



## Cost-Benefit Analysis of Startups in Haryana and the Role of Self-Reliance in Entrepreneurship

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### ABSTRACT

In the present-day economic scenario of India, the state is moving towards a new trend with the presence of a high number of startups, a thriving startup culture, and the government's focus on the concept of 'Atmanirbhar Bharat', or self-reliance. In such a situation, Haryana is moving towards a crucial stage as a 'startup destination' with the presence of various factors such as its proximity to the National Capital Region, its industrial base, its digital base, and the government's role. This paper attempts to provide a cost-benefit analysis of startups in Haryana while exploring how self-reliance is a driving force behind startup growth. To do this, the paper adopts an analytical, descriptive method, where various aspects, such as economic, social, technological, and policy factors affecting startups in Haryana, have been discussed. While explaining the various costs associated with startups, such as capital costs, regulatory costs, infrastructure costs, HR costs, technological costs, market risks, sustainability challenges, etc., this paper attempts to explain how startups have several benefits, such as employment creation, innovation, regional growth, women's empowerment, rural industrialisation, technological transformation, increased competitiveness, etc. In addition, this paper attempts to explore how self-reliance is one of the key entrepreneurial values, driving indigenous growth, innovation, production, skills, etc., while minimising external dependencies. The focus here is on the policy environment in



Haryana, which ranges from the Haryana Startup Policy and incubation support to initiatives for MSMEs, skill-building initiatives, and digital governance initiatives. The study indicates that while there are high costs for startups in Haryana, the long-term benefits in economic and social value exceed the costs. It also shows that with the right policies in place, financial support, the development of skills for entrepreneurs, and the culture of self-reliance can help the startup ecosystem in Haryana grow further with the support of the existing infrastructure in the rural areas of Haryana; easy credit support; sector-specific incubation support; women entrepreneurs' support; and the amalgamation of traditional resources with technology.

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## **Introduction**

In the modern world, the importance and significance of the role played by entrepreneurship in the context of growth, development, employment, innovation, and social change are unprecedented. The modern startup movement represents a new form of technology-based entrepreneurial ventures that are revolutionising the way production and services are conducted, promoting flexibility and opportunity-driven models and abandoning traditional ways in favour of new, innovative, and technology-driven models. The startup movement in India has started to gain momentum in the recent past, with initiatives such as Startup India, Digital India, Make in India, Skill India, Atmanirbhar Bharat, etc. These initiatives have been able to attract young minds, professional minds, women, rural innovators, and others to the startup movement, inviting them to be a part of the startup revolution and contribute their value to the national economy.

In this national scenario, Haryana presents a shining example of a state that is “in motion” with robust economic growth, development, and momentum. The state’s proximity to the national capital, Delhi, along with robust industrial corridors; transportation hubs; agricultural production; education hubs; and the presence of important cities such as Gurugram, Faridabad, Panipat, Hisar, Rohtak, Karnal, Ambala, etc., provides a fertile environment for the startup movement in the country, which includes sectors such as agritech, fintech, edtech, logistics, manufacturing, e-commerce, healthtech, food processing, renewable energy, etc.



However, the story of the emergence of new startups is not just about spark and success; there are costs, risks, and the hard grind involved in the process as well. Every startup involves high costs in the initial as well as the subsequent stages of the business, including the cost of business registration, hiring, technology procurement, the ongoing struggle for finding finance, etc. Furthermore, the cutthroat competition in the market, coupled with the survival risk, adds to the burden, especially in a state like Haryana, which witnesses a huge gap in terms of development between districts like Gurugram, which are highly urbanised, and the rest of the regions, which are relatively less urbanised or industrialised. In this regard, the cost-benefit analysis of the startup emerges as a vital tool to assess the value created by the startup for the founder and the state, as well as the rest of society as a whole.

