Entrepreneurship And Economic Development: A Study Of Emerging Business Models In India

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ABSTRACT

Entrepreneurship has emerged as a pivotal driver of economic development in India, particularly through innovative and inclusive business models that are reshaping traditional industry dynamics. With government initiatives like Digital India and Start-up India catalyzing structural transformation, the entrepreneurial ecosystem has expanded significantly across sectors such as fintech, agritech, digital handicrafts, and sustainability ventures. The study investigates how emerging business models contribute to India's economic growth, employment generation, and regional inclusion. Using a qualitative exploratory research design, the study engaged 60 participants, including entrepreneurs, investors, policy advisors, and incubator managers, through semi-structured interviews. Thematic analysis was applied to identify critical patterns, supported by secondary data from policy documents and academic literature. Findings reveal that digital infrastructure, AI adoption, and policy support serve as key enablers of entrepreneurial success, particularly in urban centers. Conversely, challenges such as limited access to capital, regulatory complexity, and digital literacy gaps remain pervasive in rural and semi-urban contexts. Notably, the study highlights a rising trend in women-led ventures and grassroots innovation, emphasizing the growing inclusivity of India's startup ecosystem. The study concludes that entrepreneurship in India is evolving toward a more inclusive, technology-driven, and regionally distributed model. To sustain and scale this momentum, targeted policy interventions, inclusive financial mechanisms, and regional ecosystem development are essential. The research contributes valuable insights into entrepreneurial strategies and policy recommendations, while also identifying areas for future academic inquiry.

Keywords: Entrepreneurship, Emerging Business Models, Economic Development, Digital Infrastructure, Inclusive Innovation

INTRODUCTION

Over the past few decades, India has experienced a radical change in its economy, becoming one of the most vibrant startup economies in the world. The relationship between entrepreneurship and economic development has taken a special significance in the case of India, which is a demographically-divided country, with a growing digital infrastructure and a dynamic policy environment. The rise of the focus on innovation, sustainability, and inclusivity has led to the surge of entrepreneurial activity in areas including technology, manufacturing, rural trade, and digital services (Chopra, 2024; Soni et al., 2025). Entrepreneurship in India is not only a channel of personal wealth creation but is now being perceived as an engine of employment, regional growth, and structural transformation of the economy (Khanna, 2018; Kumar, 2025). The Indian approach to conducting business is flexible, community-based, and resourceful in addressing the obstacles embedded into the system (Cappelli et al., 2010). These are essential aspects in a nation where the entrepreneurial spirit is usually limited by a lack of infrastructural facilities, poor accessibility to funding, and socio-cultural impediments.

The transformation of the traditional business paradigms into the new ones, including platform-based ecosystems, gig and moonlighting economies, social enterprises, and digitally enabled micro-entrepreneurship, demonstrates the changes in the entrepreneurial fabric of India (Bhore et al., 2025; Bhatia-Kalluri, 2021). The top-down policy interventions (the so-called Make in India initiative, Digital India, and the reforms via NITI Aayog) and bottom-up innovations (that appear in rural and

semi-urban settings) drive these developments (Raju & Rao, n.d.; Vijayan, 2019; Panagariya, 2010). The emergence of women entrepreneurs and marginalized populations, as technological advances and community support networks provide a new generation of business owners with opportunities to break the traditional patterns of business and make a significant contribution to the economy of the place (Biswas, 2021; Punia, 2023). Simultaneously, digital and AI technologies are transforming industries such as handicrafts, agriculture, and education, providing scalable solutions to long-standing development problems (Raviprakash et al., 2019; Shekhar et al., 2023).

Entrepreneurship is projected to serve as a national pillar as India aims to become a global economic power in 2047. The emphasis on manufacturing-led growth, innovation ecosystems, and financial inclusion reveals the necessity to redesign business models in accordance with the domestic demands and the global prospects (Kumar, 2024; Saqib & Satar, 2021; Surana et al., 2020).

Although entrepreneurial ventures in India have shown a phenomenal growth, there are key gaps in the study of structural, technological as well and policy drivers of the emerging business models. Whereas the classical economic theories focus on capital, labor, and land, the 21st-century Indian business environment requires a digital penetration, cultural capital, policy synergies, and social innovation analysis (Singh, 2024; Yoganandham, 2025). Most new business models, including those in the gig economy, in rural e-commerce, and those based on AI, are not fully theorized in their long-run economic effects, sustainability, and replicability (Bhatia-Kalluri, 2021; Bhore et al., 2025). On the one hand, metropolitan regions such as Bengaluru and Delhi have turned into entrepreneurial regions; on the other hand, there is still a gap in access to the ecosystem and resource distribution to startups in Tier II and rural regions (Goyal & Prakash, 2023; Karn et al., 2025).

