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PROSPECTS & CHALLENGES**

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Entrepreneurship in India and Its Advancement Under 'Startup India' Scheme

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Abstract:

Entrepreneurship plays a significant role in the economic development of any country. Entrepreneurship is a process involving various actions to be undertaken to establish of an enterprise. 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. 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. The main purpose of this paper is to study about Entrepreneurship in India and its advancement under 'STARTUP INDIA' SCHEME. Startup India as a governmental plan is a comprehensive institutional support package to youths with unconventional business ideas in new areas. This study was done based on secondary data collected from multiple sources of evidence, in addition to books, journals, websites, and newspapers.

"Entrepreneurship is neither a science nor an art. It is a practice." – Peter Drucker

Key words: Entrepreneurship, Startup, Innovation, Development and Advancement

Introduction:

Entrepreneurship refers to the functions performed by an entrepreneur in establishing an enterprise. Entrepreneurial ship is considered as the engines for the development of economy and nation. Therefore to promote the entrepreneurial spirit among the people, particularly the youth of the country, Government of India under leadership of Honorable Prime Minister Sh. Narendra Modi has initiated a program known as "Startup India". This unprecedented initiative aims at addressing the structural constraints which hinder the growth of many potential businesses. Hence, Startup India is an attempt to provide maximum help and support for the newly established business organisation.

Thus, the main aim of this program is to create an employment base for every kind of job seeker whether they are skilled, semi-skilled or unskilled. Start-up India in this context is an action plan which seeks to change the perception of people towards the government. The intent of the government is to encourage the people to convert their ideas into business organizations. There is generally a misconception that start-up India is a programme especially designed for technology sector but in reality the ambit of the initiative is so large that it covers a wide array of other sector including manufacturing, education, healthcare, agriculture etc. Thus, through this initiative the government wants to extend the entrepreneurial spirit to the grass root level.

Literature Review

After the announcement and implementation of reforms the growth rate of the economy has risen up from single digit in the first

decade of the liberalisation to the two digit economic growth rate. Thus the importance of entrepreneurship has been realised and certain incremental steps are taken by the successive governments in this direction. Entrepreneurship is all about the identification of an opportunity, formation of new concerns, and pursue with new association (Carton et al. 1998). According to Wickham (2006) an entrepreneur needs to be innovative, visionary, and should be able to take risk. Entrepreneurs are described as individuals who can explore the environment, examine the alternatives, and capitalize them after proper analysis. J.S. Saini and B.S. Rathore (2001) in their book titled "Entrepreneurship: Theory and Practice", described the dependability of success of business on entrepreneur's desire to assume responsibility for his own actions. Intended outcomes may be obtained through learning from earlier experiences by directing the actions in the right way and consistent efforts will ensure the success. DilipGangopadhyay (2001) in his book Enterprise and Entrepreneurs has highlighted the vigorous association between them, and draw special attention towards development of entrepreneurship for the economic growth of a country. The dynamic process of venture formation involves various activities such as forming a business plan, obtaining resources, developing products, finding finance, government, infrastructural, market research, patenting, and legal support (Lebrasseur et al., 2003).

Objectives:

The study is based on the secondary data which has been collected through websites, newspapers, magazines, economic survey,

government reports, books, research papers etc. The study is based on following objectives:

1. To study in detail various reasons for encouraging entrepreneurship in India.
2. To analyze important challenges faced by India's entrepreneurship in general.
3. To study various steps taken by Government of India to support Innovation and Entrepreneurship in India

Reasons for encouraging entrepreneurship in India

Employment- India needs to create 1- 1.5 crore (10-15 million) jobs per year for the next decade to provide gainful employment to its young population. In the last few decades large business enterprises both public and private have not triggered the employment growth rate and it is not expected from them that they will do so in the coming years also. Similarly addition to increasing automation and digitization, the global economic slowdown has also effected the growth rate of the private sector corporations and hence there is a decline in employment in private sector. Support to new ventures with lower investment, innovative ideas and energized efforts may enable young entrepreneurs not only to increase India's innovation potential, but also creates employment.

