



Exploring The Impact Of Startups Among Disadvantaged Groups In India

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Abstract

This paper analyzes the impact of startups on empowering disadvantaged groups through entrepreneurship development, bridging their skill gap by mentoring and supporting fostering innovation and creativity, etc. Entrepreneurs from disadvantaged origins face obstacles in terms of societal domain, institutional and can result from inefficiencies, attitudes, and lack of access to basic amenities such as education, healthcare, sanitation, and information. Startups often focus on education and skill development which can prove as a game-changer for disadvantaged groups. The main source of data used for the study is secondary data. The present study is a conceptual study with a descriptive nature. The findings suggest that startups are also uniquely positioned to address social challenges that disproportionately affect disadvantaged groups.

Keywords: Startups, disadvantaged groups, entrepreneurship, empowerment.

JEL Classification: M13, L26.

Introduction

India is a large country, both geographically and demographically. Addressing the problems and providing opportunities for such a diverse population in terms of culture, language, religion, and geography is a difficult task that aims to meet the needs of a wide range of social groups. Educational desires of various societal groups are not yet fully realized, resulting in their potential being underutilized as they are deprived of equal opportunities. These socio-economic disadvantaged groups form a significant portion of the population and face numerous barriers to education, including social, cultural, economic, and religious obstacles, hindering their full potential. In today's fast-changing work economy, the skill gap has grown to be a crucial concern, especially for young people from marginalized backgrounds. When it comes to economic possibilities, many of them lack the requisite skills and training needed to get stable and well-paying jobs, leaving them at a significant disadvantage. However, startups are marching ahead to fill this gap by providing innovative and customized training programs. Inequitable access to essential resources to explore business opportunities is the root cause of disadvantage in entrepreneurship. Gender and minority status are the most frequently researched demographic characteristics contributing to this disadvantage (**Marlow and Carter 2004; Light 1979**). Though they are diverse, minorities can be viewed as a group when it comes to the stigma and stereotyping, they experience (**Wertliab 1985**) and their access to resources for entrepreneurship vary from those who are perceived as traditional majority entrepreneurs (**Bates, Jackson, and Johnson,2007**)

What are disadvantaged groups?

Two main components are relevant when it comes to entrepreneurship. First, certain people are not equally able to access business opportunities or become business proprietors in the first place. The most obvious example of this kind of disadvantage occurs on a worldwide scale, nations may restrict the people who can start and operate businesses, as well as the places and times in which they can do so. Second, even if people can launch firms, they may still be at a disadvantage due to unequal access to vital resources like finance, human capital, and social capital. When it comes to policies, the first kind of obstacle is usually associated with institutional issues (such as market freedom, corruption, etc.) while the second type is associated with entrepreneurial skills and competencies in addition to access to finance are among the very characteristics that the OECD and European Commission (2013) identified as "entrepreneurship determinants".

Literature Review

When a subset of a community deviates from the norm in terms of their psychological or physical characteristics (such as color, gender, identity, or status as a disabled person) or because they have less access to opportunities and are being treated differently (and in a more negative way) in the workplace in education, healthcare, in wealth-accumulation or any other domain of society, one should start questioning about access that this group has to entrepreneurship. There is a growing recognition of the benefits that come with enabling anyone to pursue entrepreneurship. Beyond the apparent financial advantages that entrepreneurship can offer to people and

communities, becoming an entrepreneur can also enhance their status and self-worth. Across the globe, women are significantly less likely to commence and own businesses than men; even though countries 's self-employment rates differ; the ratio for women is nearly always lower. Several factors contribute to gender inequality such as institutional forces and resource access. For instance, cultural norms and expectations have distinct effects on men and women (Brush, **de Bruin**, and **Welter,2009**). Especially, women entrepreneurs are more susceptible to these differences, and entrepreneurs, in particular, have been characterized as a distinct category in terms of how norms and expectations from society impact their professional lives (**Aldrich & Cliff,2003**). Women indeed encounter rigid assumptions about their roles, which may limit their participation in the economic world (**Minniti and Nardone,2007**). The Global Entrepreneurship Monitor (GEM) has recently published its 2022-2023 Women Entrepreneurship Report, titled "Challenging Bias and Stereotypes ". This report highlighted the insight information about the status of women 's entrepreneurship globally. The main GEM indicators are gender variation in participation rates at different stages of the entrepreneurial life cycle. According to the report, startup rates for women have decreased by 15% from 2019 to 2020 but held constant in 2021. Women, worldwide represent about one in three high-growth entrepreneurs and one in three innovation entrepreneurs focused on national and global markets.