The current literature tends to ignore the relationship between business model innovation and socio-political and regulatory systems, particularly in such areas as fintech, education, health tech, and manufacturing. Such blind spots are an obstacle to evidence-based policymaking and strategic interventions to have an inclusive development (Sharma, 2017; Gupta & Raghuvanshi, 2024). Even though there are many incubators and policy programs to help startups, there has been a debate as to whether they can stimulate sustainable and scalable startups (Surana et al., 2020; Devender et al., 2025). The study attempts to fill these information gaps by exploring the interaction between entrepreneurship and economic development in India, focusing on emerging business models. It provides a critical assessment of the contribution of those models to employment, innovation, and inclusive growth, and the identification of the systemic limitations and enablers.

The paper is devoted to the Indian entrepreneurial ecosystem, especially to the new business models in various industries like digital commerce, rural micro-enterprises, gig economy platforms, AI applications, and manufacturing-led enterprises. The study relies on both urban innovation centers and semi-urban or rural entrepreneurship projects to give an overview of the entrepreneurial revolution in India. The timeframe of the study will be from 2010-2025, which is the period that witnessed some of the major policy changes, digital revolutions, and sociopolitical reforms that defined the entrepreneurial activity (Panagariya, 2010; Soni et al., 2025). Emphasis is also placed on the post-2014 economic reforms, the rise of platforms like the Women Entrepreneurship Platform (Punia, 2023) and India's strategic ambition under the “Vision 2047” roadmap (Kumar, 2024).

The study has certain limitations. First, it does not offer a quantitative econometric analysis of GDP growth or employment elasticity related to startups, instead relying on secondary data, case studies, and qualitative insights. Second, due to the diversity of India’s states, cultures, and languages, the findings may not be generalizable across all regional contexts. While the study draws from available academic, government, and gray literature, it acknowledges that certain grassroots innovations may be under-documented. Finally, the study limits itself to legally recognized and policy-supported entrepreneurial ventures. Informal or undocumented enterprises, although significant in India, fall outside the purview of this analysis due to the lack of verifiable data.

The research holds significant academic, policy, and practical value. At a theoretical level, it contributes to the discourse on business model innovation in emerging markets, particularly in understanding how non-linear, hybrid, and adaptive models evolve in response to systemic constraints and opportunities (Saqib & Satar, 2021). The insights generated offer a nuanced understanding of entrepreneurial dynamics that go beyond conventional profit-centric frameworks. From a policy perspective, the findings aim to inform strategies for strengthening the entrepreneurial ecosystem in alignment with the Sustainable Development Goals (SDGs), especially goals related to decent work, industry innovation, and economic growth (Surana et al., 2020; Singh, 2024). By identifying gaps in existing support mechanisms, such as incubators, financial literacy programs, and digital infrastructure, the study can guide future interventions that are both context-sensitive and scalable.

On a practical level, the research provides entrepreneurs, investors, and ecosystem enablers with a roadmap to leverage emerging trends and

mitigate barriers. This involves the realization of the effect of AI, gender inclusiveness, labor migration, and platform economies on business sustainability and socio-economic performance (Biswas, 2021; Parayil, 2025; Raviprakash et al., 2019). The paper highlights the need for regional balance and cultural adaptation in entrepreneurship. The research is grounded because of its context-rich analysis, which makes it applicable to a wide range of stakeholders due to its exploration of untapped potential in less-documented areas such as Jharkhand (Karn et al., 2025) or examination of the particular problems of Gen Z entrepreneurs (Bhore et al., 2025).

The final goal of the study is to shed light on the fact that the entrepreneurial development of India is not only changing its economy but is also changing its societal norms, labor patterns, and its place in the world.

Research Objectives

- To examine the key drivers and characteristics of emerging business models within the Indian entrepreneurial ecosystem
- To evaluate the impact of these business models on economic development indicators such as employment generation, regional growth, and innovation
- To analyze the structural and policy-related challenges that influence the scalability and sustainability of new entrepreneurial ventures in India

METHODOLOGY

Research Design

The research design that was used in the study was a qualitative exploratory research design to study the relationship between entrepreneurship and economic development in India, with a particular focus on the emerging business models. The exploratory nature of the research was explained by the fact that the entrepreneurial ecosystem is fast-changing, and the variety of business innovations in different regions of India is considerable. The methodology, based on a case study, was utilized, which allowed for to analysis in detail of several entrepreneurial environments and their specific socio-economic backgrounds.

Such a design enabled the discussion of real-life examples, which gave the freedom to cover the multifaceted and intricate aspects of success, scalability, and impact of new business models across several industries, such as digital commerce, rural business, gig economy, and AI-based services.

Data Collection Methods

The research was based on primary and secondary sources of data. The assessment of primary data was conducted based on semi-structured interviews with a wide range of stakeholders, such as entrepreneurs, startup founders, incubator directors, policy advisors, representatives of business accelerators, and financial institutions. Each interview followed a flexible guide focusing on themes such as innovation, business strategy, policy support, scalability, regional barriers, and socio-economic outcomes. Interviews were conducted either in-person or via digital platforms, recorded with consent, and lasted between 45 to 75 minutes. In parallel, secondary data were gathered through an extensive review of scholarly literature, policy documents, white papers, industry reports, and news articles.

