

Role of Financial Institutions in Promoting Entrepreneurship

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ABSTRACT

The word “entrepreneur” has been taken from the French language where it cradled and originally meant to designate an organizer of musical or other entertainments. The Financial Institutions also has been contributing its share and have launched a number of schemes of assistance to the favour of small scale enterprises and entrepreneurs. The movement of entrepreneurship promotion and development in the past few decades has gone a long way in North East India, particularly in the State of Uttarakhand. Both governments and various industrial promotion and support institutions are making considerable efforts to facilitate the process of emergence of new entrepreneurs for setting up enterprises in small scale sector. These efforts involved making attractive schemes for availability of finance and various other assistances including technical know how, training, sales, purchases etc. It is believed that these efforts have made a favorable impact on the growth of the small scale enterprises in the State as well as in the region. There are today a large number of organizations like North Eastern Industrial and Technical Consultancy Organization (NEITCO), Indian Institute of Entrepreneurship (IIE) and the North Eastern Industrial Consultants Ltd (NECON) who has been actively involved in entrepreneurship development activities in the region. Their efforts have been supported by the North Eastern Council (NEC) in general and financial institutions like Industrial Development Bank of India (IDBI), Small Industries Development Bank of India (SIDBI), North Eastern Development Finance Corporation Limited (NEDFCL) and various commercial banks in particular. The present paper in this regard is an attempt to examine the role of financial institutions in promoting small scale and tiny industries in terms of growth of entrepreneurs, enterprises and its contribution to State Domestic Products.

Keywords: Financial Institutions, Entrepreneurship, IDBI, SIDBI, NEC.

