

Recent Trends and Growth in Entrepreneurship Development in India

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Abstract- Entrepreneurs play a key role in any economy. Entrepreneurship is considered to be a significant determinant of economic development. New entrepreneurial activities play a vital part in the process of creative destruction that fosters innovation, employment, and growth. Entrepreneurship development is the key factor to fight against unemployment, poverty and to prepare ourselves for globalization in order to achieve overall Indian economic progress.

Definition of Entrepreneur by Investopedia: An entrepreneur is an individual who, rather than working as an employee, founds and runs a small business, assuming all the risks and rewards of the venture. The entrepreneur is commonly seen as an innovator, a source of new ideas, goods, services and business or procedures. According to economist Joseph Alois Schumpeter, entrepreneurs are not necessarily motivated by profit but regard it as a standard for measuring achievement or success.

Definition of Entrepreneurship: Entrepreneurship is the process of designing, launching and running a new business, which is often initially a small business. According to Stevenson's, Entrepreneurship is the pursuit of opportunity beyond resources controlled.

In near future India will be the largest individual contributor to the global demographic transition. The U.S., Census Bureau predicts that India will surpass China as the world's largest country by 2025, with a large proportion of those in the working age category. Over the next two decades the continuing demographic dividend in India could add about two percentage points per annum to India's per capita GDP growth. For India to tap this dividend it is necessary to generate enough job opportunities to productively absorb this economically active population.

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, a wide spectrum of new programmes and opportunities to nurture innovation has been created by the Government of India across a number of sectors. From engaging with academia, industry, investors, small and big entrepreneurs, non-governmental organisations to the most underserved sections of society.

Recent Trends in Entrepreneurship:

1. Startup India: January 2016, GOI launched Startup India initiative. It promotes entrepreneurship by mentoring, nurturing and facilitating startups. It provides a comprehensive four week free online learning program, set up research parks, incubators and startup centres across the country. A 'Fund of Funds' has been created for funding. The effort is to build an ecosystem to innovate and excel without any barriers.

"India is one of the fastest growing startup landscape in the world and every major accelerator, investor, angel group, is participating in becoming a part of this growth journey," said Nasscom Chairman Raman Roy.

2. Make in India: September 2014, Make in India was launched to transform India into a global design and manufacturing hub. The initiative was taken to renovate the out-dated processes and policies, and centralise information about opportunities in India's manufacturing sector. And also, the initiative has ensured the replacement of obsolete and obstructive frameworks with transparent and user-friendly systems which helps in procure investments, foster innovation, develop skills, protect intellectual property and build best manufacturing infrastructure.

After the launch, India received Rs 16.40lakh worth of investment commitments September 2014 to February 2016. In the FY 2016-17, India Received Rs Four thousand Twenty Crore.

3. Atal Innovation Mission (AIM): AIM promotes a culture of innovation and entrepreneurship and it serves as a platform for promotion of world-class innovation. AIM recently launched Atal Tinkering Labs (ATL) across India to foster curiosity, creativity and imagination right at the school. ATL is the workplace where students can work with tools and equipment to gain hands-on training in the concepts of STEM (Science, Technology, Engineering and Math). Atal Incubation Centre (AIC) is another programme of AIM created to build innovative start-up businesses as scalable and sustainable enterprises. It provides world class incubation facilities with appropriate physical infrastructure in terms of capital equipment and operating facilities.

None of the registered incubators of AIM have been able to dish out even one successful startup in India over the past several months.

4. Support to Training and Employment Programme for Women (STEP): The Ministry of Women and Child Development, Government of India launched STEP to train especially the rural women above 16 years of age in formal skill training facilities. The training is given in agriculture, horticulture, food processing, handlooms, traditional crafts, travel and tourism, hospitality, computer and IT services.

The President Ram Nath Kovind Delivering the keynote address at the annual session of FICCI Ladies Organisation (FLO) said that if more women become part of the workforce, both household incomes and our GDP will rise. We will become a more prosperous nation. Much greater than that, we will become a more equal society. The government has taken decisive steps to promote a culture of enterprise among ordinary citizens, especially women. The Stand-Up India initiative was launched in April 2016 to encourage entrepreneurship among women, SCs and STs. About 45,000 loans have been disbursed, mainly to sole proprietors.