Demographic Dividend- With similar demographic profile as US was having in 1960, the demographic dividend is unlikely to accrue to India as a large number of youth in the country lacks education and job to deliver this productivity. Harnessing the benefit of this demographic dividend will depend upon creation of a large number of jobs over the next decade. With 72 percent of the founders less than 35 years old, India is the youngest startup nation in the world. Thus, this demographic dividend is expected to definitely boost the startup culture in the country. If the growth continues in the same pace then it is expected that Indian startups will generate a plenty of jobs in the next five years.

Micro, Small and Medium Enterprises- Micro Small and Medium Enterprises (MSME) have contribution of 37.5 percent to the country's GDP. Hence, to promote self-employment as a means of job-creation and to encourage entrepreneurship for further job creation, facilitation, promotion, development and enhancement in the competitiveness of micro, small and medium enterprises. In nurturing entrepreneurship the importance of MSME sector can be realized by their forward-backward linkages with other sectors and low capital cost requirements.

Rural Economy-The Indian rural economy is mostly based on agriculture with a rampant disguised unemployment. Creation of new entrepreneurial firms employing the large unemployed youths and provision of the basic services like health, education etc. is one of the best ways to capture this market. Indian entrepreneurs are at a distinct advantage in comparison to foreign players entering the space and trying the same solutions.

Challenges Faced By Indian Entrepreneurs Before Starting Up

- 1) **Financial & cash flow management:** Getting your business funded is one of the main issues that all business face and have to tackle in order to survive. While you might have initial money saved up to start a business, they don't survive for long and you. A steady flow of cash is essential for small business to survive and you always need to have extra funds to take care of rainy and in-between days.
- 2) **Lack of Planning:** It's impressive the number of start-ups fails since they "failed to remember" to do the planning. Key locations like sales, development, and funding aren't afterthoughts. They need to all belong to your business plan right from the start. Not just that, however, you require to prepare for the important things you cannot prepare for, also.
- 3) **Hiring the right talent:** Particular abilities are important not just for your business to endure but for the expansion. Recognizing the specific abilities you require— as well as exactly how to obtain those crucial individuals aboard is very important. Not having the right people can produce extreme bottlenecks and also delay the rollout of new products or services. This is one of the issues that no start-up can afford, particularly in the early days.
- 4) **Effective marketing within a limited budget:** Some start-ups assume they can ignore marketing strategies entirely and hope that word of mouth will be sufficient. Being a start-up, it's essential to create visibility among your consumers. Effective marketing techniques within a limited budget should be made to reach your target audiences.
- 5) **Attractive Customers:** Many businesses have started with powerful ideas however could not survive simply because they failed to reach the right customers. There are several ways of reaching the right customers, however social media and SEO have proven to be useful tools for most. The entrepreneur should invest time in understanding the customer expectations and

if needed leverage their network to reach the customers.

6. **Making Decisions:** Decision-making in a business situation can be daunting, especially when there are so many things riding on each decision. Entrepreneurs can face a dilemma while making a decision, especially when they have limited information. Entrepreneurs must also guard themselves against getting overly involved in decision-making and causing a delay which may delay the progress. They can delegate the smaller decisions to their team of experts and ask them to come up with alternatives before evaluating options and finally deciding.
7. **Competition:** Every business faces competition, and entrepreneurs need to be prepared to compete in a crowded market. They need to differentiate their product or service and find ways to stand out from the competition to succeed in the market.

Government of India Support for Innovation And Entrepreneurship in India

Startup India: Through the Startup India initiative, Government of India promotes entrepreneurship by mentoring, nurturing and facilitating startups 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 startups, the initiative provides a comprehensive four-week free online learning program, has set up research parks, incubators and startup Centres across the country by creating a strong network of academia and industry bodies. Facilitated Patent filing, Easy Compliance Norms, Relaxed Procurement Norms, incubator support, innovation focused program for students, funding support, tax benefits and addressing of regulatory issues.