The concept of self-reliance, or *Atmanirbharta*, helps in giving a more complete weightage to the discussion on the topic of entrepreneurship. It is not just about one person, alone in the world, but about the capability of creating, innovating, producing, and sustaining the economy with more dependence on local strengths, inborn knowledge, skill-building, local supply chains, and minimal dependence on external factors. In the state of Haryana, with agriculture, industry, services, and technological changes converging, the concept of self-reliance could be a powerful impetus for region-focused entrepreneurial initiatives, with better utilisation of local resources, women's entrepreneurship, rural entrepreneurship, and socially responsible entrepreneurial models. In this paper, therefore, the Haryana startup initiatives are discussed not just from the financial cost-benefit perspective but also from the perspective of the wider concept of self-reliance as a development mantra and an economic approach as well.

## Literature Review

There is already a significant amount of literature published on entrepreneurship, startup ecosystems, regional economic development, etc. However, not much research is available that deals with the specific context of Haryana, incorporating cost-benefit analysis, self-reliance, startup development, etc., within the same framework. According to Joseph A. Schumpeter (1934), the entrepreneur is the key player who contributes to innovation, "creative destruction," etc. Schumpeter's theory is still considered the basis for understanding the role of startup development in disrupting traditional market structures, thereby promoting economic development.

Peter F. Drucker (1985) conceptualised entrepreneurship as an innovation process. In other words, Drucker's theory suggests that entrepreneurship is not only about creating a startup, but it is also about creating opportunities, managing risks, generating value, etc., through innovation.



Hisrich, Peters, and Shepherd argue that startup development is different from traditional business development due to its high growth, innovation, and uncertain nature. They emphasise the need for entrepreneurial capability, flexibility, etc., in startup development.

Timmons and Spinelli propose that the sustainability of ventures depends on the balance between opportunity, resources, and team capability. This model can be employed for the analysis of startups in Haryana, as the availability of resources and teams is highly differentiated across the region.

In the Indian scenario, the government's initiatives like Startup India, Digital India, Skill India, Make in India, Atmanirbhar Bharat, etc., have significantly impacted the startup ecosystem. According to reports published by NITI Aayog, the Ministry of MSME, and the Economic Survey of India, startups have emerged as a significant factor for employment generation, innovation, financial inclusion, and local entrepreneurship. However, regional differences have also been reported by the above studies.

Regional studies of startups have identified that regional location, regional infrastructure, regional policy support, financial support, and regional institutional support are the main factors for the growth of startups. In Haryana, Gurugram districts have emerged as startup hubs, and other districts, except those covered by NCR, have received relatively less attention from researchers.

The idea of self-reliance (Atmanirbhar Bharat) has again come to the centre stage of economic discussions. Modern economic literature defines self-reliance not in terms of insulation but rather in terms of local development, local value addition, strong supply chains, decentralisation, and indigenous innovation. The literature on MSMEs, rural entrepreneurship, women entrepreneurship, and self-help groups indicates a positive role for self-reliant approaches to entrepreneurship.

### **Gap in Literature**

It is observed that although several studies have been carried out on startups, entrepreneurship, and self-reliance individually, there is a complete absence of studies that have undertaken a comprehensive analysis of the following issues:

- Cost of startup development in Haryana,
- Benefits of startups, District-level variations, and the concept of self-reliance for the development of sustainable and inclusive entrepreneurship.



The present paper aims to fill this gap by presenting a cost-benefit-based analysis of startups from the perspective of self-reliant entrepreneurship.

### **Research Problem**

Though the startup culture is flourishing rapidly across India, and Haryana is identified as a startup destination, there is a huge gap between startup potential and startup accessibility. While places like Gurugram and Faridabad are fortunate enough to access venture capital, incubators, digital technologies, and corporate connectivity, other districts are struggling with issues like a lack of awareness, funding, incubation support, infrastructural inequalities, and skill sets of entrepreneurs. In addition, it is observed that startup-related discussions are more focused on stories of success, funding, innovation, and other related issues, but very little emphasis is laid on the actual cost, structural issues, and development consequences of startup development. Also, very little integrated research is carried out that can establish a connection between cost-benefit analysis and self-reliance (Atmanirbharta) in the context of Haryana. The present paper attempts to address the problem of understanding whether startups can actually generate value for the economy and society, and whether self-reliance can actually boost the startup culture of Haryana.

