

Start-up : The growth engines of Indian economy

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Abstract

Start-up is a small new business initiated by one or a group of people leading to innovation who could produce product or services. A start-up company is an entrepreneurial venture which is typically an emerging, fast growing business that aims to solve an unmet need by developing available business mode. Start-up plays an important role in improving the country GDP. Innovation improves the living standards of people and generates new jobs which lead to an economic stranger.

Key words

Start-up, Entrepreneurial, Economic, Innovation, Product, Services, Country developing.

Introduction

India is a developing country with a mixed economy. Half of the Indian worker depends on agriculture for their livelihoods. In this paper, we discuss the role of start-up in the growth of Indian economy and how it has helped in the development of our country. The start-up culture strengthens the Indian economy. The government of India has to promote various measures. Prime Minister Narendra Modi launched the "start-up India" initiative in August 2015. The larger goal is to help new business spirit among young Indians, build a framework for uplifting start-up over the last two decades, the Indian start-up ecosystem has grown rapidly, and more support has become available in all dimensions. Start-up does not exist in a vacuum but are part of a broader business environment that is focused on generating impact for solution, thereby acting as vehicles for socioeconomic development and transformation. Since start-up are centres of novel innovation, they generate jobs, which implies more career opportunities, more employment leads to a stronger economy and a healthier economy has a direct impact on the growth of cities where start-up locates.

Direct Impact of start-ups in developing Indian economy

- Employment creation

The major problem that India is facing is unemployment. The jobs that are created are mostly from start-up and not from large enterprises. Since start-up are free from economic slowdown and load, they can manage more employees.

- Creative ideas create more work

A start-up that creates solutions easily will be in high demand, so every start-up will try to be creative. Everyone thinks differently so that the solutions found by different start-ups for the same problem also differ from each other. Also, the smartest and unique methods are further encouraged and create more outsourcing to India.

- The explosion of talent from professionals and entrepreneurs for better ROI

India is full of talented professionals, but they don't have the option to highlight it. Start-ups are looking for talented professionals who can provide them a platform to showcase their unique talents and, they are always encouraged by MNCs, making them spend more money in India.

- New technology to cut production costs

Technological advancements will lead to significant improvements in operations and a lower cost of doing business. Start-ups will discover new technology or create new technology in India that

simplifies the workload. When new technologies are accepted and demand increases, many MNCs will show interest in investing in India. Not only this, many advancements in the computer industry along with advances in telecommunications, they have increased employment opportunities and enhanced economic growth in recent years.

- More competition which gives more confidence for the job

There is always a need for good healthy competition to improve and update the quality of a product or service. When the competition increases, companies study the customer's behaviour and launch new products, which are user demand. Due to which the demand for the product increases and sales increase, which directly benefits the Indian economy.

- More outsourcing of services

Many MNCs are now outsourcing their work to smaller companies as they can concentrate on their core work. When these start-up companies prove their talent, many other companies also show interest in our country to outsource their work so that India can get expertise in that field. For example, India is now becoming the VFX hub for the world. Many big companies are outsourcing their work to India which, has an intense impact on the Indian economy.

- More flow of foreign money

When more outsourcing comes to India, more foreign money is being circulated and distributed in India, which is good for the growth of the Indian economy.

- High demand in the market

Demand increases when you prove your product or service's quality and value for money. It leads to an increase in start-up revenue, which reflects the Indian economy positively.

- Can reduce imports

When our start-ups can handle the need for a product or service, we can reduce the import of that product/service that decreases the flow of money to another country and makes that money flow into the Indian market, which is good for the Indian economy.

- Can increase exports

When we have more number of start-ups, then we can produce more products. Also, we can start exporting to other countries, which increases the flow of foreign funds into Indian markets.

- New investments

Many multinational companies are closely watching the progress of Indian start-ups, and they are willing to invest the money which creates wealth for the start-ups and helps in increasing production that is good for the Indian economy.

Not only this, if many start-ups support their businesses, then they always prefer to start their company in India, which also increases the job opportunities.

Indirect Impact of start-ups in developing Indian economy

- More money flow in the Indian market

When a start-up employs people, they start buying products and services that increase the flow of government funds and revenue, thereby boosting the Indian economy.

- Change in the face of the city or town

When many start-ups are located in a particular place, the demand for that location increases. Because many people are trying to stay there to work and the infrastructure of that city changes drastically.

- More indirect jobs are essential and, there is an impact of start-ups in the Indian economy.

When the infrastructure changes, many hotels, homestays, restaurants, bus operators will come up, which indirectly creates many employment opportunities that increase the revenue of the people of that city.

- Increase of demand for related service

Many ancillary services are starting for a start-up like registration company, marketing company, human resource company, etc., which also creates employment which is good for our economy.

- **Increase in GDP**

When there is an increase in income, people start spending more money in the market, which affects the country's economy directly.

- **Improves standard of living**

When people have money, they will start buying quality products to improve their quality of life, so the demand for good quality products increases that is good for our economy.

- **Good progress in education**

People always like to give good education to their children. When they have a good income with them, they will demand a better educational institute. And many foreign institutes show interest in India, which leads to more employment, and the flow of money leads to progress in society.

- **Progress in the health segment**

People like to have good treatment but, they are mostly expensive. But, when people have the income to spend on them, they demand good treatment that helps hospital management import all modern equipments which, makes India self-sustainable for every treatment.

- **Progress in the transport segment**

As the city progresses the need for transport increases which also gives more jobs in the transport segment.

Conclusion

we can conclude that start-ups are important for the economic development of a nation. We can conclude that start-ups are making a positive impact on the Indian economy. However, the government needs to promote and create more start-ups in India so that it helps in increasing the GDP and economy of India. Because at present the GDP of India is very low and also the foreign reserves. The government is encouraging people to start doing business and what steps are being taken for this that is good for the bright future of the start-up industry of India. And it will boost the Indian economy as well as GDP in the coming decade.

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