



**THE CHALLENGES & IMPACT OF STARTUP, INNOVATION
AND ENTREPRENEURSHIP IN SUSTAINABLE ECONOMIC GROWTH
FOR INDIA**

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Abstract

Innovation is much of the time considered one of the principal powers behind any country's long haul, stable economic success. In this period of present-day globalization, the Indian economy is among those with the fastest growth rates. Since the most recent twenty years, the Indian economy has become by a normal of 7%, however is this growth feasible or simply brief? peculiarity welcomed on by a growing purchaser market and an extending data industry. Innovation is critical to accomplishing long haul practical growth. This paper tries to comprehend how innovation adds to India's economic turn of events. India, the second-most populated country on the planet with a more modest topographical region, should keep up with its Gross domestic product growth rate else it can't be said that feasible improvement is its

backbone. To fathom the causes and main thrusts behind the inorganic extension of startups in India, this article endeavors to lead an exhaustive examination of the turn of events and future possibilities of startup frameworks in India. All the more critically, this piece will help feature the huge commitments that business visionaries have made to creating economies like India.

Keywords: Startup, Innovation, Entrepreneurship, Economic, Growth

1. INTRODUCTION

The Public authority of India's lead program, Startup India, expects to make serious areas of strength for a that is steady of the improvement of new firms, to advance feasible economic growth, and to make critical business prospects. Through this program, the public authority needs to empower organizations to foster through innovation and plan. Since the drive's introduction on January 16, 2016, various drives have been sent off to help the vision of the Hon'ble Top state leader, Shri Narendra Modi, of making India a country of occupation makers instead of occupation searchers. With organizations being recognized through the Startup India drive and numerous business visionaries exploiting the benefits of starting their own firm in India, these projects have prodded the startup culture.

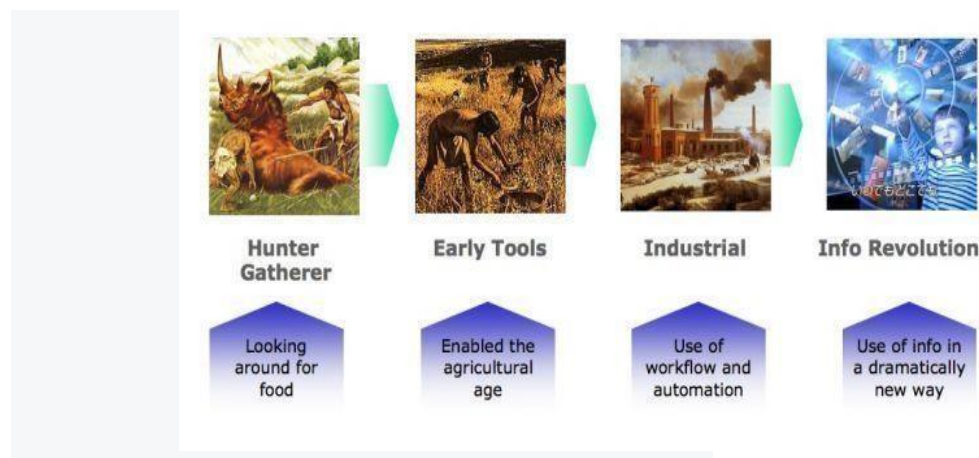


Figure 1: Innovation Area

The 19-Point Startup India Activity Plan incorporates, in addition to other things, a corpus asset of



INR 10,000 crore, numerous brooding habitats, more straightforward patent recording, charge

Figure 2: Process Design

exclusions, simpler business arrangement, and a faster leave system.

It is essential that the Middle and States/UTs cooperate in show to appropriately sustain and uphold new companies for their improvement to understand the point of making a strong biological system in India. To achieve this objective, a rundown of suggestions has been made for the State/UT Government to follow up on and execute. The zenith of current industrialization has been entrepreneurship, innovation, and inventiveness. Since people are rapidly embracing the possibility of entrepreneurship and innovation, world economies are seeing a critical increase. Consequently, the public authority is under less strain to invigorate the economy and make occupations. The three essential attributes of the business person were the subject of financial specialist Joseph Schumpeter's 1949 hypothesis of entrepreneurship. These incorporate imagination, innovation, and foreknowledge. A pivotal part of entrepreneurship studies is fostering a superior comprehension of the components that add to startup disappointment. Rather than new business disappointments, the startup writing has given excessively more consideration to examples of overcoming adversity and elements (Deakins, 1996). As per the Pearl (2017) report, which analyzed 62 economies all through the globe, over 67% (67%) of the grown-up populace accepts that business visionaries are very much regarded and have a high standing in

their nations. This rate advances youngsters' energy for entrepreneurship, which is really great for their economies' future.

2. REVIEW OF LITREATURE

Sahay and Mohan (2018) provide a thorough analysis of the development of entrepreneurship, innovation, and economic progress in India throughout history. The study looks at the numerous elements that have contributed to the rise of entrepreneurship in India and looks at the function of innovation in promoting economic progress. The authors talk about the difficulties faced by Indian entrepreneurs and offer insights into the kinds of policies and tactics that can promote innovation and entrepreneurship-based sustainable economic growth.

