

A STUDY OF THE IMPACT OF STARTUPS INDIA SCHEME ON THE ENTREPRENEURSHIP DEVELOPMENT

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ABSTRACT

Entrepreneurship plays a very important role in the economic growth of any country. It acts as a backbone not for increasing the level of wealth of a country but also for the economic growth, economic security and economic competitiveness. To promote entrepreneurship development in the country various initiatives have been taken by the government One of the initiatives is start up India scheme and it have been launched to promote private sector development The objectives of a start-up India scheme is to build a strong ecosystem for promoting innovation and start-ups in the country further such a drive would encourage sustainable economic growth and create large scale employment opportunities. The start-up India has initiated several programmes for building a robust start-up ecosystem and transforming in to a country of job creators instead of job seekers. The 'Make-in-India' initiatives and other government schemes have also given a boost to start-ups with many individuals entering the business world. The main purpose of this paper is to study about Entrepreneurship in India and its Promotion Under 'STARTUP INDIA' SCHEME. The paper discusses few issues and challenges that an Indian start-up has to face and the opportunities that the country can provide in the current ecosystem. This study was done based on secondary data collected from multiple sources of evidence, in addition to books, journals, websites, and newspapers.

Keywords: - Entrepreneurship, Start-up, Economic growth, sustainable, make-in-India

I. Introduction

An entrepreneur is an individual who creates a new business, bearing most of the risks and enjoying most of the rewards. The process of setting up a business is known as entrepreneurship.

The entrepreneur is commonly seen as an innovator, a source of new ideas, goods, services, and business/or procedures. Entrepreneurs play a key role in any economy, using the skills and initiative necessary to anticipate needs and bringing good new ideas to market. Entrepreneurship that proves to be successful in taking on the risks of creating a start-up is rewarded with profits, fame, and continued growth opportunities. Entrepreneurship that fails results in losses and less prevalence in the markets for those involved.

Entrepreneurship is one of the resources economists categorize as integral to production, the other three being land/natural resources, labour, and capital. An entrepreneur combines the first three of these to manufacture goods or provide services. They typically create a business plan, hire labour, acquire resources and financing, and provide leadership and management for the business.

A start-up venture could be defined as a new business that is in the initial stages of operation, beginning to grow and is typically financed by an individual or small group of individuals. It is a young entrepreneurial, scalable business model built on technology and innovation wherein the founders develop a product or service for which they foresee demand through disruption of existing or by creating entirely new markets. Start-ups are nothing but an idea that manifests into a commercial undertaking.

II. OBJECTIVE OF THE STUDY

In this paper the researcher is enlightening the scenario of entrepreneurship in India by discussing following:

- Entrepreneurship in India: A holistic approach
- Entrepreneurship and Indian Mindset
- Start- up scenario in India
- Issues & challenges faced by an Indian Entrepreneurs
- Government of India supports for innovation and entrepreneurship in India

III. RESEARCH METHODOLOGY

The main source of data used for the study is secondary data. The present study is conceptual survey with exploratory cum descriptive in nature. This research follows the analytical research methodology which is based on the quantitative data. The information related with study has been collected from websites, journals, magazines, newspapers and books.

IV. Entrepreneurship in India: A holistic approach

Entrepreneurship has been “embedded” in the Indian genius and is part of its tradition. New entrepreneurs who do not belong to traditional business communities have begun to emerge in large numbers. Crucial efforts initiated after economic liberalization – including systematic attempts to reduce the “license raj”, greater efforts to make finance more easily accessible to entrepreneurs and other institutional support to „techno-preneurs” – have helped improve the

climate for entrepreneurship. The software industry in particular has taken giant strides with the top companies working within the market and with a full understanding of the rules of international commerce. Thus the opportunities created by today's global knowledge economy coupled with the „unshackling“ of indigenous enterprise have contributed to making India a „fertile ground“ for entrepreneurship

The Entrepreneurial Perspective sees the business as a system for producing outer-directed results, for the customer and other stakeholders, resulting in profits. The Technician's Perspective sees the business as a place to produce inner-directed results, for his or her own personal satisfaction, resulting in income. Often entrepreneurial companies play a significant role in economic development not just on national level, but within the global economy. Moreover, one of the most important aspects of entrepreneurship is that it creates opportunities for employment; therefore, it affects local societies in a most positive way.