### **Research Objectives**

The paper aims to achieve the following objectives:

- To identify and explore the startup ecosystem in Haryana and its major structural, sectoral, and regional features.
- To identify and analyze the major costs involved in startup development in Haryana, including capital costs, regulatory costs, infrastructure costs, technological costs, and human resource costs.
- To identify and analyze the major economic and social benefits obtained through startup development in Haryana, including employment generation, innovation, regional diversification, women's empowerment, and financial inclusion.
- To identify and explore the concept of self-reliance (Atmanirbharta) in entrepreneurship and its implications for startup development in Haryana.
- To identify and analyze the major contributions made by government policies and institutional



support mechanisms in startup development in Haryana.

- To identify and analyze the major challenges faced by startup development in Haryana, particularly in rural and semi-urban areas.
- To identify and analyze the major policy implications for startup development in Haryana in general and in rural and semi-urban areas in particular.

### **Research Methodology**

The paper would adopt a descriptive method of research, with the study being based on various secondary sources of data, like policy guidelines, government publications, economic surveys, startup policy guidelines, MSME development studies, academic literature, entrepreneurship literature, etc. Even though the paper would be adopting qualitative thinking, economic logic, and a cost-benefit framework, it would avoid the narrow perspective of focusing only on financial profit/loss, as it would emphasise developmental aspects. From a methodological point of view, this study uses a policy-oriented approach to examine the entrepreneurial ecosystem of Haryana State while situating the development of startups in relation to national-level initiatives like 'Startup India' and 'Atmanirbhar Bharat'.

### **Conceptual Framework: Understanding Startups, Cost-Benefit Analysis, and Self-Reliance**

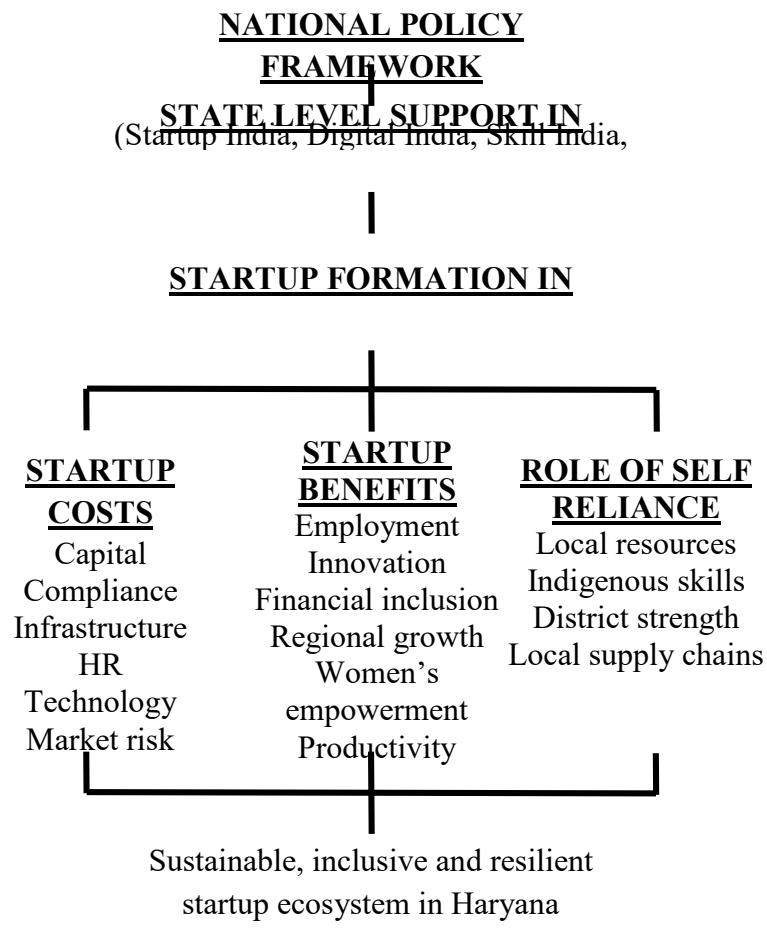
A startup can be defined as a new business enterprise that seeks to solve a problem, offer a new product or service, or enhance an existing market through innovation, technology, and scalable business models. Unlike other small businesses that seek stability in terms of generating income, startups are characterised by growth, risk-taking, and experimentation. In Haryana, there are different types of startups, including digital and technology startups in Gurugram, agribusiness innovations in rural and semi-urban areas of Haryana, mobile application development, logistics, fintech, SaaS, dairy innovations, food processing, organic farming, solar solutions, education solutions, and women-led home businesses.

