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REDEFINING ENTREPRENEURSHIP IN INDIA: INNOVATION, INCLUSION AND SUSTAINABLE GROWTH

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ABSTRACT

Entrepreneurship in India is shifting towards innovation, digital technology, inclusion and sustainability. This study examines these dimensions using secondary data from government reports and academic literature. As of 31 March 2026, India had over 2.23 lakh DPIIT-recognised startups generating more than 23.36 lakh direct jobs, with around 48% having at least one woman director or partner. The study highlights the role of digital transformation, women and rural entrepreneurship, social innovation and institutional support. It proposes an Innovation–Inclusion–Sustainability (IIS) Framework for promoting long-term economic, social and environmental value. The study concludes that entrepreneurial success should be measured through innovation, employment, inclusiveness, resilience, social impact and sustainability.

KEYWORDS: Entrepreneurship, Innovation, Digital Entrepreneurship, Women Entrepreneurship, Rural Entrepreneurship, Sustainability, Social Innovation, Start-up Ecosystem, Inclusive Growth, India

INTRODUCTION

Entrepreneurship is an important driver of India's economic growth, employment and innovation. The Indian entrepreneurial ecosystem is shifting from traditional businesses towards technology-driven, innovative and sustainable enterprises. Growing opportunities in digital technology, start-ups, e-commerce and social enterprises have encouraged wider participation, particularly among women and rural entrepreneurs. Therefore, innovation, inclusion and sustainability have become key elements in redefining entrepreneurship and achieving long-term economic and social development in India.

At the same time, entrepreneurs face challenges such as access to finance, technological barriers, market competition, skill gaps and regulatory complexities. Sustainable entrepreneurship has therefore gained importance, encouraging businesses to balance economic objectives with social responsibility and environmental protection.

In this context, entrepreneurship in India can be redefined through three interconnected dimensions: Innovation, Inclusion and Sustainability. Innovation helps entrepreneurs create new products, services and business models; inclusion ensures wider participation and equitable opportunities; and sustainability supports long-term economic, social and environmental value creation. This study examines these dimensions and proposes an Innovation–Inclusion–

Sustainability (IIS) Framework for understanding the changing nature of entrepreneurship in India.

REVIEW OF LITERATURE

Chillakuri, Vanka and Mogili (2020) examined the relationship between entrepreneurship, start-ups and sustainable development in India. The authors argued that entrepreneurship and innovation are important drivers of economic and social progress, but entrepreneurial activity alone is insufficient to ensure sustainable growth. They proposed a sustainable and scalable start-up ecosystem based on the Triple Bottom Line approach, integrating economic, social and environmental dimensions. Their study provides an important foundation for redefining Indian entrepreneurship in terms of sustainability rather than merely business creation and profitability.

Surana, Singh and Sagar (2020) investigated science, technology and innovation-based incubators in India and their contribution to the Sustainable Development Goals (SDGs). The authors found that publicly funded incubators can play an important role in strengthening technology-based entrepreneurship and addressing societal challenges. They emphasized that effective incubation requires coordination among programmes, clearly defined SDG-oriented objectives, performance monitoring and capacity building. The study demonstrates that innovation-oriented entrepreneurship requires a supportive institutional ecosystem.

Tandon, Gupta, Goel and Singh (2020) studied the impact of digitisation on entrepreneurial ecosystems in India. Their work highlights the increasing importance of digital technologies in transforming entrepreneurial activities and ecosystems. Digitisation has created new opportunities for entrepreneurs by improving connectivity, access to information and the development of new business models. This study is particularly relevant to the innovation dimension of contemporary Indian entrepreneurship.

Joshi, Joshi and Pathak (2020) examined entrepreneurial intentions among Indian students using entrepreneurial event theory and the theory of planned behaviour. Their study highlights the importance of awareness, attitudes and perceived behavioural factors in developing entrepreneurial intentions. The findings are relevant to India's future entrepreneurial ecosystem because young people represent an important source of new entrepreneurial activity and innovation.

Sengar, Chaudhary, Pande and Rangnekar (2020) investigated psychological empowerment and entrepreneurship in the Indian corporate context. Their study indicates that psychological factors and empowerment can influence entrepreneurial behaviour. This perspective broadens the understanding of entrepreneurship beyond financial resources by recognizing the importance of individual capabilities, confidence and organizational conditions.

Khokhawala and Iyer (2022) explored sustainable entrepreneurship in India through comparative case studies of ventures associated with India's artisanal networks. They found that sustainable entrepreneurship can simultaneously generate social, economic and environmental outcomes. The authors emphasized sustainable business processes, stakeholder engagement and sustainable innovation. Their findings demonstrate that sustainability can become an integral part of entrepreneurial value creation and long-term growth rather than an additional business responsibility.

Kannan, Bhowmick and Kumar (2026) examined the challenges, support mechanisms and growth of sustainability-oriented ventures in India. The authors highlighted the influence of policy support, financial constraints and market conditions on sustainability entrepreneurship. Their study demonstrates that sustainable entrepreneurial growth depends not only on the capabilities of individual entrepreneurs but also on the wider entrepreneurial ecosystem.

Kannan, Nadig, Bhowmick and Kumar (2026) examined Indian sustainability start-ups using machine-learning-based classification of their alignment with the Sustainable Development Goals. Their research demonstrates how technological approaches can be used to identify and classify the sustainability orientation of Indian start-ups. This represents an emerging intersection between artificial intelligence, entrepreneurship and sustainable development, thereby

strengthening the innovation dimension of contemporary entrepreneurship research.

STATEMENT OF THE PROBLEM

Entrepreneurship plays an important role in India's economic development, employment generation and innovation. During 2020–2026, digitalisation, start-ups and emerging technologies have created new entrepreneurial opportunities. However, entrepreneurs continue to face challenges such as limited access to finance, technology, skills, markets and institutional support, particularly among women, rural and small-scale entrepreneurs.

