



## DESCRIPTIVE STUDY ON RISING OF ENTREPRENEURSHIP IN INDIA: SCOPE AND FUTURE

Aashirbad Nayak<sup>1\*</sup>, Nishant Patro<sup>2</sup>, Nikideeta Ghosh<sup>3</sup>, Ankita Das<sup>4</sup>, Bavleen Kaur<sup>5</sup>, Dr. Harpreet Singh<sup>6</sup>

### Abstract

Research paper “Descriptive Study on Rising Of Entrepreneurship In India: Scope and Future” focuses on the overall development of Entrepreneurship in India. Focuses on the brief history of entrepreneurship in India, how everything started. What are the underlying factors that supported the rise of entrepreneurship in India. What is the impact of entrepreneurship in the Indian economy and Indian Society. This paper also discusses about the rule of government in promoting entrepreneurship in India, what are the different policy decision that are taken by different governments in different time period for the promotion of entrepreneurship. What is the future of entrepreneurship in India is also something that is discussed in this paper. At last, we discussed about what are the different things that can be an obstacle in rising of entrepreneurship in India.

**Keywords:** Entrepreneurship, Business, Profit, Rise, Policy, Government, Future, Digital, Growth, Infrastructure, Management.

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<sup>1\*,2,3,4,5</sup>Students of BA Hons, School of Humanities and Social Sciences, Lovely Professional University

<sup>6</sup>Associate Professor, Punjabi Department, School of Humanities and Social Sciences, Lovely Professional University

**\*Corresponding Author:** Aashirbad Nayak

\*Students of BA Hons, School of Humanities and Social Sciences, Lovely Professional University

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## INTRODUCTION

Indian products and services market has always been dominated by multinational companies. The origin of these companies was largely from foreign countries like Australia, the USA, and other European Nations. After the policy of liberalization, globalization and privatization taken by the Indian government in the year 1992 Indian market was flooded with products of global brands. But if you talk about the scenario before the policy of liberalization, privatization and globalization Indian consumers have significantly fewer options left and there was no competition in the market as well. Different companies competing in the Indian market is a significant factor for consumers as by this competition people will get better quality better price and better type of products. But in recent times where seeing a trend that for every service and businesses there is an Indian company that is ready to provide. This was never the case and if we compare the years 2021 and the year 2022, we will get to see that India has registered more than 20 Unicorn startups in both years. This paper is about understanding the reasons behind India, a country that has always depended on other countries for finished products and services becoming a hub of new startups.

While doing research about this particular topic we came across many papers and many articles but the thing that we found missing was there was no holistic approach over things. Where a diverse range of topics were covered and the reason why this particular thing is important is because if you cover the topic holistically then the conclusions and the solutions that you are going to make will be very accurate and close to reality. This is the reason why we made our topic as holistic as we could. Let's see the types and history of entrepreneurship in India.

By this project what we are trying to do is we want to get the idea about what is the condition of entrepreneurship in India. As we know after in recent times there is a spike in number of unicorns in India. To know better about the factors that are supporting everything and the reasons why is this happening we are making this project.

## HISTORY OF ENTREPRENEURSHIP IN INDIA

In India, entrepreneurship has a lengthy history that dates back to the days when the economy was heavily dependent on traders, artisans, and merchants. Many important details about India's entrepreneurial history are provided below:

**Ancient India:** If we see in ancient India, Indus Valley Civilization in ancient India (c. 2600 BCE–

1900 BCE) was renowned for its thriving trade networks and craftsmanship. Harappan seals discovered in archaeology and the movement of commodities like cotton, spices, and precious metals are examples of evidence of trade. During its reign (321–185 BCE), the Mauryan Empire developed a centralized form of government and controlled business practices.

**Medieval India:** If we talk about Medieval India Bazaars, caravanserais, and markets were established under the Mughal Empire (1526–1857 CE), which experienced a rise in trade and commerce. The empire also promoted craftsmanship and the arts, which sparked the growth of sectors like textiles, metallurgy, and shipbuilding.

**British India:** The British East India Company developed trading posts and dominated much of the country's trade after arriving there in the 17th century. Yet, the company's practices were exploitative and contributed to the downfall of traditional sectors like textiles.

**Post-Independence:** Following India's 1947 declaration of independence, the government concentrated on industrialization and economic growth. With a variety of laws and programmes, the government created public sector firms and offered incentives to business owners. New sectors grew and new entrepreneurs appeared as a result of the Green Revolution of the 1960s and the liberalization of the Indian economy in the 1990s.