International business is becoming increasingly important to more and more entrepreneurs and to their country's economy. Simply stated global entrepreneurship is the process of an entrepreneur conducting business activities across national boundaries. It may consist of exporting, opening a sales office in another country or something as simple as placing a classified advertisement in the Paris edition of Herald Tribune.

The activities necessary for ascertaining and satisfying the needs and wants of target consumers often take place in more than one country. When an entrepreneur executes his or her business in more than one country global entrepreneurship occurs. As students of “gender and development”, it would be of interest to you to learn about the concept of entrepreneurship and to have knowledge about entrepreneurship at Indian and global context.

V. Entrepreneurship and Indian Mindset: -

The growth of Indian entrepreneurship is rather slow. In spite of all the efforts made in India, ‘entrepreneurship’ has not gained the momentum yet. The most educated middle-class people always prefer jobs either in government sectors or MNCs. In my observation, entrepreneurship is either pursued by the children who have family wealth to invest or traditional business background to follow, and the second group is by those who have no other option left with them than starting petty business like opening a roadside kiosk or shop. But there is a big gap in between. People are very possessive about jobs; they have huge respect for jobholders. In India, various efforts have been made after independence for entrepreneurship development, but the result is not that satisfactory. In our country, most of the people have inclination for services and not for business. Unfortunately, our education system doesn't highlight the importance of entrepreneurship. The technical institutes, IITs have come forward in promoting self-employment concept, promoting start-ups. Many IITians are quitting lucrative jobs to start their business ventures. However, it may not be adequate to prepare new entrepreneurs because of the type of education and training provided. Indian education system is not

suitable for entrepreneurship growth. Talented minds are prepared to take white collared jobs, join government or other private jobs. There are so many reasons why Indian entrepreneurship scenario is so grim.

Among various reasons like joint family system, social pressure, India suffers from caste, class, creed and religion system. A traditional society with traditional mindset often creates obstacles on the paths of entrepreneurship growth. Lack of basic infrastructure facilities like raw materials, capital market, transport, lack of technostucture (lack of professional managers, experts, trained labour force) are some of the reasons why entrepreneurship can't move fast.

But, of all other causes, the restricted and traditional mindset of the Indian people, of the parents and youths is the major cause that discourage many from taking up entrepreneurial activities. Lack of family support, societal pressure are the main reasons that prevents entrepreneurship growth. Parents always prefer their progenies to take up standard 10 to 6 jobs. The only obsession to be in a good job, doing jobs only, getting better jobs in the top companies, the expectation to work in multi-national companies, to do government jobs, to born, brought up and die with jobs are the acts of the jobholics which our people love to do. Being jobholics our people can only see, think and imagine about doing jobs. I don't have any problem with the jobs. After all, it gives me and us bread and butter. But sometimes it hurts when we are so highly obsessed with jobs that if we don't get jobs, we think it is better to sit idle at home without thinking of alternatives. The parents are also equally responsible for making their children jobholics. So, the young generation can't think or imagine a world without jobs.

We are born and brought up with such ideas, persuasions and when a child is born the parents start planning, "my son is going to be an IAS, an engineer, my daughter is going to be a doctor" and they spoon-feed their children to be doctors and engineers only when there are a lot of options available. Who cares about their passions, their interests? I have seen many young people suffering from such problems. Some of my juniors have shared their unhappiness with me saying that "I wanted to be a banker, a singer, a painter, but our parents forced us to study engineering which I don't like at all". In the later stage, they have quit that engineering jobs to start banking careers or they have joined the careers of their choices. I feel that parents should guide their children, encourage them to study hard, but they shouldn't impose on them what they supposed to be. It's purely a personal decision and the children should enjoy full freedom for choosing the career of their preferences. Just allow them to grow with their dreams, passions, allow them to be a singer, a dancer, a painter, an actor, a teacher, an agropreneur and a journalist. If the children follow their passions and are nurtured with their talents, skills, they will grow and fly high and would be successful in life. It will make them happy from within and that is the true meaning of life. Then they will be able to contribute their best to the society.

Hence, entrepreneurship must be promoted, the people must understand its significance, and youths must be oriented to follow it as alternative career options. One entrepreneur can give jobs to many unemployed youths. Like American teens don't get pressurized to follow a trend or a career path, our Indian teens should not be pressurized in any case. In America, they know each one of them is different from each other and they designed to do things differently. So they are free to choose their

career paths. They do part-time jobs for running their expenditures and they don't judge people by the work they do. In our country, the parents decide whether their children should go for medical or engineering. The Indian youths should be encouraged to follow the careers of their choices, there should be no compulsions. Similarly, entrepreneurship must be promoted among the youths to make our country developed, rich and to ensure adequate employment opportunities are available for the unemployed mass.

