calculated based on Global Entrepreneurship Monitor Database Accessed June 2015 (Human Development Report 2015)

<sup>5</sup> The International Bank for Reconstruction and Development (The World Bank 2007)

EDII aims at:

- creating a multiplier effect on opportunities for self-employment,
- augmenting the supply of competent entrepreneurs / trainer-motivators through training,
- inculcating the spirit of 'Entrepreneurship' in youth and promoting micro enterprises at rural level,
- developing and disseminating knowledge & insights in entrepreneurial theory & practice through research,
- facilitating corporate excellence through creating entrepreneurs (entrepreneurial managers),
- improving managerial capabilities of small scale industries,
- sensitizing the support system to facilitate potential/existing entrepreneurs establish & manage their enterprises, and
- collaborating with similar organizations in India and other developing countries to accomplish the above objectives.

*Table 1: National level programmes and schemes: Entrepreneurship*

Programmes/ Schemes	Description
A Scheme for Promotion of Innovation, Rural Industry and Entrepreneurship' (ASPIRE)	<p>Under this scheme, a network of technology centres and incubation centres would be set up to accelerate entrepreneurship and to promote start-ups for innovation and entrepreneurship in agro-industry. The proposed scheme is designed to provide the necessary skill set for setting up business enterprises and also to facilitate the market linkages available to the entrepreneurs and last but not the least to provide hand holding for a critical period to ensure self-sustainability. The main objectives of the scheme are to:</p> <ol style="list-style-type: none"> <li>a. Create new jobs and reduce unemployment,</li> <li>b. Promote entrepreneurship culture in India,</li> <li>c. Grassroots economic development at district level,</li> <li>d. Facilitate innovative business solution for un-met social needs, and</li> <li>e. Promote innovation to further strengthen the competitiveness of MSME sector.</li> </ol> <p>All the above objectives are interlinked and different tools and methods are there to achieve these objectives. For more information on the <b>measurable targets proposed please refer:</b> <a href="http://msme.gov.in/WriteReadData/Whatsnew/MSME-ASPIRE-FINALBOOK.pdf">http://msme.gov.in/WriteReadData/Whatsnew/MSME-ASPIRE-FINALBOOK.pdf</a></p>
Proposed Scheme on Entrepreneurship Development	<p>An Entrepreneurship Development scheme is currently being developed by Ministry of Skill Development and Entrepreneurship<sup>6</sup>, which has the following major elements:</p> <ol style="list-style-type: none"> <li>a. Educate and equip potential and early stage entrepreneurs</li> <li>b. Connect entrepreneurs to peers, mentors and incubators</li> <li>c. Support entrepreneurs through Entrepreneurship Hubs (E-Hubs)</li> <li>d. Catalyze a culture shift to encourage entrepreneurship</li> <li>e. Catalyze a culture shift to encourage entrepreneurship</li> <li>f. Promote Entrepreneurship amongst Women</li> <li>g. Foster social entrepreneurship and grassroots innovations</li> </ol>
Stand Up India scheme	<p>The scheme is a part of <b>Start-up India, Stand up India</b> slogan, spread by the Department of Financial Services (DFS) to encourage entrepreneurial projects. The Stand Up India scheme will facilitate <i>two entrepreneurial projects</i> on an average of one for each category (Women and SC/ST) of entrepreneurs <i>per bank branch</i>. A credit guarantee system would also be implemented under the scheme through the National Credit Guarantee Trustee Company (NCGTC), which will act as the operating agency for financial aids. The system will personally guide each entrepreneur through the pre-loan and operational phases.</p> <ol style="list-style-type: none"> <li>a. The scheme will provide financial aid through the Small Industries Development Bank of India (SIDBI) with an initial amount of <b>Rs 10,000 crore</b>.</li> <li>b. The margin money for the composite loan will be up to <b>25 percent</b> to help the credit system reach out to the entrepreneurs</li> <li>c. Loan amounts from <b>Rs 10 lakh to Rs 1 crore</b> will be given to <b>female and SC/ST entrepreneurs</b> that will be repayable up to seven years</li> </ol>

<sup>6</sup> For more information please visit: <http://www.skilldevelopment.gov.in/proposed-scheme.html>

