

Entrepreneurship, Innovation, And Venture Development Impact on Economic Growth in Indian Experience

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ABSTRACT

The formation of economic growth depends heavily on entrepreneurship, innovation, and venture improvement, all of which have a profound impact on Indian experience. Business folks are those who labor and make business. In essence, entrepreneurship is the ability to start, grow, and ultimately profit from a risk-averse business venture. Every visionary businessperson plans to make money to ease their own anxieties. Another link between entrepreneurship and innovation is the conversion of new ideas into businesses, which eventually generate employment and benefits for the economy. As a result, entrepreneurs play a role in the expansion of economies. According to Schumpeter, increased speculative activity and business highs and lows in an economy are mostly explained by innovation in business. Indian women entrepreneurs are now having a significant impact on society as a whole. Indian women are beginning to take the lead, launch their own companies, and develop into visionaries in the commercial world. They are also progressing in their areas of expertise. This shows that most women in our culture are polite and able to run a business, which encourages economic growth. As such, the emphasis also centers on the woman entrepreneur's commitment to the general public. By placing business owners in precarious and difficult situations, it assists them in deciding whether to adopt these new technologies. This essay will also discuss the goal of innovation for corporate expansion and how it affects the long-term viability of the Indian economy.

Keywords: Entrepreneurship, Innovation, Venture, Economic Growth, Indian Experience, Indian economy

1. INTRODUCTION

The cornerstones of a nation's economic vitality are entrepreneurship, innovation, and venture improvement—strong forces that propel development, aim to open doors, and foster mechanical advancements. The convergence of these elements has been increasingly important in the Indian context recently, shaping the nation's economic landscape and positioning it as a global participant in the pioneering area. A number of factors have contributed to India's surge in entrepreneurial activity, including a welcoming start-up climate, government initiatives to make work easier, and a vibrant youth population with a penchant for invention. This shift in viewpoint has resulted in a plethora of new firms across a variety of industries, from innovation to medical services, upending established operations and significantly impacting the economic turn of events.

The relationship between entrepreneurship and economic growth is complicated since it fosters opportunity for employment, opens doors, and gives the economy a sense of vibrancy and adaptability. These endeavours, which are often characterized by their agility and adaptability, play a crucial role in promoting competition, increasing efficiency, and producing unique solutions that may be sold to the general public. At the same time, innovation acts as a catalyst, bringing new ideas, patterns, and developments to the evolutionary biological system. India places a strong emphasis on innovation, which is mirrored in the various government initiatives and plans aimed at fostering creative work and creating an environment that is conducive to the success of entrepreneurs.

The effect of entrepreneurship and innovation on economic progress is further amplified by venture advancement, which is distinguished by the injection of finance and essential assistance. Venture capital and private investors have made it possible for start-ups to grow rapidly, boosting their development and market penetration. This convergence of subsidies not only improves the state-of-the-art innovations but also increases these endeavours' ability to handle fundamental cultural challenges, ranging from medical services to reasonable turn of events.

