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## **THE ROLE OF PUBLIC POLICIES OF PROMOTING GROWTH AND INNOVATION IN THE ELECTRONIC AND HARDWARE SECTOR IN INDIA**

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### **Abstract**

The Indian government has implemented various hardware and electronics policies. Thus, the present analysis is based on various enticing Indian government electronic and hardware industry initiatives and regulations. This research examines India's electronic and hardware sector's growth and innovation through state initiatives. 400 workers of two of India's largest electrical hardware businesses were studied. Epos India Pvt Ltd and Globe capacitor Ltd will gather Indian electric hardware industry data. A questionnaire was used to obtain data on electronic and hardware public policy. Frequency analysis yielded findings. Thus, India will produce a large amount of electronic goods, reducing imports. Government credit default guarantees will boost the electronics industry's worth and promotes growth and innovation.

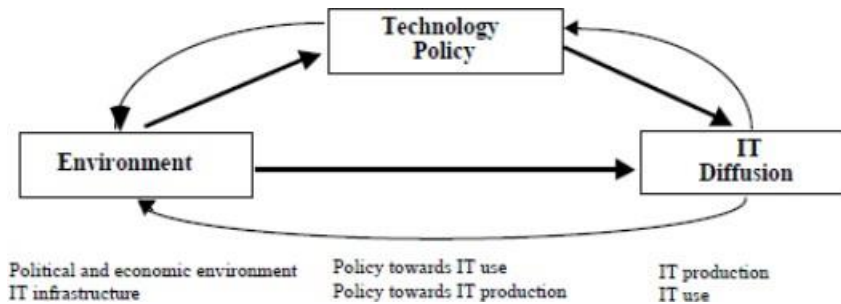
***Keyword:** Government public Policy, manufacturing and electronic sector, Innovation and growth schemes*

### **Introduction**

As part of the new plan, the government may subsidise interest rates on loans up to one billion rupees and provide a credit guarantee for term loans up to one hundred and fifty crore rupees to electronic producers. "It has been suggested that Meity, in collaboration with the nodal agency, establish a fund to provide term loan guarantees." They can be used in accordance with the plan "the original source included." After two years, the corpus will be compared to the reaction of the targeted industry. Chaudhuri & Kumar, (2015).

### **Literature Review**

According to Chudasama, Sharma & Sharma, (2019) the Indian government stands out from the rest of the pack because it intervenes at the highest level possible to give a boost to the electronic and hardware industry. They have developed a framework, which can be seen in Fig. 2.8, that is based on three fundamental aspects, namely the environment, technology policy, and the spread of information technology.



**Figure 1: Indian Government Policy**

Dahlqvist & et.al., (2019) has made a sizeable contribution to the body of research that has been conducted on the development and expansion of the Indian electronic and hardware sector. He investigated the past, the culture, the atmosphere for business, the educational system, and other aspects.

According to Varadarajan, (2014)'s findings, the percentage of the Indian Software Industry's contribution to GDP has been steadily rising year after year. An increasing trend has also been observed in job possibilities and the industry's contributions to exports, both of which have showed signs of improvement. However, a lasting competitive advantage cannot be built on the foundation of cheap costs and efficient delivery systems. They have arrived at the conclusion that businesses need to involve themselves in initiatives that are located farther up the value chain.

According to Lathia & Dadhaniya, (2019), India should try to develop branded products, as well as look into the area of system integration and design, workforce should have advanced skill set, and industry should aim towards innovation. Radhakrishnan also emphasised that the industry should aim toward innovation. Additionally, he has brought up concerns regarding research and development as well as postgraduate education in India.

According to the findings of Sagar & Kim, (2015), the electronic and hardware sector in India is responsible for a significant portion of the country's revenues from foreign exchange. This is primarily due to the export of software.

According to Mitra, (2013) a nation may increase its level of competitiveness through the promotion of trade, the development of infrastructure, the implementation of policy rules in the form of low taxes, and the liberalisation of its economic system.

Bloom, Van Reenen & Williams, (2019) has placed a strong emphasis on the crucial role that circumstances in the labour market and an entrepreneurial attitude had in the development of the outsourcing model in India. The most significant benefit that India offered was low prices due to its abundant supply of reasonably priced engineers.



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According to the findings that Abhyankar, (2014) came to, the Indian electronic and hardware industry, notably the ITeS sector, has demonstrated remarkable development and has remained adaptable despite the economic slowdown.

### **Research aim**

This study main aim is to analyse the role of public policies of promoting growth and innovation in the electronic and hardware sector in India.

### **Research Objective**

To analyse the role of public policies of promoting growth and innovation in the electronic and hardware sector in India.

### **Research Hypothesis**

H0: There is no significant role of public policies of promoting growth and innovation in the electronic and hardware sector in India.