Programmes/ Schemes	Description
Scheme for providing financial assistance on marketing support under Marketing Assistance Scheme	<p>The scheme will also familiarize the entrepreneurs with factoring services, e-market places and registration with online platforms and other aspects of web entrepreneurship.</p> <p>Financial assistance of up to 95% of the airfare and space rent of entrepreneurs. Assistance is provided on the basis of size and the type of the enterprise. Financial assistance for co-sponsoring would be limited to 40 % of the net expenditure, subject to maximum amount of Rs. 5 lakh</p>
Support for setting up of 'Business Incubators'	<p>Related scheme for 'Support for entrepreneurial and managerial development of SMEs through incubators'- an NMCP Scheme. The objective is to provide early stage funding for nurturing innovative business ideas (new indigenous technology, processes, products, procedure etc.) which could be commercialized in a year. Funding support for infrastructure development and pilot projects.</p>
Funding support for conducting programs for empowerment of women	<p>Related Scheme for '<b>Trade Related Entrepreneurship Assistance and Development (TREAD) Scheme to Women</b>'. Training organizations conducting training programmes for empowerment of women beneficiaries identified under the scheme would be provided a grant upto maximum limit of Rs. 1.00 lakh per programme provided such institutions also bring their share to the extent of minimum 25%(10% in case of NER) of the Government grant. The batch size for such a training activity will be at least 20 participants. Duration of the training programme will be minimum one month. Funding support for conducting training program for women empowerment</p>
Participation in Entrepreneur Skill Development Programme	<p>Related Scheme for '<b>Entrepreneurship Skill Development Programmes (ESDP)</b>'. The four kind of training programmes conducted by MSME-DIs include Motivation Campaigns, Entrepreneurship Development Programmes, Entrepreneurship Skill Development Programme, and Management Development Programmes, which cover diverse skill set need of new and existing entrepreneurs. Nature of assistance:</p> <ol style="list-style-type: none"> <li>1. Skill Development</li> <li>2. Participation in Entrepreneur Skill development programme is free of charge</li> </ol>

## 2. Gujarat: Entrepreneurship status and issues

### 2.1. Issues and concerns

Increasing entrepreneurial activity has to be matched with appropriately skilled managerial and technical workforce. In order to promote economic and industrial development, the essential requirement is the capacity to develop skilled manpower of good quality in adequate number. Gujarat being an industrially developed state with significant opportunities for organized employment, there is an ever increasing need for graduates and skilled professionals. **Further, considering the aspirations of the youth, education could play a crucial role in developing professionally trained entrepreneurs who can help augment the industrial development in the state.** While historically, Gujarat has had an educational infrastructure comparable to the national benchmarks, the situation has changed very rapidly during 2001-11 as the Government of Gujarat has embarked on a series of initiatives in higher education and technical education. Continuous efforts directed towards enhancing the capacity and quality of education has also resulted in a substantial increase in number of students from other states coming to Gujarat to access quality, higher education.

#### **Youth Aspirations in Gujarat: Preference for Employment Vs Entrepreneurship:**

Several factors such as entry level salaries, work environment, job location, and socio-cultural factors, seem to influence youth preferences towards wage-based employment. While certain communities have established **preferences for entrepreneurship in skilled/minimally skilled businesses; low entry level salaries in industries is another key factor influencing the youth preferences.** Youth in semi urban and rural areas have expressed **higher level of inclination towards entrepreneurship** than their urban counterparts due to above mentioned reasons. It thus become important to facilitate a conducive environment, that shall include, providing **support for entrepreneurship to trained candidates through tie-ups with Financial Institutions (Banks, NBFCs).**

### 2.2. Regional disparities: data for different geographies

Difficulty and delays in meeting various government requirements such as registration, obtaining licenses and registering property etc. still pose challenges to the entrepreneurs. As per the World Bank report on 'Doing Business in South Asia 2007', it takes 35 days (in Mumbai) to 52 days (in New Delhi) to start a business in India. The official costs of starting a business are high and the process quite complex, involving no less than 13 procedures to be completed.

