

## **Entrepreneurship Development: The Role Of The Government In Promoting Entrepreneurship**

Strong economies encourage entrepreneurs. Activities by entrepreneurs brings about economic growth, poverty reduction and foster stability. Governments need to put in place policies that will foster entrepreneurial activities. Such policies will come in with a lot of benefits that will enhance economic growth.

Government policies could be passive or active. Active policies like tax incentives could be of help to some specific businesses. Passive policies helps in creating a conducive environment that is friendly enough for entrepreneurs with no regard to a specific business type.

Both policies promote the growth of small businesses effectively, though passive policies do so in a broad manner. The most successful strategies governments use to encourage entrepreneurship are:

### **Easy Access to Capital**

Someone asked me who an entrepreneur is? I answered in a simple manner "an entrepreneur is someone who puts his money at risk to make money". That is a very simple description of an entrepreneur. Entrepreneurs take calculated risks always. For the government to encourage entrepreneurs, they have to put in place policies that will reduce the risk common in entrepreneurship. In this situation, many people will forget about their 8-4, 7-3 or 9-5 jobs and create new businesses.

The government needs to assist entrepreneurs or would-be entrepreneurs to have ease in getting money needed to get started. The government of Cameroon has put in place the Cameroon Bank for Small and Medium-sized Enterprises which went operational on July 20, 2015. This bank was created to encourage the activities of small and medium sized enterprises by making available loans at low interest rates. Read more [here](#).

## **Education**

For an economy to become great, it needs to create successful small businesses. To get this, it needs to make entrepreneurs willing to create new businesses. This means, its citizens have to learn business skills. How can the government do this?

- **Business Incubators:** A Business Incubator is a place where start-up businesses grow. In a typical sense, business incubators are usually associated with universities, local councils, professionals, professors and other experts who give out time to teach entrepreneurs on everything that concerns business like marketing, tax, accounting, business law and sales. When this would-be entrepreneurs complete such courses, they move on to start their own businesses.

In Cameroon, you can find such institutions run by private organizations. Examples include [OpenHub Co-working Space](#), [ActivSpaces](#), [Jokko Labs](#), etc. Contact [OpenHub Co-working Space](#) for training in business skills.

- **Encourage the use of Internet:** There are many online tutorials that would-be entrepreneurs could use to learn business skills and ideas. The government

should make sure Internet access is wide enough so that entrepreneurs could get access to such free skills and ideas anywhere at anytime.

You can visit [www.afristartup.com](http://www.afristartup.com) and [www.chimenengu.com](http://www.chimenengu.com) to learn some entrepreneurial skills and ideas.

- **Learn from Experts:** The government could also hire small business experts in the private sector to teach business skills online as well as offline. You can visit my [website](#) as well as search online for other sites that offer courses or write articles on small business skills and ideas. Example, [www.smallstarter.com](http://www.smallstarter.com), [Skademy](#).

## **Celebrate and Push Forward Small Business**

Many governments foster the growth of entrepreneurship by promoting existing entrepreneurs to encourage others to start small businesses. In Cameroon, we have Promote ([Salon International de l'Entreprise de la PME et du Partenariat de Yaounde](#)) which was in its 6<sup>th</sup> edition this 2017. Such fairs and expos help to recognize small business and entrepreneurship.

The government could also offer an "Entrepreneur of the Year" award to promising entrepreneurs. Such awards should be a yearly event and should be widely publicized at local and international levels. This will help in creating an entrepreneurial mindset in the citizens.

## **Conducive Tax and Regulatory Environment**

Every country's tax code is one of the best tools a government can use to promote growth of small businesses. The economy of Cameroon is made up of

majority small and medium sized businesses. Most of them rarely reach the growth stage due to high tax and regulatory system. For an economy to be conducive for entrepreneurs, the government needs to do things such as:

- Reduce the corporate tax rate
- Offer tax incentives for investments in training and education
- Offer tax deductions for investments

### **Protect Intellectual Property Rights**

Governments that want to encourage entrepreneurship will have to make laws that protect innovations of entrepreneurs. Innovation is at the heart of every entrepreneur. If such innovations are not legally protected, it will be very unlikely for entrepreneurs to take risks to invent new solutions for problems in the society. In other words, policies that protect copyrights, trademarks and patents will build a very conducive environment for entrepreneurs to flourish.

All in all, an economy that seeks growth needs the government to implement policies that will help entrepreneurs to take less risk and make more money.

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