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Impact of startups in the Indian economy | Importance

India is a developing country with a mixed economy so it is very important to develop the Indian economy for the growth of the nation. Half of the Indian workers rely on agriculture for their livelihoods. Here we are going to discuss the impact of startups in the Indian economy and how it helps in the growth of our country

Now India is laying on many other countries. India needs to be self-sustainable in every field such as medical, education, technology..., for these startups are very necessary, That's why governments are implementing many schemes for a start-up. The government has introduced many policies that aim to ease the business environment for startups. studies show that India needs more than 100 million jobs a year and the jobs , start ups may be small companies but they play a major role in giving jobs in India. When more jobs are created more income for people are created that means the much-improved economy is created. When people have money to spend then it is circulated in the Indian market which improves the income of the government. A good entrepreneurship culture is developing in India which gives importance in quality and timely delivery of work which attract customers toward their product or service.

India is a country filled with talented professionals. They have many ideas and potentials, they all like to explore it also but they lack resources to do

Direct Impact of startups in the Indian economy

More job vacancies

The serious problem that India is facing is unemployment.jobs which are generated are mostly from startups and not big enterprises. since the startups are free from economic downturns and free from encumbrance they can manage more staffs

Creative ideas create more works

[A start-up that creates a solution easily](#) will have more demand so every startup will try to be creative and with Everyone thinks differently so that the solutions found out by different startups for the same problem are also different and the smartest and creative ways are encouraged more and create more outsourcing to India

Talent explosion of professionals and entrepreneurs for better ROI

India is filled with talented professionals but they don't have the option to expose it. Startups are in search of talented professionals which give them a platform to showcase their talent and they are always encouraged by multinational companies which make them spend more money in India

The new technology that cut off production cost

Technological advances will significantly improve operations and lower the cost of doing business. Startups will search for new technology or create new technology in India which simplifies the workload. When new technologies are accepted and demand increases then many multinational companies will show interest in investment in India

Not only that, many Advancements in the computer industry, coupled with advancements in telecommunications, have increased job opportunities and strengthen economic growth in recent years.

More competition which gives more confidence for work

[Good healthy competition](#) is always required for the improvement of the quality and updating of a product or service. When competition increases the companies studies the behavior of customers and launch new products which the users demand which increases the demand for the product and increases the sales which directly benefits the Indian economy

More outsourcing of service

Many multinational companies are now outsourcing their work to small companies because they can concentrate on their core work. When these start-up companies prove their talents, then many other companies also show interest in our country to outsource their work so that India will become specialized in that field.

For example, India is now becoming a VFX hub to the world. Many big companies are outsourcing their works to India which deeply impact the Indian economy

More flow of foreign money

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

More demand in the market

When you prove the [quality and value for money of your product or service](#) then the demand increases which increases the revenue of startups which positively reflect the Indian economy

Can decrease importing

When our startups can handle the need for a product or service then we can decrease the importing of that product/service which decreases the flow of money to another country and that money flows inside the Indian market which is good for the Indian economy

Can increase exporting

When we have more startups then we can produce more products then we can start to export to another country which increases the flow of foreign money to Indian markets

New investments

Many multinational companies are closely watching the progress of Indian start us and they are ready to invest money that creates wealth for a start-up which helps to increase production which is good for the Indian economy

Not only that if many startups support their businesses they always prefer to start their company in India which increases job opportunity also

Indirect Impact of startups in the Indian economy

More flow of money into the Indian market

When start-up gives a job to people, They start to purchase products and service which increase the flow of money and revenue of the government which boosts up the Indian economy

Changes in the face of the town or city

When many startups are in a particular location the demand for that location increases because many people are trying to stay there to work and the infrastructure of that city changes a lot

More indirect jobs are very important and an Impact of startups in the Indian economy

When infrastructure change many hotels, homestays, restaurants, bus operators will starts which indirectly creates many job opportunities which increase the revenue of the people of that city

Increase of demand for related service

Many supporting services for star-ups starts such as registration company, marketing company, human resource company.. which also create jobs which are good for our economy

Increase in GDP

When income increase the people start to spend more money in the market which directly influences the economy of a country

Improves standard of living

When people have money they will start to buy quality products to improve the quality of life so the demand for good quality products increases which is good for our economy

Good progress in education

People always like to give a good education for their children. when they get a good income which they will demand a good educational institution and much foreign institute show interest in India which creates more job as well as the flow of money which gives progress in the society

Progress in the health segment

People like to get good treatment but they are much expensive but when people have the income to spend then they demand good treatments which help the hospital management to import all modern equipment that makes India self-sustainable for every treatment

Progress in the transport segment

The need for transport increases as a city progresses which also gives job and more facility in the transport segment startup India is a program that is aimed to support start-ups to promote the talents of every entrepreneur

STARTUP INDIA

Startup India is an initiative taken by the government of India on 16th January 2016 to support small scale businesses. This campaign is receiving worldwide support for its attempt to bring Startups to the forefront of India's growth story. The main benefit is that it allows entrepreneurs to focus on their core business (instead of time-delaying regulatory compliances) – while empowering them with a strong eco-system to support their creativity and growth

The action plan of start-up India mainly focus on three Areas

1. Simplification and Handholding.
2. Funding Support and Incentives.
3. Industry-Academia Partnership and Incubation.

Eligibilities for start-up registration are

- The company should be a private limited company or a limited liability partnership.
- It should be a new firm or not older than five years
- The total turnover of the company should not exceed 25 crores.
- The firms should obtain approval from the Department of Industrial Policy and Promotion (DIPP).
- To get the approval from DIPP, the firm should be funded by an Incubation fund, Angel Fund or Private Equity Fund.

- The firm should obtain a patron guarantee from the Indian Patent and Trademark Office.
- It should have a recommendation letter by an incubation.
- The firm must serve with innovative schemes or products.
- Angel fund, Incubation fund, Accelerators, Private Equity Fund, Angel network should be registered with SEBI (Securities and Exchange Board of India).

The support that the government gives to the startups shows the importance and Impact of startups in the Indian economy

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