"Almost 39,000 of these have gone to women - an overwhelming proportion. Under the MUDRA scheme, over the past three financial years, about 117 million loans have been sanctioned,"

Close to 88 million of these loans have gone to women entrepreneurs and he was happy to note that, as of December 2017, the number of NPAs in the MUDRA scheme is less than eight per cent of the loans sanctioned.

5. Jan Dhan-Aadhaar-Mobile (JAM): It is a technological intervention that enables direct transfer of subsidies to intended beneficiaries and eliminates all intermediaries and leakages in the system.

Guinness World Records Recognises the Achievements made under PMJDY, Guinness World Records Certificate says "The most bank accounts opened in 1 week as a part of

financial inclusion campaign is 18,096,130 and was achieved by Banks in India from 23 to 29 August 2014". By 1 June 2016, over 22 crore bank accounts were opened and ₹384.11 billion were deposited under the scheme.

6. Digital India: The initiative was launched on 1 July 2015 to modernize the Indian economy to make all government services available electronically. The initiative aims to transform India into a digitally-empowered society and knowledge economy. It aims to improve the digital and financial space. The main advantage is make cyberspace safer and more secure and improve ease of doing business. It helps to achieve equity and efficiency by making digital resources and services available in all Indian languages.

The BharatNet project will be the custodian of Digital India (DI) project. BharatNet will connect all the 625,000 villages of India by December 2018. Pradhan Mantri Gramin Digital Saksharta Abhiyan is being executed by PMGDisha with an outlay of Rs 2,351.38 crore with the objective of making 6 crore rural households digitally literate by March 2019.

7. Biotechnology Industry Research Assistance Council (BIRAC): It is a non-profit Public Sector Enterprise, set by Department of Biotechnology. The aim is to strengthen and empower emerging biotechnology enterprises and bridge the existing gaps between industry and academia. The ultimate goal is to develop high quality, affordable products with the use of cutting edge technologies. BIRAC has initiated partnerships with several national and global partners. It has facilitated several rapid developments in medical technology.

8. Department of Science and Technology (DST): It comprises several arms that work across the spectrum on all major projects that require scientific and technological intervention. The intervention for Disabled and elderly provides technological solutions to address challenges and improve quality of life. It encourages cooperation in science, technology and innovation through joint research across sectors. It provides fellowships to scientists and researchers to upgrade their research skills and expertise.

Demonetization has helped in digital literacy across India including tier 2 and tier 3 cities. This has given rise to fintech companies which can drastically change India's job market. Digital literacy and skill development should go hand-in-hand.

The government doubled the budget for the Digital India Scheme to Rs 3073 crore for FY19. The second development of investment of Rs 10,000 crore for rural Wi-Fi hotspots, giving 5 crore citizens access to broadband speed internet by the deployment of 5 lakh Wi-Fi hotspots should help bring more consumers online, increasing digital consumption of services like OTT, entertainment, banking, and e-commerce.

We feel that all these steps are a definite plus for the significant growth of the digital businesses in the country.

9. Stand Up India: It is launched in 2015. It aims to enable economic participation among women entrepreneurs, Scheduled Castes and Scheduled Tribes. These underprivileged are granted loans between Rs1 million to Rs10 million to set up green field enterprises in manufacturing, services or the trading sector. It also acts as a digital platform for small entrepreneurs and provides information on financing and credit guarantee.

- Start-up profits to be tax-free for 3 years and also no labour inspections for 3 years of launch of the venture.

- Compliance regime based on self-certification for labour and environmental laws. Easy exit policy for start-ups with 90 days.

- Tax exemption to be provided on capital gains if money is invested in another start up.

10. Trade Related Entrepreneurship Assistance and Development (TREAD): The critical issues of access to credit among underprivileged women are addressed through non-governmental organisations. Accessing loan facilities, receiving counselling and training opportunities are provided which pathways for women to take up non-farm activities.

Under the scheme, there is a provision for Government of India grant up to 30% of the loan/credit maximum up to Rs. 30.00 lakh as appraised by lending institutions/ banks, thus, promoting "small-scale entrepreneurs".