VI. Start up scenario in India: -

India is growing, undeniably. So is the startup scenario in India. The growth of the Indian startup ecosystem recorded a historical peak of \$13.7 billion in funding in 2021, 4% higher than in 2017. Over the past few years, a lot of new and encouraging stories have garnered much-deserved attention.

The stories of the Indian startup ecosystem are everywhere and you don't even need to go anywhere to find out about them, they are playing right there, in front of our eyes around the day some of them are: -

- Be it payment services like Paytm, PhonePe or educational startups like Unacademy, BYJU's or food delivery services like Swiggy, or a bit more unconventional ones like my petrol pump and Policy Bazaar, the Indian startup stories are everywhere and we come face to face with them for our day-to-day needs.
- The pandemic in 2020 threw a myriad of challenges before the startups but they fought those fearlessly. This fearlessness sparks hope for a bright future for startups in India. Despite the Indian startup ecosystem being ranked at 29 and falling behind several countries, approximately 13 startups managed to enter the Unicorn Club in 2021. This entry takes the total startup members of Unicorn Club to 55.
- Startups such as Pharm easy, CRED, Grow, and Digit Insurance managed to raise funds of \$12.1 billion in 2020. Between January and May in 2021, they raised \$7.8 billion from 402 deals.

To date, India has managed to have registered approximately 38,815 startups with fintech, edtech, and health tech sectors being the top categories in the number of deals. Other sectors such as e-commerce topped the list of fundings in 2021 with the raising of capital grew 2.4 times to \$1.8 billion. India has succeeded in becoming a leader in the startup ecosystem in the past decade.

VII. Issues & challenges faced by an Indian Entrepreneurs

• Courage to start your own business:

Starting your own venture is not an easy task. You need a lot of courage and strength to quit your job and start your own business. One needs to be determined and confident towards his/her goals. You need to convince yourself that there is a need of such product in the market and you are the best person to build it.

- **Is your idea big enough:**

Idea is the most important challenge which every entrepreneur faces? What are you planning to go for? What type of business you are going to deal in? Who are your target audiences? Is your Idea really worth giving a chance? These are few questions that would come up in your mind and you need to find answers for them.

- **Raising Capital:**

Money is another biggest challenge faced by an entrepreneur. Now you have to decide when, how and from whom you are going to raise the required capital. At times, people need to bootstrap their start-up for a longer period of time.

- **Hiring right talent:**

After you have decided to start your own venture, you need a team. Behind every successful business is a dream team - be it finding a right co-founder or the founding start-up team. Getting someone, who believes in your idea/venture as much as you, to make it work are always difficult, but yet the most crucial.

- **Effective marketing on limited budget:**

Being a start-up it's very essential to create visibility among your consumers. You need to reach your target audiences by using effective marketing techniques.

- **Financial Security:**

For a start-up to be a successful enterprise one needs to answer two most important questions – 'Do I have enough savings to ensure my family's financial security?' and 'Does the company have enough funds to ensure at least a year's runway?' If you know you have enough savings for the family, then you can easily focus on the start-up that you are building. Along with it, if your start-up has enough working capital, then you have the ability to take bigger risks.

- **Dealing with stress:**

It is correctly said 'No pain no gain'. Entrepreneur has to go through many stresses – whether it is related to its business or family. To run a successful business one needs to be very strong and calm. So if you are starting up your own venture, then be prepared to deal with the daily stress.

- **Facing Failure:**

It's not necessary that every idea of yours will work. With launching of new products and scaling new markets comes the notion of "failing fast". If you're trying a lot of new things, not everything will work and you will not succeed at each of those ideas.

VIII. Government of India supports for innovation and entrepreneurship in India:

There are numerous government and semi-governmental initiatives to assist startups.

- **Start-Up India**

This initiative provides three-year tax and compliance breaks intended for cutting government regulations and red tapism.

- **MUDRA Yojna**

Through this scheme, startups get loans from the banks to set up, grow and stabilize their businesses.

- **SETU (Self-Employment and Talent Utilization) Fund**

Government has allotted Rs 1,000 Cr in order to create opportunities for self-employment and new jobs mainly in technology-driven domains.