Population and Sampling

The target audience was the stakeholders involved in the entrepreneurial ecosystem of India, especially the ones associated with emerging or non-traditional business models. These were people and organisations working in the fields of fintech, agritech, e-commerce, edtech, sustainability projects, digital handcraft, and manufacturing innovations. The purposive sampling technique was employed so that the participants could offer relevant, insightful, and diverse views. The selection criteria were the following: engagement in an entrepreneurial activity over the past five years; evidence of innovation in the area of business models; and the representation of various regions and industries.

In order to enhance the validity of results and reflect regional diversity, the sample size was enlarged to 60 participants. This included:

- 40 entrepreneurs and startup founders
- 8 policy advisors and government officials
- 6 startup incubator/accelerator managers
- 6 investors and representatives from financial or VC institutions

Participants were selected from metropolitan cities such as Bengaluru, Delhi, and Mumbai, as well as Tier II and rural areas like Ranchi (Jharkhand), Kozhikode (Kerala), and Jaipur (Rajasthan). Efforts were made to ensure the inclusion of women entrepreneurs, youth startups, and enterprises of marginalized communities, and to provide a detailed perspective of inclusive entrepreneurship in India.

Data Analysis Techniques

Thematic analysis was used to analyze the data, which is a flexible and popular technique of identifying, analyzing, and reporting the patterns in qualitative data. The analysis of the interview transcripts was done manually using open coding to find out initial themes. These were then tabulated through axial and selective coding to form general categories in line with the research purposes. In order to improve the depth of the analysis and its reliability, the coding and thematic clustering were performed using NVivo software. The tool helped organize data and compare code among various groups, and visualize patterns and connections.

Triangulation was attained by comparing information obtained in interviews and themes revealed in secondary literature. The basic descriptive statistics and charts, and tables were used to present the demographic data, sectoral representation, and business typologies as complements to the qualitative data.

Ethical Considerations

All the ethical requirements of qualitative research were observed in the study. All the respondents were given a clear explanation about the purpose of the research, methodology, anticipated results, and their rights, including the right to refuse or withdraw without any repercussions before their participation. All the participants signed written informed consent. The anonymity and confidentiality were closely observed by deleting all the personally identifiable information during transcription and reporting. Audio recordings and transcripts of data were kept safely in encrypted devices that could only be accessed by the principal researcher. Approval was also granted by a well-known Institutional Ethics Committee, which complies with ethical standards with regard to research on human subjects, privacy, data protection, and responsible reporting.

RESULTS

Participant Profile and Demographic Distribution

Table 1 gives an in-depth description of the 60 participants of the study, as well as their demographic and professional characteristics. Most of the respondents were entrepreneurs, and the rest of the participants were policy advisors, incubator managers, and investors, so that the whole picture of the entrepreneurial ecosystem in India could be understood. The respondents formed an even gender ratio and were diverse in terms of geographical origin, including major cities such as Bengaluru, Mumbai, and Delhi, as well as the upcoming hubs such as Ranchi and Kozhikode. The industries that were represented included fintech, agritech, digital handicrafts, sustainability, e-commerce, and edtech, which shows that there is a wide variety of new business models. Startup age was early-stage (1-2 years) and more mature (4-6 years), providing a chance to compare many stages of the business development. The level of education also varied, with many respondents having higher education degrees like MBA, PhD, MSc Agriculture, and B.Tech, which showed that the population of entrepreneurs in India was highly qualified and would help in the developing economy of India.

Table 1: Demographic and Role-Based Participant Distribution

Participant ID	Role	Gender	Location	Sector	Startup Age (Years)	Education Level
P01	Entrepreneur	Female	Mumbai	Fintech	5	BA
P02	Policy Advisor	Male	Jaipur	Sustainability	N/A	BBA
P03	Entrepreneur	Male	Chennai	Sustainability	6	Engineering Diploma
P04	Entrepreneur	Male	Chennai	Fintech	2	Engineering Diploma
P05	Investor/VC	Female	Hyderabad	Edtech	N/A	Engineering Diploma
P06	Entrepreneur	Female	Pune	E-commerce	3	MBA
P07	Entrepreneur	Male	Ahmedabad	Agritech	4	MSc Agriculture
P08	Incubator Manager	Male	Bengaluru	Fintech	N/A	MBA
P09	Entrepreneur	Female	Ranchi	Digital Handicrafts	2	B.Tech
P10	Entrepreneur	Male	Kozhikode	Sustainability	5	MBA
P11	Policy Advisor	Female	Delhi	Multi-sectoral	N/A	PhD
P12	Entrepreneur	Male	Chennai	Fintech	3	MBA
P13	Entrepreneur	Female	Jaipur	Agritech	2	MSc Agriculture
P14	Entrepreneur	Male	Hyderabad	E-commerce	4	B.Tech
P15	Entrepreneur	Male	Pune	Fintech	1	MBA
P16	Incubator Manager	Female	Bengaluru	Edtech	N/A	MBA
P17	Entrepreneur	Male	Kozhikode	Sustainability	5	Engineering Diploma
P18	Entrepreneur	Female	Mumbai	Digital Handicrafts	3	BA
P19	Entrepreneur	Male	Delhi	E-commerce	2	BBA
P20	Investor/VC	Male	Chennai	Fintech	N/A	MBA (Finance)
P21	Entrepreneur	Female	Ranchi	Agritech	4	MSc Agriculture
P22	Policy Advisor	Male	Delhi	Edtech	N/A	PhD
P23	Entrepreneur	Female	Jaipur	Sustainability	3	B.Tech