Cost-benefit analysis can be defined as an economic analysis tool that compares the total costs of a project or decision with the total benefits of the project in order to determine the viability and efficiency of the project. In the context of startups, cost-benefit analysis can be defined as an evaluation of the costs of resources spent in running a startup in terms of generating economic, social, and developmental benefits. These include the economic benefits accruing to the entrepreneur and the external benefits



accruing to society in terms of generating employment and taxes, and promoting local entrepreneurship and skills.

Self-reliance in the context of entrepreneurship is the ability of entrepreneurs and the entrepreneurial environment to create sustainable business models by leveraging local resources, indigenous production systems, domestic technology absorption, skill-based labour forces, and the ability to withstand disruptions from external sources. It is also the mindset of the entrepreneur to be self-assured, productive, and to create value from the local environment. In the policy environment of India, the concept of self-reliance has been revitalised by the Atmanirbhar Bharat mission, which sought to create a new environment of domestic production systems, digital innovation, startup development, and reduced dependence on imports. In the case of Haryana, self-reliance is evident in agritech innovation, food processing, rural manufacturing, handicrafts, digital innovation, renewable energy adoption, and youth-led entrepreneurship.





## Flow Chart: Startup Development, Cost-Benefit Logic, and Self-Reliance in Haryana

### Startup Ecosystem in Haryana: An Emerging Economic Landscape

Haryana has proven itself to be one of the most promising places for the development of entrepreneurial ventures in India. Its geographical positioning as a state adjacent to Delhi and being part of the NCR has ensured it has strong market connectivity, investment, and talent pools. Gurugram has become synonymous with startup and corporate hubs across the country, with many tech firms and VC networks being set up in the region. MNC presence and a digitally savvy population have also contributed to the growth of many different kinds of startups in the fintech, edtech, health tech, logistics, food delivery, and SaaS-based sectors. Faridabad and Panipat have also ensured strong industrial and manufacturing advantages. At the same time, districts such as Hisar, Karnal, and others with agricultural-based economies offer promise for the growth of agritech and food-processing-based industries.

The state government of Haryana has taken a number of measures to promote startups. These measures include the formulation of the Haryana Startup Policy, incubation support, fiscal support, mentor support, and tie-ups with education institutions. Universities, engineering colleges, and management institutions are promoting innovation cells, entrepreneurship development programmes, and incubation centres. Additionally, the development of digital infrastructure, mobile internet services, e-governance, and digital payment systems has helped promote startups. The growth of startups is not uniform. The urban areas have a comparative advantage in the growth of startups compared to the rural areas. The difference between the growth of startups in the rural areas and the rest of the state indicates the requirement for an inclusive policy for entrepreneurship development beyond the Gurugram and NCR regions.

### Cost Analysis of Startups in Haryana

Therefore, the setting up of a startup attracts various types of direct and indirect costs. These costs are of various types, namely financial, regulatory, infrastructural, technological, human resource, and opportunity costs. It is imperative to comprehend the various costs associated with setting up a startup for the viability of the startup in the state of Haryana.

The first cost is the initial capital investment. Every startup requires an initial investment for setting up the business. It includes the cost of registering the business, developing the product, conducting market research, setting up the office, and so on. It is perceived that the cost of setting up an office may be a little



higher in the state of Haryana, especially in the cities of Gurugram and Faridabad. However, the cost may be lower for the rural areas.