The entrepreneurship and innovation ecosystem in India is examined by Kapoor, Agrawal, and Ramaswamy (2019), with an emphasis on the difficulties faced by entrepreneurs and possible solutions. The study looks at important elements that influence startup growth in India, including infrastructure, human capital, regulatory environment, and access to financing. The authors emphasize the need for encouraging policies, institutional backing, and industry-academia cooperation to create a strong ecosystem for entrepreneurship and innovation that can support long-term economic growth.

With a particular emphasis on the "Startup India" initiative, Banerjee, Gupta, and Sengupta (2020) assess the prospects and obstacles for the development of entrepreneurship in India. The report reviews and assesses the governmental initiatives put out to support startups in India. To promote sustainable entrepreneurship and spur economic growth, the authors stress the significance of resolving issues with access to capital, infrastructure, regulatory environment, and skill development.

By examining the Indian startup ecosystem, Reddy and Rao (2020) investigate the function of startups in sustainable economic development. The article explores the factors influencing startups' success and provides an outline of their growth and effect in India. The authors explore the difficulties faced by startups and emphasize the value of encouraging regulations, easy access to capital, mentorship, and innovation-driven entrepreneurship for long-term economic growth.

They stress the importance of stakeholder cooperation in fostering an environment that is supportive of startups in India.

Specifically concentrating on Indian startups, Sankar (2021) studies sustainable entrepreneurship and its effects on economic growth. The notion of sustainable entrepreneurship is examined in this research, along with its applicability in the Indian setting. The author looks into the methods and tactics used by Indian entrepreneurs to achieve long-term success and considers the financial ramifications. The study sheds light on how sustainable entrepreneurship contributes to economic growth and emphasizes the significance of social and environmental responsibility in business operations.

In order to promote economic progress, Paul and Ram (2021) talk about the problems and solutions related to sustainable entrepreneurship in India. The chapter gives a broad overview of India's entrepreneurial scene and looks at the problems that entrepreneurs face in terms of the economy, society, and the environment. The writers investigate tactics and regulations that can encourage sustainable entrepreneurship and advance the economy. The chapter also addresses the possibility for inclusive and equitable growth through entrepreneurial endeavors and emphasizes the importance of innovation and technology in encouraging sustainable entrepreneurship.

3. DATABASE AND METHODOLOGY

In this paper, the effect of innovation on India's economic advancement is analyzed. This study covers a time of 15 years, from 1996 to 2011. The 1990s act as the investigation's ordered setting. Since this year points the rise of the purported "New Economy" according to an economic viewpoint. The extraordinary utilization of data innovation and innovation overall is what DeLong and Summers (2001) distinguish as the "substance of the New Economy."⁶ The "New Economy" is likewise characterized by the Canadian government (2002) as "an Economy that is delivering or seriously utilizing creative or new technologies."⁶ From this idea, it is clear the way in which significant innovation is to a country's economic turn of events.

Because of an absence of assets, it was hard to track down the information preceding the chose time span. This exploration paper's principal source is the World Bank Information Bank. Because of a scarcity of information, a few factors from this study must be wiped out, including

capital gathering, framework endlessly spending on specialized headway. The Gross domestic product growth rate and per capita Gross domestic product growth rate are the two principal factors utilized in this review to measure India's turn of events. The factors to measure India's work and the effect of that work on economic growth in India are the quantity of patent applications presented, the level of Gross domestic product spent on Research and development, and the level of GNI spent on training. This study looks at the extension of innovation in India utilizing the quantity of patent applications submitted as a variable.

To decide if there is multi-collinearity among the factors, the multi-collinearity test has been run. Table 1 shows the connection framework for the model factors.

Table 1: Correlation Matrix

Items	GDP Growth	R&D Exp	Education	FDI	Unemployment	GDP Per capita Growth	Patient Application
GDP growth	1						
R&D Exp	0.26512	1					
Education	0.35412	0.145121	1				
FDI	0.41251	0.36412	0.64251	1			
Unemployment	0.36412	0.41251	0.56121	0.25413	1		
GDP Per capita Growth	0.21451	0.36512	0.397411	0.45121	0.36541	1	
Patient Application	0.25445	0.14511	0.64512	0.36514	0.26974	0.33612	1

