

# Startup India Movement: A Review of Growth In Madhya Pradesh

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**Abstract:** India adopted several policies since independence to achieve faster economic growth with equitable distribution of fruits of the economic growth but the problem of unemployment and poverty especially among the educated youth remained unsolved. The failure resulted in an unrest among the young generation and further created several social and economic problems. The main reason behind it is an obsession to get white collar jobs. If we analyze the existing economic facts, it is observed that India is the second largest country in terms of population, where about 31 million people are unemployed. Increasing unemployment become the biggest challenge for the fast-emerging India. By looking these unemployment rates, Indian government took an initiative to promote self-employment by the way of Startup India Policy in the year 2016, which gave the youth a new hope to enhance their talent and capacities. At present about 14,600 startup businesses in different category are in operation. Government is continuously reforming the startup policy for making startup businesses successful. In Madhya Pradesh a total of 423 startup businesses are in operation. But the other face of coin is also important. Many Startup businesses are facing different financial and marketing challenges. This paper is an attempt to analyze the progress of startup businesses in the country and in the state of Madhya Pradesh and to identify the difficulties faced by them.

**Keywords:** Government, Youth, Unemployment, Startup India Policy.

## I. INTRODUCTION

India is the world's fourth largest economy and achieved the status of one of the emerging economies of the world. The strength of our economy was witnessed even during the period of recent world economic crisis, 2008. If we analyze the recent economic history of our country, the crisis of 1991 and the reform initiated after the crisis are the two major events which restructured the growth path and created a new history. Though India adopted several policies since independence to achieve faster economic growth with equitable distribution of fruits of the economic growth but the results achieved are not at desired level. Growing population is one of the major factors which is responsible for the problem of unemployment and poverty. In the country like India in which 65 percent of our population is below the age of 35, the problem of unemployment especially among the educated youth is a big problem. This failure resulted in an unrest among the young further created social and economic problems. When we analyze the problem further, it clearly indicates that the young talent is more inclined towards white collar jobs. Due to this trend, Indian talent are contributing in the growth and development of other emerging economies by serving in Multi-National Corporations instead of become an

entrepreneur. The earlier policies of self-employment initiated by the Government was not so effective and therefore a new policy in the form of movement i.e. Startup India Movement launched which is entirely different from earlier "Old wine in new bottle" approach. This new policy has been designed in such a manner that the objective of employment generation vis-a-vis changes the mindset of the youth can simultaneously be achieved.

Startup India is one of such policy which was initiated by Government of India in 2016. When the Government analyzed the entire situation and it was felt that if the ideas, talent and capabilities of young generation can be converted in to small businesses, then new areas of jobs and growth pattern can be created. Startup India Policy is certainly an inimitable effort by which a new ecosystem of entrepreneurship and economic development can be created. Total 7200 startups including eight unicorns were established till 2017 and many of them are successfully running with

high potential of growth [1]. Though the policy initiative is good but at ground level, these start-ups are facing several problems and the future growth of this model is only depends upon the correction and reforms in the policy and

<sup>1</sup> NASSCOM STARTUP REPORT 2018

support system created by the Government in future. Madhya Pradesh is a state in which industrial development is limited to some areas of the state and this new policy initiative can place the state in the industrial map of the country. This paper is an effort to evaluate the progress of the policy initiative in the state and identify the challenges which are creating hurdles in the growth of startup businesses.

## II. OBJECTIVE OF THE STUDY

Following are the objectives of the study:

- ❖ To evaluate the startup India policy. initiative in Madhya Pradesh.
- ❖ To identify the problem faced by the startup businesses in Madhya Pradesh.

## III. METHODOLOGY

The study is descriptive in nature. The area of study is Madhya Pradesh and it is based mainly on the secondary data. For identification of the problems of some of the startup businesses of the state, interview method was adopted. The secondary data collected from various reliable sources such as various study reports published by Government of India, special report on startup from various institution like FCCI, NASSCOM, publication of various reports by state governments and other researches at national and international level, World Employment Social Outlook Reports by International Labour Organization, various surveys conducted by National Sample Survey Organization, Global Entrepreneurship Development Institute, Ease of Doing Business Report published by World Bank etc. The data and information so collected were further processed through summarization and tabulation and simple statistical tools were used to analyze the processed data.

