

SCHEMES IN INDIA FOR ENTREPRENEURS

a) ASPIRE Scheme for Promoting Rural Area Entrepreneurship

ASPIRE Scheme or Scheme for promotion of innovation, entrepreneurship and Agro-Industry is promoted by the Ministry of Micro, Small and Medium Enterprises also known as MSME.

BACKGROUND

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 the sincere efforts, the problems of poverty, unemployment, drudgery and migration still exist in rural economy. 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 ample scope for innovation, value addition and entrepreneurship development in this sector. This is possible only by skill up-gradation, handholding, mentoring, incubation and credit support aimed especially at rural youth and women providing them employment opportunities in rural areas. **The ASPIRE Scheme is aimed at solving this problem and creating employment opportunities through entrepreneurship in rural areas.**

The main objectives of the ASPIRE scheme are to:

- Create new jobs and reduce unemployment
- Promote entrepreneurship culture in India
- Promote innovation to further strengthen the competitiveness of MSME sector.
- Facilitate innovative business solution for un-met social needs
- Grassroots economic development at district level

The ASPIRE Scheme fund has a Rs.200 crore corpus, which will be dedicated for the following uses:

- Automation of agricultural practices and activities related thereto
- Value addition to agriculture and forest produce
- Recycling of agricultural pre/post-harvest wastages, off farm but farm linked, animal husbandry etc.
- Business models for aggregation and value addition relevant for rural areas
- Business models for creation of local employment in rural areas
- Business models for social impact

b) Credit Link Capital Subsidy Scheme for Technology Upgradation

The scheme aims at facilitating technology upgradation of Micro and Small Enterprises by providing 15% capital subsidy (limited to maximum Rs.15 lakhs) for purchase of Plant & Machinery. Maximum limit of eligible loan for calculation of subsidy under the scheme is Rs.100 lakhs.

Presently, more than 1500 well established/improved technologies under 51 sub-sectors have been approved under the Scheme.

Since inception of the scheme, 35533 units have availed subsidy of Rs.2068.18 crore till 31.03.2015.

BACKGROUND

The Ministry of Small Scale Industries is operating a scheme for technology upgradation of Small Scale Industries called the Credit Linked Capital Subsidy Scheme. The Scheme aims at facilitating technology upgradation by providing upfront capital subsidy to SSI units, including tiny, khadi, village and coir industrial units, on institutional finance availed of by them for modernisation of their production equipment (plant and machinery) and techniques. The Scheme provided for 12 per cent capital subsidy to SSI units, including tiny units, on institutional finance availed of by them for induction of well established and improved technology in selected sub-sectors/products approved under the Scheme. The eligible amount of subsidy calculated under the pre-revised scheme was based on the actual loan amount not exceeding Rs.40 lakh.

Objective

The revised scheme aims at facilitating technology upgradation by providing 15 per cent upfront capital subsidy with effect from the 29 th September, 2005 to SSI units, including tiny, khadi, village and coir industrial units, on institutional finance availed of by them for induction of well established and improved technologies in the specified sub-sectors / products approved under the scheme.

Source :<http://www.dcmsme.gov.in/schemes/sccredit.htm>

(GOVERNMENT OF INDIA Revised Guidelines on Credit Linked Capital Subsidy Scheme for Technology Upgradation of Small Scale Industries

(As on April 20, 2006)

c) Credit Guarantee Scheme Fund Scheme

There are an estimated 26 million micro and small enterprises (MSEs) in the country providing employment to an estimated 60 million persons.

The MSE sector contributes about 45% of the manufacturing sector output and 40 % of the nation's exports.

Of all the problems faced by the MSEs, non-availability of timely and adequate credit at reasonable interest rate is one of the most important. One of the major causes for low availability of bank finance to this sector is the high risk perception of the banks in lending to MSEs and consequent insistence on collaterals which are not easily available with these enterprises. The problem is more serious for micro enterprises requiring small loans and the first generation entrepreneurs.

The Credit Guarantee Fund Scheme for Micro and Small Enterprises (CGMSE) was launched by the Government of India **to make available collateral-free credit to the micro and small enterprise sector.** Both the existing and the new enterprises are eligible to be covered under the scheme. The Ministry of Micro, Small and Medium Enterprises and Small Industries Development Bank of India, established a Trust named Credit Guarantee Fund Trust for Micro and Small Enterprises to implement the Credit Guarantee Fund Scheme for Micro and Small Enterprises. The scheme was formally **launched on August 30, 2000** and is operational with effect from 1st January 2000.

The corpus of CGTMSE is being contributed by the Government and SIDBI in the ratio of 4:1 respectively and has contributed Rs.1906.55 crore to the corpus of the Trust up to March 31,2010.

As announced in the Package for MSEs, the corpus is to be raised to Rs.2500 crore by the end of 11th Plan.

ISRAEL (NON – DEMOCRATIC) SCHEMES FOR ENTREPRENEURS

Israel Opens Borders To Foreign Startups With Tech Visa Scheme

A new visa scheme aimed at luring startups to Israel has been introduced by the Israeli Ministry of Economy.

The program allows entrepreneurs and investors to work on technology startups in the country for up to two years.

Dubbed ‘Innovation Visas for Foreign Entrepreneurs’, the program grant two-year visas to foreign entrepreneurs and investors who can show that their startups will be economically prosperous for Israel. After the two years, the visa holders will be eligible to apply for an ‘Expert Visa’ in the hope of staying indefinitely.

Israel has traditionally been a hotbed for technological startups, especially in the area of financial services. An area along the coast of Israel is dubbed Silicon Wadi, named after the high concentration of technology companies based there, just like its Silicon Valley counterpart.

For Israel, the visa scheme is a way to increase its standing on the international technology stage.

The entrepreneurs’ work in Israel will take place through twelve frameworks in different technology fields, which will be selected by the Office of the Chief Scientist at the Israeli Ministry of Economy.

The supportive framework will give the entrepreneurs a workspace, physical and technological infrastructure, professional support and exposure to Israel’s atmosphere of innovation, according to the Ministry of Economy.

Israel Boosting funding schemes

PROBLEM 1:

More than half of ultraorthodox men aged 35-54 do not work, according to a recent study by the Taub Centre for Social Policy Studies. The low labour market participation of Arabs and the ultraorthodox, which together make up approximately 35 per cent of the country's 8.2m people.

PROBLEM 2:

At the same time, Israel's many start-ups increasingly complain that the country does not have enough engineering and other talent to sustain their growth.

Avi Hasson, chief scientist at Israel's Ministry of Economy, sees a way to connect the two groups.

At Israel's second annual Haredi High-Tech conference in Jerusalem, he announced a new funding programme. Young companies that pass the strict application process will qualify for 85 per cent in matching funding, up to 2m shekels which are £340,000, instead of the 50 per cent offered in other government programmes.

The start-ups will also enjoy a 75 per cent subsidy on access to business mentors and receive other guidance. A matching scheme for Arab Israeli entrepreneurs will be announced shortly.