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Need of a Better Start-Up Ecosystem in India

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Abstract- India is the second most populated country in the world and it's one of the biggest economies too but looking at its population, it's still underdeveloped. India's per capita income increased by only a 1% annualized rate in three decades after its independence. In 2018 its GDP growth rate was a mere 6.386%. The majority of India's population is in the lower-middle-class category. This economic condition demands a better ecosystem to uplift and encourages startups that will help reduce unemployment in India. India has become a status-driven society where risk-taking and audacious behavior are not considered ideal. If this situation continues India will soon become a nation of clerks and government servants. With unemployment rising and competitive exams getting tougher, it's getting hard for talent to get what it deserves.

The below article highlights the challenges faced by the Indian Startup Ecosystem and why we need it.

Keywords: *start-up, economic development, indian economy, social media, start-up ecosystem.*

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Need of a Better Start-Up Ecosystem in India

Vedant Pawar

Abstract- India is the second most populated country in the world and it's one of the biggest economies too but looking at its population, it's still underdeveloped. India's per capita income increased by only a 1% annualized rate in three decades after its independence. In 2018 its GDP growth rate was a mere 6.386%. The majority of India's population is in the lower-middle-class category. This economic condition demands a better ecosystem to uplift and encourages startups that will help reduce unemployment in India. India has become a status-driven society where risk-taking and audacious behavior are not considered ideal. If this situation continues India will soon become a nation of clerks and government servants. With unemployment rising and competitive exams getting tougher, it's getting hard for talent to get what it deserves.

The below article highlights the challenges faced by the Indian Startup Ecosystem and why we need it.

Keywords: start-up, economic development, indian economy, social media, start-up ecosystem.

I. Introduction

India is the 2nd most populated country and the 7th largest country in the world by area. Despite its incredible achievements in all fields, it still faces many challenges out of which most share a common origin: poverty. The education system of India is all about exams, scores, and getting jobs. This huge country doesn't need an ecosystem that just allows you to get jobs but needs an ecosystem that appreciates risk-taking and promotes the *Startup Culture*. This Startup culture will allow Indian youth to create jobs rather than taking one. In recent years, Indian youth inclines towards self-employment instead of relying on parents or government or opportunities. Rather, they start to take initiative to look for new challenges. This encourages and promoting a self-employment environment that creates startup systems in India. This ecosystem will allow Indian youth to reach its highest potential and tackle real-world challenges.

II. Challenges Faced by Startup Culture

Indian citizens with their ideas and the faith that they can succeed often face challenges, sometimes because of money and sometimes because of *the Indian Mindset.* These challenges affect the growth of startups in India.

a) *Issues in Indian Education System*

The establishing of IITs, IIMs, law schools, and other institutions of excellence brought with them the entrance exams, the score of which eventually became more important than the person applying to this institution.

Many applicants holding stellar extracurriculars end up giving up on their life because of failing in those exams. The education system in India can only teach you how to succeed, it doesn't teach you how to deal with failures which, therefore causes the lack of risk-taking culture in India. Start opportunities, creating your club or any activity related to business is a luxury which hard to afford for even the upper-middle class. Students choosing streams or majors other than STEM majors are looked down upon, even if they are at the top level in their careers. "*This country doesn't need job seekers; it needs job makers.*"

b) *Challenges Faced by Indian Youth*

Indian youth is more inclined towards starting their initiative and creating jobs but there are big challenges they have to tackle such as the Indian education system, lack of funding, lack of information. The Internet has brought endless possibilities to people wanting to launch a startup but the lack of funding makes it harder for many startups to survive. Due to this lack of funding, many youngsters who want to start their initiative try to settle in countries where risk-taking is appreciated. Moreover, the lack of information to the consumers in India adds to the Problem

c) *Risk-taking and Society*

India has become a status-driven society and the risks taken by one aren't easily stomached by people. Gen Z is trying hard to move through this society and start their initiative but most of the time they are pulled back, sometimes by parents and sometimes the society. Successful entrepreneurship. Every successful entrepreneur has taken many risks in his career. Youth in India is often forced to secure a government job and to think about starting a business later. But the best time to take risks is the 20's when you have no other responsibility but just a goal, a purpose to live for. Risks can be tackled by strategic planning and hard work. 52% of the US citizens invest in stocks whereas in India this number is around 3.7 percent. Investing in the stock market helps new companies grow and bigger companies become even bigger. This small step of investing in stocks can change what the economy of India looks like. And this will help the youth to believe in their ideas which someday, might become a million-dollar company that inspires others to do the same.

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III. Role of Social Media and Internet

India has a huge population which gives it an upper hand in social media. Social media plays a big role in Branding, Early Feedback, Marketing, and many more domains. A product launched by a person popular on social media gets noticed with more ease.

a) Branding

India has a huge population which gives it an upper hand in social media. Social media plays a big role in Branding, Early Feedback, Marketing, and many more domains. Social Media increases the amount of exposure a brand receives and increases traffic. It helps brands penetrate deeper into the audience which is the goal of most startups in their early stage. Having a strong social media presence allows a brand to develop business partnerships, reduce marketing costs and improve sales which they couldn't do before. This brings India a new wave of opportunity which most Indian youths are taking advantage of to do what they truly love. This even increases jobs by introducing new jobs such as social media optimizer, social media Influencer, Social media marketing, and many more.

b) Marketing

Most startups use social media to grow their user base and conduct marketing activities for many reasons. It's cheap, you can select your target audience, has become powerful with increased screen time of the newer audience, and has many other benefits. Small businesses that earlier had a hard time getting people to know them can now put the ads online and attract customers in a single day. AdSense, Facebook ads, Instagram Ads are now better than the traditional method of marketing and more cost-efficient. This helps small businesses in India to grow and evolve faster according to their user's needs.

c) Testing New Ideas

Startups with new ideas can broadcast their idea to the world easily and even get feedback directly from the audience. Early feedbacks are helping a lot. They let the brands understand the demand of their customers and provide them with better quality products.

Thus, social media is a goldmine of opportunities for budding startups in India and it gives the Indian youth the freedom to run their initiative without any funding problems at their early stage. Social media provides a ton of opportunities to start-ups but it's in people's hands to use it to its fullest.

IV. Conclusion

India as a civilization is very old and as a country is very new, this newness can benefit India in the business and economic field but it still has a long way to go if it doesn't cultivate and encourage the startup culture. But when this happens it might help India very greatly. New technologies are social media which are mostly looked down upon by the older generation can benefit the youth in a great way. The education system of India currently is very poor and kills the talent of many young minds. But still few people are creating startups and helping others to do the same. These startups will however benefit India in a very great way as many startups like *Zomato* and Meesho. As Economies around the world are developing faster than ever India needs to develop even faster.

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