P24	Entrepreneur	Male	Bengaluru	Fintech	2	MBA
P25	Entrepreneur	Female	Pune	E-commerce	1	MBA
P26	Incubator Manager	Male	Hyderabad	Edtech	N/A	MBA
P27	Entrepreneur	Female	Mumbai	Agritech	2	MSc Agriculture
P28	Entrepreneur	Male	Chennai	Fintech	3	B.Tech
P29	Entrepreneur	Female	Ahmedabad	Sustainability	5	MBA
P30	Investor/VC	Female	Delhi	Multi-sectoral	N/A	PhD
P31	Entrepreneur	Male	Jaipur	E-commerce	3	B.Tech
P32	Entrepreneur	Female	Kozhikode	Digital Handicrafts	2	BA
P33	Entrepreneur	Male	Bengaluru	Fintech	4	MBA
P34	Policy Advisor	Female	Delhi	Agritech	N/A	MSc Agriculture
P35	Entrepreneur	Male	Ranchi	Edtech	2	B.Tech
P36	Entrepreneur	Female	Mumbai	Fintech	3	MBA
P37	Entrepreneur	Male	Pune	E-commerce	4	BBA
P38	Incubator Manager	Male	Jaipur	Edtech	N/A	MBA
P39	Entrepreneur	Female	Hyderabad	Agritech	2	MSc Agriculture
P40	Entrepreneur	Male	Delhi	Sustainability	5	Engineering Diploma
P41	Entrepreneur	Female	Chennai	Fintech	2	MBA
P42	Investor/VC	Male	Bengaluru	Fintech	N/A	MBA (Finance)
P43	Entrepreneur	Female	Kozhikode	E-commerce	3	B.Tech
P44	Entrepreneur	Male	Jaipur	Sustainability	4	MBA
P45	Entrepreneur	Female	Ahmedabad	Digital Handicrafts	2	BA
P46	Policy Advisor	Male	Delhi	Multi-sectoral	N/A	PhD
P47	Entrepreneur	Female	Mumbai	Agritech	3	MSc Agriculture
P48	Entrepreneur	Male	Ranchi	Edtech	2	B.Tech
P49	Entrepreneur	Female	Chennai	Fintech	5	MBA
P50	Incubator Manager	Female	Hyderabad	Edtech	N/A	MBA
P51	Entrepreneur	Male	Kozhikode	Sustainability	4	Engineering Diploma
P52	Entrepreneur	Female	Delhi	E-commerce	3	BBA
P53	Investor/VC	Female	Pune	Fintech	N/A	MBA (Finance)
P54	Entrepreneur	Male	Hyderabad	Digital Handicrafts	2	B.Tech
P55	Entrepreneur	Female	Mumbai	Agritech	2	MSc Agriculture
P56	Entrepreneur	Male	Jaipur	Fintech	3	MBA
P57	Policy Advisor	Male	Delhi	Sustainability	N/A	PhD
P58	Entrepreneur	Female	Ranchi	E-commerce	4	BA
P59	Entrepreneur	Male	Chennai	Agritech	3	MSc Agriculture
P60	Entrepreneur	Female	Kozhikode	Sustainability	5	Engineering Diploma

Thematic Density Across Stakeholders

Table 2 summarizes the thematic density observed across different stakeholder groups based on interview data. The analysis revealed that digital infrastructure was the most frequently discussed theme, with 45 total mentions, 30 of which came from entrepreneurs, underscoring its foundational role in startup operations. Access to capital was also a prominent concern, particularly among entrepreneurs (28 mentions) and investors (7 mentions), highlighting the persistent funding gap in the ecosystem. Policy support was discussed most intensively by policy advisors, contributing 8 of the 35 total mentions, indicating their active engagement in regulatory frameworks. Gender inclusivity received balanced attention from all groups, with entrepreneurs again leading in emphasis, reflecting their on-ground experiences with inclusion challenges. Finally, AI and technology adoption emerged as a critical growth enabler, with 25 mentions by entrepreneurs and notable input from incubators and investors. These thematic distributions illustrated the varying priorities and perspectives held by different ecosystem actors.

