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# A Study on Quality of Growth of Entrepreneurship in India

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**ABSTRACT:** Entrepreneurship performs an important role in the economic growth of any country. Entrepreneurship is a pillar of a country's economic prosperity, creating jobs, contributing to national income, rural development, industrialization, technological growth, and export promotion. In India, different initiatives are being obtained from time to time by government to quick entrepreneurship in country. Entrepreneurship is getting the attention of Indian policy makers. A number of high-level initiatives, including Startup India, have been launched to promote growth of private sector. But, the part of entrepreneurship development remains a mystery to many political monitors. The primary reason of this analysis is to examine entrepreneurship in India and its promotion under the Startup India program. The study was conducted on the basis of secondary data obtained from multiple sources of evidence in addition to books, magazines, websites and newspapers.

**KEY WORDS:** Entrepreneurship, Start-up, Entrepreneur, Innovation, Development and Promotion

## I.INTRODUCTION

“An entrepreneur is one who always searches for change, responds to it and exploits it as an opportunity. Innovation is the basic tool of entrepreneurs, the means by which they exploit change as an opportunity for different business of service.” To put it very simply an entrepreneur is someone who perceives opportunity, organizes resources needed for exploiting that opportunity and exploits it [1]. Laptops, mobile phone, Motor Bikes, Credit Cards, Courier Service, and Ready to eat Foods are all examples of entrepreneurial ideas that got converted into products or services

According to A.H. Cole, “Entrepreneurship is the purposeful activity of an individual or a group of associated individuals, undertaken to initiate, maintain or organize a profit-oriented business unit for the production or distribution of economic goods and services”. There are three main conceptual approaches to entrepreneurship [2]. The first approach is functional which is concerned with the dynamic actor that makes key decisions on investment, production, innovation, location, research and development. From this perspective, entrepreneurship is a psychological trait referring to dynamism, creativity and originality.

The approach also includes managers of MNCs, state owned enterprises, profit/non-profit organization and a variety of dynamic entrepreneurs within organizations. The second approach focuses on the firm as the key economic factor [3]. The firms included here are owner operated firms, incorporated joint stock companies, state owned joint venture firms and subsidiaries of multinationals. These firms are the units that make the key decisions on investment, on branching into activities or sectors, or relocating to other countries. The third approach focuses on owner operated enterprises.

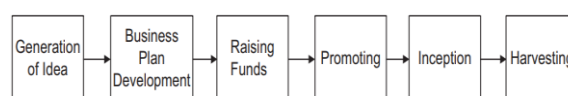


Fig. 1.1: ENTREPRENEURIAL PROCESS

Within this approach the entrepreneur is the owner and is actively involved in running the business. This relates mainly to the small and the medium sized enterprises, start –ups and self-employment. Entrepreneurship in India is still

dominated by small enterprises. They account for over 95% of establishments and 80% of employment in the manufacturing sector [4]. They have also become more productive. Much of the manufacturing sector's employment growth has come in the form of small establishments in tradable sectors; they have contracted in the non-tradable sector [5].

## II. CHALLENGES FACED BY INDIAN ENTREPRENEURS BEFORE STARTING UP

### **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 clam. 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.

## III. GROWTH OF ENTREPRENEURSHIP IN INDIA

In India, the past few decades have seen a major rise in the area of Entrepreneurship. In the early nineties, with India opening up to foreign investments through the much needed policies of liberalization, the Indian market saw multitudes of foreign companies willing to invest in the India market.

Entrepreneurship plays a significant role in the economic development of any country. Entrepreneurship acts as a pillar for the economic prosperity of a nation as it leads to generation of employment, contribution in national income, rural development, industrialization, technological development, export promotion etc. Today, India has become fertile ground for breeding new entrepreneurs.

Present markets are liquid, vibrant and as the recent economic factors has shown, much more stable as compared to markets of other countries. It is well established that education is a prime factor which contributes to the development of entrepreneurship. Access to technology, increase in foreign direct investments and other de-regulation policies are throwing up new opportunities every day. Capital can be organized.

Organizations like National Entrepreneurship Network (NEN), National Social Entrepreneurship Forum (NSEF) are helping new ventures in obtaining capital and angel funding. Thus we can say that there is a potential for entrepreneurship in India. 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. One must realize that establishing a business in India is not a walk in the park.

Yes, it is true that nowadays Indian entrepreneurs do not have to leave the country to pursue their interests, however, building empires requires much more than mere opportunities, what it requires is an outlook and individual motivations, traits which are not hard to find in the Indian society. Surely, one feels India, in a few years, will become a leader in world business.

#### **IV. INNOVATION AND ENTREPRENEURSHIP IN INDIA**

The Government of India has undertaken several initiatives and instituted policy measures to foster a culture of innovation and entrepreneurship in the country. Job creation is a foremost challenge facing India. With a significant and unique demographic advantage, India, however, has immense potential to innovate, raise entrepreneurs and create jobs for the benefit of the nation and the world.