- **E-Biz Portal**

Government launched e-biz portal that integrates 14 regulatory permissions and licenses at one source to enable faster clearances and improve the ease of doing business in India

- **Royalty Tax**

Indian government has reduced the royalty tax paid by businesses and startup firm 25 per cent to 10 per cent

EXAMPLES OF OPPORTUNITIES FOR STARTUPS

Start-ups in Indian scenario have a tremendous scope in catering to local and niche markets that could be viable and sustainable with early potential of revenue generation. With small area of operations and right product /service the success rate could be high with possible chance for expansion. The bottom-of-the pyramid space is a potential market for offerings ranging from food, clothing, water and hygienic items. The selection of items would be based on the entrepreneurs' expertise and the area of operation.

Given below in Table: 1 is a list of current offerings by start-ups followed by list in Table: 2 (Low-Tech) and Table:3 (High Tech) of few potential domains.

Table:1 List of Current Start-ups and Area of Operations

Area of Operation	Startup Firm Name
Online food delivery	FRESHMENU, SWIGGY
Online fish, meat delivery	FRESHTOHOME
Big data analytics for trade	PEELWORKS
Online pharmacy	MYRA
Platform to get local businesses online	NOWFLOATS
Logistics management software	FAREYE
Lifestyle tracking platform	HEALTHIFYME

Payments solutions for credit/debit cards	PINELABS
AI-driven solutions for retailers-	STAQU
Packaged ready-to-cook idli /dosa batter	IDFOODS
Peer-to-peer lending	FAIRCENT

Other areas with tremendous potential for start-ups to establish themselves and thrive are listed in Table: 2 and Table: 3 as low-end and high-end ventures with varying degree of investments and resources. These ventures could be solution providers for underdeveloped and developing countries having similar economic profile at a very affordable cost.

Table:3 Start-up Opportunities- Low-end Ventures

Snacks and Tiffins	Health drinks	Franchising
Waste management	Media support services	Food Processing
Washing and Ironing	Solar Energy products	Retailing
Supply of Drinking water	Education & training	Health& Pharmacy
Diagnostics Centers	IT and ITES	Food Delivery

Table: 4 Start-up Opportunities- High-end Ventures (Export Oriented)

Auto-Components	Ayurvedic medicines
Horticulture	Software Exports
Engineering Goods	Biotechnology
Organic Farming	Floriculture

IX. Findings of the Study:

Entrepreneurship in India is still dominated by small enterprises. as per the Asia pacific region, it is again in the middle position, 14th out of 28 countries. it's strongest performance falls under the criterion of product innovation where its score is equal to the best in the world. it's weaker areas, where it scores below the overall score, are in start-up skills, networks and cultural support, technology absorption (by far the weakest), high growth and risk capital availability India also faces some acute challenges in terms of networking and cultural support. there is a need to pay more attention to the skills required for entrepreneurship including staff training, labour market flexibility in terms of being able to hire the right people with the right skills at the right time, and the entrepreneurs' level of education.

The Government of India has undertaken several initiatives and instituted policy measures to foster a culture of innovation and entrepreneurship in the country.

Through the Startup India initiative, Government of India promotes entrepreneurship by mentoring, nurturing and facilitating startups throughout their life cycle.

X. Conclusion:

In India, the past few decades have seen a major rise in the area of Entrepreneurship. Today, India has become fertile ground for breeding new entrepreneurs. An important aspect of entrepreneurship in India is social entrepreneurship. In India, where high levels of poverty and unemployment still exist, many people have decided to take matters into their own hands, with or without the help of government, to work for a better tomorrow.

Concepts like Teach for India, Tata Jagriti Yatra etc. not only help in promotion of entrepreneurship among the youth, but also provide them with hands-on experience. There is a greater recognition that social enterprises could have a role in solving social issues. What we need to do is to create an environment where entrepreneurs feel confident that they will not face any obstacles if they develop business models for the benefit of the poor. would have cascading effect on the economy and employment generation which would complement medium and large industries efforts catapulting India into a fast-growing economy.

The start-up arena has lot of challenges ranging from finance to human resources and from launch to sustaining the growth with tenacity. Being a country with large population, the plethora of opportunities available are many for start-ups offering products and services ranging from food, retail, and hygiene to solar and IT applications for day-to-day problems which could be delivered at affordable prices. It is not out of place to mention that some of these start-ups would become unicorns and may become world renowned businesses by expanding into other developing and underdeveloped countries.

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