Fairlie (2005 b) in his study on "Entrepreneurship and Earnings among youth adults from disadvantaged families "operationalized disadvantaged families as those in which both parents have less than a high school education. As to **Fairlie's (2005a)** definition of disadvantage, these groups are chosen since "all of these groups have substantially lower earnings than their more advantaged counterparts."

Entrepreneurship by and for disadvantaged groups are the two ways to accomplish socially responsible objectives. When people from disadvantaged origins launch and manage their firms, several firms take initiatives like corporate social responsibility targeting groups like women and minorities. For instance, the Global program Goldman Sachs,10,000 provides women entrepreneurs access to funding, networking opportunities, mentoring, and business and management education (**Goldman, Sachs, n.d**) Social entrepreneurship comes into play while discussing entrepreneurship among underprivileged groups. The goals and key objectives of social enterprises include socially conscious operations (**Certo and Miller,2008**)

According to **Rindova et.al (2009)**, a significant number of individuals belonging to a majority group may have an alternative reason for entrepreneurship than what is often believed. This drive may stem from a desire to escape from an oppressive environment and involve institutional, psychological, or financial limitations.

Clercq and Honig (2011) designed a theoretical framework of how social entrepreneurship offers a means of integrating people with disabilities into the mainstream workforce.

Through entrepreneurship, people can realize their potential to add value for themselves, their families, communities, and beyond. Importantly, owning a business can help offset the financial crisis that frequently results from belonging to disadvantaged groups (such as differences in race and gender). Furthermore, the

general economic condition of the nation and communities where entrepreneurs can be enhanced by successful entrepreneurship (Bradford, 2014)

Objective of the study

The primary objective of the paper is to analyze the impact of startups on disadvantaged groups facing serious labor market challenges -especially aged workers, low-qualified, underemployed youth belonging to marginalized communities, and women.

Government Initiatives to address the issues of disadvantaged groups in India.

1. Bhartiya Yuva Shakti Trust is a non-profit organization that was established in the year 1992 and aimed to help disadvantaged youth in India to develop business ideas into feasible businesses with the assistance of a mentor. BYST plans to increase the number of entrepreneurs from 2500 to 1,00,000, aiming to create half a million jobs through a holistic cycle of awareness, generation, counseling, skill training, and enterprise establishment. BYST has launched 'Mentoring India' to provide a boost to entrepreneurship in India in the year 2017. BYST has established a high-flyer club featuring top micro-entrepreneurs to offer unique sourcing and networking opportunities.

2. The government of India will launch a national portal to provide credit support to one lakh disadvantaged entrepreneurs to uplift the marginalized groups and underprivileged ones, Pradhan Mantri Samajik Utthan Evam Rozgar Adharit Jankalyan (PM- SURAJ). The program will involve three lakh beneficiaries from over 500 districts across the country participating from disadvantaged groups. This initiative will aim to empower the most disadvantaged sections of society through financial empowerment and entrepreneurship opportunities.

Transformative Nature of Startups for Disadvantaged Youth

The words growth, disruption, and innovation are associated with startups. These business endeavors can change industries, provide employment, and stimulate the economy. But their influence goes limitless beyond the corporate world. Startups have become significant change agents in recent years, especially when it comes to tackling the issues that underprivileged youth face.