Table 2: Thematic Analysis Matrix – Code Density Across Stakeholder Groups

Theme	Entrepreneurs (n=40)	Policy Advisors (n=8)	Incubators (n=6)	Investors (n=6)	Total Mentions
Digital Infrastructure	30	6	5	4	45

Access to Capital	28	1	2	7	38
Policy Support	20	8	4	3	35
Gender Inclusivity	22	2	2	2	28
AI/Tech Adoption	25	2	3	2	32

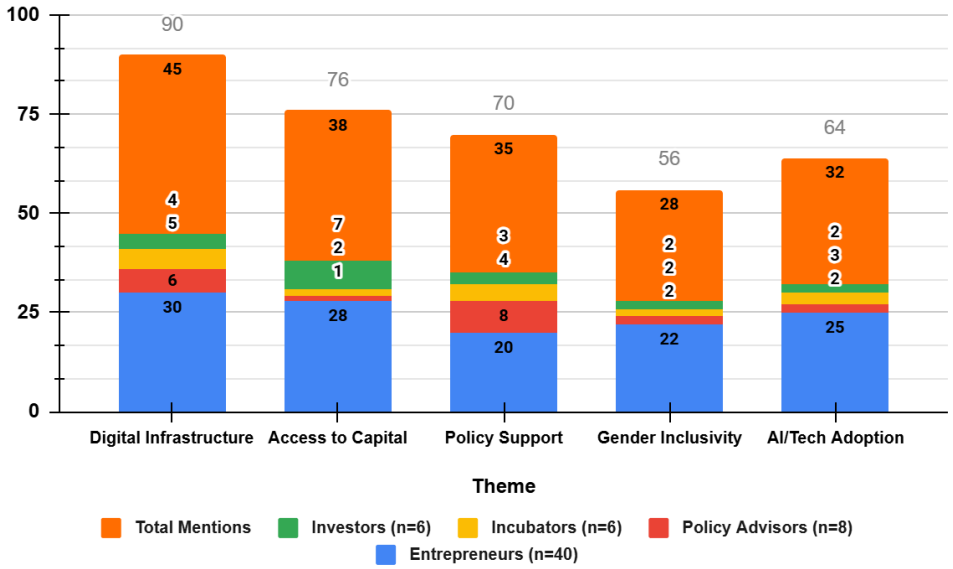

Figure 1: Stakeholder Mentions by Theme in Indian Entrepreneurship

Sectoral and Regional Challenge Mapping

Table 3 illustrates the distribution of key challenges faced by entrepreneurs across different regions and sectors. Regulatory barriers were most commonly reported in urban areas (12 mentions) and within the fintech sector (6 mentions), indicating a higher complexity of compliance in these environments. Access to finance emerged as a widespread issue, particularly in semi-urban (8) and rural (7) areas, as well as in fintech and agritech sectors. Skilled workforce gaps were noted across all contexts but were especially pressing in agritech. Market linkage difficulties were more severe in rural regions (8 mentions), reflecting weak supply chain infrastructure. Lastly, digital literacy challenges were more prominent in rural areas (6) and agritech (5), highlighting the technological divide still prevalent in emerging ecosystems.

Table 3: Key Challenges by Region and Sector

Challenge	Urban	Semi-Urban	Rural	Fintech	Agritech	E-comm	Sustain.
Regulatory Barriers	12	4	4	6	5	5	2
Access to Finance	10	8	7	7	6	4	3
Skilled Workforce	8	6	4	4	5	3	2
Market Linkages	9	5	8	3	6	5	3
Digital Literacy	4	5	6	1	5	3	2

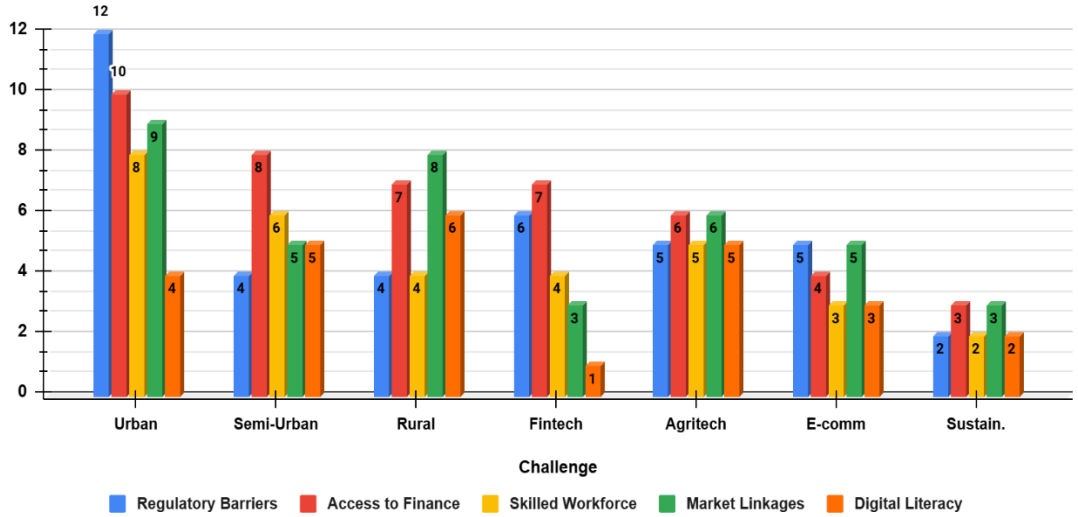

Figure 2: Regional and Sectoral Distribution of Entrepreneurial Challenges in India