11. Pradhan Mantri Kaushal Vikas Yojana (PMKVY): An initiative of the Ministry of Skill Development & Entrepreneurship (MSDE). It is a skill certification initiative that aims to train youth in industry relevant skills to enhance opportunities for livelihood creation and employability. Training and Assessment fees are entirely borne by the Government under this program.

In less than two years of its commencement, the programme has covered 458 districts across India covering skills ranging from carpet weavers in Rajasthan, tea plantation workers in West Bengal and rubber plantation workers in North East. Over 4.8 lakh skilled workers have been certified under PMKVY.

12. National Skill Development Mission: It is launched in July 2015, with a mission to build synergies across sectors in skilled industries and initiatives and with a vision to build a 'Skilled India'. And seven sub-missions are proposed to guide the mission's skilling efforts across India.

13. Science for Equity Empowerment and Development (SEED):

SEED aims to provide opportunities to motivate scientists and field level workers to undertake action-oriented, location specific projects for socio-economic gain in rural areas. It emphasizes equity in development of the disadvantaged.

These are the initiatives taken for the Entrepreneurship Development in India.

Key Highlights of Indian Start-ups in 2017:

• 63% of participants who tried to raise fund in 2016 did not have a favorable experience.

• 65% believe that the Indian start-up ecosystem may be in a technology bubble.

• 94% of participants are expected to be funded this year. The key is to analyses and take measures to ensure the fundraising to be easier than the previous year.

• 70% of participants were open to an exit.

• 64% expect to achieve an exit within 6 years.

• 60% think that an IPO is the most preferred exit route.

• 42% of the start-ups have women in leadership positions which is 33% more than the last year.

• Respondents rated the emergence of start-ups with more robust business models coupled with more exit activity as most likely to improve investor sentiment in 2017.

• The core business challenges to be addressed this year are equity funds, talent management, and market creation.

• Artificial Intelligence, Agri-tech, and Logistics voted as most under-hyped sectors.

• Digital Payments and Hyperlocal sectors are voted as over-hyped ones.

• Artificial Intelligence and Digital Payments were expected to be hot sectors in 2017.

• The Goods and Service Tax is said to be the most helpful Government initiative.

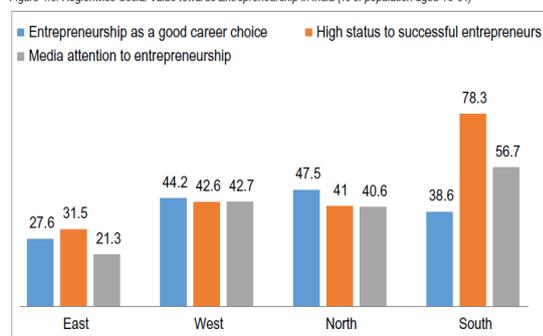
Recent Growth Status:

• Recent reports from NASSCOM indicates that the start-ups and entrepreneurs in are multiplying. India is said to be third largest host for startup-ecosystems globally. It is measured that India houses around 4200 start-ups, creating more than 85000 employment opportunities. With over \$5 billion worth of investment in 2015 and three to four startups emerging every day. It is projected that the number of Start-Ups in India will increase to more than 11,500 by 2020, with job creation from these entrepreneurs reaching 250-300k by 2020. The

number of Investors has also risen multi-fold in the past few years.

- Moreover, the statistics on the demography of the ecosystem says that 72% of the founders are less than 35 years old making India home to the youngest of entrepreneurs in the world.
- As per GEM Survey 2016-17 it has found increase in the rate of entrepreneurial intention to 14.9% compared to 9% 2015-16. While the fear of failure rate has decreased to 37.5% from 44% in 2015-16. According to the report, a comparison of India with its peers in BRICS economies suggests that perceived opportunity is the highest and perceived capability is the second highest among all.
- Table showing the Region wise Social Value towards Entrepreneurship in India:

Figure 4.3: Regionwise Social Value towards Entrepreneurship in India (% of population aged 18-64)



Source: Based on GEM Survey 2015-16

The table clearly depicts that the South India is showing a favour for Entrepreneurship. This paper highlighted two aspects of entrepreneurship development in India, namely the recent trends and the growth.

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