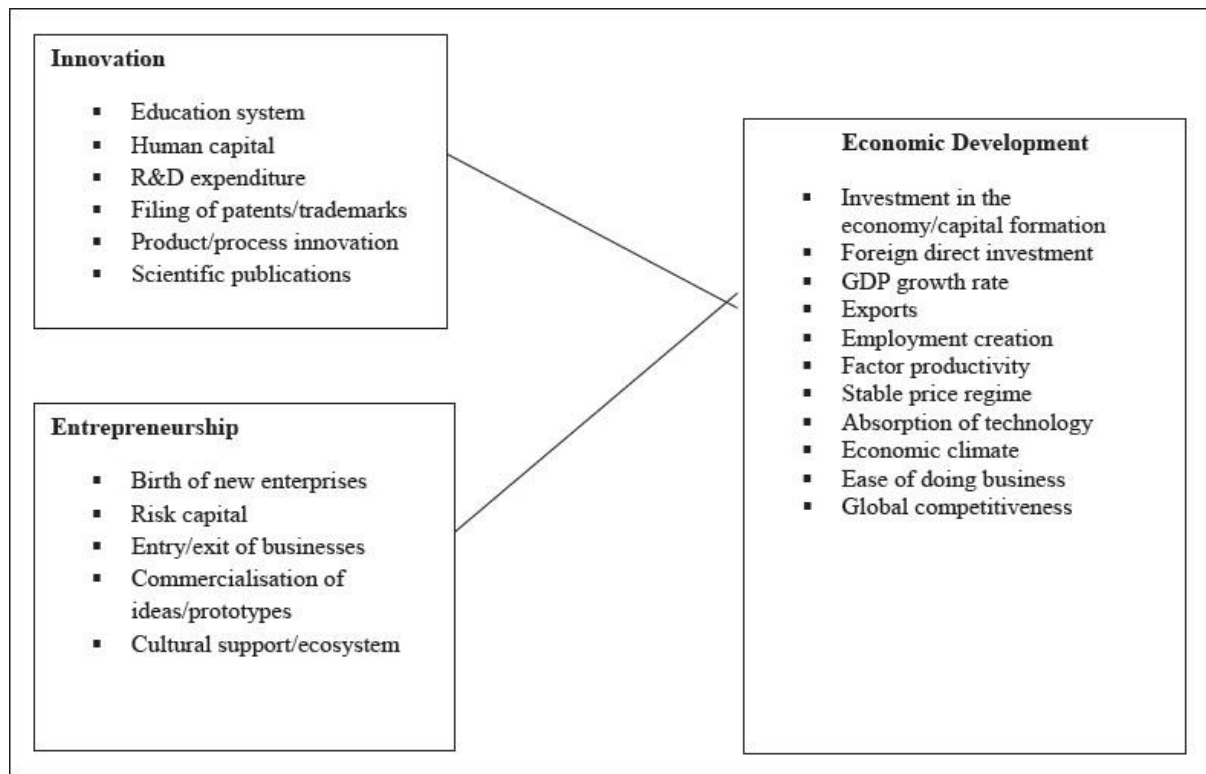


Figure 1: Entrepreneurship, Innovation, and Economic Development

It becomes evident as we delve into the complex web of innovation, entrepreneurship, and venture improvement that these elements are not discrete but rather interdependent forces that shape India's economic trajectory. The goal of this inquiry is to dissect the complex interactions between these forces in order to shed light on the remarkable influence that they all have on the nation's economic expansion. We attempt to unravel the ways in which venture improvement, entrepreneurship, and innovation contribute to a robust, creative, and thriving economy by a detailed examination of the Indian experience.

2. LITERATURE REVIEW

Al-Qudah et al. (2022) examine the relationship between cooperative entrepreneurship and controlled outcomes, focusing on 15 countries affiliated with the Territorial Far Reaching Economic Organization (RCEP). The review leans toward the perspective of economic growth and provides insight into how social entrepreneurship might contribute to a more realistic turn of events. The authors examine the economic impact of social entrepreneurship initiatives within the RCEP countries using a quantitative technique. The findings are critical to understanding the role that social entrepreneurship plays in fostering practical development and economic progress in a local context.

The components of computerized change and entrepreneurship inside Little and Medium-Sized Enterprises (SMEs) in India are examined by Chatterjee et al. (2022). In order to understand the relationship between advanced change and the entrepreneurship cycle, the evaluation highlights the guiding roles of computer-based intelligence (CRM) ability and critical preparation. Through the application of a nuanced perspective, the authors provide important insights into the factors influencing the results of computerized change drives concerning entrepreneurship. The review's recommendations go beyond India, providing a framework for comprehending how innovation acceptance and strategic planning influence innovative outcomes in SMEs.