*Table 2: Ranking cities on 'ease of starting a business'*

Rank	City, State	Rank	City, State
1	Ludhiana, Punjab (easiest)	10	Mumbai, Maharashtra
2	Hyderabad, Andhra Pradesh	11	Indore, Madhya Pradesh
3	Bhubaneshwar, Orissa	12	Noida, Uttar Pradesh
4	Gurgaon, Haryana	13	Bengaluru, Karnataka
5	Ahmedabad, Gujarat	14	Patna, Bihar
6	New Delhi, Delhi	15	Chennai, Tamil Nadu
7	Jaipur, Rajasthan	16	Kochi, Kerala
8	Guwahati, Assam	17	Kolkata, West Bengal
9	Ranchi, Jharkhand		

## 2.3. Schemes and Programmes in the State of Gujarat

The Gujarat Government has embarked various **initiatives to augment capacity in higher and technical education** along with improving quality of education and focusing on employability of youth. Engaging the private sector more actively in both formal and non-formal modes of education is a key initiative under this overarching approach, considering the financial constraints for Government expenditure on education.

Table 3: State level programmes and schemes: Entrepreneurship

Programmes/ Schemes	Description									
Promotional Schemes under Industries Department for Manpower Development	<p>Government of Gujarat has initiated promotional schemes through <b>Center for Entrepreneurship Development (CED)</b> aimed at increasing private participation in vocational education. Schemes for</p> <p>(i) Setting up extension centers/Skill Up gradation Centers(SUCs) at GIDC estates, ITI premises, industrial clusters, industrial parks, SEZs, investment regions</p> <p>(ii) Specialized Skill Development Centers, providing financial assistance towards capital expenditure (building/ land/equipment), are currently undertaken by the Government.</p> <p><b>Progress of the CED initiatives<sup>7</sup></b></p> <table border="1"> <thead> <tr> <th>Scheme</th> <th>No of training programs conducted</th> <th>No of trainers skilled</th> </tr> </thead> <tbody> <tr> <td>Extension centers/Skill Upgradation Centers(SUCs) at GIDC estates, ITI premises, industrial clusters, industrial parks, SEZs, investment regions</td> <td>156</td> <td>4,282</td> </tr> <tr> <td>Skill Development Centers(SDCs)</td> <td>98</td> <td>2,123</td> </tr> </tbody> </table>	Scheme	No of training programs conducted	No of trainers skilled	Extension centers/Skill Upgradation Centers(SUCs) at GIDC estates, ITI premises, industrial clusters, industrial parks, SEZs, investment regions	156	4,282	Skill Development Centers(SDCs)	98	2,123
Scheme	No of training programs conducted	No of trainers skilled								
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Rajiv Gandhi Udyami Mitra Yojana	The objective of Rajiv Gandhi Udyami Mitra Yojana (RGUMY) is to provide handholding support and assistance to the potential first generation entrepreneurs, who have already successfully completed EDP/SDP/ESDP or vocational training from ITIs, through the selected lead agencies.									
Start up Support from Gujarat Government over and above Government of India	<p><b>Assistance under the scheme is provided to:</b></p> <ul style="list-style-type: none"> <li>✓ Any Individual or Group of individuals having <b>innovative idea/ concept</b></li> <li>✓ Universities/educational institutions, Incubation Center / PSUs/ R&amp;D Institutions /private and other establishments are eligible as an institution to support and mentor to innovators</li> </ul> <p><b>Assistance for Innovation:</b></p> <ul style="list-style-type: none"> <li>✓ Rs. 10,000/- per month (for 1 Year) to the innovator as sustenance allowance</li> <li>✓ Up to Rs. 5 Lac assistance to Institutions for mentoring service</li> <li>✓ Up to Rs. 10 Lac assistance for the cost of raw material/ equipment/ components</li> <li>✓ Up to Rs. 10 Lac assistance for marketing and publicity assistance</li> <li>✓ Free access to University/ Library/ Govt. Laboratories/ SDC (GIDC), Centre of Excellence/ PSUs</li> </ul> <p><b>Assistance Once Idea/Concept gets commercialised</b></p> <ul style="list-style-type: none"> <li>✓ Marketing Publicity assistance up to Rs. 10.00 lakhs to introduce innovated product in the market</li> <li>✓ Project of innovated product will be assisted for getting venture capital</li> <li>✓ Up to 80 % of Net VAT paid may be eligible for reimbursement</li> </ul>									

