



START-UP INDIA – IT'S ROLE IN DEVELOPING ENTREPRENEURSHIP IN THE COUNTRY – A BRIEF SKETCH

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Abstract

The Indian government's 2016 launch of Start-up India has proven to be a game-changer in fostering innovation and entrepreneurship. The program's success is demonstrated by the widespread acknowledgement of Indian unicorns, its dedication to promoting creativity, and its efforts towards promoting gender inclusivity. Start-up India continues to be a shining example of entrepreneurial development in India, despite ongoing challenges, and it holds great promise for future economic growth and innovation. This paper explores the significant impact of Start-up India, supported by strong statistical evidence gathered from 2016 to 2022. This paper also examined the growth trajectory of start-ups in India, important opportunities and challenges for entrepreneurs, and other relevant factors.

Keywords: Start-up India, Entrepreneurship, Innovation, Incubation.

INTRODUCTION

It is a well-known fact that a nation's economy is largely dependent on its human capital. More employed or working people contribute to the country's economic prosperity. The Indian government came to the realization that Indians are capable of working very hard; all they need is a boost in economic activity and a promising start-up. The majority of Indians want to launch their own businesses, but they are unable to do so for a variety of reasons, including lack of funding. Thus, the government of India, led skillfully by Prime Minister Narendra Modi, has chosen to launch the nationwide initiative known as "Start-up India." "Start-up India is a groundbreaking initiative designed to assist individuals who aspire to launch their own businesses. The government offers comprehensive support to those with the skills and ideas necessary to launch a new venture. The nation's economy will eventually improve if this plan is successful.

The Start-up India Action Plan, unveiled by Prime Minister Narendra Modi on January 16, 2016, detailed a number of projects and activities started by the Indian government. The main goal of the program is to create an environment that is favorable for start-ups by providing them with various benefits and support systems. India's entrepreneurship has advanced thanks in large part to Start-up India. To put it simply, a start-up is an entrepreneurial venture that is mainly formed to tackle practical issues during its early stages of operation. Since many start-ups address important social issues, their significant growth potential often attracts the attention of investors and financial backers.

The government offers financial assistance, tax breaks, and mentoring programs to new businesses. These initiatives have played a significant role in attracting new talent and inspiring individuals to pursue entrepreneurship. The Indian entrepreneurship scene has been stimulated by the Start-up India initiative. The government's Start-up India initiative has provided financial support, tax benefits, and mentoring to a multitude of start-ups. To further assist entrepreneurs and promote their expansion, the government has established organizations like the Entrepreneurship Development Institute of India and the Small Industrial Development Bank of India.

India now has the third-largest start-up ecosystem in the world as of October 3rd, 2023, with an astounding 112,718 start-ups officially recognized by the Department for Promotion of Industry and Internal Trade (DPIIT). Across the nation, this entrepreneurial wave has reached 763 districts. India's innovation environment is unique due to its extraordinary diversity. India's startups are tackling a diverse array of issues in 56 different industrial domains. Notably, the distribution of these endeavors is as follows: IT services account for 13%, healthcare and life sciences account for 9%, education makes up 7%, agriculture makes up 5%, and the food and beverage industry makes up the remaining 5%. This multipronged strategy highlights how inclusive and dynamic Indian innovation is.

STATEMENT OF THE PROBLEM

Notwithstanding the noteworthy expansion of the start-up ecosystem in India and the execution of the Start-up India initiative, a critical evaluation of the precise influence and efficacy of these policies and programs in promoting entrepreneurship and sustainable economic development is still imperative. The purpose of this study is to determine how much Start-up India has aided in the growth of entrepreneurship, including the emergence of new businesses, employment opportunities, and innovative ideas. It will also look at the initiative's current problems and possible areas for improvement to make sure it keeps up its important role in fostering entrepreneurship in India's changing business environment.

OBJECTIVES OF THE STUDY

For the purposes of the investigation, the following particular goals are established.