The focus of Coulibaly et al. (2018) is the erratic relationship that exists between entrepreneurship, economic globalization, and progress. The paper looks at how globalization affects innovative endeavours and, thus, contributes to the current economic trend. Through an analysis of theoretical frameworks as well as empirical evidence, the authors provide a comprehensive look at the confusing relationship between these variables. The review's emphasis on the global scale

provides a more comprehensive perspective on how entrepreneurship influences and is shaped by economic globalization, which in turn affects the overall direction of national improvement.

In their examination of the innovative aspirations of Indian college students, Hassan et al. (2020) highlight the critical roles that entrepreneurship education and chance recognition play. The review examines, through precise analysis, how undergraduates' willingness to participate in entrepreneurial activities is influenced by their ability to recognize opportunities for growth and their susceptibility to entrepreneurship training programs. The findings underscore the importance of aligning practical instruction with theoretical knowledge to enhance the aspirations of young Indian entrepreneurs.

Jindal and Bhardwaj (2016) offer an alternative perspective on the enhancement of entrepreneurship in India. The paper examines the evolving landscape of entrepreneurship, identifying critical elements that contribute to the success of creative endeavors. By arranging previously published works, providing insights into unique challenges, and opening doors in the Indian context, the authors contribute to the ongoing conversation about promoting entrepreneurship for both economic development and cultural shifts.

Kumar (2017) delves deeply into the specific role that Enterprising Advancement Projects (EDPs) have had in the expansion of Indian entrepreneurship. The assessment evaluates the impact of these kinds of initiatives on fostering enterprising spirit, promoting creativity, and creating an environment that is conducive to trying out business visions. Kumar provides insight into the potential of EDPs as catalysts for the growth of entrepreneurship through a combination of theoretical analysis and practical experience, with significant implications for Indian policymakers and experts.

3. OVERVIEW OF ENTREPRENEURSHIP, INNOVATION, AND VENTURE DEVELOPMENT

Innovation, venture improvement, and entrepreneurship are essential components of a growing and dynamic economy. The term "entrepreneurship" refers to the most popular method of identifying, creating, and pursuing advantageous opportunities to launch new businesses or enhance current ones. Entrepreneurship has a crucial role in economic progress by stimulating innovation, fostering competition, and generating commercial opportunities. Entrepreneurs that possess vision are catalysts for change, contributing to the overall dynamic nature and adaptability of an economy.

Innovation, closely linked to entrepreneurship, is the application of creative ideas, methods, and technologies to support new products, services, or industries. It includes a variety of workouts, from gradual improvements to ground-breaking breakthroughs that derail ventures. Collaboration between academic institutions, government agencies, organizations, and research establishments characterizes the innovative biological system. Fostering an innovative culture is essential to pursuing economic progress because it enables economies to remain serious and adapt to shifting global trends.

Venture advancement, the practical aspect of creative and entrepreneurial endeavours, refers to the most popular method of maintaining and growing new businesses or ventures. It entails obtaining subsidies, promoting a cost-effective strategy, and investigating the nuances of market components. A combination of innovative vision, creative solutions, and critical business judgment often drives venture improvement. Successful commercial endeavours support not only economic expansion but also the creation of jobs, disruption of the industry, and overall development of business biological systems.

A vibrant and rapidly growing scene represents the Indian experience in innovation, entrepreneurship, and venture enhancement. India has experienced a surge of entrepreneurial activity over the past ten years, fueled by factors such as growing access to innovation, segment benefits, and a growing consumer market. The pioneering spirit has also been sparked by government initiatives like "Make in India" and "Begin up India," which provide planning assistance, road subsidies, and foundation development.

Innovation, venture improvement, and entrepreneurship are interdependent forces that drive economic expansion. Comprehending the intricate relationships among these elements is crucial for formulating tactics, fostering a beneficial company environment, and optimizing human creativity and effort. The right combination of entrepreneurship, innovation, and venture improvement will be essential to India's further economic exploration as it supports growth, fosters intensity, and addresses cultural challenges.