<sup>7</sup> CED Gujarat



Programmes/ Schemes	Description
	<ul style="list-style-type: none"> <li>✓ 70 % of fixed capital investment may be considered for reimbursement (Reimbursement tenure :5 years)</li> <li>✓ Eligible Unit shall be entitled for reimbursement up to 1/5th of eligible limit in particular year</li> </ul>
Gujarat Industrial Policy, 2015 (Scheme for Enhancement of Technical and Competence Manpower)	<p>Under Gujarat Industrial Policy, 2015, Scheme for Enhancement of Technical and Competence Manpower and following Skill Development Schemes are undertaken by Centre for Entrepreneurship Development (CED).</p> <ul style="list-style-type: none"> <li>➤ Scheme 1: Financial Assistance for Setting up of Anchor Institute</li> <li>➤ Scheme 2: Short Term Bridge Courses by Industries/Institute</li> <li>➤ Scheme 3: Specialized Skill Development Centers</li> <li>➤ Scheme 4: Skill Up-gradation Centers (SUCs)</li> <li>➤ Scheme 5: Skill Development to MSME Sectors</li> <li>➤ Scheme 6: Supports for Setting up Gems &amp; Jewelry Training Center/Institute</li> <li>➤ Scheme 7: Assistance for Tuition Fee for Enhancement of Skill</li> </ul> <p><i>The policy proposes to encourage entrepreneurship in youth (&lt; 35 years) by way of skill development</i></p>

## Promoting industrial participation in Education and Training

The **Centre for Entrepreneurship Development (CED)**<sup>8</sup> runs Short Term Bridge Courses in PPP mode. This scheme provides interested industrial players with options to either run existing courses or implement special programs in partner institutes. Currently seven **PPP initiatives** have been approved with players including **General Motors, Tata Motors Pvt Ltd and Powai Labs**. The CED also runs Entrepreneurship activities with Govt. Funding. Following training programmes are targeted for industries sustainability and growth as well as for improvement of the soft skill of the entrepreneur & enterprise manpower.

1. **Entrepreneurship Awareness Programme (EAP):** With the objective to spread the concept/ thought of entrepreneurship, CED conducts Entrepreneurship Awareness Programs for the final year students of ITI, Polytechnic, Engineering, Pharmacy, Ayurveda, Science, Arts & Commerce colleges, Management institutes to inculcate the entrepreneurial culture and environment in such a way that students get encouraged to opt for entrepreneurial career rather than searching for a job. CED organizes around **60 EAP** in a year.
2. **Entrepreneurship Development Programmes (EDP):** The prime object of EDP is to conduct entrepreneurship training program of 2-4 weeks duration. CED organizes this kind of training program in various districts and taluka level. There are two types of training program i.e. **EDP Module-I and EDP Module-II**.
3. **Training programme for existing Entrepreneurs (SGEP):** The CED conducts training program for existing entrepreneurs to solve their management problems in the area of technology upgradation, product diversification, quality marks, national and international strategies, international market, export procedures, financial management and how to survive in the competitive market, family business etc.
4. **Human Resource Development Programme (HRD):** the HRD programmed is targeted towards the academic institutes, industrial and business group to excel in their work performance and aptitude. This helps strengthen the employee and employer relationship. Major soft skills and behavior aspects like motivation, communication, team building, leadership quality, positive attitude, problem solving aptitude, creativity and stress management are covered in this training.

<sup>8</sup> For information on some success stories under these programs please refer: <https://ced.gujarat.gov.in/showpage.aspx?contentid=2006&lang=English>

## 2.4. Gaps

Development of the rural economy has been one of the prime concerns for Government of India. Accordingly, efforts have been made on a continuous basis for improving the economic and social well-being of people in rural areas on a sustainable basis. Despite these efforts, the problems of poverty, unemployment, drudgery and migration still persist. There is a need to address these problems by creating employment opportunities in the rural areas and this could be done by setting up of small enterprises in the Agro- based industry sector more so as nearly 56 % of the population is still dependent on agriculture. There is an ample scope for innovation, value addition and entrepreneurship development in this sector. This is possible only by *skill up-gradation, handholding, incubation & mentoring support and credit facilitation aimed especially at rural youth and women providing them employment opportunities at their doorstep.*

**For the XII plan period, Gujarat needs to focus on** improving the current state of training infrastructure for semi-skilled workers both in formal and informal segments along with **undertaking suitable measures to promote entrepreneurship among skilled workers** considering the surplus scenario in the segment.

