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The Differences Between Entrepreneurship in India and in the U.S.

In India, entrepreneurship has taken different forms than it has in the U.S. The economy, society, and culture are different, and these factors drive business and entrepreneurship.



By AJ Agrawal

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Entrepreneurship comes in many different forms. The motivations, expectations, and possibilities often dictate the nature and course of the startup. Companies develop frequently in response to a need or lack in the market place. Thus, different market places can be conducive for the formation of different types of companies. In India, entrepreneurship has taken different forms than it has in the US. The economy, society, and culture are different, and these factors drive business and entrepreneurship. With differences in economy, entrepreneurs in India respond to different needs.

By many standards, India is a country with an immense amount of new business and entrepreneurship. In fact, India has more than twice the number of new businesses as the US. With an estimated 48 million, India more than doubles the US' 23 million small businesses. Between industries, funding, and products, entrepreneurs in the US and India vary on a multiple different aspects. Female entrepreneurs also have different experiences in both countries. 98% of female Indian entrepreneurs believe in the importance of their business in having a positive social impact. They believe that it can and will help society. Conversely, only 86% of women in the US agree with this notion. For men the numbers are very different. Only 43% of men in the US and 41% of men in India believe that their business needs to have a positive social outcome.

Lavy Blagman, founder of DesiMarket said, "The notion of entrepreneurship depends on where you are. In India, entrepreneurs face different challenges, and thus they are different as entrepreneurs." While the market place in India presents unique challenges, it also presents unique opportunities for entrepreneurs looking to grow their businesses. India has made huge advances in information technology, and leads many tech industries. There is also an increased emphasis on entrepreneurship in India. Just 20 years ago, entrepreneurship wasn't valued nearly as much as it is today. Since then, the new millennial generation has access to a plethora of new business opportunities that older generations did not. India now fully recognizes the value in creating small businesses, and has put a large emphasis on funding and helping people develop and grow businesses. In 2016, India will emerge as the world leader in entrepreneurship, perhaps even ahead of the United States. There will also be many opportunities present for entrepreneurs in both countries to work together.

To understand the difference between entrepreneurship between the two countries it is essential to understand Indian entrepreneurship on a historic level. Prior to 1991, success in Indian businesses was largely dependent on working the bureaucratic system, and utilizing licenses, ambition, and government contracts. Many decisions were based on social connections and prior relationships, rather than the actual business function itself. Thus, business goals were in many ways parallel to the "Swadeshi" movement. This

movement promoted the attainment of economic freedom through import substitution from western civilizations. Prior to 1991, entrepreneurship was subdued in India. There were fewer success stories about Indian startups making it big, and capital was limited for these types of ventures. The significance of 1991 was that it was the year when the government in India liberalized the economy. This had huge impacts on the society, and especially for entrepreneurs. The competitive landscape was fundamentally changed. Whereas family businesses had traditionally dominated the Indian markets, these entities now were forced to compete against larger brands with sophisticated technology. Indian businesses had to adapt and change.

Originally, Indian businesses largely included closely-knit family businesses that were well known in their community. Liberalization changed this by introducing more large businesses to the arena. This is when IT businesses started to boom in India. To evolve and stay relevant, family businesses were forced to become more institutional.

In present day, India is one of the world's strongest countries in terms of entrepreneurship. From Information Technology to virtual reality to healthcare, entrepreneurs are finding new ways to reach the market. Indian business people have access to an incredible amount of resources, businesses, and software. India currently has the fastest growing economy and the fastest growing market place in the entire world, even over China. Much of India's growth as a nation has been due largely to the fact that young innovators are creating new businesses, which are able to compete with international corporations. The Indian market and economy is gigantic and dense. Communication and transportation between cities has improved immensely in the last ten years, and people are now creating and sharing ideas more rapidly

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