The second cost factor is the cost of regulations and compliance. Startups have to comply with regulations related to business registration, tax compliance, GST registration, labour laws, IPR laws, environmental laws (for environmentally sensitive startups), etc. Although the government has simplified the regulations, the entrepreneur may not be aware of them. In the case of first-generation entrepreneurs from non-business families in the state of Haryana, it is sometimes difficult to comply with the regulations.

The third cost factor is the cost of technology and digital infrastructure. New startups are technology-intensive. Startups use websites, software applications, digital marketing, cybersecurity, cloud computing, payment gateway services, data analytics tools, etc. Technology startups in Gurugram may have the advantage of accessing technology experts at a lower cost. However, the cost of accessing technology experts may be high. Rural startups may face difficulties in accessing technology experts. Although the digital environment is now well-developed in India, digital technology is associated with the cost of digital hardware, software applications, digital marketing tools, etc.

A fourth cost is the human resources cost. Trained human resources are a prerequisite for startups, particularly in technology, design, operations, sales, finance, and customer relations. Although Haryana's urban ecosystem is attractive for human resources, competing for human resources with large corporations and multinational corporations is a cost, as salaries and packages increase. Startups often find it hard to retain human resources as they cannot guarantee cash flows and cannot match corporate salaries and packages. Although human resources in smaller towns may be available for less, skills and migration of human resources to metropolitan cities make it hard for startups in Haryana.

The fifth cost is market entry and acquisition. Startups have to spend on promotions, digital marketing, customer relations, discounts, and establishing credibility. In highly competitive industries like e-commerce, delivery services, and ed-tech, acquisition costs can be extremely high for startups in Haryana. Startups in Haryana, particularly in smaller towns and rural areas, will have to invest more in educating consumers and establishing credibility in agritech, healthtech, and rural services.

The sixth cost is risk and uncertainty. Startups are associated with high failure rates due to changing market conditions, cash flow issues, lack of product-market fit, changing regulations, technological obsolescence, and founder burnout. In addition, the opportunity cost of entrepreneurship is high,



especially for educated youth who may forgo job opportunities and risk their families' hard-earned income through entrepreneurship. In a socially conservative setup, the cost of entrepreneurship may not only be economic but also psychological.

### **Benefit Analysis of Startups in Haryana**

Despite these costs, startups create significant benefits that far outweigh these initial and operational costs in the long run. These benefits are not only limited to economic gains but also extend to the larger economy and society.

The first benefit that can be identified is that startups create direct employment. They employ people who are associated in any way with them. This includes founders, employees, service providers, delivery partners, consultants, designers, and technicians. In Haryana, where unemployment among the youth is a major issue that policymakers are trying to address, startups can act as a viable option instead of depending on government jobs. Even a small-scale startup can create direct employment in a local area in a district where the diversification of industries is low.

Another significant benefit that can be identified in Haryana is that startups can enhance innovation and increase productivity. Startups often create new products and services that can increase productivity in a local economic system. For example, agritech startups can increase irrigation management in Haryana. Similarly, health-tech startups can increase telemedicine facilities in Haryana. Similarly, fintech startups can increase digital payments in Haryana.

A third benefit is regional economic diversification. The economy of Haryana has traditionally been based on agriculture, manufacturing, and services. Startups add to the diversification of the economy of Haryana by adding new sectors like SaaS, AI-based services, renewable energy, edtech, food processing industries, etc. Such diversification makes the economy of the state less vulnerable to downturns in a few sectors. It also allows the economy of the smaller districts of the state to identify areas of comparative advantage and create niche models of startups.

A fourth benefit is the improvement of financial inclusion. Digital startups and fintech platforms have made it easier for small vendors, women entrepreneurs, farmers, and self-employed individuals to access financial services like payments, savings, and credit. The integration of digital payments, e-commerce, and logistics has reduced the barriers to entry for many micro-entrepreneurs in the state of Haryana.



Women entrepreneurs of home-based businesses, artisans, food producers, etc., are now able to reach the marketplace through digital platforms.