**Contemporary India:** India's economy is currently one of the fastest-growing in the world, and it has a strong startup ecosystem. The government has started a number of programs including Startup India and Digital India to encourage innovation and entrepreneurship. Indian businesspeople are building a name for themselves in a variety of industries, such as technology, healthcare, banking, and e-commerce.

## POLICIES BY INDIAN GOVERNMENT TO PROMOTE ENTREPRENEURSHIP

**Startup India:** In order to encourage and assist entrepreneurship in the nation, the Government of India launched Startup India in January 2016. The project intends to accelerate economic growth and job creation in India by creating a robust ecosystem for fostering innovation and startups. The many components of Startup India include access to networking and mentorship opportunities, finance support, incubation and acceleration support, regulatory framework simplification for

businesses, and help for incubation and acceleration. The strategy also includes strategies to support social entrepreneurship, women's entrepreneurship, and rural innovation. A startup portal, a mobile app, tax breaks, a fund specifically designated for funding companies, and a nationwide network of incubators and accelerators are just a few of the major activities under Startup India. Making India a center for innovation and entrepreneurship on a global scale is one of Startup India's goals, along with fostering an atmosphere that would help Indian startups flourish.

**Make in India:** The Government of India started the Make in India program in September 2014 with the aim of increasing manufacturing and bolstering the national economy. The project seeks to establish India as a center for global manufacturing by enticing both domestic and foreign businesses to invest in Indian manufacturing. 25 industries are the focus of Make in India, including the production of defense products, chemicals, textiles, and automobiles. By streamlining the regulatory environment, enhancing infrastructure, and offering incentives for investment, the effort creates a climate that is favorable for investors. Through supporting startups, fostering technology transfer, and boosting cooperation between business and academia, the project also intends to promote entrepreneurship and innovation in the manufacturing sector. A single-window clearance system for investors, increasing ease of doing business, and enhancing labor skill sets are just a few of Make in India's many components. Foreign investment has been drawn in and manufacturing jobs have been produced thanks to the effort. Make in India's overarching objectives are to boost exports, enhance manufacturing's contribution to India's GDP, and position India as an internationally competitive manufacturing hub.

**Digital India:** The Government of India announced the Digital India program in July 2015 with the goal of transforming India into a knowledge economy and a society that is empowered by technology. The project aims to encourage the use of digital technology to advance equitable growth, enhance efficiency, and enhance governance. Businesses can gain from digital India in a number of ways, including better market access, enhanced productivity, and lower costs. The program may also encourage entrepreneurship and innovation, which can spur economic development and employment creation in the nation.

**Atal Innovation Mission:** The Government of India's flagship program, the Atal Innovation Mission (AIM), encourages young Indians to be innovative and entrepreneurial. The government's policy think tank, NITI Aayog, introduced the project in 2016. AIM aims to instill an entrepreneurial and innovative culture throughout the nation as well as encourage young Indians to be creative and problem-solvers. AIM has been successful in encouraging innovation and entrepreneurship in the nation and has assisted many startups and business owners across a range of industries, including technology, agriculture, and healthcare. Young Indians now have a culture of inventiveness and problem-solving thanks to the project.

**MUDRA Yojana:** The Government of India introduced the MUDRA Yojana, one of its flagship programs, in 2015 to encourage small enterprises, particularly those operating in the informal sector, to become more entrepreneurial and self-employed. MUDRA, which stands for Micro Units Development and Refinance Agency, is a program that attempts to give small enterprises financial support in the form of loans up to Rs. 10 lakhs. Several financial institutions, including banks, non-banking financial firms (NBFCs), and microfinance organizations, offer loans under the MUDRA Yojana (MFIs). Based on the business stage and the required quantity, the loans are divided into three groups.

**Shishu:** Loans up to Rs. 50,000 for businesses that are in the initial stages.

**Kishore:** Loans between Rs. 50,000 and Rs. 5 lakhs for businesses that have been established and are looking to expand.

**Tarun:** Loans between Rs. 5 lakhs and Rs. 10 lakhs for businesses that have established themselves and are looking to expand further.

Small enterprises in a range of industries, including manufacturing, services, trading, and agriculture, are intended to benefit financially from the MUDRA Yojana. The program also offers additional assistance to entrepreneurs to help them expand and maintain their enterprises, such as training and capacity building. The MUDRA Yojana has been effective at encouraging entrepreneurship and giving money to small enterprises all around the nation. The program has been crucial in advancing financial inclusion and giving small enterprises, particularly those in the unorganized sector, the tools they need to become self-sufficient and advance the Indian economy.