## IV. NEED OF STARTUP POLICY INITIATIVE

In the golden period of economic history, India was recognized as “Golden Bird” in the world and India’s share in world GDP was about 30 percent. After 200 years loot of British Rule, Indian economy revived when reforms initiated in 1991 and today, India is the world’s fourth largest economy of the world. Apart from several other factors responsible for remarkable growth India is second largest populated country after China having 65% of the youth population below 35 years. This huge young population undoubtedly are tomorrow’s innovators, creators, builders and leaders but unfortunately this important human asset is facing daunting challenge of unemployment. India ranked 96<sup>th</sup> position among 215 countries of the world in terms of unemployment [2].

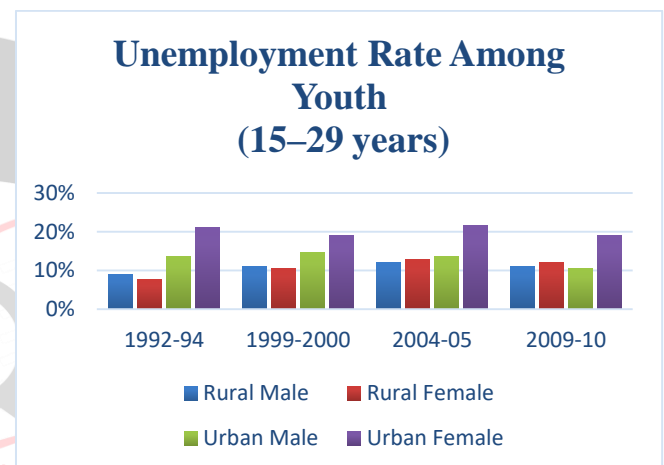
Increasing unemployment is the most serious problem of Indian economy as it disturbs economic, social and political life of the country. The rate of unemployment in different period since 1992-93 are shown in following table:

**Table no.1. Unemployment Rate among Youth (15-29 years)**

	1992-94	1999-2000	2004-05	2009-10
<b>Rural Male</b>	9%	11.10%	12%	10.90%
<b>Rural Female</b>	7.60%	10.60%	12.70%	12%
<b>Urban Male</b>	13.70%	14.70%	13.70%	10.50%
<b>Urban Female</b>	21.20%	19.10%	21.50%	18.90%

Source: NSS 55th, 61st and 66th rounds

**Fig no.1**



Source: Table no.1

The above table and graph clearly depict that the problem of unemployment is a long due problem and demands multi-dimensional solutions. In the 1992-94, the year just after the adoption of new economic policy and reforms initiated, the rural male and female unemployment was 9% and 7.60% respectively whereas the urban male and female unemployment were 13.70% and 21.20% respectively. The rate of urban unemployment was high as compare to the rural areas in the initial years of 90s. The rate of rural unemployment was increased year after year and it reached 12 percent and 12.7 percent up to 2004-05 but in urban areas the rate of unemployment remains the same with minor reduction in urban male unemployment in 1999-2000. The situation was controlled to some extent up to 2009-10 and in this year the rural male unemployment rate reduced to 10.9 percent from 12 percent and in case of rural female this rate was reduced by only 0.70 percent. The same trend of reduction in unemployment rate was witnessed in case of urban unemployment of both male and female and it reduced to 10.5 and 18.90 percent respectively. Though the rate on unemployment was reducing during the review period but

<sup>2</sup><https://www.indexmundi.com/g/r.aspx?v=74>

due to population growth the number of unemployed youths at both rural and urban areas and to provide a reasonable employment is still a big challenge before the policymakers.

There are several dimension and approach to present the data of unemployment. Union Ministry of Labour and Employment claimed that national unemployment drift around 3.7 % in 2015-2016 where the data are based on Usual Principal Subsidiary Status (UPSS) approach which articulates that only 30 days' work in a year is needed to say a person employed. In another claim 77% of the families reportedly have no regular wage earner and more than 67% have income less than Rs. 11,000 per month. Around 58% of unemployed graduates and 62% of unemployed post graduates cited non-availability of jobs matching with education, skills and experience as the main cause behind unemployment. As per National Skill Development Mission Document, as much as 97% of the workforce in India has not undergone any formal skill development training. And about 76% of the household did not benefited from employment generating schemes like MNREGA, PMEGP, SGSY, SJSRY, etc. [3]