The fifth advantage is social empowerment and self-employment. Startups promote a culture of initiative, problem-solving, and self-assurance. Entrepreneurship is a source of social mobility and self-respect for first-generation entrepreneurs, especially from a rural or middle-class background. This is especially significant in Haryana, where traditional employment dreams revolve around government jobs. Startups in Haryana encourage youth to be job providers instead of being job seekers. Startups offer opportunities for women, too, especially in a region where women may be mobility or employment-constrained.

The sixth advantage is revenue for the state and long-term economic growth. Successful startups increase tax revenues, investments, urban development, exports, and consumer markets. They increase the pool of accountants, lawyers, marketers, logistics providers, and educators. In the long term, startups increase the reputation for innovation in the state and attract investors, incubators, and talent. Haryana's recognition as a startup-friendly state can have multiplier effects on the overall economy.

### **Role of Self-Reliance in Entrepreneurship**

However, self-reliance is not just a political ideology; it is a pragmatic economic concept that has the potential to revolutionise entrepreneurship. In the context of startups in Haryana, self-reliance is a concept that is effective on individual, enterprise, community, and state levels.

On the individual level, self-reliance is associated with entrepreneurial confidence, willingness to take risks, skill development, and creating one's own livelihood. In Haryana, especially in non-metropolitan districts, youth still prefer a secure job over an entrepreneurial venture. However, self-reliance motivates them to look for problems in their own areas and use their own knowledge to create a venture. Self-reliance is a mental shift from being dependent to being self-sufficient. On the enterprise level, self-reliance is associated with the use of local raw materials, local designs, local technology, cost-effectiveness in production, and self-sufficiency in supply chains. For instance, food processing, dairy products, textiles, agro-based manufacturing, and village industry can be self-reliant in the use of imported materials. They can use local agricultural products, local labour, and local technology. Even digital startups can be self-reliant in creating localised solutions for local markets.

Thus, at the community level, self-reliance contributes to the development of strong economies by keeping the economy within the region, thereby creating value chains, as well as community-based



enterprise networks. This helps the startup businesses source locally and employ locals, as well as sell regionally or digitally, thereby creating a multiplier effect. Thus, self-reliance helps address the migration concerns of rural areas of Haryana, thereby enhancing the overall incomes of the population as well as promoting skill-based economic participation.

Thus, at the macro level, self-reliance helps develop strong economies at the national as well as regional levels. Economic disruptions caused by a pandemic, global supply chain disruptions, or changes in the prices of commodities are bound to affect businesses that are largely dependent on imported products as well as supply chains managed by the centre of the economy. Thus, self-reliance helps create more resilient startups, making self-reliance a strength rather than a weakness during these difficult times.

### **Self-Reliance and the Atmanirbhar Bharat Framework in Haryana**

Atmanirbhar Bharat has significantly impacted the entrepreneurial landscape by reframing the entrepreneurial discourse and promoting self-reliant entrepreneurship in India. Haryana is a suitable ecosystem for entrepreneurship, as it has a strong industrial base and is rich in agricultural resources. Haryana has a high potential for self-reliant entrepreneurship, as it can be connected with its industrial and agricultural strengths and its district-level specialisations.

For example, agritech startups in Haryana can help farmers by providing soil analysis services, precision farming techniques, crop insurance services, access to digital mandis, and storage facilities. Food processing startups can help in transforming agricultural products into more valuable products, such as dairy products, packaged food grains, organic foods, pickles, spices, and nutritional supplements. Textile and handloom-based startups in Panipat can help in transforming traditional textile and handloom-based industries into more modern and digital forms. Renewable energy-based startups in Haryana can help in supporting solar pumps, rooftop solar systems, and energy-efficient solutions in rural areas. Women-based startups in Haryana can expand into various domains such as food-based brands, tailoring services, wellness products, education services, and digital retailing.