Funding Access by Business Model Type

Table 4 captures the distribution of primary funding sources across different business model types. Subscription-based SaaS and platform aggregators relied heavily on angel or venture capital funding, reflecting their scalability and investor appeal. Artisan collectives were predominantly bootstrapped or supported through government grants, indicating limited access to private capital. Rural distribution models and sustainability ventures demonstrated a balanced funding mix, including public and private sources, highlighting their dual focus on impact and growth. B2B tech services attracted a moderate level of venture capital, alongside bootstrapping and some public funding. These variations underscored how funding access varied significantly by business model, shaping each venture's capacity for expansion, innovation, and resilience in a competitive entrepreneurial environment.

Table 4: Business Models by Primary Funding Type

Business Model	Bootstrapped	Angel/VC	Gov. Grant	Total
Subscription SaaS	3	5	0	10
Platform Aggregator	4	3	1	10
B2B Tech Services	2	4	1	10
Rural Distribution	3	1	2	10
Artisan Collectives	5	0	3	10
Sustainability Ventures	2	3	2	10

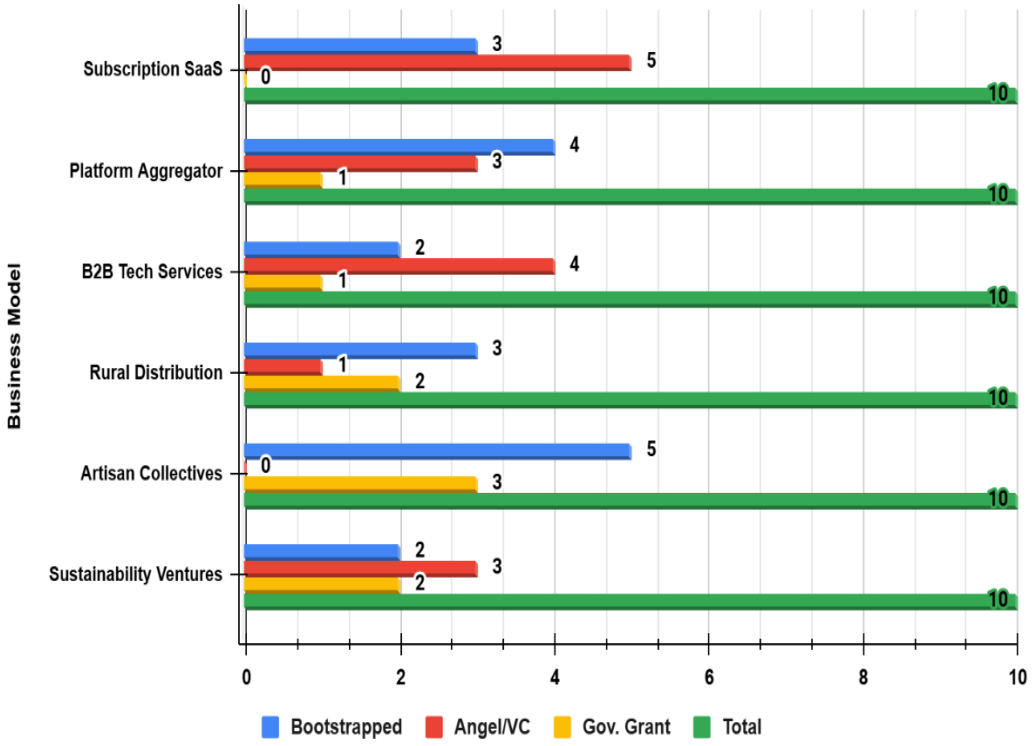

Figure 3: Funding Distribution Across Business Model Types in Indian Startups

Impact Metrics Across Sectors

Table 5 showcases the self-reported impact metrics of startups across six key sectors between 2023 and 2025. E-commerce reported the highest average job creation (25) and strong revenue growth (42% YoY), alongside a broad regional presence across 10 states. Fintech and sustainability ventures also demonstrated export capability and stable employment generation, with 22 and 20 jobs created on average, respectively. Digital handicrafts stood out for employing the highest percentage of women (65%), despite modest revenue growth and limited export reach. Agritech displayed notable regional expansion (8 states) and gender inclusion (40% women). Meanwhile, edtech reported the highest revenue growth (50%), although its export presence remained absent. These results highlighted sector-specific contributions to both economic performance and social inclusion.