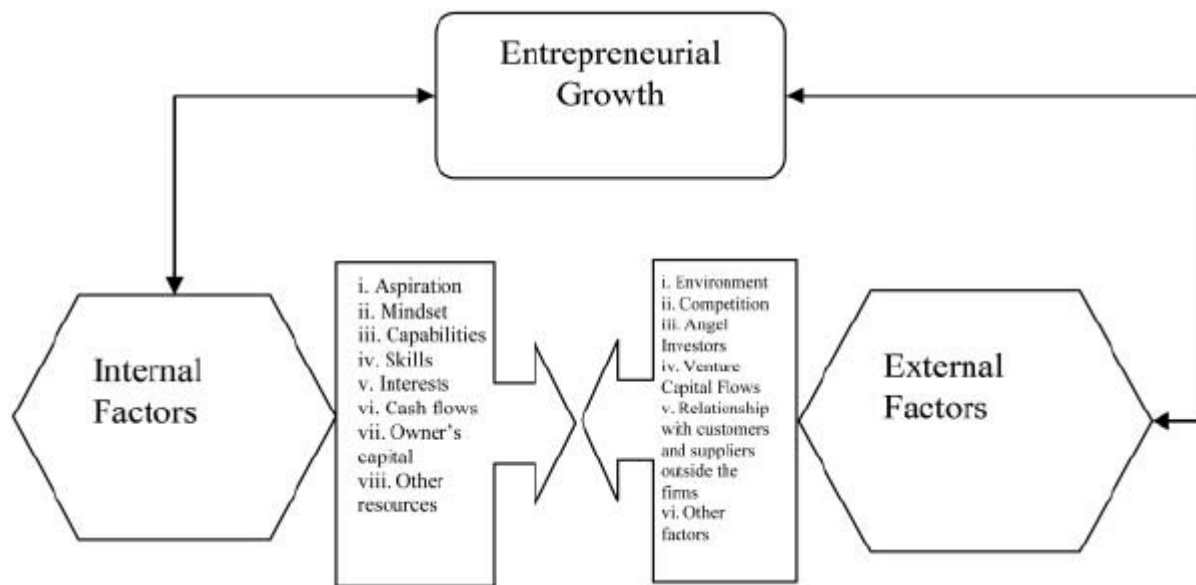


Figure 2: Factors Affecting Entrepreneurial Growth

4. DATA SOURCES & METHODOLOGY

The majority of the information in the review came from non-required sources. The sources are the MasterCard Index of Women Entrepreneurs (MIWE) (2018), Factual (2018), and RBI Handbook (2018). Rank Relationship Test and Granger Causality Test are employed in the SPSS software-based approach of the paper.

4.1. The Function of Entrepreneurship in Economic Development

Entrepreneurs build new businesses all throughout the world, which in turn strengthens market competition, increases efficiency, and creates jobs. Entrepreneurs launch new businesses to fill gaps in the market and hire people to improve the standard of living and employment opportunities for the broader public. A businessperson's responsibilities expand along with the economy's globalization and advancement rather than being limited to the closed market in an economy. Entrepreneurs can also take advantage of the global market to expand their business, which helps to improve the general state of the economy and raises the profit margin on commodities. Unknown markets and unknown innovation are essential to a country's economic growth. The entrepreneurs have the ability to nurture new ideas, which can provide the business with a renewed outlook and heightened awareness. There is a lot of entrepreneurship in India, particularly in the small-business sector. In nations like India, small and micro businesses—which often begin in the family—have a lot of potential to establish new enterprises and administrative structures. A local pickle and snack shop could flourish there to the extent that it makes money, expands, and hires staff. This was only a paradigm that applied to all social orders on a global scale that are reliant on local groups. In today's competitive market, businesses need to become more effective by creating new goods and services. Numerous assessments distinguished between the notion of entrepreneurship and the act of providing novel goods and services. To promote entrepreneurship, constant innovation is required, which calls for a high degree of inventiveness. This is feasible in circumstances where the company's executives serve as an important source of motivation and are, therefore, an invaluable human resource for any creative enterprise. Enhancing human resources is a crucial part of raising maintainability. Therefore, a structure's capacity to advance and become increasingly serious over time is contingent upon its attention to human resources. The advancement of entrepreneurial firms depends on human resources. Empirical studies have demonstrated that a business's capacity to grow and thrive is somewhat reliant on its readiness to take a risk by employing more experienced and skilled employees—also known as human resources. As a result, a number of variables affect each new venture's likelihood of success. Any population's increase in human resources is a sign that it is growing and, as a result, approaching a turning point in its economic history. Increased worker productivity from better businesses contributes to the public's overall economic growth.