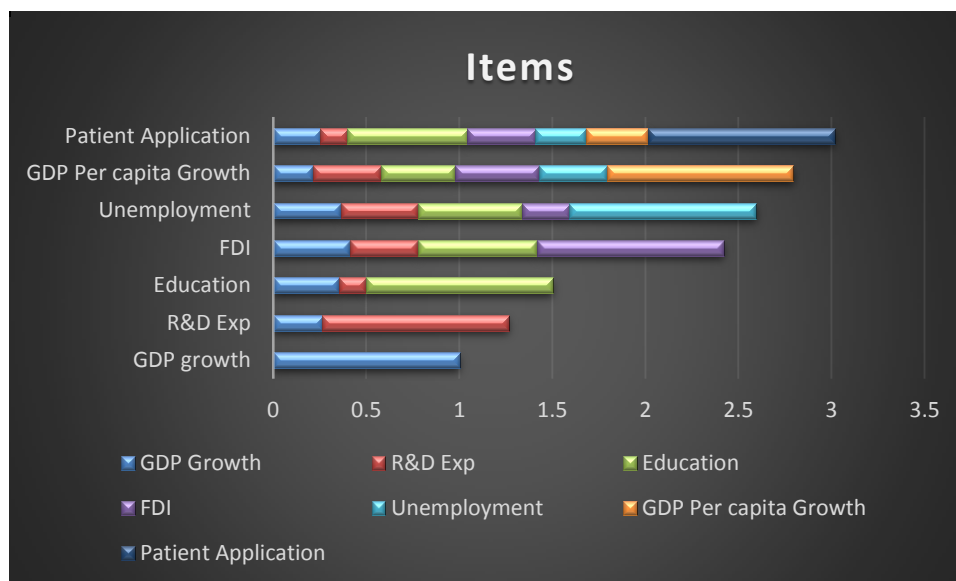


Figure 3: Correlation Matrix

The multicollinearity between two free factors is inspected through the connection network. No multicollinearity between any two free factors is made sense of by this network. This lattice exhibits the high certain connection between the quantity of patent applications, an intermediary mark of innovation in India, and Gross domestic product per capita, an intermediary proportion of India's economic turn of events. As per this information, according to capita economic growth rises, individuals become more creative. Also, I found the assumed high sure connection between Research and development use and patent applications. It suggests that as India's economy develops, assets ought to be dispensed all the more vigorously into innovative work. Moreover, I find a high certain relationship among FDI and Research and development burning through (.78). This suggests that as Research and development use rises, India draws more prominent unfamiliar direct speculation. True to form, there is a negative connection among joblessness and growth in the Gross domestic product, Gross domestic product per capita, Research and development use, patent applications, and FDI. Out of the blue, this framework exhibits a negative affiliation (- .33) between Gross domestic product growth rate and schooling venture, which features the requirement for extra exploration around here.

4. RESULTS

The model depicted in the information and method area has been used to test the review's speculations. The discoveries of a multi-direct relapse model in which the Gross domestic product growth rate is the reliant variable and any remaining elements are free are displayed in Table 2.

Table 2: Summary Output

Regression Statistics	Frequency
Multiple R	0.6481211
R Square	0.7845115
Adjusted R square	0.8451211
Standard Error	0.669712
Observation	0.751421



Figure 4: Summary Output

Table 3: ANOVA

Items	df	SS	MS	F	Significance F
Regression	8	81.64451	14.51361	8021.1541	6.2314513
Residual	9	0.254121	0.051441		

Table 4: coefficient

Items	Coefficient	Standard Error	T start	P-value
Intercept	3.584121	0.2145131	9.145141	6.2445110
R & D Exp	-2.65414	0.6412141	-7.202142	0.0251453
FDI	-0.36421	0.364141	-1.814513	0.1562412
Patent Application	-0.65414	0.253652	1.301254	0.2514553
Unemployment	-0.254114	0.214546	-3.21414	0.3256412
GDP Per Capita Growth	0.632141	0.361415	6.045150	0.5144125

The different liner models talked about above give the general integrity of-fit measurements. On the off chance that not entirely set in stone to be sufficient in the wake of fulfilling suspicions, it tends to be utilized with certainty. Relapse insights are utilized to assess the models' reasonableness. Numerous R and R square are utilized to communicate various connection and assurance coefficients, individually. The Gross domestic product growth rate is the reliant variable, and the other free factors used in the examination are unequivocally emphatically connected, as per the R (.99). A lower P esteem demonstrates that the model is more huge. Nonetheless, it's startling to see negative connections between's Research and development consumption, training, FDI, and patent applications. That shows that as the speed of economic growth of the Indian economy builds, so will the sum spent on Research and development, schooling, FDI, and the quantity of patent applications recorded in India. That appears to be

unrealistic. The four elements referenced above ought to be all certain. This model has my acknowledgment on the grounds that a lower P esteem shows that it is critical. Yet, this paper raises a ton of inquiries.

5. CONCLUSION

Apportioning cash for innovative work and training can add to India's drawn out manageable economic growth. Innovation is a basic part of a country's economic achievement. India might turn into a pioneer instead of a devotee country through cultivating innovation. To achieve this objective, more cash ought to be spent on Research and development and training, which will help India's efficiency over the long haul. The result of this study paper model, nonetheless, is unforeseen. India's growth isn't filled by innovation, similar to the case for the majority industrialized countries, as per the outcome. As per the discoveries, as India's economy creates, Research and development uses, instructive consumptions, unfamiliar direct speculation, and the quantity of patent applications recorded in India would all downfall. That makes one wonder of whether current economic improvement will be maintained or just a passing craze. Any new thought needs the right help and direction to prevail as a business undertaking. Startups are at present extending like a grapevine. Indian startups try to establish a beginning up climate with huge ability, training, and imagination as well as hatcheries and correspondence with monetary associations.

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