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Entrepreneurship development and start up Manipur: The present scenario

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Abstract

As the economic development of any nation is dependent upon the purposeful human activity, i.e., entrepreneurial function, it is sometimes referred to as the fourth factor of production. Individual entrepreneurs whose creativity has led to the industrialisation of many nations which enables to bring social transformation through social equality in higher levels of employment, more equitable distribution of income and well-balanced regional development. Due to the potentiality and need of industrialisation in bringing technological revolution through innovation in attaining higher rate of return on social investment and to generate dynamism in social and political life, developing countries like India has to go for quick industrial development and especially for a state like Manipur. Again, industrial growth and economic development of a developing county is deterred by a number issue. In order to fasten the pace of development by removing the hindrances to the economy of India Government of India has initiated a scheme known as 'Startup India' scheme from the year 2016. Accordingly in Manipur, the Government of Manipur has also initiated 'Startup Manipur' from the year 2018. So, the Startup Scheme who has enjoyed the financial assistance under this scheme since it started giving financial assistance through banks in Manipur. In spite of giving the opportunities, entrepreneurs are facing problems. For successful venture, appropriate support and mentoring is required. Considering the need for industrialisation, this paper discussed the performance, significance and challenge of Start up in Manipur.

Keywords: Manipur, entrepreneurship development, industrial development, start-up India

Introduction

Growth and development of entrepreneurship in any society is considered as the most important factor for the development of that society (Michael *et al.* 2015) ^[25]. No country in the world can be highly developed without the contributions to the economy from the side of private entrepreneurs (ACS, *et al.* 2008) ^[1]. In order to fasten the pace of development of the Indian economy, Government of India has initiated a scheme known as 'Start-Up India Scheme' from the year 2016 with the aim to bring development and innovation of products and services and to increase the employment rate in the country (Adhana *et al.* 2020) ^[2]. Start-up India is a flagship initiative of the Government of India, intended to build a strong ecosystem that is conducive for the growth of start-up businesses, to drive sustainable economic growth and generate large scale employment opportunities (Adhana, 2016) ^[3]. These programs have catalysed the start-up culture, with start-ups getting recognized through the Start-up India initiative and many entrepreneurs availing the benefits of starting their own business in India (Sternberg and Wennekers, 2005) ^[24]. A Start-up Company is a young company that is just beginning to develop. Start-ups are usually small and initially financed and operated by a handful of founders or individuals (Carree *et al.* 2007) ^[6]. The challenges that startups confront in their early stages were illustrated by Sharifi and Hossain (2015) ^[21]. The main conclusions are that investors are now expecting more due diligence from

entrepreneurs before they even pitch their firms, owing to significant advancements in technology. According to Chandio (2016) ^[7], substantial finance, consolidation efforts, developing technology, and a growing local market have all contributed to the Indian start-up ecosystem's recent rise to prominence. The research findings indicate that the success of Start-up India as a developing economy can be attributed to various factors such as lower capital costs, simpler patent filing procedures, research and development credits, and easier entry. According to Babu and Sridevi (2019) ^[5], India's start-up ecosystem has gained international attention. Since hundreds of bright young people have opted to follow their entrepreneurial dreams rather than work for large corporations or government agencies, the business community has seen a boom in innovative start-ups offering widespread solutions to pressing issues in recent years. There are several obstacles facing start-ups, from funding to hiring staff to launching and persistently maintaining growth. The government's many action plans and schemes that it has launched through the start-up India schemes are discussed in a paper by Chatterjee (2020) ^[8] titled "Started-up India: A Step towards Prosperity". Some significant statistics on Indian start-ups are clarified in this report. Even although the government has already started to support innovation, it is still necessary to modify people's mind-sets to encourage creativity, especially the younger generation, in order to produce original ideas rather than merely rehashing pre-existing

ones. In Manipur (A state in the extreme corner of North Eastern part of India having with “No Industry Category”) also the start-up Manipur has launched to generate large scale employment opportunities for the youth and women and also to promote sustainable economic growth of the region (Singh and Singh, 2022) [23]. This article examined the performance, relevance, and challenges of Start up in Manipur, taking into account the imperative for industrialization.