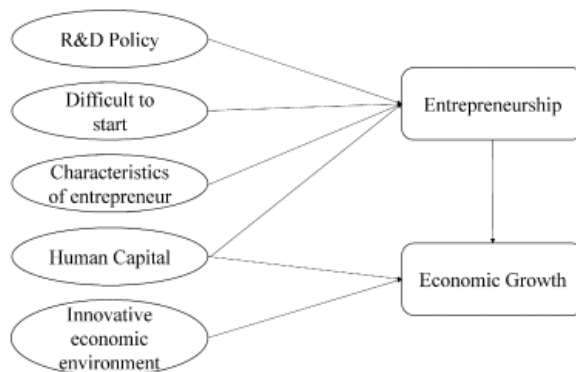


Figure 3: The effect of public policies on entrepreneurial activity and economic growth

The Pradhan Mantri Mudra Yojana was introduced in India in April 2015, with an asset valued at Rs. 3.1 billion and a credit guarantee plan valued at Rs. 470 million. The goal is to help small money associations by giving them credit. The part that entrepreneurship plays in economic advancement has changed noticeably in recent years. Solow argues that inept labor and real capital are the primary forces behind economic progress, and that real capital should be valued appropriately to boost worker productivity and efficiency. This is the key to improving the economy. But in light of this specific circumstance, Table 1 offers a quick summary of the number of Indian business owners documented throughout the course of the preceding few decades.

Table 1: Number of Memoranda of Understanding for Entrepreneurs in India, 2008–2016

Year	Number of Entrepreneurs
2008	174,705
2009	195,028
2010	215,208
2011	240,430
2012	284,430
2013	324,820
2014	364,993
2015	427,350
2016*	219,856

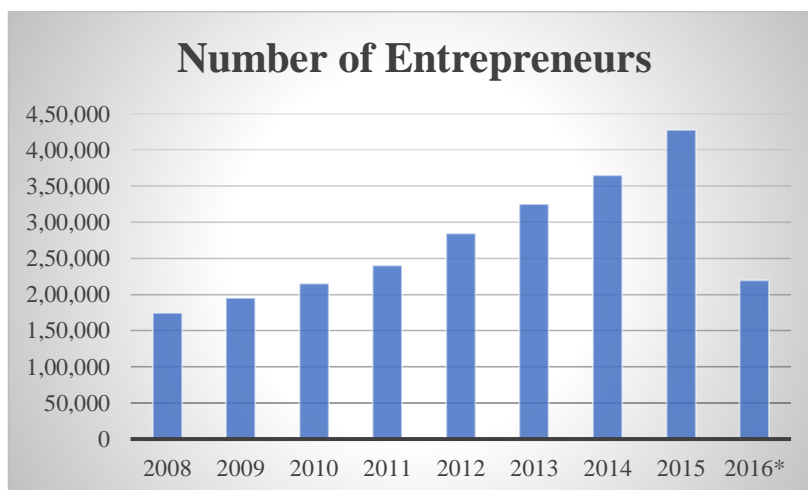


Figure 1: a graph showing the number of memorandums signed by entrepreneurs in India between 2008 and 2016

Table 1 shows the metrics for the number of entrepreneurs registered in India during the previous two years. The chart shows that 2015 had by far the highest number of entrepreneurs notice petitions for starting up termination in India. This also demonstrates how the public authorities' initiative is helping the new company get off the ground by providing support. India has seen an increase in the number of registered entrepreneurs since the Miniature, Little, and Medium-Sized Enterprises (MSME) Improvement Act, 2006, mostly due to the enthusiastic support of business owners around the country. The increasing number of entrepreneurs is proof of their drive and capacity to boost the economy by adding jobs.