*Table 4: Gaps in the Entrepreneurship sector*

Areas	Gaps
Bank Funding	Access to credit is one of the major hurdles a first time entrepreneur faces for setting up of an enterprise. In spite of the network of banks and a variety of programmes for self-employment, the supply of credit is far less than the demand and therefore there is a need for using innovative means of finance for leveraging the available funds to cater to a larger number of entrepreneurs.
Need for more information flows on finance	Most of the entrepreneurs who started business after year 2000, found it 'somewhat difficult' or 'very difficult' to access bank funding as per study done by the National Knowledge Commission (NKC), Government of India. Many of the enterprises which commenced business after 2000, are in the knowledge-intensive sectors, where information asymmetry and perceived higher levels of risks may have inhibited the availability of bank credit. It is in these sectors that angel investors and VCs are slowly beginning to fill a crucial market gap.
Training infrastructure	While recognizing the improvements in policies that seek to facilitate easy access to early-stage finance, there is need for more effective implementation on the part of banks as well as for removal of information asymmetries at various levels. Banks are now beginning to recognize Entrepreneurship and its intricacies. For example, State Bank of India (SBI) has introduced special consultancy cells to address functional inadequacies and develop multi-dimensional skills for Entrepreneurship. From the perspective of banks, the crucial need is to encourage entrepreneurs to achieve greater scale of operations and develop multi-dimensional expertise.
Establishing a network and linkages of various Govt. departments	Assessment of existing training infrastructure in comparison to human resource demand over XII Plan period, indicates significant capacity expansion requirement for semi-skilled category through vocational education.
	Various Ministries / Departments of Government of India are running a number of schemes to support first generation entrepreneurs. However, most of them work in silos. There is a need for establishing a network, building a database of these efforts in order that these are easily accessible to the entrepreneurs to select and enables them to convert these into commercial ventures. This would also provide a platform for sharing best practices, technological advancements and could ultimately bring up the ground realities before the policy makers for making policy changes.

<b>Areas</b>	<b>Gaps</b>
Human resource	Considering the limitations to the inclusiveness of informal and unorganized sector employment, the minimally skilled segment would be a human resource deficit category with potential opportunities for migration from other states.
Awareness on financial schemes	Increased awareness of financial schemes backed by efficient credit information and rating systems is expected to ensure greater ease of access to traditional sources of finance.