- To research the steps the government has taken as part of the start-up India initiative.
- To evaluate the prospects and obstacles for the growth of entrepreneurship.
- To evaluate the start-up India program's contribution to the growth of entrepreneurship and the creation of jobs.

METHODOLOGY OF THE STUDY

This research paper focuses on the use of secondary data from various government reports, websites related to finance, and research papers. It is both investigative and descriptive in nature. Gaining understanding of the Start-up India initiative's influence and contribution to India's broader entrepreneurship development is its main goal.

INITIATIONS TAKEN BY THE GOVERNMENT UNDER START-UP INDIA PROGRAM

The government primarily introduced and implemented the following 19 measures as part of the start-up India program in order to support the start-up ecosystem and foster entrepreneurship in India. Based on their nature and potential benefits, these 19 measures were divided into 3 divisions; a brief description of each division is provided below.

A. SIMPLIFICATION & HANDHOLDING (1-6)

1. Compliance regime based on self-certification
2. Start-up India Hub
3. Rolling out of mobile app and portal
4. Legal support and fast-tracking patent examination at lower costs.
5. Relaxed norms of public procurement for start-ups
6. Faster exit for start-ups

Indian startups have greatly profited from these policies implemented as part of the "Start-up India" initiative. Start-ups are freed from onerous bureaucratic requirements under the self-certification compliance regime, enabling them to concentrate more on their core business. The Start-up India Hub streamlines the start-up ecosystem by offering a single, accessible source of information and assistance. Access to essential services and information is made easier when traveling thanks to the mobile app and portal. For innovative start-ups, expedited intellectual property protection through cost-effective patent examination and legal support are critical.

The GOI's easing of regulations governing public procurement has allowed startups to participate in government initiatives, thereby increasing their commercial prospects. Faster exit procedures also make it easier to close down unprofitable start-ups, which reduces the associated costs and administrative work. When taken as a whole, these policies have improved the startup climate and stimulated innovation, entrepreneurship, and economic expansion in India.

B. INDUSTRY-ACADEMIA PARTNERSHIP & INCUBATION (7-14)

7. Organizing start-up fests for showcasing innovation and providing a collaboration platform.
8. Launch of Atal Innovation Mission (AIM) with Self- Employment and Talent Utilization (SETU) programme
9. Harnessing private sector expertise for incubator setup
10. Building innovation centres at national institutes
11. Setting up of seven new research parks modelled on the research park setup at IIT Madras
12. Promoting start-ups in the biotechnology sector
13. Launching of innovation-focused programs for students
14. Annual incubator grand challenge

The "Start-up India" initiative's measures benefit the Indian start-up ecosystem in a number of ways. Putting on start-up festivals gives entrepreneurs a stage on which to present their concepts and encourage cooperation, increasing exposure and fostering networking opportunities. More start-ups and job creation result from the Atal Innovation Mission (AIM) and Self-Employment and Talent Utilization (SETU) program, which develops entrepreneurial talent. Using the experience of the private sector in incubators guarantees real-world mentoring and assistance, increasing the likelihood of startup success.

Research and development are encouraged by the establishment of innovation centers at national institutes and research parks across the nation, which strengthens the innovation ecosystem. Concentrating on the biotechnology industry has enormous potential to lead to significant improvements in agriculture and healthcare. A new generation of entrepreneurs is inspired and cutting-edge ideas are encouraged by the introduction of student programs focused on innovation and the annual incubator grand challenges. All things considered, these actions support the expansion of startups, generate job opportunities, and advance India's economy and technology.

C. FUNDING SUPPORT & INCENTIVES (15-19)

15. Provision of funding support through a Fund of Funds with a corpus of Rs 10,000 crore
16. Credit guarantee fund for start-ups
17. Tax exemption on capital gains
18. Tax exemption to start-ups for three years
19. Tax exemption on investments above fair market value

The aforementioned provisions provide noteworthy advantages to nascent enterprises and entrepreneurs, cultivating an advantageous milieu for inventiveness and economic expansion. With a corpus of Rs 10,000 crore, a Fund of Funds offers start-ups vital financial support, enabling them to obtain the funds required for expansion and development. By lowering the risk for lenders, the Startup Credit Guarantee Fund facilitates start-ups' access to credit and loans. Capital gains and investments over fair market value are exempt from taxes, which stimulates investment and provides entrepreneurs with incentives to invest in new ventures. A three-year tax exemption also helps startups by reducing their initial outlay of funds and encouraging long-term business viability. Together, these policies promote technological innovation, entrepreneurship, and job creation, which eventually boosts economic growth and creates a thriving startup ecosystem.

