

Entrepreneur Resource Centre (ERC)

Current Status	Proposed Facility
<p>At present the central and state governments operate a plethora of schemes and policies to promote MSMEs. In addition, there is a multiplicity of institutions financial (such as SIDBI) and otherwise (such as NSIC) to promote MSMEs often with overlapping functions and jurisdictions.</p> <p>For example, the Development Commissioner (DC), MSME supports these enterprises in several ways (see details in 'Rationale' below). MSME Development Institutes assist in identifying potential lines of business based on the Industrial Potential Survey and product specific market studies. Further, District Industries Centers and State Directorate of Industries also facilitate in identification of suitable activities for MSMEs.</p>	<p>The multiplicity of relevant extant government schemes and policies to assist could be subsumed under the rubric of an Entrepreneur Resource Centre (ERC) as a <i>one stop shop</i> for potential entrepreneurs. The functions of DC, MSME in this regard could be merged with the ERC. The latter could advise, guide and assist potential entrepreneurs especially first generation and those from socio-economic backward groups or minorities. For example, the ERC could commission market surveys of products/services for different sectors to provide intelligence about the market potential of the proposed enterprise.</p> <p>It could also disseminate information (via website, social media and other means) about various central and state government schemes to promote MSMEs.</p> <p>Finally, the ERC could assist and advise entrepreneurs with information about financing options and procedures and also in obtaining finance from banks and other financial institutions.</p>

Rationale

Lack of information and awareness on part of potential entrepreneurs especially from socio-economic backward groups or minorities is a major barrier for them. The proposed ERC would help remove this barrier and encourage in the setting up of MSMEs. At present the DC, MSME conflates very different functions of providing policy advice to the government and assisting entrepreneurs. Specifically, it carries out the following functions at present:

1. Advising the government in policy formulation for the promotion and development of MSMEs.

2. Maintaining a close liaison with the central ministries, Planning Commission (now Niti Ayog), state governments, financial institutions and other organisations concerned with the development of MSMEs.
3. Evolving and coordinating policies and programs for the development of MSMEs as ancillaries to large industries.
4. Providing techno-economic and managerial consultancy, common facilities and extension services to MSMEs.
5. Providing facilities for technology up gradation, modernisation, quality improvement and infrastructure.
6. Developing human resources through training and skill up gradation.
7. Providing economic information services.

It is proposed that the last four functions be devolved to the ERC and the DC, MSME focus on policy formulation and advice to the government and coordination with other government department and agencies.
