



Innovation Policies for Inclusiveness – Policy Cases

Science and Technology Entrepreneurship Development

Country: India

1. Short Description

The *Science and Technology Entrepreneurship Development (STED) programme* aims to leverage science and technology to tap into under or unutilised resources and promote socio-economic economic development in lagging areas. The programme rolls out four-year projects in different regions of India. Each project identifies resources and sectors of opportunity for entrepreneurship in the region, and provides the technological and entrepreneurial support to develop the sector. It aims to create 200 micro-enterprises in the region over the period, led mostly by previously unemployed youth.

This policy profile is part of a [policy toolkit on innovation policies for inclusiveness](#). It is relevant for territorial inclusiveness.

2. Policy Characteristics

Basic Information

Country and implementing institution(s):	Timeline:
India The National Science & Technology Entrepreneurship Development Board (NSTEDB) under the aegis of the Department of Science and Technology (DST).	1985 to the present (as of December 2016). The programme was reformulated in 1996-1997 to take its current form.
Target group	Size and budget:
Unemployed youth in lagging areas The programme is implemented in industrially under-developed regions. It targets in particular unemployed youth.	Data not available
Type of policy instrument(s)	Inclusiveness focus
Direct financial support (grant) for implementing agencies to roll out non-financial support (counselling, capacity building).	Territorial inclusiveness



Policy objectives

The programme aims to promote the development of lagging areas by matching local material and human resources with science and technology (S&T) processes, in order to create new enterprises and employment. The programme forms part of NSTEDB's efforts to promote self-employment in S&T in India and foster the development of knowledge-based and innovation-driven enterprises. It aligns with national efforts to support inclusive innovation and entrepreneurship-driven development. The target is to create 200 micro-enterprises in each region where a project is implemented over a four-year period.

Rationale

The programme aims to provide support to underdeveloped regions by leveraging the potential of young unemployed people.

Policy target recipient and selection mechanism

The programme mainly targets unemployed youth in lagging areas, who may or may not possess the necessary skills to launch a micro-enterprise, but have the necessary desire and aptitude. The project would also cover other participants, including ex-army personnel, and target other groups.

Projects are rolled out in lagging regions by an implementing agency (IA), which is responsible for carrying out development of the project from inception to implementation. To be selected as an IA, an institution must submit a proposal for their area. Selection criteria include experience in enterprise development, available staff and skills to carry out the necessary measures, past performance and quality of the proposal. To be eligible, an institution must be a recognised educational or research institution, professional body or reputed agency (governmental or non-governmental) with a proven track record of at least three years in promotion of micro-enterprises and entrepreneurship development at grassroots, rural or semi-urban regions.

Policy instrument(s)

Direct financial support (grant) is distributed to implementing agencies to roll out **non-financial support**. The IA receives funding for four years to implement the project, subject to satisfactory progress towards the targets each year.

For each project, the IA carries out a survey to identify regional resources (human and material, especially technology, and market opportunities) in both urban and rural areas, and three to four technology areas of specific relevance to the location of the STED project. This enables the programme to determine opportunities for entrepreneurship. Partnerships with national-level R&D institutions allow the IA to source the necessary technologies. Institutions such as the Small Industries Development Bank of India (SIDBI) and the National Bank for Agriculture and Rural Development (NABARD) and banks are also involved.

Potential entrepreneurs are identified, counselled and trained, and receive support throughout the development of their ventures. The programme focuses on unemployed youth, as this group



has the potential to launch micro-enterprises, but lacks the requisite training and support. Existing enterprises also receive counselling for technology upgrades.

Each STED project is expected to generate at least 200 model micro-enterprises over the project duration of four years, including at least 50 micro-enterprises in the specific technology areas identified by the IA.

STED projects function closely with the district administration for best results. Linkages with other schemes and programmes of the Central and State Government are established to avail the projects of the benefits of various government schemes.

Policy challenges

No data available.

Actions undertaken to address challenges

No data available.

Evaluation and outcomes of the scheme

While funding is allocated for four years, continuation of the project is subject to satisfactory performance, assessed on a yearly basis. The Expert Advisory Committee on STED performs quantitative and qualitative evaluations of project performance, and an Advisory Committee meets two to three times per year at the project site to assess progress. A committee member and an officer from the NSTEDB Secretariat also regularly visit sites to monitor their evolution and suggest mid-term corrective actions if targets are not being met. In extreme cases, the project may be terminated mid-term.

Sources

EC/OECD (2014), *International Science, Technology and Innovation Policy (STIP) Survey and Database*, edition 2014, www.innovationpolicyplatform.org/sti-policy-database.

National Science & Technology Entrepreneurship Development Board (n.d.), *Science & Technology Entrepreneurship Development (STED) Project*, NSTEDB, New Delhi, www.nstedb.com/institutional/sted.htm.

Information provided to the OECD by Professor R.A. Mashelkar (October 2015).



Background

*This document is part of a repository of examples of **innovation policies that have for explicit aim to contribute to territorial, industrial and social inclusiveness**. The repository is part of an innovation policy toolkit developed for the **Innovation for Inclusive Growth** project and gathers national innovation policy programmes that:*

- A.** Explicitly target **lagging and less innovative regions** (outside of regions that are highly innovative) or by design are more likely to support these lagging / less innovative regions.*
- B.** Explicitly aim to include in innovation activities **individuals and groups that are not usually participating** in those activities and in support of broadening the group of innovators.*
- C.** Explicitly aim to foster innovation activities in non-innovative firms, in particular by targeting **non-innovative sectors and non-innovative Small and Medium-sized Enterprises (SMEs)**.*

*Policies are searchable by inclusiveness type, objective and implementation challenge on:
<https://innovationpolicyplatform.org/inclusivetoolkit>*