

Entrepreneurship and Start-Ups: Their Role in Reducing Unemployment — a Case Study of Srinagar District, Jammu and Kashmir

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Abstract

Jammu and Kashmir, situated in the Himalayas and consisting of Jammu, Kashmir, and Ladakh, faces major challenges. With a population exceeding 12.5 million and a 23.7% increase from 2001 to 2011, the state suffers from high unemployment. Its under developed industrial sector and political instability have hindered investment and growth. Despite these hurdles, Jammu and Kashmir is on a path toward industrialization. However, the state still has limited sources of employment generation, with entrepreneurship development being a significant one. The Jammu and Kashmir Entrepreneurship Development Institute (JKEDI) is working to raise awareness, enhance skills, and change attitudes toward entrepreneurship. This study examines the challenges and prospects for entrepreneurship in Jammu and Kashmir, focusing on how start-up schemes can help foster a more entrepreneurial environment in the state.

Keywords: *Skill Development, start-up schemes, unemployment, industrialization, Political instability*

Introduction

Entrepreneurship is a key driver of economic growth and innovation, sparking job creation, technological progress, and societal change. At its heart, entrepreneurship is about spotting opportunities and taking risks to build new ventures. It's more than just starting a business; it's about nurturing a mindset that values creativity, resilience, and adaptability. In our fast-changing world, entrepreneurship has never been more important. It empowers people to turn their ideas into reality while tackling pressing issues. Starting out in entrepreneurship involves building skills and knowledge. This can be done through formal education, mentorship, and hands-on experience. Many universities now offer courses in entrepreneurship, teaching crucial skills like business planning, finance, marketing, and leadership. Mentorship from experienced entrepreneurs also offers valuable insights and helps newcomers navigate the complexities of launching and running a business.

Start-ups are often the result of entrepreneurial efforts and play a crucial role in driving innovation. These young companies focus on developing new products or services and often use technology to challenge established industries. The start-up world thrives on creativity and experimentation, viewing failures as learning opportunities and encouraging entrepreneurs to take calculated risks and adapt their ideas. Securing funding is a major factor in a start-up's success. Entrepreneurs often struggle to find capital, as traditional banks may be reluctant to lend to new ventures. However, alternative funding options like venture capital, angel investors, crowd funding, and government grants have broadened the financial landscape. These sources not only provide capital but also offer mentorship and networking opportunities that can boost a start-up's success.

Technology plays a crucial role in modern entrepreneurship. It has changed how businesses operate, allowing entrepreneurs to reach global markets more easily. E-commerce, social media, and digital marketing help start-ups connect with customers and build their brands without needing large initial investments. Technological advancements have also introduced new business models, such as subscriptions and gig economies, expanding

the entrepreneurial field. Networking is another essential aspect of entrepreneurship. Building connections with other entrepreneurs, industry experts, and potential customers can open doors to valuable insights and opportunities. Networking events, incubators, and accelerators provide platforms for collaboration, partnerships, and funding, which are critical for overcoming the challenges of starting a new business.

OBJECTIVES OF THE STUDY:

1. Examine the working conditions, opportunities, and obstacles associated with entrepreneurship in District Srinagar.
2. Evaluate the impact of start-ups on employment generation in District Srinagar.

Literature Review

Nikhil, N. K., Varghese Joy, and S. Santha (2015), Problem and Prospectus of start-ups in Kerala, revealed that young youth play a prominent role in start-up with high gender disparity with 86.7% male and only 13.3% female. Most of the founders of start-up are from science and IT background, which are competent enough to come up with innovative ideas. To produce a most favorable market fit product takes more than ½ year and it is less dependence on start-up funds. They found that the most of the start-ups operating in Cochin start-up village is non-revenue generating units due to poor product market fit and lack of proper mentoring aid. The study found that 90% of the founder deployed their own fund and they have high family support. Return of investment on time, poor market fit and lack of funds were the major constraint in the path of start-up. In his study, they use respondents and adopt the conventional sampling technique. Both primary and secondary data collected and analyzed by using Rank test and T test. The study is limited to Cochin start-up village. The data collected and evaluated with the founders of start-ups operating in business condition but failed to incorporate the views of start-up operating in private domain. The efficiency of start-ups village is evaluated to the extent of 5 constraints but it could be evaluated in multidimensional angles.

Parihar, P., Singh, D.K., Sharma, V.K., & Singh, R. P. (2016), have studied participation of women's in entrepreneurship and stress on women entrepreneurs. Total 240 respondents interviewed with the help of pre-tested structured interview questionnaire. The study was design to cover women entrepreneurs operating small-scale commercial enterprises in Jammu district. The study found that 82.55% having an independent occupation from the personal motivational factors it form rank 1st followed by 77.01% monotony of house word. 97.5% have already existed business in the family women were faces a greater stress as there is the conflict between carrier and home. The woman's played multiple role and duties which makes work overload and stress.

