

Status of Start-ups in Hills and Planes of Uttarakhand: A Comparative Study

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ABSTRACT

The start-up ecosystem plays a critical role in the growth & development of a society. The reason behind creation of Uttarakhand as a separate state is to have a balanced growth of people in Hills. The start-up policy is a phenomenon that ensures balanced growth by offering equal opportunities to all the segments of the society. Start-up encourages people to initiate and contribute in the economic activity at their home town and to be vocal for local. In this paper start-up ecosystem in Uttarakhand is analysed. The objective of the study is to status and comparisons of start-ups between Hills and Plane region of Uttarakhand. This study will help to design the policy to healthy growth of start-ups in rural and hilly zones of the state. Start-ups that qualify the parameters of start-up policy of Uttarakhand are taken for the study.

Keywords-- Start-up Entrepreneurship, Rural and Urban Start-up, Hills and Planes, Uttarakhand

35 years age. And 28 % of youth migration is from below 25 years of age.

Rural entrepreneurship is defined as “entrepreneurship whose roots lie in the rural areas but has a lot of potential to drive various endeavours in business, industry, agriculture, etc. and contribute to the economic development of the country.” The three districts in the plains fare better on most human development indicators than the hill districts. A majority of the people in the hill districts engage in agriculture which by and large has become an increasingly uneconomical and unsustainable enterprise. There is a pressing need for evolving special policies and support mechanisms to promote micro, small and village enterprises, taking into account the diversities and constraints of the region. This exploratory study seeks to identify the areas suitable for rural entrepreneurship ventures in the hills of rural Uttarakhand, study the challenges of rural entrepreneurship in the area of study, the enablers initiated by the state government and suggest the way forward.

I. INTRODUCTION

Uttarakhand is the 27th state of Republic of India, carved out of Uttar Pradesh on 9th November 2000. Uttarakhand comprises of 02 regions Garhwal & Kumaun and 13 districts. Seven districts are in Garhwal Region namely Uttarkashi, Chamoli, Pauri, Rudraprayag, Tehri, Dehradun & Haridwar and the remaining 06 in Kumaon Region i.e. Udham Singh Nagar, Nainital, Almora, Pithoragarh, Champawat & Bageshwar. 93% of the area in the Uttarakhand is hill region and 64% of the total area is forest area. Near about 70 percent of the people reside in rural areas. Migration has been biggest challenge for the state, People are migrating from rural areas to urban areas due to lack of job opportunities (50 %) and 15 % rural youth for education and 8 % for health. Not only these problems lead to out-migration from the villages but also put undue pressure on the infrastructure and amenities of the urban areas. Youth migration between 26-35 years age is 42%. About 29 % of youth migration is more than

II. OBJECTIVES OF THE STUDY

- i. To compare and analyse the start-up from hills and plain area of Uttarakhand.
- ii. Identify the problem faced by different start-ups.

III. RESEARCH METHOD

This is an exploratory-cum- Qualitative study. The data is collected from both primary and secondary sources. A structured questionnaire was designed and data is collected through scheduled interview. The sample frame is Uttarakhand start-up website. The data of about 88 start-ups are taken from the start-up for the study is taken. The data is analysed on Ms Excel-sheet only.

IV. DEMOGRAPHIC ANALYSIS

Table 1: Demographic analysis of number of Start-up- respondents

Row Labels	Hilly Districts			Plain Districts			Total
	Chamoli	Nainital	Pauri-Garhwal	Dehradun	Haridwar	Udham singh Nagar	

12th	-	4	-	-	-	-	4
Graduation	4	4	-	8	8	8	32
Post-Graduation	-	8	4	16	4	4	36
Professional Qualification	-	-	-	12	4	-	16
Grand Total	4	16	4	36	16	12	88

Source: Primary data

The above data shows that there are three districts each from Hills and plain, where four district are from Garhwal region and Two from Kumun region. With 24 startups that is 27 % startups are in Hilly

districts of Uttarakhand and 73 % start-ups are in Plain are of Uttarakhand. As the basis of formation of Uttarakhand in 2000 was Hilly state with 93 % is hills.

Table 2: Various Industry or primary business activity describe in hilly districts of Uttarakhand

Row Labels	Startups of Hilly district			Total %
	Chamoli	Nainital	Pauri-Garhwal	
Accommodation and Food Services	0	0	0	0
Agriculture	4	4	0	8
Educational Services	0	0	0	0
Health Care and Social Assistance	0	0	0	0
Information	0	0	0	
Manufacturing	0	8	0	8
Other.	0	4	0	4
Professional, Scientific, or Technical Services	0	0	4	4
Grand Total	5%	18%	5%	27%

Source: Primary data

The above data shows that Hilly districts of Uttarakhand namely Chamoli, Nainital and Pauri-Garhwal contributes 27 % of total start-up where

Chamoli has 5 %, Nainital has 18 % and Pauri-Garhwal has 5 % start-ups in different sectors.