The recent data on unemployment says that as on September 2018, India has 31 million jobless people. According to the NSSO, the unemployment rate has reached to a highest of 6.1% in 2017-2018 which was 3.52% in 2016-2017. The report also highlighted the male unemployment in rural and urban areas i.e. 17.4% and 18.7% respectively, whereas female youth unemployment reached to 13.6% and 27.2% in urban and rural areas respectively. On the other face of coin, Think Tank of Government and NITI Aayog claimed that these data are unofficial and are yet to be verified [4]. One important fact about unemployment data is acceptable widely along with all the controversies that the situation at employment front is grim and special, new and multi-dimensional approach should be adopted to handle the unrest among the unemployed youth in our country.

When we analyze the changing situation of employment, one important fact should be taken in to consideration. On the one hand, several new job opportunities are creating with the new pattern of economic growth but on the other hand the traditional sectors of employment are shrinking. During 90s agriculture sector was the main occupation of India. Agriculture sector uses to employ around 70% of population but today it has fallen below 50%. During 1950-51 the agricultural sector contributed approximately

56.6% of India's GDP which was reduced to 17%-18% in year 2017-2018. Farming has become unattractive due to several reasons such as live dependency on monsoon, uneconomic farm size, growing indebtedness, unfavorable price mechanism and Therefore, the next generation of farmers are opting to move over urban areas for seeking jobs. Excessive use of machinery at each and every corner of the economy is stepping the economy towards the "jobless growth". Today the 10% increase in GDP results in less than 1% increase in employment. Though the formal sector grew rapidly since 2000s but it did not create jobs and the growth was largely through capital intensive which made our labour based economy paralyzed. Our old concept "**uttam kheti madhyam baan, neech chakari kukur nidan**" lost its flavor and obsession of getting white collar jobs and less effective skill development programmes had further worsening the situation of unemployment.

The Government of India prepared a new policy with the aim to change the mindset of Indian talent and divert them to start their own business instead of searching the jobs and provide the benefit of the talent to others especially to MNCs. The new Startup Policy has designed in such a manner so that the talent of young population can convert in a strength of our economy. This policy also provides the opportunity to convert the ideas of Indian youth in to an active business. It is the time to evaluate the progress of the policy initiative and remove the hurdles so that the young talent of our country can become job provider instead of job seekers.

## V. INTRODUCTION START-UP POLICY

Government at both Central and State level, several schemes and programmes were launched and implemented for employment generation. The important schemes are MNREGA, PMEGP, SGSY, SJSRY, etc. but the nature and design were different from the new Startup Policy. This new Startup India Movement initiated by the Government of India is basically aimed to change the mind-set of Indian youth

especially the highly educated youth. It has some unique features which can boost the economic growth with the possibility to expand the business at international level. Startups established under this policy usually interpreted wrongly and treated as small business but startups are different from small businesses. "Innovation" is an important characteristic to recognize a business as a startup business. "Startup India is a revolutionary scheme that has been started to help the people who are willing to start their own business and have innovative ideas. This policy provides them a backup support so that they can implement their ideas to establish a business. Under this scheme, startup is defined as an entity, private partnership