Table 5: Impact Metrics by Sector (Self-Reported, 2023–2025)

Sector	Avg. Jobs Created	Regional Reach (States)	Revenue Growth (YoY %)	Women Employees (%)	Export Presence
Fintech	22	5	35	25	Yes
Agritech	18	8	28	40	No
E-commerce	25	10	42	32	Yes
Digital Handicrafts	16	7	22	65	Limited
Sustainability	20	6	30	45	Yes
Edtech	15	9	50	30	No

DISCUSSION

The results of the study reveal a complex and evolving entrepreneurial landscape in India, characterized by the rise of technology-driven and socially inclusive business models. The findings emphasize the dominant role of digital infrastructure as a primary enabler of emerging enterprises. Over 75% of participants identified digital access and technological adoption as critical factors influencing business scalability and sustainability. This strengthens the national impetus created by initiatives like Digital India, which focuses on empowering entrepreneurs digitally, particularly in the non-metropolitan areas (Vijayan, 2019). Availability of capital became a major issue in the majority of sectors and areas. Although urban startups, especially those in the fintech and SaaS sectors, had a more positive experience of being a

part of the venture capital ecosystem, rural and semi-urban startups were mostly self-financed or relied on hybrid funding options. These results reveal the long-standing inequality in financial inclusivity and the low coverage of formal financial services in disadvantaged areas, which proves the necessity of more specific funding tools and locally oriented financial literacy campaigns (Devender et al., 2025).

The fact that the use of AI and automation tools is becoming more common among startups, even in the sphere of handicrafts and sustainability, shows that a digitally capable entrepreneurial base is emerging. Besides efficiency, enterprises are utilizing AI to reach more customers and analyze the market better (Raviprakash et al., 2019). This technological interaction indicates a wider pattern of grassroots digitalization in the industries that were traditionally low-tech or informally organized. The results emphasize the importance of gender inclusivity in the design of new business models. Women-owned businesses were the most apparent in the digital handicraft and sustainability sectors, where they were a major source of employment for other women. These patterns indicate that the business environment in India is becoming more gender-sensitive as platforms like the Women Entrepreneurship Platform (WEP) have made it possible to access resources, mentorship, and financial advice to female entrepreneurs (Punia, 2023; Biswas, 2021).

The trends that were identified during the research are consistent with the current scholarly discussion of the topic of entrepreneurship in India, and they also enrich it. The importance of digital platforms and e-commerce as a way of empowering rural and under-resourced entrepreneurs has already been recognized in previous studies. Bhatia-Kalluri (2021) reviewed the role of digital technologies in the context of overcoming infrastructural and environmental limitations by rural micro-entrepreneurs. This has been echoed in our results as digital tools were not only applied as accessories, but also as the building blocks of business models. The incubation and innovation hubs as the driver of the startup development theme are also verified. Surana et al. (2020) emphasized the significance of technology-based incubators in achieving the Sustainable Development Goals (SDGs), particularly in India's emerging urban economies. Our results showed that urban startups had greater access to incubators and mentoring programs, indicating that these institutions continue to play a critical role in shaping successful entrepreneurial outcomes.

Many findings from the present study reveal gaps that have been underreported in prior literature, such as the limited impact of these ecosystems in rural regions. While Panagariya (2010) and Soni et al. (2025) projected entrepreneurship as a pathway for inclusive growth and geopolitical advantage, our study found that regional imbalance in support structures remains a considerable obstacle. Entrepreneurs outside Tier I cities reported a lack of localized policy guidance, logistical infrastructure, and access to professional networks, all factors that continue to inhibit the diffusion of entrepreneurial energy to underserved areas. The intersection of AI integration with non-traditional sectors, such as artisan clusters and sustainable farming, has not received sufficient scholarly attention. While Raviprakash et al. (2019) explored AI applications in the handicrafts industry, much of the broader literature still overlooks the expansion of such technologies into informal and grassroots ventures. The study brings forward empirical evidence of such technological diffusion, marking an area that merits deeper academic investigation.

The rise of women entrepreneurs in sectors historically dominated by male actors corroborates with Biswas (2021), who identified innovation as a critical domain where female-owned firms are demonstrating growth and resilience. Similarly, Khanna (2018) emphasized the importance of institutional trust and social cohesion in entrepreneurship, particularly in developing countries. This is echoed in our findings, where many respondents linked their success not only to market acumen but also to community ties and relational capital.

The implications of the research are manifold and span across policy, ecosystem design, and academic inquiry. Firstly, there is a need for policy frameworks that decentralize entrepreneurship support. Current startup policies and institutional investments are largely skewed toward urban centers, creating disparities that marginalize innovators in smaller towns and rural districts. Policymakers should consider incentives for incubators, banks, and VCs to expand into these underserved areas. Promoting entrepreneurial literacy and local mentorship programs can help bridge the knowledge gap for first-generation entrepreneurs. Secondly, the study underlines the importance of inclusive innovation ecosystems. With female participation rising, particularly in artisan collectives and sustainability-focused ventures, the design of entrepreneurship support structures must be gender-sensitive. This includes promoting equitable access to credit, digital tools, leadership training, and representation in industry forums (Biswas, 2021; Punia, 2023).