## 3. CSR – Corporate initiatives in the Entrepreneurship Sector

### 3.1. Programmes by Flagship companies - Other states

Table 5: CSR Programmes in other states on Entrepreneurship

Companies	Programmes
<b>India Infrastructure Finance Company Limited</b>	<p>As a Public Sector Company, IIFCL's Corporate Social Responsibility (CSR) activities are closely linked with the principles of sustainable economic development. The objective of these efforts is not only to help the society by providing facilities for health, education, civic amenities etc. but also to create opportunities for development of skills, <b>employment including self-employment</b>, to promote greater environmental responsibilities and encourage the development of environmentally friendly technologies for sustainable development. An amount of Rs. 25 Lakh has been sanctioned to National <i>Safai Karamcharis</i> Finance &amp; Development Corporation Ltd. (NSKFDC) for conducting skill development training programmes for <i>Safai Karamcharis</i> youth to benefit the poor and unemployed youths of <i>Safai Karamcharis</i>, Scavengers and their dependents.</p> <p>Skill based training for 200 women tribal Artisans in the North Eastern States. The projects aims at skill development viz. a viz. cluster based <b>entrepreneurship development</b> among the trained candidates.</p>
<b>Jubilant Life Sciences</b>	<p>The Jubilant Bhartia Foundation (JBF) focuses on promoting social entrepreneurship. At JBF, <b>entrepreneurship</b> is considered to be the most important tool not just for economic growth but also for presenting solutions to prevalent social problems.</p> <p><b>Nayee Disha – Vocational Training for better livelihood opportunities:</b> To improve the employability skills of the youth, JBF has introduced Nayee Disha, a vocational training programme. Under this project, they conduct skill development programme at JBF's Vocational Training Centres at different locations aimed at helping the trainees find 'skills for life' on successful completion. The training programs are provided across a wide array of areas like mobile and tractor repairing, stitching, retail management, soft skill development and beautician courses, offer the right mix of 'class room' and 'hands on' training for optimal results.</p> <p>The youth are also engaged with Labour Net, which is imparting specialized training at Gajraula and Nanjangud. This partnership has proven to be highly effective and is yielding positive results in employment generation for the trained/skilled rural youth, thus offering them a sustainable model of development, shaping them up into entrepreneurs.</p>
<b>Mahindra &amp; Mahindra</b>	<p>Mahindra's Community Development Officers go to the villages and help in formation of Self Help Groups (SHGs). These SHGs are then given training about livelihood enhancing activities like sewing, goat-rearing, etc. which helps add to the income of the rural families. They are provided revolving funds to start these activities as a micro-enterprise. More than 200 SHGs have been formed so far and 40 have been granted revolving funds. Such enterprises are helping the women's groups earn up to Rs. 3,000 per month.</p> <p>Mahindra World City, Jaipur has partnered with NGO's like TBI to conduct skill up gradation cum entrepreneurship development programs for electricians, plumbers, electronic technicians, security guards, computer operators, beauticians, English speaking and more such trades.</p>
<b>Wadhvani Operating Foundation</b>	<p>Founded in 2000 by Dr. Romesh Wadhvani, the Foundation's primary mission is economic acceleration in emerging economies through large-scale initiatives in job creation and skill development. To achieve this the Foundation has launched five high impact Initiatives in India, with the goal of creating and filling 25 million jobs in the next 5 years. For job creation, Wadhvani Foundation established the <b>National Entrepreneurship Network (NEN)</b> in 2003. NEN has built a strong network with 600 colleges, 4,000 mentors and 3,200 faculty in India that continue to inspire, educate and support thousands of emerging and practicing entrepreneurs. For job fulfillment, the Foundation has set up the <b>Skills Development Network (SDN)</b>, which supports multiple college, high school and employer initiatives for entry level mid-skill jobs.</p>

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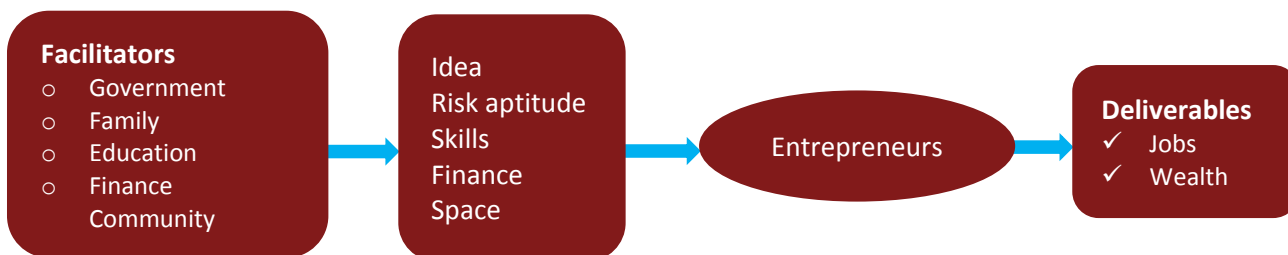
Wadhvani Foundation is providing support to such initiatives on their own or in partnership with the Ministry of HRD and/or State Governments. Under the aegis of the new Ministry of Skill Development & Entrepreneurship, technical and project management support for skilling initiatives of the Central/State Government is proposed to be provided in a more organized and structured manner by pooling the resources of the Central Government and the Foundation.

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## 4. Best practices

To raise the tempo of Entrepreneurship in India, we necessarily need concerted efforts of a number of agencies. Enhancing entrepreneurship involves contribution from the community, family, academia, financial players, government, industry, and from the potential entrepreneurs themselves to build an enabling conducive entrepreneurial ecosystem. Promoting Entrepreneurship means encouraging people to be self-reliant in taking economic decisions and creating wealth and employment.