OPPORTUNITIES AND CHALLENGES FOR ENTREPRENEURSHIP DEVELOPMENT

The Indian government started an initiative called "Start-up India" to encourage innovation and entrepreneurship in the nation. In order to establish a supportive environment for start-ups to develop and prosper, it was implemented in 2016. Although this initiative has given entrepreneurs a lot of new opportunities, it has not been without its share of difficulties. Let's examine a few of the entrepreneurship prospects and difficulties within the framework of Start-up India.

Opportunities for Entrepreneurship under Start-up India

Ease of Doing Business: Starting a business is easy. India has simplified its regulatory procedures, which has cut down on the time and effort needed to launch and run a business. This incentivizes business owners to launch and expand their operations.

Financial Support: To help new businesses get off the ground financially, the government has set up a number of funds, programs, and tax breaks. Among them are the Start-up India Seed Fund Scheme and tax breaks for qualifying new businesses.

Access to Capital: Indian startups now have easier access to angel investors, venture capital, and other funding sources. This makes it possible for business owners to obtain the funding they require for their projects.

Innovation and Technology: Through opportunities for R&D, patent filing, and intellectual property protection, the initiative fosters innovation. Tech-driven start-ups have increased as a result of this.

Market Access: The enormous and quickly expanding Indian market presents opportunities for startups. The program creates a sizable consumer base by encouraging domestic consumption of goods and services.

Incubators and Accelerators: Incubators and accelerators for startups have sprung up all over the nation, providing young entrepreneurs with resources, networking opportunities, and mentorship.

Global Recognition: Indian startups are becoming more well-known worldwide. Numerous Indian start-ups have gone global, demonstrating India's prowess in both technology and entrepreneurship.

Challenges for Entrepreneurship under Start-up India

Bureaucratic Hurdles: The process of starting and operating a business can be slowed down by bureaucratic red tape, which many entrepreneurs still encounter despite efforts to streamline regulations.

Access to Skilled Talent: It's difficult to find and keep talented people. Startups and larger corporations frequently vie for the same pool of highly qualified workers.

Market Competition: The Indian market is known for its intense competition, with certain sectors being dominated by well-established players. To increase their market share and set themselves apart, new competitors must find strategies.

Funding Gaps: Even though there is now more funding available, some start-ups may find it difficult to obtain early-stage capital. It can be difficult for many business owners to find investors ready to take a chance on novel ideas.

Infrastructure and Logistics: Logistics and transportation issues can have an effect on a start-up's supply chain and overall operational effectiveness.

Regulatory Compliance: It can be difficult and time-consuming to comply with labor laws, tax laws, and other regulations, which can present financial and legal difficulties.

Market Validation: In a market as varied and dynamic as India's, startups must validate their business models and product-market fit. This calls for perseverance and flexibility.

