Indian Economy · GS - III

Technology-driven entrepreneurship can transform individual economic mobility into broader employment generation and innovation. Examine the role of India's startup ecosystem in achieving inclusive economic growth.

EXAM YEAR	PAPER	SUBJECT
DAILY PRACTICE 20/11/2026	GS - III	Indian Economy

MARKS	WORD LIMIT
10	~150 words

Answer Hint

Startup India, DPIIT, IIT ecosystem, technology entrepreneurship, AI innovation, employment generation, venture capital, incubation, skill development, digital divide.

Model Answer

Introduction

Technology-driven entrepreneurship is emerging as an important engine of India's economic transformation. Startups in gaming, artificial intelligence and digital services demonstrate how innovation and technical skills can create businesses and improve economic opportunities.

Contribution to Inclusive Growth

1. **Employment generation:** Startups create direct and indirect employment, particularly for skilled youth.
2. **Innovation:** AI and digital technologies enable solutions in healthcare, agriculture, education and financial services.
3. **Economic mobility:** Entrepreneurship can help individuals overcome financial constraints and create wealth.
4. **Regional development:** Startup ecosystems beyond metropolitan cities can promote local investment and innovation.

5. **Global competitiveness:** Technology startups strengthen India's position in emerging digital markets.

Key Challenges

- Limited access to early-stage finance and venture capital.
- Unequal access to quality education, technology and mentorship.
- High business failure rates and regulatory complexities.
- Shortage of advanced research infrastructure and specialised skills.

Way Forward

- Strengthen Startup India and Atal Innovation Mission.
- Expand IITs, universities and incubators as entrepreneurship hubs.
- Improve access to credit, seed funding and mentorship for first-generation entrepreneurs.
- Promote responsible AI development, intellectual property protection and industry-academia collaboration.
- Extend digital infrastructure and entrepreneurial opportunities to rural and underserved regions.

Conclusion

India's startup ecosystem can convert technological capabilities into inclusive prosperity. A supportive environment combining innovation, finance, skills and equitable access is essential for building a competitive and employment-generating economy.

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