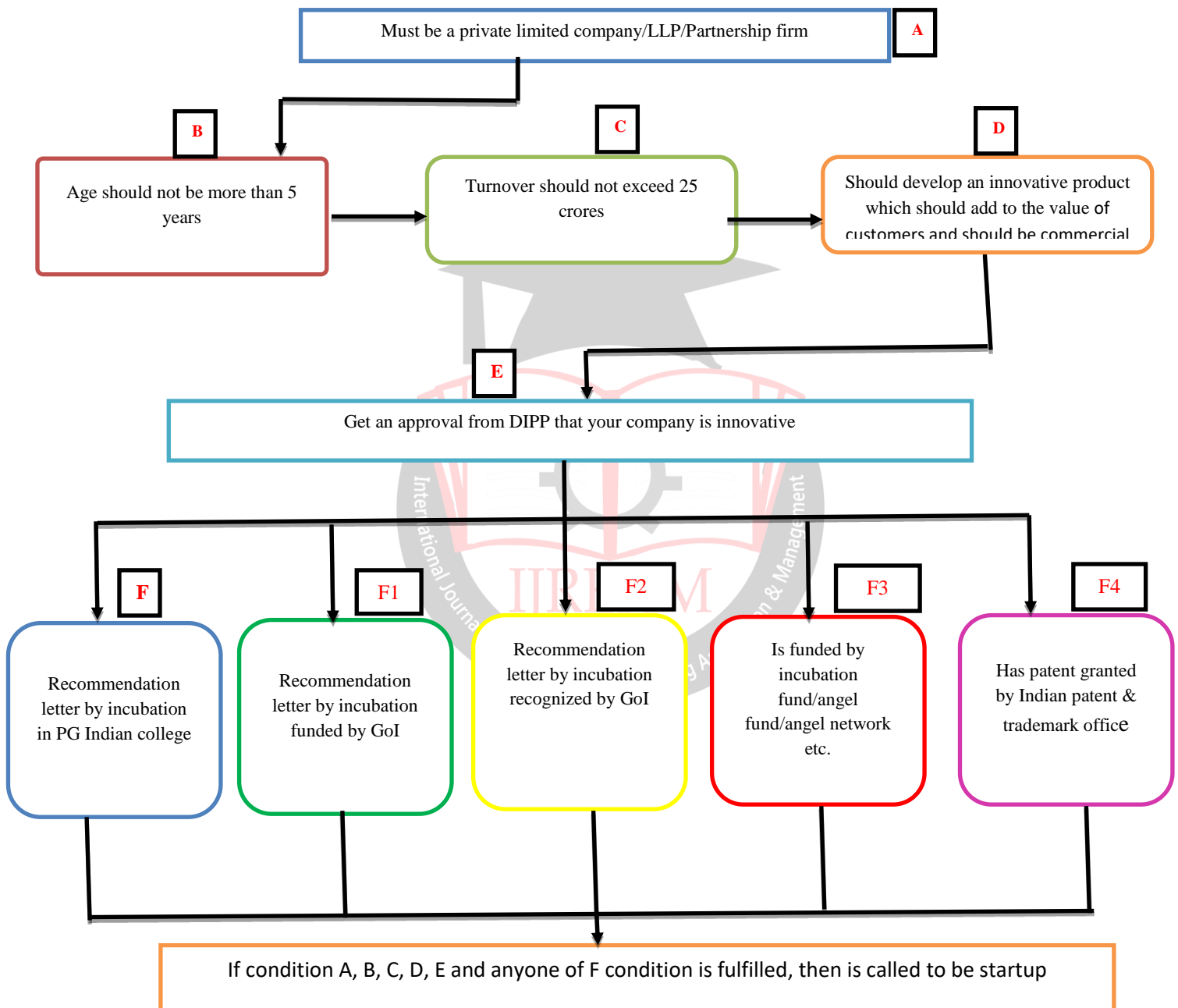
<sup>3</sup>Bureau of Labour Statistics, Indian Government, 8<sup>th</sup> October 2010  
[http://labourbureau.nic.in/Final\\_Report\\_Emp\\_Unemp\\_2009\\_10.pdf](http://labourbureau.nic.in/Final_Report_Emp_Unemp_2009_10.pdf)  
Retrieved 29 March 2014

<sup>4</sup>Madan Sabnavis (31 January 2019). "NSSO data confirms India's jobs crisis: Unemployment at 45-year high of 6.1 percent, way out is to make economy grow". Retrieved 31 January 2019.

or limited liability partnership (LLP) incorporated or registered in India not prior to five years, with annual turnover not exceeding INR 25 crore in any preceding financial year, working towards innovation, deployment or commercialization of new products, processes or services driven by technology or intellectual property. Such entity must not be formed by splitting up or reconstruction of a business which is already in existence.

Startup India campaign is based on an action plan aimed at promoting bank financing for start-up ventures to boost entrepreneurship and encourage start-ups with jobs creation. The following chart describe the characteristics of a startup business:

Fig.no.2 The flow chart of being recognized as Startup in India



Source: <http://yourstory.com/2016/01/startup-india action-plan-eligible/>

Startup policy focuses on to restrict the role of states in policy domain and to get rid of “License Raj” and hindrance like land permissions, foreign investment proposal and environment proposal and environment clearance. The scheme is based on three pillars i.e.