Figure 2 : The Entrepreneurial Ecosystem <sup>9</sup>



Some of the best practices w.r.t stakeholders (and their possible roles) are mentioned below<sup>10</sup>:

### Entrepreneurs:

- Increase networks (with other entrepreneurs) to encourage sharing of ideas and experiences, and to mentor upcoming entrepreneurs.
- Understand the product and markets well
- Invest in people and build teams that follow inclusive approaches (address the needs of talent at all levels), develop incentives and bolster human resources – ‘translate business strategy into talent strategy’.
- Document failures as much as successes and learn from each experience.

### Government:

- Create up-to-date information source for start-up entrepreneurs in the form of source books, web portals and ‘one stop shops’ and widen the dissemination of all relevant information.
- Introduce a Single Unique Company Number to be used by new businesses for company, social security and tax registrations.
- Improve the current Single Window System of getting clearances and introduce a Single Composite Application Form.
- Ease the process of filing taxes by reducing the frequency of tax payments and multiplicity of procedures.
- Create specialized commercial courts for speedy enforcement of contracts.
- Speed up development of world-class infrastructure

<sup>9</sup> [http://knowledgecommissionarchive.nic.in/downloads/documents/NKC\\_Entrepreneurship.pdf](http://knowledgecommissionarchive.nic.in/downloads/documents/NKC_Entrepreneurship.pdf)

<sup>10</sup> [http://knowledgecommissionarchive.nic.in/downloads/documents/NKC\\_Entrepreneurship.pdf](http://knowledgecommissionarchive.nic.in/downloads/documents/NKC_Entrepreneurship.pdf)

### **Chambers of Commerce/Industrial Associations/Other Networks**

- Chambers need to go beyond mid-size and large companies to reach out to young entrepreneurs.
- Scale up current initiatives on Entrepreneurship; coordinate across associations and networks, and beyond metropolitan cities and top educational institutions.
- Create networks of Entrepreneurship initiatives that are being undertaken across the country.
- Strengthen mentoring programmes for upcoming entrepreneurs

### **Educational Institutions/R&D Centres**

- Develop content, learning methods, pedagogy, examination systems and curricula that encourage critical and lateral thinking; incorporate case studies of real life situations in the curriculum so that students are able to get a 'concrete feel' of the outside world; introduce manuals in school curricula on 'How Things Work' on various practical aspects of everyday living; explore ideas for flexibility of vocational education with mainstream education for greater linkages between theory and practice.
- Make Entrepreneurship a core subject in business schools, including topics relating to business ethics, early enterprise management, relevant aspects of scaling-up, Indian corporate laws and relevant international laws in curricula, explore possibilities of establishing entrepreneurship schools at the undergraduate and post graduate levels such as the one at TISS, Mumbai

### **GUJARAT: other initiatives for strengthening state's skill eco system**

#### **Shree Ram Krishna Knowledge Foundation, Surat**

Shree Ram Krishna Knowledge Foundation, **Surat** signed a MoU for setting up **skill and entrepreneurship development institute** at **Surat**. This centre will be state of the art vocational Training Centre with Advance Learning and Research Facility offering multi skill courses e.g.:

- ✚ Industrial Automation
- ✚ Manufacturing Technology
- ✚ Pollution Control and Clean Environment
- ✚ Behavioural Science and Management
- ✚ Communication and Soft-skill Development
- ✚ Information Technology and Multi-media
- ✚ Construction Technology
- ✚ Agro and Sustainable Growth

#### **Mahatma Gandhi National Institute for Skill Development and Entrepreneurship (MGNISDE)**

- A MoU was signed between **Ministry of Skill development and Entrepreneurship, Republic of India** and **Ministry of Human Resource and Social Security, People's Republic of China** on 15th May 2015, post which the **Mahatma Gandhi Labour Institute (MGLI)** declared as a Nodal Agency for Setting up MGNISDE
- The proposed institute will be set up near Dumad village, in the proposed campus of **Gujarat State Fertilizers & Chemicals (GSFC) University**.
- MoU signed between **GSFC University and MGLI** on 20<sup>th</sup> Jan 2016, which covers joint planning, management and structuring of academic programmes and courses including exchange of mutual experiences in teaching, research, and industrial practices
- Draft Project Report prepared
- The courses intended to be launched by the National Institute are to be recognized by the GSFC University
- Budget of Rs. 100 lakh earmarked for financial year 2016-17; MGLI will also complement their necessary financial contribution.