Atal Innovation Mission (AIM): AIM is the Government of India's endeavor to promote a culture of innovation and entrepreneurship, and it serves as a platform for promotion of worldclass Innovation Hubs, Grand Challenges, start-up businesses and other self-employment activities, particularly in technology driven areas. In order to foster curiosity, creativity and imagination right at the school, AIM recently launched Atal Tinkering Labs (ATL) across India. ATLs are workspaces where students can work with tools and equipment to gain hands-on training in the concepts of STEM (Science, Technology, Engineering and Math).

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.

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.

Skill India- Through 'Skill India' mission, the government seeks to promote holistic development by equipping the youth with greater work skills. Bestowing the population with vocational education and training is a productive way of spreading skills at various levels and sub-sectors of industries for improving their employability. The establishment of National Skill Development Corporation (NSDC) is a step towards increased consciousness about the skill gap and a thrust towards increasing abilities of the people. Pradhan Mantri Kaushal Vikas Yojana is a major initiative started under the Skill India campaign.

The PMKVY will be implemented by Union Ministry of Skill Development and entrepreneurship through National Skill Development Council. It will provide skills training to youth, including class 10th and 12th drop outs and aims to cover about 24 lakh people. The target for skilling under the scheme will be associated with Union Government's flagship programme such as Make in India, Digital India, Swachh Bharat Abhiyan and National Solar Mission

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Pradhan Mantri Kaushal Vikas Yojana (PMKVY): A flagship initiative of the Ministry of

Skill Development & Entrepreneurship (MSDE), this is a Skill Certification initiative that aims to train youth in industry-relevant skills to enhance opportunities for livelihood creation and employability. Individuals with prior learning experience or skills are also assessed and certified as a Recognition of Prior Learning. Training and Assessment fees are entirely borne by the Government under this program

Trade related Entrepreneurship Assistance and Development (TREAD): To address the critical issues of access to credit among India's underprivileged women, the TREAD programme enables credit availability to interested women through non-governmental organizations (NGOs). As such, women can receive support of registered NGOs in both accessing loan facilities, and receiving counseling and training opportunities to kick-start proposed enterprises, in order to provide pathways for women to take up non-farm activities.

Digital India: The Digital India initiative was launched to modernize the Indian economy to makes all government services available electronically. The initiative aims to transform India into a digitally empowered society and knowledge economy with universal access to goods and services. This program aims to improve citizen participation in the digital and financial space, make India's cyberspace safer and more secure, and improve ease of doing business. Digital India hopes to achieve equity and efficiency in a country with immense diversity by making digital resources and services available in all Indian languages.

National Skill Development Mission: Launched in July 2015, the mission aims to build synergies across sectors and States in skilled industries and initiatives. With a vision to build a 'Skilled India' it is designed to expedite decisionmaking across sectors to provide skills at scale, without compromising on quality or speed. The seven sub-missions proposed in the initial phase to guide the mission's skilling efforts across India are: (i) Institutional Training (ii)

Infrastructure (iii) Convergence (iv) Trainers (v) Overseas Employment (vi) Sustainable Livelihoods (vii) Leveraging Public Infrastructure.

Findings and Conclusion

Entrepreneurship in India is still dominated by small enterprises. The Government of India has undertaken several initiatives and instituted policy measures to foster a culture of innovation and entrepreneurship in the country. Today, India has become fertile ground for breeding new entrepreneurs. Startup India, a government initiative, serves as a vital catalyst for fostering the growth of the startup culture and building an inclusive ecosystem for innovation and entrepreneurship in India. With various schemes and financial assistance provided to aspiring entrepreneurs, it aims to generate wealth and increase job opportunities within the Indian economy. The present ecosystem to support entrepreneurship in India is vibrant, which has fuelled the growth of entrepreneurship in India. It is thus an excellent opportunity for the younger aspirants to explore their areas of interest and work on them to turn them into realities.

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