- ✓ Simplification and Handholding.

- ✓ Funding support and incentives.
- ✓ Industry-academia partnership and incubation.

Apart from this, Government also launched I-MADE program, to help Indian magnates build 10lakh mobile app start-ups and MUDRA Banks’s scheme which aims to



provide micro-finance, low-interest rate loans to tycoons for low socio-economic backgrounds [5]. Initially Rs. 20,000 crores fund were allocated for this particular scheme. This policy has not just provided financial support but has also supported through the non-financial support like infrastructure, legal advices, management etc. According to a report by NASSCOM and Zinnov consulting, India has left Israel behind in the count of incubators and accelerators. India has a total of 140 incubators and accelerators whereas Israel had 130 incubators and accelerators. However, the gap with the top two countries is still cavernous China and USA have over 2,400 and 1,500 incubators and accelerators respectively. Most Incubators in India are run by academic institutions (51% by academic institutions, 9% by corporate, 32% independent and 8% are supported by government). These incubators are playing a vital role in the success of startups by developing entrepreneurial skills and helped them to recognize as a successful enterprise. [6]

## VI. OPPORTUNITIES PROVIDED BY STARTUP POLICY

Startup policy was launched with three important objectives i.e. employment generation, motivate the young entrepreneurs and finally for faster economic growth of the country. This scheme act as a supporting hand for young and potential entrepreneurs of the country. This scheme provides several opportunities for the entrepreneurs to come up with colorful wings. The followings are the opportunities provided by the startup India policy:

- ❖ Earlier there were lots of compliances to be done in case of labour and environment laws but now with the emergence of this scheme these laws are eased out for startups, in case of Labour Laws, no inspection will be conducted for a period of first 3 years and in case of environment laws, Startups which fall under the 'white category', where they would be able to self-certify compliance.
- ❖ Startup India Hub is created to help startups to provide information related to technology, Finances, Management, etc. at a single platform.
- ❖ Special developed Mobile App is there to provide the instant status of Renewed or Pending Registration, Compliances and also obtaining clearances information and other approval status as required.
- ❖ There is a provision for easy exit if a startup fails to succeed, within 90 days under insolvency & Bankruptcy code.

- ❖ Apart from providing handholding for procedures, Startup India scheme will assist startups in offering financial assistance. Government has set up Rs10,000 crore fund and 2,000 crore of credit guarantee fund for startups through National Credit Guarantee Trust Company / SIDBI.
- ❖ Income Tax exemption will be available for first three years with a condition of obtaining certificate from the Inter-Ministerial Board, setup for this purpose.
- ❖ Under this scheme startups can claim an 80% rebate in patent costs. The government provides lists of facilitators of patents and trademarks. They will provide high quality Intellectual Property Right Services including fast examination of patents at lower fees. The government will bear all facilitator fees and the startup will bear only the statutory fees. They will enjoy 80% reduction in cost of filing patents.
- ❖ Startups in the manufacturing sector are exempted from the criteria of prior 'experience and turnover' but without any relaxation in quality standards and at the time of applying for a Government Tendering Project, prescribed eligibility criteria need to be fulfilled.
- ❖ To support the logistical needs of startups and other requirements which can help a startup to function smoothly several Incubator have been set up under Public Private Partnership concept. The Funding pattern of incubators will be exhibited on the basis of Atal Innovation Mission launched by Government.(Startup Action Plan, 16th January 2016)

## VII. ACHIEVEMENTS OF STARTUP POLICY

Startup India movement is developing the has entrepreneurship culture in all parts of the country including from non-traditional centers like north-east. This shows that startup India initiative has welcomed widely and across domains, geographies and economic strata. Today, India is on the path of becoming an entrepreneur nation in the world. Startup ecosystem experts, founders, investors and policy leaders have recognized the strength of current Startup ecosystem in India at several reputed platforms. The ecosystem comprises of over 14,600+ Startups [7], 270 incubation & business acceleration programs, 200 global & domestic venture capital firms supporting home-based Startups, and a fast-growing community of 231 angel investors and 8 angel networks. India has also become home to 3<sup>rd</sup> largest unicorn community, with over 16 high valued Startups having raised over \$17.27 billion funding, with overall valuation of over \$58 billion [8]. A report by World Bank entitled "Ease of Doing Business" showed that India ranked 77<sup>th</sup> position in the year 2017-2018, improved from 100<sup>th</sup> rank