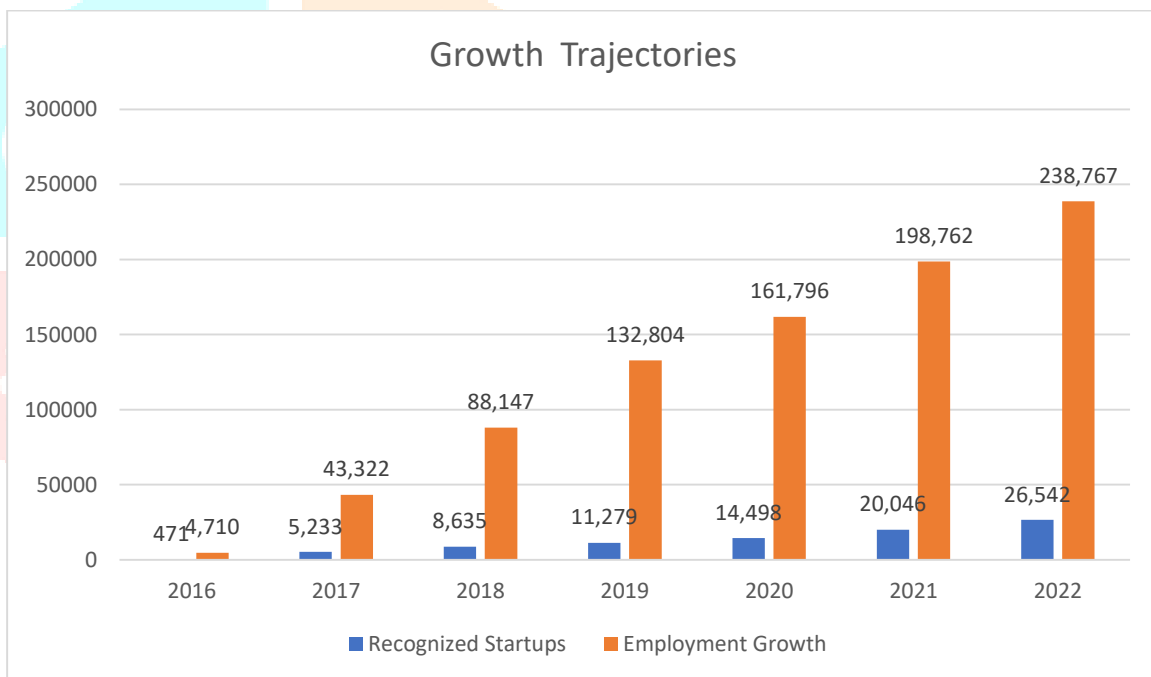
Exit Opportunities: Although mergers and acquisitions are becoming more common, start-ups in India still have few options for exiting the market, such as initial public offerings (IPOs).

GROWTH OF START-UPS AND EMPLOYMENT CREATION AFTER THE INTRODUCTION OF START-UP INDIAN PROGRAM

Number of government-recognized start-ups from the financial year 2016 to 2022

Year	Recognized Start-ups	Employment Growth
2016	471	4,710
2017	5,233	43,322
2018	8,635	88,147
2019	11,279	1,32,804
2020	14,498	1,61,796
2021	20,046	1,98,762
2022	26,542	2,38,767

Source: Statista 2023



INTERPRETATION

The data illustrates the increase in officially recognized start-ups and jobs created by the Start-up India initiative over a seven-year period, from 2016 to 2022. There were 471 officially recognized start-ups in 2016, and between them, they employed 4,710 people. The number of officially recognized start-ups and the jobs they provided increased dramatically over the ensuing years.

The number of officially recognized start-ups increased to 26,542 by 2022, indicating a significant rise in entrepreneurial activity. 2,38,767 people were employed by these start-ups, indicating a major contribution to India's economic expansion and job creation.

This data demonstrates how the Start-up India initiative is helping to promote entrepreneurship, boost the start-up ecosystem, and create job opportunities for an increasing number of people.

CONCLUSION

In conclusion, there is no denying Start-up India's important contribution to the growth of entrepreneurship. A new generation of Indian entrepreneurs has been nourished and empowered in large part by this initiative. It has caused the number of officially recognized start-ups to rise significantly, which has resulted in the creation of jobs and economic expansion. In addition to promoting creativity and innovation, Start-up India has helped to instill an entrepreneurial mindset in a number of economic sectors. Even though it has come a long way, there are still issues and opportunities for development that must be resolved to guarantee the continued growth of inclusive and sustainable entrepreneurship. Start-up India continues to be an important force behind innovation and a major participant in the Indian entrepreneurship scene as the nation moves forward with its economic transformation.

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