Methodology

The current overall structure of the study conducted here is based on the literature gathered from a variety of secondary sources, including papers, department of planning reports, research and prior studies, blogs, and websites, among others (Bryman, 1989, Stewart, 1984, Neuman, 1997 and Pallant, 2007) [28, 26, 20, 27].

Start-up India Mission and start-up Manipur

The Government of India's flagship program, Start-up India, aims to create a robust environment for fostering innovation and start-ups in the nation, which would propel long-term economic growth and provide a significant number of job opportunities. The Prime Minister outlined 19-point action plans for start-ups in the nation on January 16, 2016. Every facet of the start-up ecosystem is included in the action plan. According to Start-Up India Scheme, an entity shall be considered as a Start-up: Up to a period of ten years from the date of incorporation/ registration, if it is incorporated as a private limited company (As defined in the Companies Act, 2013) or registered as a partnership firm (registered under section 59 of the Partnership Act, 1932) or a limited liability partnership (Under the Limited Liability Partnership Act, 2008) in India. Turnover of the entity for any of the financial years since incorporation/ registration has not exceeded Rs 100 crore. Entity is working towards innovation, development or improvement of products or processes or services, or if it is a scalable business model with a high potential of employment generation or wealth creation. Provided that an entity formed by splitting up or reconstruction of an existing business shall not be considered a ‘Start-up’.

The benefits provided to recognised start-ups under the Start-up India initiative are:

1. **Self-Certification:** Self-certify and comply under 3 Environmental and 6 Labour Laws.
2. **Tax Exemption:** Income Tax exemption for a period of 3 consecutive years and exemption on capital and investments above Fair Market Value.
3. **Easy Winding of Company:** In 90 days under Insolvency & Bankruptcy Code, 2016.
4. **Start-up Patent Application and IPR Protection:** Fast track patent application with up to 80% rebate in filling patents.
5. **Easier Public Procurement Norms:** Exemption from requirement of earnest money deposit, prior turnover and experience requirements in government tenders.
6. **SIDBI Fund of Funds:** Funds for investment into start-ups through Alternate Investment Funds.

Further, the Start-up India portal - www.startupindia.gov.in - is a one-stop platform for all stakeholders in the start-up

ecosystem to interact amongst each other, exchange knowledge and form successful partnerships in a highly dynamic environment.

Manipur one of the 28 states of India, situated on the country’s north east covering an area of 22.347 square Kilometre with about 27 lakhs inhabitants bordered by Nagaland to the north Mizoram to the south and Assam to the west and Burma to the east is mainly depends on the agriculture sector. Manipur has a slow growth economy. Manipur Start-up Policy 2018 was launched by the Government of Manipur for the promotion of sustainable economic growth and to generate large scale employment opportunities for the youth and women in the state of Manipur. In the year 2018, out of 3,966 applicants for the financial assistance under Start-up Manipur Scheme, a total of 587 applicants have been shortlisted and 475 of them have been given financial assistance. Out of this 475, only 8 are under Revenue stage and remaining 467 are from the Idea stage (GOM, 2022).

Table 1: Status of Applicants and Beneficiaries under Start-up Manipur Scheme, 2018

Type of Scheme	No. Registered Applicant	No. Shortlisted Applicant	No. Benefitted Applicant
Revenue Stage	275	8	8
Idea Stage	3,691	579	467
Total	3,966	587	475

Source: Planning Department, GoM

In the year 2019, under Stand-up stage, another 145 applicants have been given financial assistance out of 563 applicants (GOM, 2022).