<sup>5</sup> Report: PM Scheme generate 1.68 crore jobs in 2 years" The Hindu Line, 8 September 2017

<sup>6</sup><https://www.vccircle.com/india-now-ranks-third-globally-in-number-of-incubators-accelerators-report/>, 6<sup>th</sup> May 2017

<sup>7</sup> DIPP, Ministry of Commerce & Industry as of 12th December, 2018

<sup>8</sup> State ranking framework 2018

among 190 nations of the world, and the government has now targeted to 30<sup>th</sup> rank by 2030 [9]. The progress of startup businesses established in our country are as under:

**Table no.2. Number of startups incorporated in India from 2008-09 to 2017-18**

Financial Year	Number of startups incorporate year wise
2017-2018	2711
2016-2017	2597
2015-2016	1609
2014-2015	685
2013-2014	492
2012-2013	332
2011-2012	169
2010-2011	23
2009-2010	3
2008- 2009	4

**Source: Government of India, Ministry of Commerce and Industry, Department of Promotion and Policy, 4<sup>th</sup> April 2018, Wednesday**

The above table reveals that how the initiative of startup India policy resulted in active startup businesses. In the year 2008-2009 there was only 4 startup businesses in India. Progressively an increase was seen from the year 2011. In 2011-2012 the number climbed up to 169, which was a good sign for the India economy. After the launch of Startup Policy, the number got just doubled at a rapid speed, as the policy acted as a supporting hand for the struggling startups. The number rose to 1609 in the year 2015-2016. Currently in year 2017-2018 there are 2711 startup established in our country. and it is expected that this number will keep on increasing as it has facilitated India to improve its rank in Ease of doing businesses. The progress of the policy initiative proves that the culture of startup is gaining pace and will grow faster with necessary correction in policy by the new Government at central level.

If we examine the progress of the policy at state level, it is evident that the progress of some states is very encouraging. Following table described the number of startup businesses established in the states by December, 2018:

**Table no.3. Number of startups incorporated in various states of India**

S.no.	States/UT	No. of startups
		(31.12.2018)
1	Maharashtra	2587
2	Karnataka	1973
3	Delhi	1833
4	Uttar Pradesh	1129
5	Telangana	748

<sup>9</sup>(2017-2018). *Ease of doing business*. Washington D.C, United States: International Bank for Reconstruction and Development / The World Bank.

6	Gujarat	712
7	Tamil Nadu	710
8	Haryana	709
9	Kerala	461
10	West Bengal	417
11	Rajasthan	371
12	Madhya Pradesh	384
13	Andhra Pradesh	259
14	Orissa	251
15	Chhattisgarh	168
16	Bihar	178
17	Jharkhand	116
18	Uttarakhand	108
19	Assam	106
20	Punjab	102
21	Jammu and Kashmir	83
22	Chandigarh	52
23	Goa	81
24	Himachal Pradesh	27
25	Pondicherry	19
26	Manipur	11
27	Nagaland	7
28	Arunachal Pradesh	4
29	Tripura	4
30	Andaman and Nicobar Islands	4
31	Dadra and Nagar Haveli	3
32	Daman and Diu	2
33	Meghalaya	2
34	Mizoram	1
35	Sikkim	1

**Source: State ranking framework 2018**

The above table reveals that startup India has spread across 479 districts, 29 states and 6 UTs of the country. Maharashtra has recognized 2587 startup businesses which is highest among all. 1973 startups have been established in Karnataka whereas the capital city Delhi and Uttar Pradesh are on third and fourth position with 1833 and 1129 startups respectively. Moving towards the data of north east states, the progress is slow but if a single startup business established in a state, the number may increase in future. In the states like Manipur, Himachal Pradesh, Goa, Jammu Kashmir and Chandigarh, the number if startup businesses are in double digit and in the remaining states, the number shows that the ecosystem of startup business are gaining pace and will improve the number in a faster pace in future.