Omid Sharifi, BentolhodaKarbalaei Hossain (2015) the study tried to explore the difficulties and the various financial challenges faced by start-up in India. The study finds out the solution for start-up financing problem. This will encourage entrepreneurship and launch support system for start-ups.

Methodology

The study primarily relies on secondary data, which has been gathered from sources such as Annual Reports, Economic Surveys, journals, JKEDI, magazines, and periodicals related to entrepreneurship. Additionally, various government initiatives, including Start-Up India, Make in India, and Digital India, are considered as they have the potential to enhance employment generation and contribute to economic development in the J&K state.

Entrepreneurship in District Srinagar: Navigating Challenges and Seizing Opportunities

In District Srinagar, the entrepreneurial landscape is shaped by a combination of unique opportunities and significant challenges. The region, despite its rich cultural heritage in handicrafts, tourism, wood carving, and paper Mache faces numerous obstacles that impact the growth of entrepreneurship. The working conditions for entrepreneurs in Srinagar are often challenging due to the ongoing conflict and harsh climate conditions, which

can disrupt business operations and deter investment. Nevertheless, the population exhibits a remarkable degree of innovation and a pragmatic approach to entrepreneurship, demonstrating resilience and adaptability in navigating these challenges.

Opportunities in Srinagar are plentiful, particularly in sectors like tourism, agriculture, and renewable energy. The government actively promotes these sectors, recognizing their potential to drive economic growth and create jobs. For instance, initiatives like '**Khelo India**' aim to boost tourism by encouraging investment in the hospitality and adventure tourism sectors, providing a fertile ground for new business ventures. Additionally, the local market is increasingly embracing technology, allowing entrepreneurs to leverage digital tools to expand their reach and improve their operations.

However, several obstacles hinder the full realization of Srinagar's entrepreneurial potential. A major challenge is the lack of essential business skills and entrepreneurial orientation among the local population. According to research conducted by Mercy Corps under the SKYE (Start Up Kashmiri Youth Entrepreneur) Project, many residents aspire to self-employment but lack the necessary knowledge and resources to succeed. This gap in skills and access to capital has resulted in slower development of entrepreneurial activities compared to other regions. Moreover, the region's political instability and frequent disruptions can create an uncertain business environment, further discouraging investment and growth.

To address these challenges and foster a more vibrant entrepreneurial ecosystem, the Jammu and Kashmir Entrepreneurship Development Institute (JKEDI) plays a crucial role. Established in February 2004, **JKEDI** provides essential support through training, mentoring, and financial assistance to both aspiring and existing entrepreneurs. It operates several schemes, including the **Seed Capital Fund Scheme (SCFS)**, the **Youth Start-Up Loan Scheme (YSLs)**, **Himayat**, and the **National Minorities Development Finance Corporation (NMDFC)**. These programs offer financial relief, such as subsidies and low-interest loans, to reduce the initial burden on entrepreneurs and facilitate the establishment and expansion of businesses.

Overall, while District Srinagar offers a promising landscape for entrepreneurship, realizing this potential requires overcoming significant challenges. Through continued support from institutions like JKEDI and targeted government initiatives, there is hope for building a more dynamic and resilient entrepreneurial ecosystem that can harness the region's unique cultural and economic strengths.

The case study of Srinagar District serves as a window into this process, revealing how entrepreneurship can be a catalyst for economic growth and employment generation. By delving into the experiences of local entrepreneurs and examining the broader impact of start-ups, we aim to uncover valuable insights into how similar strategies can be applied in other regions facing similar challenges. Through this exploration, we hope to shed light on the transformative power of entrepreneurship and its role in crafting a more prosperous future for communities in Jammu and Kashmir and beyond.

Year-wise Number of EDPs organized by JKED

Year	EDPs		
	No. of Programmes	No. of Participants	Average No. of participants
2003-04	1	21	21
2004-05	0	0	0
2005-06	17	445	26
2006-07	19	441	23
007-08	47	1422	30
2008-09	30	1242	41
2009-10	51	2856	56
2010-11	77	2613	34
2011-12	105	2941	28
2012-13	88	2707	31
013-14	102	167	31
2014-15	101	3228	32
2015-16	127	5072	40
2016-17	89	3791	43
Total	854	29946	35

Source: JKEDI Database

Sr. No.	Year	No. of Trainees	No. of Start Ups	Start Up Rate
1	2012-13	58	12	20.69
2	2013-14	263	125	47.53
3	2014-15	667	247	37.03
4	2015-16	734	407	55.45
5	2016-17	264	238	90.15
Total		1986	1029	51.81