Table 2: Status of Applicants and Beneficiaries under Start-up Manipur Scheme, 2019

Type of Scheme	No. Registered Applicant	No. Shortlisted Applicant	No. Benefitted Applicant
Stand-up Stage	563	145	145
Total	563	145	145

Source: Planning Department, GoM

In the year 2020-2021, out of the total 17,388 applicants under the scheme, 4,755 applicants have been given benefitted under different stages - 126 beneficiary under Revenue stage, 4,540 beneficiaries under Idea stage and 89 beneficiaries under Stand-up stage (GOM, 2022) [10].

Table 3: Status of Applicants and beneficiaries under start-up Manipur Scheme, 2020-2021

Type of Scheme	No. Registered Applicant	No. Shortlisted Applicant	No. Benefitted Applicant
Revenue Stage	493	126	126
Idea Stage	16,594	4540	4,540
Stand-up Stage	301	89	89
Total	17,388	4,755	4,755

Source: Planning Department, GoM

Opportunities and challenges of start-up Manipur scheme

Opportunities of start-up scheme in Manipur

The following benefits have been realized as a result of Start-up Manipur's promotion of bank funding for start-ups

and incentives to encourage entrepreneurship and job development in the state of Manipur. This scheme and initiative taken up by the Govt. helps to nurture for those young and women who are having bright and talented who can lift up the nation growth through their innovative ideas and invention (Jayanthi, 2019) [12]. Decision taken up by the youth and women would be based on the ability to initiate the new ideas and capability to run the enterprises. Here, What the decision is and what's the effect responsibility is own, Thus, right decisions boost up the energy and wrong decisions make people learn the lessons from the failure to improve their works. This scheme encourages the youth and women to lift up them for those who can make their dreams come true by their own abilities to take right and wrong decision (Jayanthi, 2019) [12]. Establishment of own enterprises and new starts-up business are free from bondage and dictatorship under the one boss to run the business institutions, thus leading to owned the right to manage the works and finances activities. This scheme helps to improve the income exponentially growth and can put into the position of economic independent for all who wish to run the business by their own (Jayanthi, 2019) [12]. Every human on earth wishes to have Job security and we cannot work with full zeal if our jobs are not well sound. Thus, zeal and enthusiasm comes automatically if we established our own empire of business ultimately leading to the path of security of jobs (Jayanthi, 2019) [12]. Instead of running after the jobs, and when any entrepreneurship is started people tend to create new jobs own and jobs for others also, thus making an opportunity to create jobs for youth and women (Sharma, 2013, Jayanthi, 2019) [22, 12]. We human wish to live a life with joyous and recognition. Thus, by the venture of establishment of our own business empire, fame and recognition comes to us by the natural phenomenon (Sharma, 2013, Jayanthi, 2019) [22, 12]. Every human on globe wants to be at comfortably and desires to the best standard and value of life due to the impact of urbanization and new coming trend of e-commerce. Thus, being as an empire of own enterprises, one has possessed the freedom to choose the life of quality by their own (Sharma, 2013, Jayanthi, 2019) [22, 12]. Possessing of own brand and naming and putting their names and legacies on the brand gives us immense pleasure to introduce you as an owner of the enterprises (Sharma, 2013, Jayanthi, 2019) [22, 12]. We human had own vision and dreams but these dreams turn it into reality are not an easy task. So, by occupying the ownership of one's brand can convert your vision into reality (Sharma, 2013, Jayanthi, 2019) [22, 12]. Saying is easier than the doing, thus also saying an old proverb, empty vessels make many noises. But people who take the initiative to create their own empire of business can change the world according to them, if not the world till they make a difference (Sharma, 2013, Jayanthi, 2019) [22, 12]. Successful entrepreneurs have the vision of change the social injustice and underdeveloped situation. And by virtue, the role of entrepreneur is also to do jobs for the social. Thus, any successful business is always tended to generous people and readily happy to do their work for socially responsible person. They are very much socially involved and try to love making friends and networking and such activities help in the promotion of any start-up and even can link to start a new business (Sharma, 2013, Jayanthi, 2019) [22, 12]. Showing our talent and the

creativity to the world can only be possible by doing and establishment of own business (Sharma, 2013, Jayanthi, 2019) [22, 12]. Having said and all above mentioned, by the grace of all such entrepreneurship journey, we should create our own legacy for the future generation in this era of global rat races and competitive world for the bitterness' of the society (Sharma, 2013, Jayanthi, 2019) [22, 12].