## VIII. PROGRESS OF STARTUP POLICY IN MADHYA PRADESH

Madhya Pradesh is recognized as a “*HEART OF THE COUNTRY*” and known for its agrarian economy. The state won the prestigious “*Krishi Karman Award* “for highest growth in agriculture production for consequently three years. Madhya Pradesh is the second largest Indian state by area and the fifth largest state by population with

over 75 million residents. To examine the need and importance of startup policy, it is important to know the status of unemployment especially among the educated youth of the state. "In 2015, the report of economic survey states that total 15.60 lakh unemployed youth were registered in employment exchanges across the state. Though there was 9.55% decline in number of unemployment, but the percentage of educated unemployed increased from 79.60 in 2015 to 85.74 by the end of December 2016." [10]

The government of Madhya Pradesh also realized the need and importance of startup policy for generation employment in the state and most importantly to develop an ecosystem for startup businesses in the state. The progress of startup businesses established in the state are as under:

**Table No.4 Number of startups incorporated in different cities of Madhya Pradesh**

S.no.	Cities of Madhya Pradesh	No. of startup incorporated
1	Indore	171
2	Bhopal	140
3	Jabalpur	25
4	Gwalior	23
5	Others	64
	Total	423

Source: Department of MSME, Government of Madhya Pradesh

Above table clearly indicates that out of total 423 startup business established in Madhya Pradesh about 85 percent was established in four major cities of the state and 73.5 percent in only two cities i.e. Indore and Bhopal. It may be possible that these two cities have industrial areas and therefore a favourable conditions for startup businesses are available more in these cities. Indore has the highest count i.e. 171 startup businesses as Indore is the hub of industries in Madhya Pradesh. Second position is banded by the capital city Bhopal with 140 number of startups. In Jabalpur and Gwalior, total 25 and 23 startups were established respectively. Total 64 startups were established in other cities of the state like Katni, Satna, Betul, Sagar. This trend shows that efforts should be made to popularize the benefits of the policy in small cities of the state.

It is also important to know that how the total startups are distributed among different sectors. Following table classify the startups of the state on the basis of the sectors of the business:

The above table and graph reveal that out of 423 startups of the state, IT & software as well as service sector has attracted a large number of startup businesses. Education,

healthcare and marketing are the other sector in which a startup business established in the state. In education sector total 57 startup were established while 30 each were established in healthcare and marketing sector. Indore and Bhopal account for 36 and 25 startups in IT & software sector while 32 startups in education sector established in Bhopal. In this sector 30 startup business were established in Indore. A total of 79 service-based businesses has been started in different cities of Madhya Pradesh. Education sector has also spread its wings over startup businesses and has contributed with 56 new startups in the state followed by marketing sector with 30. Other sectors like automobile, medical, industrial, electronics, hospitality, media and construction have sufficient potential for startups as the share of these sector is very low.

## IX. CHALLENGES FACED BY STARTUPS

All policy initiatives have its own pros and cons and Startup policy is not an exception. It is true that this policy has created a new atmosphere of entrepreneurship in the country as well as in the state of Madhya Pradesh and created a new hope to reduce the magnitude of unemployment but to strengthen the policy and motivate the young talent, problems of startup businesses should be resolve on priority. Following are some important challenges of startup businesses:

- **Competition:** The major issue faced by the startups is the cut throat competition prevailing in the market from those companies who are the big players of the market and has huge money power to adopt attacking marketing strategies. To face this tough challenge, support at all possible level is required so that they can build trust in the minds of the consumers regarding their innovative ideas.
- **Seed-Funding:** Though the government announced a fund of Rs. 10,000 crores budgetary support for startups but the level of actual disbursement is not satisfactory. Startup are also attracting funds from private sector but this root has its own challenges and therefore Government should review the existing mechanism of seed funding.
- **Low growth in rural areas:** Indian economy is still a rural based economy and to eradicate unemployment from rural areas, development of entrepreneurship in rural areas are essential. Food processing is the sector by which the economic condition of rural people can be improved. Startups developed in the country and the state are limited to urban areas or some big cities having industrial areas. So, priority should be given to startups which are suitable to grow in rural areas of the state. Most of the startups

<sup>10</sup> Sharma Rajendra, Number of jobless educated youths rising in Madhya Pradesh, TNT, Feb 28, 2017, 22:24 IST



belong to urban areas, and they are self-capable of generating the seed-fund, but the major problem is with rural area. Yet this scheme is not yet popular in the remote areas.

