



Startup ecosystem can help India become powerhouse of global economy

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(Mains GS 3 : Effects of liberalization on the economy, changes in industrial policy and their effects on industrial growth.)

Context:

- India has one of the youngest populations with 62 per cent of the population in the working age group and 54 per cent below the age of 25.
- Thus India has the advantage of leveraging the skill and ability of our youth to drive the nation forward through productive output and innovation.

Entrepreneurially-driven nation:

- India has historically and culturally been an entrepreneurially-driven nation but the last decade-and-a-half has witnessed a significant change in the landscape.
- India observes from the founding of new startups, to global investor interest, to the advances made in infrastructure and policies.
- In 2021 alone, Indian startups have so far raised upward of \$20 billion in funding, achieved unicorn statuses, and more.
- The proliferation of this startup economy has brought with it new business opportunities, innovation, tech-centric approaches and job creation across sectors.

- While the flow of investments from traditional industries into tech-focused sectors has been instrumental for entrepreneurs, India's own growing tech prowess has had an inspirational journey in the last few decades.
- From 2011, when India's first private company achieved unicorn status, to being on track to have a 50-plus strong "Unicorn club" in 2021 according to Nasscom, the country now finds itself at the epicentre of entrepreneurship.

Expanding global footprint:

- A mature startup ecosystem, with seasoned entrepreneurs and technology-led solutions, paves the way for innovation and expanding its global footprint.
- If we look back at the seven-and-a-half decades since India's independence, the economy has rapidly diversified and grown beyond agriculture to become a potential technology powerhouse, where entrepreneurs are creating world-class products and services to solve real-time challenges.
- While value creation lies at the centre of entrepreneurship, Indian startups are also taking big strides in building synergies and partnerships with global entities, further demonstrating the evolution of the startup ecosystem and its appetite for innovation, collaboration and disruption.

Startups in covid-19 pandemic:

- Even amid the Covid-19 pandemic, Indian startups have rapidly innovated to provide indigenous, tech-enabled solutions to combat challenges from testing kits and ventilators to remote monitoring, and preventive technologies, as well as innovations in supply chain management, logistics, and education.
- In fact, one of the paradigm shifts brought about through technology during the pandemic has been a systemic shift to online education and remote learning at scale.
- Solutions built by Indian startups saw widespread adoption not just domestically but also on a global scale, firmly establishing the country as a cornerstone of tech and innovation in the world.

Steady rise of Indian IT companies:

- The steady rise of Indian IT companies in the 2000s, a large talent pool of a skilled workforce, increased expendable income, and rising capital inflows have collectively contributed in large part.
- Today, India is home to more than 40,000 startups and is building a robust tech and internet infrastructure.
- Moreover, the ability of the young generation to take risks, move fast, and disrupt things without fear, has become our biggest asset today.
- The fact that Indian startups are becoming global entities by creating products and solutions for world markets is a testament to this approach.

Place for a leading R&D hub:

- From industrial conglomerates, banks, automobile giants, software pioneers to tech startups, India has been steadily scripting its growth story.
- Global investors too are realising the potential upside in India's huge, under-penetrated market as the country steadily makes a place for itself as a leading R&D hub for many Silicon Valley companies.

Build impactful technology solutions:

- In order to transition beyond the current capabilities and achieve the demographic dividend, education, and reskilling, and upskilling of our workforce is crucial.
- Stakeholders must also recognise and acknowledge that apart from the domestic policy environment, the global environment and technological advances are also changing, and it is imperative that India is prepared for this revolution.
- And so, apart from policy-level decisions that promote entrepreneurship, the onus is also on India's corporate sector to foster entrepreneurialism, and create synergies to build impactful technology solutions, sustainable and resource-efficient growth.

Powerhouse of the global economy:

- With Indians set to make up one-fifth of the world's working-age population in the next five years and likely to have an estimated 850 million internet users by 2030, the country stands at the cusp of unprecedented economic growth, and the opportunity to be a global game-changer.
- Speed, inclusion, and sustainability are key elements in this mission.
- Coupled with the nation's focus on strengthening digital infrastructure in healthcare and education, and boosting employment in manufacturing, there is little doubt that India@100 will be a powerhouse of the global economy.
- The collective future efforts of the public and private sectors to improve physical and digital connectivity will also help unlock the untapped potential of rural and semi-urban India to truly lead Industry 4.0 and beyond.

Conclusion:

- In view of achieving this transformation at scale, the Indian startup ecosystem must focus on developing solutions that allow businesses in key sectors to meet goals of national importance.
- It also must view India's economic and social challenges as opportunities for growth and leverage new technologies.

- While India@75 is on the precipice of change, India@100 will be a golden era of global entrepreneurship, technology, and innovation for India.