In the recent years, wide spectrums of new programmers and opportunities to nurture innovation have been created by the Government of India across a number of sectors. From engaging with academia, industry, investors, small and big entrepreneurs, nongovernmental organizations to the most underserved sections of society.

Recognizing the importance of women entrepreneurship and economic participation in enabling the country's growth and prosperity, Government of India has ensured that all policy initiatives are geared towards enabling equal opportunity for women. The government seeks to bring women to the forefront of India's entrepreneurial ecosystem by providing access to loans, networks, markets and trainings.

In India, various initiatives have been taken by the government from time to time for entrepreneurship development in the country. Entrepreneurship has attracted the attention of policymakers in India. A series of high-level initiatives, including Start-up India, have been launched to promote private sector development. However, the role of entrepreneurship in development remains a mystery for many policy observers.

A few of India's efforts at promoting entrepreneurship and innovation are:

##### **Start up India:**

Through the Start up India initiative, Government of India promotes entrepreneurship by mentoring, nurturing and facilitating start ups throughout their life cycle. Since its launch in January 2016, the initiative has successfully given a head start to numerous aspiring entrepreneurs. With a 360-degree approach to enable start-ups, the initiative provides a

comprehensive four-week free online learning program, has set up research parks, incubators and start-up Centres across the country by creating a strong network of academia and industry bodies. More importantly, a 'Fund of Funds' has been created to help start-ups gain access to funding. At the core of the initiative is the effort to build an ecosystem in which start-ups can innovate and excel without any barriers, through such mechanisms as online recognition of start-ups, Start-up India Learning Programme, Facilitated Patent filing, Easy Compliance Norms, Relaxed Procurement Norms, incubator support, innovation focused programmes for students, funding support, tax benefits and addressing of regulatory issues.

**Make in India:**

Designed to transform India into a global design and manufacturing hub, the Make in India initiative was launched in September 2014. It came as a powerful call to India's citizens and business leaders, and an invitation to potential partners and investors around the world to overhaul outdated processes and policies, and centralize information about opportunities in India's manufacturing sector. This has led to renewed confidence in India's capabilities among potential partners abroad, business community within the country and citizens at large. The plan behind Make in India was one of the largest undertaken in recent history. Among several other measures, the initiative has ensured the replacement of obsolete and obstructive frameworks with transparent and user-friendly systems. This has in turn helped procure investments, foster innovation, develop skills, protect intellectual property and build best-in-class manufacturing infrastructure.

**Support to Training and Employment Programme for Women (STEP):**

STEP was launched by the Government of India's Ministry of Women and Child Development to train women with no access to formal skill training facilities, especially in rural India. The Ministry of Skill Development & Entrepreneurship and NITI Aayog recently redrafted the Guidelines of the 30- year-old initiative to adapt to present-day needs. The initiative reaches out to all Indian women above 16 years of age. The programme imparts skills in several sectors such as agriculture, horticulture, food processing, handlooms, traditional crafts like embroidery, travel and tourism, hospitality, computer and IT services.

**Jan Dhan- Aadhaar- Mobile (JAM):**

JAM, for the first time, is a technological intervention that enables direct transfer of subsidies to intended beneficiaries and, therefore, eliminates all intermediaries and leakages in the system, which has a potential impact on the lives of millions of Indian citizens. Besides serving as a vital check on corruption, JAM provides for accounts to all underserved regions, in order to make banking services accessible down to the last mile.

**Biotechnology Industry Research Assistance Council (BIRAC):**

BIRAC is a not-for-profit Public-Sector Enterprise, set up by Department of Biotechnology to strengthen and empower emerging biotechnology enterprises. It aims to embed strategic research and innovation in all biotech enterprises, and bridge the existing gaps between industry and academia. The ultimate goal is to develop high-quality, yet affordable, products with the use of cutting edge technologies. BIRAC has initiated partnerships with several national and global partners for building capacities of the Indian biotech industry, particularly start-ups and SME's, and has facilitated several rapid developments in medical technology.

**Department of Science and Technology (DST):**

The DST comprises several arms that work across the spectrum on all major projects that require scientific and technological intervention. The Technology Interventions for Disabled and Elderly, for instance, provides technological solutions to address challenges and improve quality of life of the elderly in India through the application of science and technology. On the other hand, the ASEAN-India Science, Technology and Innovation Cooperation works to narrow the development gap and enhance connectivity between the ASEAN countries. It encourages cooperation in science, technology and innovation through joint research across sectors and provides fellowships to scientists and researchers from ASEAN member states with Indian R&D/ academic institutions to upgrade their research skills and expertise.

## V.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. In India, various initiatives have been taken by the government from time to time for entrepreneurship development in the country. Entrepreneurship has attracted the attention of policymakers in India. A series of high-level initiatives, including Startup India, have been launched to promote private sector development. However, the role of entrepreneurship in development remains a mystery for many policy observers.

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