**MSME (Micro, Small, and Medium Enterprises) Development Act:** In order to support and expand the micro, small, and medium-sized enterprise (MSME) sector in India, the Indian parliament passed the MSME (Micro, Small, and Medium Enterprises) Development Act in 2006. The Act offers a legal foundation for India's MSMEs' recognition, registration, and support. The Act uses a company's annual sales and investment in plant, machinery, or equipment to define MSMEs. A micro-enterprise is defined by the Act as an organization where the investment in plant, machinery, or equipment is less than Rs. 1 crore and the annual turnover is less than Rs. 5 crores. A small business is one where the yearly turnover is less than Rs. 50 crores and the investment in plant, machinery, or equipment is less than Rs. 10 crores. A medium enterprise is one where the annual turnover does not exceed Rs. 250 crores and the investment in plant, machinery, or equipment does not exceed Rs. 50 crores. The Act offers MSMEs a number of advantages and incentives, such as priority sector funding, loan guarantees, and subsidies for technological advancement. To facilitate prompt payment and prevent cash flow issues for small enterprises, the Act also mandates that major corporations purchase goods from MSMEs and pay them within a set time frame.

### IMPACT OF ENTREPRENEURSHIP ON INDIAN ECONOMY

**Economic Growth:** In India, entrepreneurship has been a major force behind economic expansion. In particular, the technology and services sectors have benefited from the expansion of startups and small firms. Moreover, entrepreneurship has sparked the development of new enterprises and industries, boosting the economy's productivity and competitiveness.

**Employment Creation:** In India, entrepreneurship has been crucial in creating employment opportunities. Millions of jobs have been created nationwide by startups and small enterprises, mainly in the service and technology industries. Self-employment has been fostered by entrepreneurship as well, giving many people a means of subsistence.

**Foreign Trade:** The contribution of entrepreneurship to India's integration into the world economy cannot be overstated. International trade and investment have increased as a result of the creation of firms by Indian entrepreneurs. The dissemination of information and technology brought about by the exposure to the outside world

has additionally aided in the promotion of entrepreneurship in India.

**Regional Development:** In India, the growth of regional economies has been greatly aided by entrepreneurship. It has increased economic activity and investment in these areas by encouraging the development of new firms and industries. Moreover, entrepreneurship has fueled the expansion of micro, small, and medium-sized businesses, fostering inclusive growth and regional development.

### EFFECT OF ENTREPRENEURSHIP ON INDIAN SOCIETY

**Employment:** In India, entrepreneurship has been crucial in creating job opportunities. Millions of jobs have been created nationwide by startups and small enterprises, mainly in the service and technology industries. Moreover, entrepreneurship has promoted self-employment and given many people a means of subsistence.

**Innovation:** In India, entrepreneurship has acted as a catalyst for new ideas. Entrepreneurs have disrupted established markets and sectors by introducing new goods, services, and business methods. Many concepts and technology have emerged as a result of the entrepreneurial culture's encouragement of experimentation and inventiveness.

**Social Impact:** Entrepreneurship has had a good social influence in India. It has promoted inclusivity and diversity while giving women and underrepresented groups the chance to participate in the economy. Social enterprises that address issues like sustainability, healthcare, and education have also been developed as a result of entrepreneurship.

**Globalization:** India's integration into the world economy has been greatly aided by entrepreneurship. International trade and investment have increased as a result of the creation of firms by Indian entrepreneurs. The dissemination of information and technology brought about by the exposure to the outside world has additionally aided in the promotion of entrepreneurship in India.

**Governmental Initiatives:** To encourage entrepreneurship, the Indian government has introduced a number of programmes and policies, including Startup India, and the Atmanirbhar Bharat Abhiyan. These initiatives seek to support

startups and entrepreneurs financially and in other ways.

**Entrepreneurship supported by technology:** As technology is being incorporated into all facets of life, it is expected that entrepreneurship in India will become more supported by technology. This means that business owners will need to be computer knowledgeable and use technology to develop creative solutions to problems that can be solved in the real world.

**Growth of social entrepreneurship:** India is seeing a rise in social entrepreneurship, which entails developing novel solutions to societal issues. Social entrepreneurship may play a crucial part in tackling the nation's problems, which include environmental degradation, healthcare, education, and poverty.

#### **Sustainability's growing importance:**

Sustainability is a factor that all businesses, including those in India, must take into account. Entrepreneurs will need to concentrate on developing sustainable enterprises that have a good influence on the environment and society as climate change and environmental challenges become more urgent.