Table 3: Various Industry or primary business activity describe in Plain districts of Uttarakhand

Row Labels	Startups of Plain district			Total %
	Dehradun	Haridwar	Udham singh Nagar	
Accommodation and Food Services	0	4	0	4
Agriculture	4	4	0	8
Educational Services	4	0	4	8
Health Care and Social Assistance	4	4	4	12
Information	4	0	0	4
Manufacturing	4	4	4	12
Other.	4	0	0	4
Professional, Scientific, or Technical Services	12	0	0	12
Grand Total	41%	18%	14%	73%

Source: Primary data

The above data shows that Plain districts of Uttarakhand namely Dehradun, Haridwar, and Udham singh Nagar contributes 73 % of total startup where

Dehradun has 41 %, Haridwar has 18 % and Udham singh Nagar has 14 % start-ups in different sectors.

Table 4: Start-up policy is attractive and promotes Start-ups in the Uttarakhand State; Policy documents are available online

	Row Labels	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Hills	Chamoli	0%	0%	100%	0%	0%
	Nainital	25%	50%	0%	0%	25%
	Pauri-Garhwal	0%	100%	0%	0%	0%
	Dehradun	33%	44%	0%	22%	0%
Plains	Haridwar	0%	50%	25%	25%	0%
	Udham Singh Nagar	33%	33%	33%	0%	0%
Grand Total		23%	45%	14%	14%	5%

Source: Primary data

Overall response about the attractive of start-up policy and promotes Start-ups in the Uttarakhand State; and response on the online availability of Policy documents in hilly start-up is not satisfactory. Start-ups in Chamoli have Neutral response, only 50 % from Nainital Agree, and 25 % each for Strongly Agree and Strongly Disagree.

Whereas the responses from Plain start-up is different, in Dehradun 44% Agree, and 33% Strongly Agree and only 22 % Disagree. In Haridwar district 50 % Agree. In Haridwar 50 % Agree, 25 % each for Neutral and Disagree.

Table 5: A pool of mentors is available for supporting entrepreneurs in Uttarakhand State Start-up policy

	Row Labels	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Hills	Chamoli	0%	0%	0%	100%	0%
	Nainital	0%	50%	25%	0%	25%
	Pauri-Garhwal	0%	0%	0%	0%	100%
Plains	Dehradun	33%	33%	11%	11%	11%
	Haridwar	0%	0%	75%	0%	25%
	Udham Singh Nagar	0%	0%	67%	33%	0%
Grand Total		14%	23%	32%	14%	18%

Source: Primary data

Only 33 % start-ups from Dehradun, a district from plain area of Uttarakhand Strongly agree on pool of mentors is available for supporting entrepreneurs in

Uttarakhand State Start-up policy. 50% from of Startup from Nainital agrees and only 33 % startup agrees. It is observed that 32 % are Neutral which is not favourable.

Table 6: Seed funding Availability to start the Start-ups

	Row Labels	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Hills	Chamoli	0%	0%	0%	0%	100%
	Nainital	0%	25%	50%	0%	25%
	Pauri-Garhwal	0%	100%	0%	0%	0%
	Dehradun	11%	33%	22%	22%	11%
Plains	Haridwar	0%	0%	25%	50%	25%
	Udham Singh Nagar	0%	33%	33%	0%	33%
Grand Total		5%	27%	27%	18%	23%

Source: Primary data

Lots of disparity was found in the Hills and Plains regarding the availability of seed funding to start the Start-ups. Not even single percentage of start-ups

agrees about seed funding availability. Start-ups in the hilly region are having severe problems related to funding as comparison to plains region startup.

Table 7: Intellectual Property (IP) support centres are functioning properly in Uttarakhand.

Row Labels	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	
Hills	Chamoli	0%	0%	0%	0%	100%
	Nainital	25%	25%	25%	0%	25%
	Pauri-Garhwal	0%	0%	100%	0%	0%
Plains	Dehradun	22%	11%	44%	11%	11%
	Haridwar	0%	0%	75%	0%	25%
	Udham singh Nagar	0%	0%	67%	33%	0%
Grand Total	14%	9%	50%	9%	18%	

Source: Primary data

Surprisingly, 50 % of the start-ups in Uttarakhand are neutral regarding Intellectual Property (IP) support centres are functioning properly in

Uttarakhand which is quite unfavourable. Startups in Hilly area are facing problem more than the start-ups in plain areas.

Table 8: Availability of assistance and online system for providing seed funding to start the Start-ups are available

Row Labels	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	
Hills	Chamoli	0%	0%	0%	0%	100%
	Nainital	0%	25%	50%	0%	25%
	Pauri-Garhwal	0%	100%	0%	0%	0%
Plains	Dehradun	22%	33%	11%	33%	0%
	Haridwar	0%	25%	50%	0%	25%
	Udham singh Nagar	0%	33%	0%	67%	0%
Grand Total	9%	32%	23%	23%	14%	

Source: Primary data

Startups in hilly districts are not having positive response specially Chamoli regarding availability of guideline and online system for providing seed funding to start the Start-ups. Only Pauri-Garhwal district is

having favourable otherwise Nainital district is having 50 % Neutral opinion. As comparison to the Hilly start-ups, start-ups in Plains zone, especially Dehradun is having more favourable feedback.