Number of Start Ups in Last 5 Years

Youth Start up Loan Scheme (YSLS)

Source: JKEDI Database

The Promise of Startups

Startups in Jammu and Kashmir have the potential to revolutionize the region's economy by tapping into its unique strengths and resources. The region is endowed with rich agricultural land, conducive to the cultivation of various high-value crops. Sectors such as agriculture, horticulture, saffron production, sericulture, handloom, and handicrafts present substantial growth opportunities. These industries not only have deep cultural roots but also offer significant economic potential if leveraged correctly. Startups can play a crucial role in reversing the trend of youth migration by creating local job opportunities. By building businesses that utilize local resources and skills, startups can offer meaningful employment to the region's youth, thereby stemming the outflow of talent. This is particularly important in Jammu and Kashmir, where the youth population is a significant demographic, and their active participation in the economy is vital for sustainable development.

Government Initiatives to Foster Startups

Recognizing the potential of startups, the government has introduced several initiatives aimed at fostering a supportive ecosystem for entrepreneurship in Jammu and Kashmir. The **Startup Policy 2018** is a cornerstone of these efforts. This policy provides a range of fiscal incentives, including tax exemptions and grants, to encourage the establishment of new businesses. It also supports the creation of co-working spaces and mentorship programs, providing budding entrepreneurs with access to essential resources and guidance.

Another significant initiative is the **Mission Youth** program. This program aims to empower young people through various self-employment schemes, including the "**Mumkin**" initiative, which focuses on creating livelihood opportunities in sectors like transportation. By providing the necessary tools and support, Mission Youth helps young entrepreneurs start their ventures, thereby contributing to the broader goal of reducing unemployment.

The government has also invested in **skill development programs**, such as **Udaan**, which aim to enhance the employability of educated youth. These programs provide training in various skills, from technical to

managerial, and facilitate connections with potential employers. By bridging the skill gap, these initiatives ensure that the local workforce is equipped to meet the demands of emerging industries, including startups.

Looking Forward: The Path to Economic Revival

Startups represent a promising avenue for addressing the unemployment crisis in Jammu and Kashmir. They offer a platform for innovation, job creation, and economic diversification, crucial for the region's long-term prosperity. However, realizing the full potential of startups requires a concerted effort from all stakeholders, including the government, private sector, and civil society.

To foster a vibrant startup ecosystem, continued investment in entrepreneurship development is essential. This includes expanding access to finance, improving infrastructure, and enhancing the regulatory environment to reduce the barriers for new businesses. Additionally, promoting a culture of innovation and risk-taking is crucial, particularly in a region where traditional employment models have dominated.

Moreover, there is a need for targeted policies that address the unique challenges faced by startups in Jammu and Kashmir. For instance, special incentives could be provided to startups in high-potential sectors such as agriculture and handicrafts. Similarly, initiatives that connect local startups with national and international markets can help them scale and achieve sustainable growth. Startups hold the key to unlocking the economic potential of Jammu and Kashmir. By leveraging local resources, fostering entrepreneurship, and creating jobs, they can play a vital role in alleviating unemployment and driving economic development. The government's proactive approach, combined with the entrepreneurial spirit of the local population, can transform Jammu and Kashmir into a hub of innovation and economic activity. As the region continues to navigate its economic challenges, the rise of startups offers a hopeful and promising path forward.

Conclusion

Entrepreneurship in Srinagar is not merely a response to unemployment but a proactive strategy to harness local strengths and transform them into economic opportunities. The diverse sectors such as tourism, agriculture, and handicrafts, which are deeply embedded in the region's cultural heritage, present significant growth potential. By leveraging these sectors, start-ups have the potential to create new jobs, stimulate local economies, and reduce the dependence on traditional employment models.

The government's initiatives, such as the Startup Policy 2018 and Mission Youth, underscore a commitment to fostering a supportive ecosystem for new ventures. These programs offer vital resources, including financial incentives, skill development, and mentorship, which are crucial for nurturing entrepreneurial talent. Additionally, skill development programs like Udaan enhance the employability of youth, bridging the gap between education and practical work experience.

Moving forward, it is essential to continue investing in and supporting entrepreneurship as a means of addressing unemployment. This involves improving access to finance, enhancing infrastructure, and promoting a culture of innovation. Special incentives for high-potential sectors and efforts to connect local start-ups with broader markets can further accelerate growth.

Ultimately, the rise of start-ups in Jammu and Kashmir represents a hopeful path toward economic transformation. With sustained support and a collaborative approach, entrepreneurship can serve as a powerful tool for creating jobs, driving innovation, and fostering long-term economic stability in the region. The journey of Srinagar District offers valuable insights into how entrepreneurial efforts can spark positive change and pave the way for a more prosperous future.

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