Challenges of start-up Manipur Scheme

Despite of the incentive & initiatives provided under the Start-up Manipur, there are certain loopholes in the scheme and other areas in the implementation mechanism. In reality, most start-up fail in their operation due to a number of problems such as; risk of failure, low compensation, poor market access, team conflict, lack of resources, lack of processes, stressed out etc. (Fig 1) (Kurode *et al.* 2016) [14].

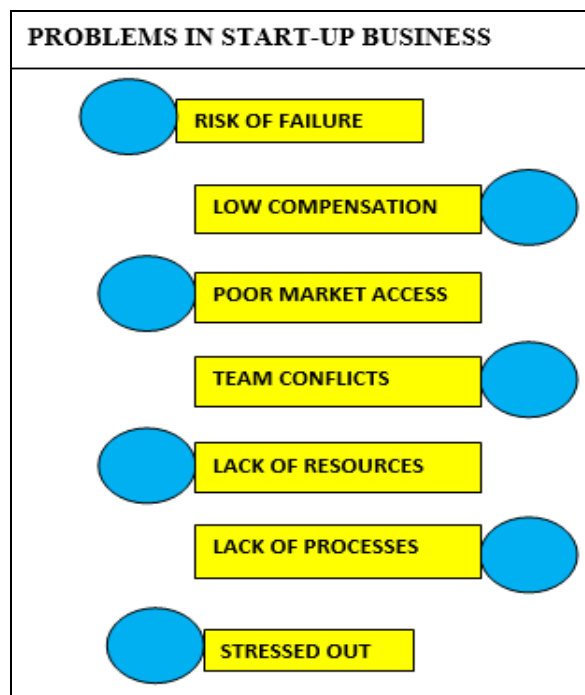


Fig 1: Showing the challenges of start-up business

Most Start-ups fail within their first year of operations so the risk of failure is high. Working under such high risk can blur a start-up's strategic vision. It takes blood, sweat and tears to build a company and long working hours are the norm for start-ups. The rewards are low since it takes time to generate revenue and make profits. Some start-ups give up since its demotivating to work in through proper compensation. Many customers prefer a business that they have worked with over a new start-up. Besides, it is more expensive to acquire new customers than to retain old one. Without a customer base, understanding market needs also becomes a real struggle. Some start-ups are base out desperation since the founder could not find or hold on to a job. Such founders often struggle to build a team that the business needs to succeed. A successful start-up requires funders / co-directors with complimentary personalities and competencies. Even then disagreements can escape in between the going gets tough. Growth hacking, cloud computing and venture capitalism allow start-ups to gain market entry. Most start-ups operate on a short-listing

budget, against competitors that are well-resourced. It gives the competitors an edge in product development sales and marketing. They use that edge to push start-ups. Start-ups are flat organisations that lack defined business processes and operational procedures. This exposes them to poor customer service, legal liability and financial losses. Start-ups become very stressful as there are a number of problems such as low compensation, many responsibilities and long working hours etc. (Kurode *et al.* 2016, Alawamleh *et al.* 2023, Foris *et al.* 2022) ^[14, 4, 9]

Conclusion

With the help of financing organizations, the government, and talent and innovation incubators, startups aim to instill an entrepreneurial culture in the minds of young people and women, as well as to contribute to the new, evolving paradigms of society. Once again, it is evident that the entirety of our current Prime Minister Narendra Modi's action plan provides youth with a variety of opportunities in all forms of start-up in India, with the goal of assisting unemployed youth and women in large to establish businesses in order to provide a small push to new, innovative ventures. Despite the aforementioned prospects, entrepreneurs still face challenges, but they have the ability to overcome them head-on. In conclusion, proper mentoring and assistance are necessary for a successful business in every aspect of the entrepreneurship journey.

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