Now let's look at whether India's progress in terms of business age and lifestyle has been aided by the growing number of entrepreneurs. A growing number of business owners are creating products and services that benefit society and the economy. There may be proof of this value creation in the country's gross domestic product. Although there are many workers in India, the country also has a high unemployment rate. As more and more people start their own enterprises, the proportion of the population that is employed rises. As a result, the growth of entrepreneurship benefits the people and the nation as a whole. To solve this issue, the current evaluation has employed a causality analysis to look at the connection between the degree of entrepreneurship and the status of economic growth. A Granger Causality analysis was conducted using the GDP (gross domestic product) at constant costs between 2011 and 2016 and the number of businessperson updates recorded in India during that same period.

5. CAUSALITY ANALYSIS

In the Granger causality test, the equations that are used are:

$$GDP_t = \sum a_1 (ENTP)_t + \sum \beta_1 (GDP)_{t-1} \quad (1)$$

$$(ENTP)_t = \sum \gamma_1 (ENTP)_{t-1} + \sum \delta_1 (GDP)_t \quad (2)$$

ENTP denotes the quantity of business visionaries' reminders that were documented between 2011 and 2016.

Initiatives for the Granger Causality Exam:

- The review relapses the current GDP on the basis of other free factors that aren't slacked and clearly slacked GDP circumstances. We get the remaining number of squares from this relapse.
- Afterwards, one slacked free factor term is included in the relapse that will be conducted. One can obtain an infinite number of squares from this.
- The illogical conjecture in H0: $\sum \alpha_1 = 0$, when logical elements other than the GDP are eliminated from the regression, for instance.
- The standard states that if the processed F value is greater than the basic F value at the chosen degree of importance, then the unfounded supposition should be disregarded and it is possible to conclude that the number of entrepreneurs has impacted the GDP.
- It is possible to rerun the measures 1 through 4 in order to investigate the relationship between GDP and entrepreneurship.
- Table 2 displays the results of the relapse upsides of GDP and entrepreneurship from 2011 to 2016.

Table 2: Findings from the Regression of Equation-1

Direction of Causality	F Value	Significance	Decision	R2
Entrepreneurship → GDP	123.992	.001	Null Hypothesis Rejected	0.999

Table 3: Regression's outcome using equation-2

Direction of Causality	F Value	Significance	Decision	R2
GDP → Entrepreneurship	0.717	0.559	Null Hypothesis Accepted	0.325

As a result, the recurrence of the two conditions, which consist of missing logical components, eliminates the erroneous conjecture in Equation (1) and supports the theory that entrepreneurship drives GDP. Again, the assessment makes the measurable important assumption that the rise in entrepreneurship will have an effect on the rise in our nation's gross domestic product ($R^2 = 0.999$). In any case, the outcome of the relapse from Eq. (2) makes it abundantly evident that either the growth of the GDP promotes the development of entrepreneurship, or the expansion of the GDP does not indicate the expansion of entrepreneurship. Numerous variables drive entrepreneurship in a nation such as India. Nonetheless, considering its low R^2 (0.325) and factual insignificance, one could counter that India's GDP development in the modern age has no bearing on the country's entrepreneurial growth. Based on the Granger Causality results ascertained by the F test, we consequently find that there is no two-way causal relationship between the development of India's GDP and the number of entrepreneurs. The drive of people with innovative company concepts that not only meet consumer demand but also produce income and jobs for the wider community is known as entrepreneurship. Being a business owner in India involves a lot of obstacles, such as money, customs, and the implementation of the Goods and Services Tax (GST) and demonetization that made it hard for new companies to start up. Once more, if we examine the unorganized sector, we observe that a great deal of small and microbusiness proprietors consistently establish new ventures in India. This increases the likelihood of Indian entrepreneurs becoming involved in the success stories and confirms the results.