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## 5. Takeaway for companies

- Companies can invest in different areas to address the gaps within the entrepreneurship space for the most backward regions or in regions of Gujarat where communities require support. They are welcome to reach out to GCSRA for further support to engage in partnerships either in the form of direct CSR project implementation or as technical assistance provider to organizations who plan to work in the specific sector. Companies can take support from GCSRA in training, capacity building on the CSR policy, governance and the various CSR value chain activities.

*GCSRA has created '**Rural Entrepreneurship Promotion Fund**' for companies to effectively and meaningfully manage their CSR obligations in Rural Entrepreneurship space. The following are the projects being considered under this fund, with minimum contribution of Rs. 10 Lakhs.*

- *Identifying and promoting rural youth interested in entrepreneurship*
- *Provide support to skilled youth to become self-employed*
- *Setting up pilot centres to help new entrepreneur stabilize in their enterprise*
- *Arranging angel investment for new rural Entrepreneurs*

- If required and deemed impactful, companies can contribute in joint venture projects with other companies on state priorities based on the Human Development Indices
- The GCSRA partnership enables companies to develop networks with Government, civil society / NGOs and other relevant stakeholders for knowledge sharing, advocacy, sharing of best practices and challenges to support future strategic directions for CSR activities
- Effective investment in CSR by Companies will help in taking credit for creation of social wealth in the local community through the following:
  - By bringing their project development, planning & execution skills
  - By bringing out-of-the box approaches to long standing social problems
  - By designing projects with focus on “value for money”
- CSR activities with high impact are best image building exercise for Companies. Effective CSR Planning will help:
  - Improve the visibility of the Company
  - Resolve conflict with local community
  - Improve branding of the Company
  - Bring better credibility with any new business partners
  - Bring better credibility with any new business partners



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## **5.1. Support from GCSRA**

Gujarat CSR Authority was established through by State Government of Gujarat with an aim to -

- Develop a framework for CSR activities in the State
- Identify the best practices in on-going CSR activities
- Assist mid-sized and smaller Companies in effective implementation of their CSR strategy
- Develop into an active umbrella body for advocacy

GCSRA is a Society is headed by Hon. Chief Minister of Gujarat as the Chairperson of GCSRA and the Authority headed by a highly experienced, retired IAS office; with a high-ranking serving administrative officer in an executive role.

Functions of GCSRA include - bringing in adequate clarity in new CSR regime, facilitating optimal utilization of CSR funds available in Gujarat, coordinating, monitoring & implementing various CSR activities in Gujarat, creating a web portal to highlight and facilitate CSR activities in the State, channelizing CSR funds as per HDI based sectoral priorities & also in 50 most backward talukas, creation of a CSR fund by receiving contribution from various companies and address policy and implementation issues.

In line with the above, the following support is available from GCSRA for companies who are implementing or planning to implement CSR activities in the State.

### **Support available from GCSRA for companies:**

#### **1. Development of CSR Strategy & Annual Plan**

- Consultations and specific support on CSR strategy and project planning to the companies, with similar sectoral status papers (on the priority sectors) to be uploaded on the GCSRA website

#### **2. Support for creating a dedicated CSR team**

- Assistance and support in recruitment of quality personnel and their capacity building
- Developing systems for CSR project administration

#### **3. Development of innovative project ideas** for project investments as per States priority areas

#### **4. Other implementation related assistance**

- Identification of credible implementing agencies through a structured due diligence process
- Assistance in developing Detailed Project Reports
- Registration of individual company's CSR plans on Authority's website and linking it with a query builder software for obtaining information of other companies involved in similar projects
- Organising regional consultations and seminars for better understanding and networking
- Developing App based monitoring and project management software
- Review, monitoring and evaluation of the projects, including documentation support

***The Authority will ensure provision of full credit, visibility and publicity for the interventions of the funding company.***

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## 6. *E-Glossary*

1. [http://knowledgecommissionarchive.nic.in/downloads/documents/NKC\\_Entrepreneurship.pdf](http://knowledgecommissionarchive.nic.in/downloads/documents/NKC_Entrepreneurship.pdf)
2. <http://www.iifcl.co.in/WriteReadData/userfiles/file/CSR%20Presentation%20as%20oper%20the%20website.pdf>
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7. <http://venturecenter.co.in/csr/>