Startups are characterized by their innovative thinking, risk-bearing capacity, and entrepreneurial spirit. Startups can help underprivileged youngsters think creatively, solve problems, and acquire an entrepreneurial attitude that can be utilized in many domains of their lives by introducing them to this way of thinking. For instance, a startup accelerator program can ask young people from marginalized areas to take part in pitch competitions and entrepreneurship courses. Startups provide disadvantaged youth with opportunities for empowerment. These ventures provide a forum for young people from underprivileged backgrounds to exhibit their abilities, ideas, and talents. Startups can contribute to breaking down barriers and giving voice to individuals who have been historically disregarded by creating an inclusive and supportive workplace.

Often, Startups emphasize education and skill development, which can significantly improve the lives of marginalized groups. Many startups concentrate on offering mentorship opportunities, educational resources, and training programs that are especially designed to meet the requirements of underprivileged communities. For instance, Tech firms and coding academics can give young people, the technical know-how, they need to succeed in the digital economy. This helps level the playing field for young people from underprivileged backgrounds in the job market in addition to creating new professional paths.

Disadvantaged youth from underprivileged backgrounds frequently have higher unemployment rates than their counterparts. Startups can serve as a ray of light, by generating employment possibilities and providing internships or apprenticeships. Startups provide opportunities to learn about industry-specific knowledge, build a professional network, and gain significant job experience by offering internship or entry-level roles with an emphasis on skill-building among the youth. These programs can help marginalized youth become more employable and set them for long-term professional success.

Additionally, startups are in a unique position to tackle social issues that adversely impact disadvantaged groups. For example, some firms prioritize giving free or inexpensive access to mental health services or educational materials for impoverished areas. These startups can bridge the gaps in service delivery and ensure that underprivileged youth have access to essential resources that can enhance their quality of life by leveraging technology and innovative business models.

Entrepreneurship provides another route to prosperity for underprivileged youth who encounter structural barriers in conventional employment. Startups can serve as a motivating role model of what is possible when individuals take control of their fate and fulfill their goals. Startups can encourage and motivate disadvantaged youth to pursue their own entrepreneurial goals by presenting successful entrepreneurs from similar backgrounds. In addition, empowering people promotes generational transition and economic self-sufficiency.

Establishing and operating a business helps to build tenacity, self-confidence, and resilience. Young people can gain perseverance and a strong feeling of self-confidence through entrepreneurship, two traits that are essential for success in any area. One can learn more about entrepreneurship in general and among the underprivileged by researching entrepreneurship among them. An entrepreneur's challenges, for instance, may catalyze resilience. Thus, resilience can be understood as a critical cognitive component in the development and maintenance of enterprises through the experience of underprivileged entrepreneurs (**Branzei, Abdelnour,2010; Bullough, Renko & Myatt,2014**)

Research Methodology

The main source of data used for the study is secondary in nature. The present study is a conceptual survey with descriptive nature. The information related to the study has been collected from websites, journals, books and government reports, etc.

Conclusion and Suggestions for future research.

Startups have the power to transform the lives of disadvantaged youth by generating employment opportunities, providing access to essential services, and inculcating entrepreneurial mindsets. Startups may help young people realize their full potential and free them from the cycle of deprivation by addressing social issues and utilizing technology and innovation. This will enable them to build a better future.

Research on entrepreneurship, self-employment, small business, and social inclusion is needed to better understand its role in addressing social exclusion and global inequality, especially for disadvantaged entrepreneurs. Instead of focusing on firm's development and profitability, one can begin by examining the differences in business ownership and performance. Even if a person receiving disability benefits has a small part-time business, the meager revenue may have a greater impact on their quality of life than the impressive salary a high-tech, fast-growing owner receives from his or her business. Surprisingly, few instances of user entrepreneurs and crowdfunding emerge these days, where marginalized and underprivileged experiences inspire entrepreneurial ideas. However, both of these potent experiences will probably present business prospects, as well as deeply intertwined in their own business that disadvantaged entrepreneurs build. **Bullough, Renko, and Myatt (2014) and Braunzei and Abdelnour (2010)** highlighted growing the significance of resilience as a cognitive component in starting and developing an enterprise. There is a dearth of theoretical literature regarding the ways in which entrepreneurship produces and enhances resilience.

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