5.1. Growth of Women Entrepreneurship in India

Regarding the estimation of different records inside the recollected borders, India was unable to obtain suitable outcomes in a number of improvement indicators. In the 2017 MasterCard Index of Women Entrepreneurs, India came in at number 50 out of 54 nations with a score of 8.2 percent (women entrepreneurs as a percentage of all out entrepreneurs). In every aspect, this is a terrible outcome for a nation the size of India. The study focuses on how female entrepreneurs with vision can take advantage of possibilities to start their own companies. Whether they are pursuing school, navigating the workplace, or launching their own business, Indian women face several obstacles in their path to success. A woman's desire to provide financial support for her family is the main driving force behind her decision to pursue a profession in business. In every circle, women are expected to take care of their families and children because it is the standard for them to be viewed as more trustworthy than their partners. Whether or not their wives work, Indian families generally view their spouses as their subordinates, and the women are expected to take care of the home. Her potential to succeed as a businesswoman is further hampered by a number of legal and cultural obstacles. All of these reasons have contributed to the lack of development that Indian women have achieved in becoming visionaries in the corporate world. In the past two years, women's entrepreneurship expanded internationally by 6%, according to a new study of women entrepreneurs carried out by the London-based Global Entrepreneurship Research Association (GERA). The MasterCard Index of Women Entrepreneurs Report recognized three markers as the most securely grounded and empowering agents of women's cooperation in business: financial consideration of women, societal view of women business people, and pioneering steady features. This MIWE research indicates that, in addition to their fear of failure and many societal barriers, women entrepreneurs in India truly need support in the areas of financial subsidization, self-belief or pioneering drive, preparation and education, and so on.

Table 4: The rank correlation's outcome

Type of Test	Correlation Between Income Rank & Rank of Women Business Ownership	Significance
Kendall's Tau Correlation	0.134	0.204
Spearman's Rank Correlation	0.165	0.227

Table 4 displays the rank connection's aftereffects between the two rank classes. According to the relationship analysis above, there is a very weak and essentially meaningless correlation between the position of the countries in respect to the course of events and the position of the nations in relation to women entrepreneurs in business. In any event, the relationship is weak but not unfavourable as women's entrepreneurship is growing recently all over the world. The Causality aftereffects of India's GDP and the number of entrepreneurs in the country between 2011 and 2016 indicate that women's entrepreneurship has not grown sufficiently internationally to have an effect on the country's economic progress.

6. CONCLUSION

The incredible exchange of innovation, venture capital, and entrepreneurship has shaped and advanced India's economic growth. Economic progress and entrepreneurship are still essential for the sustainability of the improvement cycle. Despite the fact that the nation is home to an increasing number of entrepreneurs, the current study on the growth of entrepreneurship and its effects on the Indian economy found that a time series analysis of historical data indicates that the expansion of entrepreneurship unquestionably influences the expansion of the gross domestic product. Because they now only need to pay one tax to the federal government, the Goods and Services Tax (GST) has helped new business owners by facilitating trade between India's regions. Consequently, more Indian women need to be sufficiently driven to get past unjust laws and make their own financial decisions. As a result, we may conclude that the rise in entrepreneurship, no matter how big or small, formal or informal, affects the economy by creating jobs and income; yet, when considering the Indian populace as a whole, we actually seek employment rather than starting new businesses. Improvements in entrepreneurship will therefore likely be among the most important factors if India is to follow a reasonable long-term economic path. Therefore, it is believed that the primary driver of the economy's progress toward manageability is entrepreneurship.

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