H1: There is a significant role of public policies of promoting growth and innovation in the electronic and hardware sector in India.

### **Material and Method**

#### ***Research Design***

Research design is this method. This is descriptive research. The study approach establishes a reasonable research plan. This descriptive study examines government policy's impact on India's electronics and hardware businesses.

#### ***Sample size***

The sample is designed to reflect the population. Time, money, and access determine the researcher's sample strategy. This study examines how public policy affects India's electronic and hardware sector's growth and innovation. Thus, India's electronic and hardware sector's development and innovation have been analysed using random sampling. This study will involve 400 people. This research will include workers of two of India's leading electrical hardware businesses. Epos India Pvt Ltd and Globe capacitor Ltd will gather Indian electric hardware industry data.

#### ***Data Analysis***

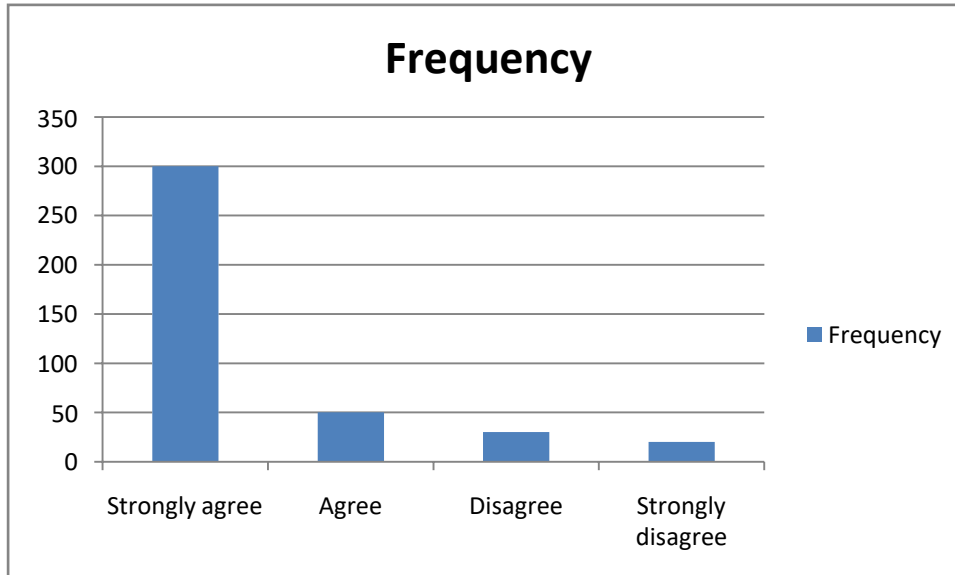
The questionnaire tool was used as a statistical tool in the current study, which analyzed the impact that government policy plays in fostering growth and innovation in the electronic and hardware sector in India. Quantitative analysis has been done to obtain the results by using graph, charts and tables.

**Results and Discussion**

**Question 1: Government public policies make electronic hardware industry more productive and effective**

**Table 1.1**

Do you agree government public policies makes electronic hardware industry more productive and effective ?	Frequency
Strongly agree	300
Agree	50
Disagree	30
Strongly disagree	20



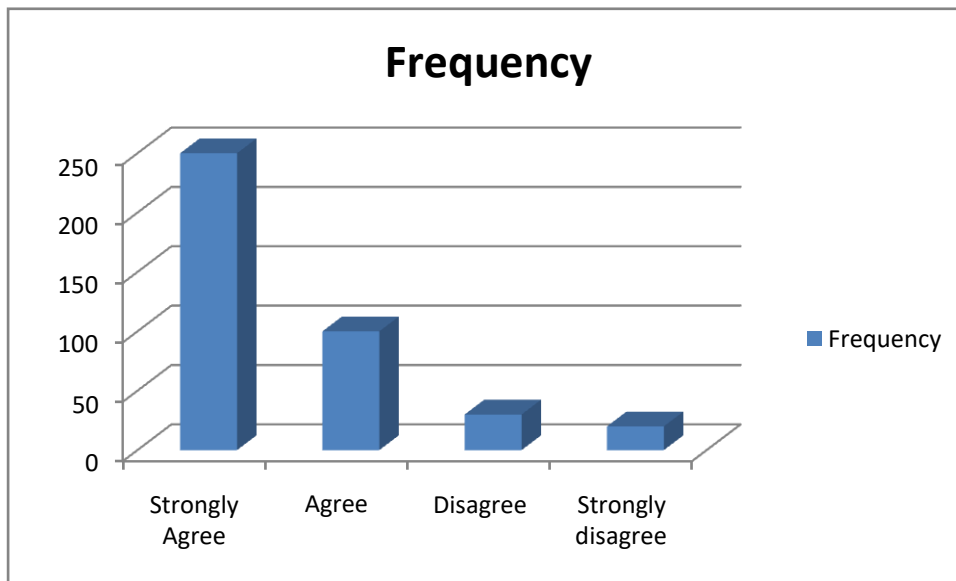
**Figure 2: Frequency of Government policies effects**

According to the statistics in the table and graph above, which are part of the frequency analysis, government regulations lead to higher levels of productivity and efficiency in the electronic hardware industry. There were 400 persons who took part in the survey, and the findings revealed that 300 of them strongly agreed that government regulations made the electronic hardware industry more productive and effective.