Although innovation and sustainability are increasingly important, their benefits are not equally accessible to all sections of society. Existing studies often examine innovation, inclusion and sustainability separately, with limited focus on their combined contribution to entrepreneurial development.

Therefore, the present study, “Redefining Entrepreneurship in India: Innovation, Inclusion and Sustainable Growth,” seeks to examine how innovation and inclusive entrepreneurship contribute to sustainable economic, social and environmental growth in India and identify the major challenges that limit their development.

SCOPE OF THE STUDY

The study focuses on the changing entrepreneurial landscape in India, with emphasis on innovation, digital technology, inclusion, and sustainable business practices. It covers start-ups, MSMEs, women entrepreneurs, and rural entrepreneurs, and examines their contributions to employment generation, economic development, and social empowerment. The study also explores the role of government initiatives, as well as the challenges and opportunities for achieving inclusive and sustainable entrepreneurial growth.

OBJECTIVES OF THE STUDY

- To examine the changing trends in entrepreneurship in India.
- To analyse the role of innovation and technology in promoting entrepreneurship.
- To study the contribution of entrepreneurship towards inclusive economic growth.
- To examine the importance of sustainable business practices among Indian entrepreneurs.
- To identify the challenges and opportunities faced by entrepreneurs in India.

RESEARCH METHODOLOGY

A. Research Design

This descriptive and analytical research design to examine the changing entrepreneurial landscape in India, with a focus on innovation, inclusion, and sustainable growth. The study analyses the role of technology, inclusive entrepreneurship, and sustainable business practices using secondary data rather than primary surveys or experimental methods.

B. Sources of Data

The research is based on secondary data collected from:

- Research journals and academic articles
- Books and previous studies
- Government reports and publications
- Official government and institutional websites
- Industry reports and publications
- Relevant online databases and reliable sources

C. Method of Analysis and Limitations

The study applies descriptive analysis, comparative analysis, trend analysis, and thematic analysis to examine the role of innovation, inclusion, and sustainability in Indian entrepreneurship. It relies mainly on secondary data from institutional and published sources. The study may be limited by variations in data definitions and reporting periods and may not fully capture informal enterprises and emerging entrepreneurial activities. Furthermore, the study does not establish direct causal relationships between specific initiatives and entrepreneurial outcomes.

FINDINGS

A. Growth and Current Trends

India's entrepreneurial ecosystem is expanding through start-ups, MSMEs, digital technologies, innovation, financial inclusion, and government support. The major trend is a shift from traditional entrepreneurship towards technology-enabled, innovation-driven, inclusive, and sustainable business models.

B. Major Findings

Innovation and Technology: Digital platforms, artificial intelligence, e-commerce, fintech, and digital payments are creating new entrepreneurial opportunities.

Inclusive Entrepreneurship: Women, youth, rural communities, and economically disadvantaged groups are increasingly participating in entrepreneurial activities.

Start-up Growth: India's start-up ecosystem has expanded significantly, particularly in technology, fintech, healthcare, education, and sustainable businesses.

Employment Generation: MSMEs and start-ups contribute significantly to employment creation and economic development.

Financial Inclusion: Digital financial services, microfinance, government credit schemes, and online banking have improved access to finance.

Sustainable Entrepreneurship: Entrepreneurs are increasingly adopting green technologies, renewable energy, waste management, and resource-efficient business practices.

Government Support: Initiatives such as Startup India, Digital India, Make in India, Stand-Up India, and PM MUDRA have strengthened the entrepreneurial ecosystem.

C. Major Challenges

- Limited access to finance and investment
- Lack of advanced technological and managerial skills
- Digital and infrastructure gaps, particularly in rural areas
- Increasing market competition
- Regulatory and compliance difficulties
- Limited access to wider markets and business networks
- Challenges in adopting sustainable technologies due to high initial costs

D. Role of Government and Institutional Support

Government initiatives, incubators, accelerators, financial institutions, and skill-development programmes play an important role in promoting entrepreneurship. However, greater coordination, awareness, mentoring, and market-linkage support are required to ensure that these opportunities reach rural, women, youth, and first-generation entrepreneurs.

E. Innovation, Inclusion and Sustainability

The findings indicate that the future of Indian entrepreneurship depends on the integration of innovation, social inclusion, and environmental sustainability. Businesses that combine profitability with social and environmental responsibility are better positioned to contribute to long-term economic development.

SUGGESTIONS

Strengthen access to affordable finance and credit facilities for entrepreneurs. Promote digital and technological skills through practical training. Expand entrepreneurship support to rural and underserved regions. Strengthen incubation, mentoring, networking, and market-linkage facilities. Encourage women and youth entrepreneurship through targeted support programmes. Promote innovation in emerging sectors such as AI, fintech, renewable energy, healthcare, and e-commerce. Encourage entrepreneurs to adopt green technologies and sustainable business practices. Simplify registration, taxation, and regulatory procedures. Provide entrepreneurship information and training in regional languages. Develop better systems to measure business survival, employment, revenue, innovation, and sustainability, rather than focusing only on the number of registrations.

CONCLUSION

Entrepreneurship has become an important driver of India's economic transformation and inclusive development. The entrepreneurial ecosystem is increasingly moving beyond traditional business creation towards innovation-driven, technology-enabled, inclusive, and sustainable growth. However, finance and start-up support alone are not sufficient. Long-term entrepreneurial success requires skills, digital capabilities, market access, mentoring, infrastructure, and institutional support. Therefore, India's entrepreneurship policies should adopt an integrated approach that enables entrepreneurs not only to start businesses but also to survive, expand, innovate, generate employment, and create sustainable value.

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