Table 9: Available of Schemes to promote angel (Individual/Group/Network) investments to Start-ups in the Uttarakhand State

Row Labels	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	
Hills	Chamoli	0%	0%	0%	0%	100%
	Nainital	0%	25%	50%	0%	25%
	Pauri-Garhwal	0%	0%	100%	0%	0%
Plains	Dehradun	11%	33%	11%	33%	11%
	Haridwar	0%	0%	50%	50%	0%
	Udham singh Nagar	0%	33%	33%	33%	0%
Grand Total	5%	23%	32%	27%	14%	

Source: Primary data

Hilly districts of Uttarakhand are not having favourable response regarding the availability of scheme

to promote angel (Individual/Group/Network) investments to Start-ups in the Uttarakhand State.

Table 10: Venture Fund(s) or Fund of Funds in the Uttarakhand State for Start-ups are available

Row Labels	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	
Hills	Chamoli	0%	0%	0%	0%	100%
	Nainital	0%	25%	25%	25%	25%
	Pauri-Garhwal	0%	0%	0%	0%	100%
Plains	Dehradun	0%	44%	11%	22%	22%
	Haridwar	0%	0%	25%	75%	0%
	Udham singh Nagar	0%	0%	33%	67%	0%
Grand Total	0%	23%	18%	36%	23%	

Source: Primary data

Hills and Plains start-ups are not agree for Venture Fund(s) or Fund of Funds in the Uttarakhand

State for Start-ups are available. About 23 % Strongly disagree, 36 % Disagree and 18 % are Neutral.

Table 11: Availability of a mechanism for resolving (Grievance Redressal) the issues of Start-ups related to public procurement in a time-bound manner

Row Labels	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	
Hills	Chamoli	0%	0%	100%	0%	0%
	Nainital	25%	25%	0%	25%	25%
	Pauri-Garhwal	0%	0%	0%	0%	100%
Plains	Dehradun	22%	11%	22%	22%	22%
	Haridwar	0%	25%	50%	25%	0%
	Udham singh Nagar	33%	33%	33%	0%	0%
Grand Total	18%	18%	27%	18%	18%	

Source: Primary data

Again in Hills there is no favourable response regarding availability of a mechanism for resolving

(Grievance Redressal) the issues of Start-ups related to public procurement in a time-bound manner.

Table 12: Challenge(s) to scale up your business

Row Labels	Access to finance	Accessing new market	Lack of distribution channel	Others	Process of approval from Nodal Agency
Hills	Chamoli	100%	0%	0%	0%
	Nainital	75%	0%	0%	25%
	Pauri-Garhwal	100%	0%	0%	0%
Plains	Dehradun	78%	22%	0%	0%
	Haridwar	75%	0%	25%	0%
	Udham singh Nagar	33%	0%	0%	33%
Grand Total	73%	9%	5%	9%	5%

Source: Primary data

Startups from the Hilly districts are having more problem related to finance as comparison to Plains districts of Uttarakhand. Chamoli and Pauri-Garhwal are having major problem of access to finance. In the Plains area the start-ups are prime problem is finance, access to new market and lack of distribution channel, whereas the start-ups from Udham singh Nagar are also facing issues related to Process of approval from Nodal Agency.

After 20 years of formation of separate state Uttarakhand, with challenges posed by its terrain and topography, Uttarakhand has not grabbed the attention in India's bustling startup ecosystem.

The gigantic bureaucracy, strict and non-transparency in regulations in India does not allow the start-ups to flourish. Gradually over time, a suitable ecosystem for start-ups will be built. Says B. Rangar, Advisor International business Analyst in India.

Rural startup must be promoted with respect to rural development to encourage youth in the rural areas,

V. CONCLUSION

to discover the opportunities of becoming an entrepreneur. A systematic analysis of the rural regions and determining the strengths that would work in favor of rural startups would give confidence to more young male and female entrepreneurs in setting their venture in rural areas. Assistance and promotion of rural start-ups will help Uttarakhand in Poverty Reduction and Growth of rural Areas and living standard of people. With the encouragement of Hilly start-ups will uplift the economic conditions of people living in hills and ensure that they can upgrade their livelihood in their respective village only rather than migrating to urban and suburban areas. Start-ups in hills will bolster the development of the hilly regions and reduces the level of poor quality up to a great extent.

There is immense scope in hills for young and aspiring entrepreneurs. Planting the seeds of start-ups in hills to develop and grow well. Because of the establishment of start-ups and other various types of enterprises in the nearest regions to the hills, there will be a creation of several jobs opportunities for those people entangled under the network of poverty and unemployment.

By promoting Hilly start-ups the Income Gap between people living Hills and Plain can be minimize. It is important to fill the income gap between people living in hills and plains by increasing the opportunities for hilly residents, as they are unable to get privileges. This will create equal distribution of opportunities in Hills to develop, as Unequal distribution of income has damaged the confidence level of hilly people.

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