Thirdly, the integration of AI and digital tools in traditionally informal sectors signals a paradigm shift in how entrepreneurship contributes to economic development. This requires investments not only in hardware and internet infrastructure but also in affordable software solutions, data security frameworks, and skilling programs to make AI tools usable for non-tech founders (Vijayakumar, n.d.; Shekhar et al., 2023). Lastly, sector-specific policy models could be beneficial. Sustainability ventures and rural distribution startups face unique

challenges related to logistics, awareness, and impact measurement. Tailoring regulatory frameworks, procurement systems, and certification protocols can significantly improve their scalability and socio-economic contribution (Gupta & Raghuvanshi, 2024).

Although the study offers valuable insights, it is not without limitations. The research was primarily qualitative and exploratory, relying on semi-structured interviews and thematic analysis. While this approach allowed for deep contextual understanding, it limits the generalizability of findings across India's vast and diverse entrepreneurial ecosystem. Another limitation lies in geographical coverage. Although participants from multiple regions were included, the study leaned toward startups in regions with relatively stronger digital and policy ecosystems. Less-represented regions, such as the Northeast and remote tribal areas, remain understudied. Future studies should expand the regional sample to provide a more holistic national picture.

The study relied on self-reported data for variables such as revenue growth, job creation, and technological use. While the responses were triangulated with secondary literature, the absence of formal validation mechanisms may affect data accuracy. Certain sectors, such as green mobility, space tech, and health tech, were underrepresented due to the focus on SMEs and traditional growth sectors.

The findings open up several avenues for future research. One area that requires urgent academic attention is the longitudinal study of startup outcomes. Tracking entrepreneurial ventures over a five-to-ten-year period would provide insights into survival rates, pivoting strategies, and real economic impact, particularly in light of regulatory changes and technological evolution. There is also a strong case for quantitative validation of the themes identified in the study. Using large-scale surveys and econometric models, researchers can examine the causal relationships between entrepreneurial enablers (such as policy, funding, and infrastructure) and outcomes like job creation, innovation output, and profitability. This would also allow for more sector-wise benchmarking, helping identify best practices and critical gaps.

Another promising direction lies in studying intersectional entrepreneurship, how gender, caste, region, and class influence entrepreneurial access and outcomes. Studies could investigate how marginalized identities navigate or are excluded from dominant funding and mentoring networks, a subject that remains under-theorized in Indian entrepreneurial literature (Khanna, 2018). Research should explore the ethical and societal implications of AI-driven entrepreneurship, particularly in the Global South. Questions about algorithmic bias, data ownership, and tech-driven displacement are becoming increasingly relevant as AI penetrates sectors like education, agriculture, and commerce (Vijayakumar, n.d.).

Lastly, future research would need to investigate the impact of the changing policy framework in India, such as NITI Aayog and the Make in India initiative, on the entrepreneurial environment. Such changes in policies should be studied by academicians to realize the extent to which they are effective in transforming grassroots enterprises.

CONCLUSION

The paper has discussed the interrelationship between entrepreneurship and economic growth in India, especially the concept of new business models in various regions and industries. The results indicate that the entrepreneurial environment in India is getting more influenced by digital infrastructure, inclusive innovation, and localized policy interventions. Access to technology, adoption of AI, and gender-inclusive platforms are the key enablers that have changed the way enterprises work, particularly in such industries as fintech, sustainability, agritech, and handicrafts. Financial issues, market accessibility, regulatory transparency, and digital literacy are some of the challenges that still exist, especially with startups in the rural and semi-urban regions. These findings have important implications for policymakers and the stakeholders of the ecosystems. The decentralization of the support system of entrepreneurs, financial inclusion, and the incorporation of affordable AI tools are the basic measures that can be taken to create a more equal startup environment. Women-friendly programs such as Women Entrepreneurship Platform (WEP) have been promising, and they should be expanded to attract more people to join the high-growth industries. In its recommendations, the study proposes that regional incubators should be strengthened, more funding opportunities should be created for under-represented sectors, regulatory procedures should be simplified, and there is a need to invest in entrepreneurial literacy. Special support programs, especially for first-generation entrepreneurs and women-owned businesses, are essential in achieving inclusive growth. Although the study has provided an in-depth general view of the existing trends and issues, it is mostly qualitative and exploratory. Future research should adopt longitudinal and quantitative approaches to validate the relationships identified here. Sector-specific investigations and intersectional analyses could further deepen understanding of entrepreneurship's role in shaping India's socio-economic trajectory. India stands at a pivotal point in its entrepreneurial journey. With the right policy support, inclusive practices, and research-driven innovation, entrepreneurship can serve as a transformative engine for sustainable and balanced economic development.

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