- **Culture:** It is a general trend in traditional Indian families that they do not promote their wards to establish an enterprise after completing their education. Everyone wants to be an Engineer or a Doctor and enjoy a risk-free life. This culture demoralizes the young talent to become an entrepreneur even they have an innovative idea for establishing a business.
- **Unrealistic Expectation:** Some young entrepreneurs have some unrealistic expectations about support of the Government or become a billionaire through startups in a very short period. They are not prepared properly for failures and handle the situations in tough time. This resulted in big failure and demoralize other young potential entrepreneurs of the future.

## X. CONCLUSION

The Startups policy is a unique initiative of the Government to transform the nature of employment and utilize the new and innovative ideas for fast, diversified and sustainable economic development of the country. The progress witnessed at national and state level is encouraging but more efforts are needed to popularize the policy in small cities and diversified it in the sectors which are still not used to develop business opportunities. There was a time when much importance was given to government jobs and higher salary and perks offered by several companies but now this trend is changing especially among the highly qualified youth. Young talent is now converting their innovative ideas in to their own business. Startup policy is an opportunity to motivate and provide support to these young entrepreneurs at each and every steps of their efforts. Startup policy can makeover the economy with new areas of employment and therefore Startup is called to be the game changer of the economy. Though the achievements of the policy initiative are small but it's expected that in long run this scheme will be a big sector to accelerate economic growth as well as to generate employment at higher rate. The second inning of the UPA Government is also a big hope to accelerate the startup India movement with new and more effective support system for the young entrepreneurs.

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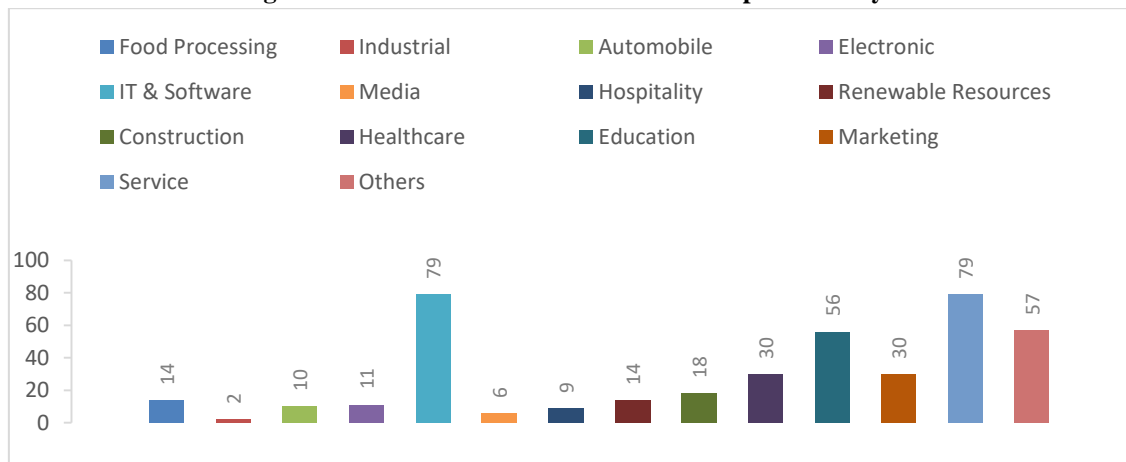
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**Table No. 5 Sector -wise Classification of Startups in Madhya Pradesh**

S.no.	Cities	Bhopal	Indore	Gwalior	Jabalpur	Others	Total
	Sector						
1	Food Processing	4	8	-	-	2	14
2	Industrial	1	1	-	-	-	2
3	Automobile	2	4	2	-	2	10
4	Electronic	2	5	2	1	1	11
5	IT & Software	25	36	5	6	7	79
6	Media	3	2	-	1	-	6
7	Hospitality	3	4	-	-	2	9
8	Renewable Resources	8	5	1	-	-	14
9	Construction	7	2	1	2	6	18
10	Healthcare	12	8	2	-	8	30
11	Education	18	23	3	3	9	56
12	Marketing	15	15	-	-	8	30
13	Service	32	30	3	7	7	79
14	Others	8	28	4	5	12	57
	Total	140	171	23	25	64	423

Source: Department of MSME, Government of Madhya Pradesh

**Fig no.2 Sector Wise Classification of Startups in Madhya Pradesh**



Source: Table no.5