**Question 2: Credit default guarantee scheme helpful to your company to promote and grow the electronic and hardware sector**

**Table 1.2**

Is credit default guarantee scheme helpful to your company to promote and grow the electronic and hardware sector	Frequency
Strongly Agree	250
Agree	100
Disagree	30
Strongly disagree	20



**Figure 3: Frequency of credit default guarantee scheme**

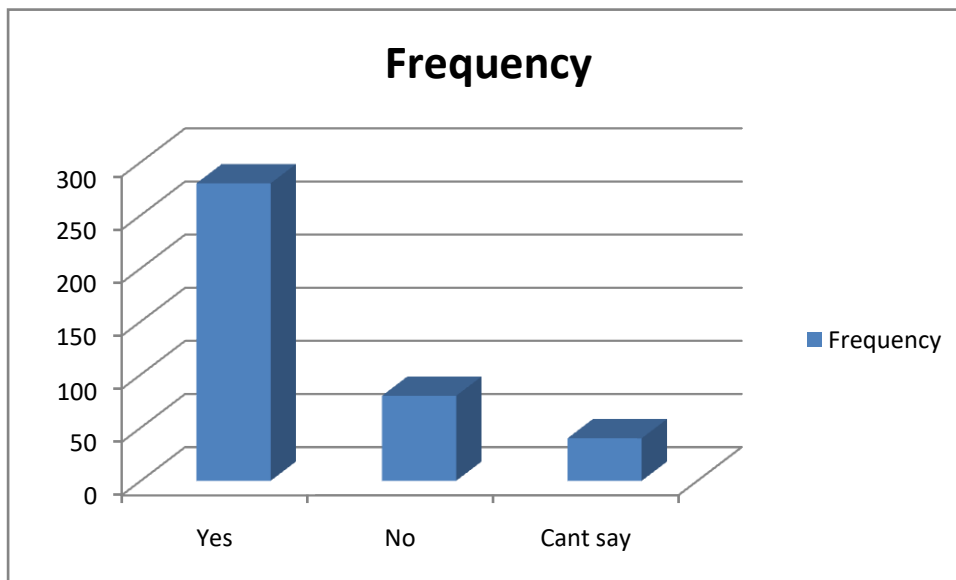
According to the data in the preceding graph and table in the frequency analysis, the vast majority of survey respondents strongly agreed with the statement that a credit default guarantee scheme is beneficial to companies in promoting and expanding their presence in the electronic and hardware industries. There were 250 participants who strongly agreed with the statement that your organisation may profit from a credit default guarantee plan to help develop and expand the electronic and hardware sector out of a total of 400 participants.

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**Question 3; Government policies boost the manufacture of electronic components**

**Table 1.3**

Do government policies boost the manufacture of electronic components ?	Frequency
Yes	280
No	80
Cant say	40



**Figure 4: Government policies boost manufacturing**

Based on the table and graph contained in the frequency analysis, it has been established that the majority of respondents feel that government policy should stimulate the creation of electronic and physical components. Out of a total of 400 participants, 280 said yes to the question of whether government policy fosters the development of electronic components and hardware. The Government of India has made it feasible for a number of firms to begin producing capital goods in India as part of its "Make in India" strategy.

**CONCLUSION**

The Ministry of Electronics and Information Technology has reportedly proposed a "credit guarantee fund" (CGF) scheme and a "interest subvention scheme" (ISS) to strengthen the nation's ecosystem for electronics manufacturing as part of a new National Policy on Electronics that is currently being drafted. A credit guarantee is being explored for term loans for projects having a maximum borrowing sum of Rs. 100 crore per borrowing unit. The



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Production Linked Incentive Scheme (PLI) will be adopted for large-scale electronic manufacturing, according to reports. The April 1, 2020 Gazette Notification No.CG-DL-E-01042020-218990 offers eligible businesses a 4% to 6% incentive on net incremental sales (over base year) involved in the production of mobile phones and specific electronic components, including Assembly, Testing, Marking, and Packaging (ATMP) units. This incentive will be offered for a five-year term. As a consequence of the conversation that has occurred so far and the findings.

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