**Support from the government:** The Indian government has started a number of efforts to encourage entrepreneurship in the nation. Examples include the Atmanirbhar Bharat Abhiyan, which aims to make India self-sufficient in a number of industries, and the Startup India programme, which offers cash and other resources to companies. Such initiatives will probably encourage more entrepreneurship in the nation.

#### **FACTORS PROMOTING ENTREPRENEURSHIP IN INDIA**

**Education and Skills:** Promoting business depends heavily on education and skills. Skills like critical thinking, problem-solving, and creativity that are crucial for entrepreneurship can be developed through education. Entrepreneurs can recognize opportunities and handle risks with the aid of education and skills.

**Access to Finance:** Having access to capital is essential for launching and expanding a firm. Entrepreneurs require access to capital in order to develop their ideas, acquire staff, and grow their companies. Banks, investors, and government programmes are just a few of the places where people might have access to financing.

**Supporting Ecosystem:** Fostering entrepreneurship requires the presence of a supportive ecology.

Access to networks, mentoring, and training are included. An environment that supports creativity, taking risks, and teamwork is essential for entrepreneurs.

**Regulatory Setting:** Fostering entrepreneurship requires a favourable regulatory setting. Entrepreneurs want a stable, predictable, and transparent regulatory environment. Moreover, regulations should be created to promote innovation and competition.

**Infrastructure:** For entrepreneurship, infrastructure such as that for transportation, communication, and electricity is essential. To run their enterprises, entrepreneurs need to have access to dependable infrastructure that is also reasonably priced.

**Market Demand:** A key element in encouraging entrepreneurship is market demand. Entrepreneurs must see market possibilities and develop goods or services that satisfy consumer demands. Strong consumer demand can aid business owners in expanding and succeeding.

#### **OBSTACLES IN RISING OF ENTREPRENEURSHIP IN INDIA**

**Lack of finance Access:** One of the main challenges for Indian businesses is a lack of finance. Although there are many venture capital firms and angel investors in the nation, they frequently prefer to invest in established businesses as opposed to startups. Additionally, finding funding can be difficult and time-consuming, which deters many entrepreneurs from pursuing their business ideas.

**Red tape and bureaucracy:** Starting a business in India can be a difficult process with a lot of red tape and bureaucracy to negotiate. Due to this, entrepreneurs may find it challenging to launch their businesses, and international investors may be deterred from investing in the Indian market.

**Poor Infrastructure:** India's subpar infrastructure is yet another key barrier to entrepreneurship. Basic necessities like dependable energy and clean water are inaccessible in many areas of the nation, which can make it challenging for businesses to function. Additionally, India's transportation system is frequently backed up and ineffective, which can result in problems with the supply chain and higher costs for companies.

**Cultural bias:** Traditional employment in well-established businesses is more prevalent than

entrepreneurship in several regions of India. Due to this, it may be challenging for aspiring business owners to find guidance and mentorship. It may also reduce the number of available investors.

**Education and Skills Gap:** India also suffers from a substantial skills shortage, with many workers missing the education and experience required to thrive in the contemporary economy. Due to this, it may be challenging for business owners to locate qualified staff, which may also restrict their companies' ability to expand.

## CONCLUSION

Historically we see India always has a very rich history of trade and business but during the British era due to their colonial policies they disturbed everything. They ruptured the whole Indian trading system. After the independence also for several years this particular train continued but during 1980 system changed after Indian government took the liberalization, privatization and globalization the LPG reforms. This became the first push factor for industries to emerge and get a good playing field in Indian and global market. Not only this there are multiple policy decisions that are taken by government for promotion of entrepreneurship in India. Like Startup India, Make in India, Digital India, Atal Innovation Mission, Mudra Yojana and MSME development act. These are some of the major policy decisions taken by government for promotion of entrepreneurship in India. Now if we see the impact of entrepreneurship in our country the impact is good both on social and economic level. Vacancy economic growth employment creation increase in foreign trade regional development innovation growth of social entrepreneurship because of this rise in entrepreneurship.

There are a lot of underlying factors that became the reason for this particular rise they are increase in education and skills, access to finance a very supportive ecosystem regulatory settings infrastructure market demand. If we discuss the future of Indian entrepreneurship India has a very bright future of entrepreneurship the reasons behind this is India has a growing middle class it got its digital revolution has a very high youth population The E-Commerce is also growing in India. But there are some factors that can be a limiting factor for this growth and they are lack of financial access that is a tape and bureaucracy poor infrastructure, cultural biases, education and skill gap if somehow India manage to overcome these particular gaps, then the future of entrepreneurship in India is very bright.

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