In this particular case, self-reliance would mean entrepreneurship that flourishes through the resources Haryana already has, like the fertile land, industrial skills, skills of the youth of Haryana, connectivity in terms of transportation, educational facilities, and technology. Haryana should not copy the entrepreneurship ideas of the cities; it should develop a fresh entrepreneurship culture in each of the districts. Government Policies and Institutional Support in Haryana



The government is also very important in reducing the cost of setting up the business as well as maximising the benefits. Efforts have been made to promote entrepreneurship in Haryana, but the implementation is the real problem here. Haryana's Startup Policy aims to create a favourable ecosystem through incubation support, seed funding support, mentoring, regulatory ease, innovation promotion, etc. Startup-friendly organisations, co-working spaces, incubators, and accelerators have been developed in Haryana, particularly in Gurugram and surrounding areas. Educational institutions are increasingly participating in startup mentoring, hackathons, and business plan competitions.

At the national level, Startup India, Stand Up India, Mudra Yojana, PMEGP, Digital India, and Skill India are supporting entrepreneurship in India. These initiatives are beneficial in minimising startup costs because they enhance access to credit facilities, training, formal registration, and marketing. For rural and female entrepreneurs, self-help groups, cooperative structures, and digital payments are opening new avenues for micro-enterprises.

However, the success of these policies is only possible if they are accessible. There are chances that entrepreneurs in smaller districts are not fully aware of how to access these schemes and the incubation process. If the government is able to provide last-mile connectivity for these entrepreneurial schemes, the cost-benefit analysis for starting a business in Haryana can be significantly higher.

### **Challenges Faced by Startups in Haryana**

Although the ecosystem is growing, there are a number of challenges that still need to be addressed in the development of entrepreneurship in Haryana. One of the challenges is the uneven development across the regions. The Gurugram and NCR regions are highly developed in the field of startups, funding, and infrastructure, whereas some districts may lack incubation, investors, mentors, and digital business networks. This is affecting the proliferation of the startup culture in the state.

Another issue is limited access to finance for early-stage startups. Large startups in urban areas have access to angel investors and venture capitalists, but for smaller and first-generation entrepreneurs, access to finance is limited to personal savings, family, and bank loans. Even banks require collateral and credit history, which is not available for new entrepreneurs.

Another issue is the lack of skills. Some of the youth in Haryana have educational qualifications but lack entrepreneurial skills, such as financial planning, digital marketing, market research, negotiating skills, product development, and compliance. Entrepreneurial skills development is still in its infancy.



The fourth challenge would be the hesitation in society and culture towards risk. In most families, stable jobs are preferred over risky business ventures. There could be a negative connotation towards business failure, which would discourage risk-taking. Women entrepreneurs would face extra challenges in terms of mobility, family, finance, and network. The fifth challenge would be the inequality in digital infrastructure. There has been an improvement in the digital infrastructure. However, there could be some disparity in the regions that do not have equal access to good internet, logistics, and technology support. There could be issues like delivery problems for rural startups, less branding, and less trust in digital transactions.

### Case-Based Illustration of Cost-Benefit Patterns in Haryana

In order to understand the actual scenario prevailing in Haryana regarding startups, it is important to think from a general perspective regarding the prevailing trends in different sectors. For example, a tech-based startup in Gurugram might face issues regarding office rent, salary, and marketing. However, it would also enjoy the benefits of investors, human resources, and a vast market for its products. It will have high potential for growth, but it will also have high operational costs. A similar agritech-based startup in Karnal and Hisar might have low office rentals and high relevance in the region. However, it will also have high operational risks and difficulties in obtaining funds. It will have high potential for social impact by improving agricultural productivity and income for the population in this region. A women-based food business in Rohtak and Bhiwani might have low startup costs, as it will operate from homes and will have access to a huge market through social media marketing. However, it will also have operational risks and difficulties in obtaining necessary permissions and complying with government laws and regulations. It will have a high potential for the creation of employment and income for the people of this region.

The above examples have demonstrated that cost-benefit analysis should not be only financially oriented. There may be some startups that do not qualify as unicorns, but they have the potential to create social benefits. This is especially important in a state like Haryana, where entrepreneurship needs to be considered at the development level of districts.

<u>TYPE OF STARTUP</u>	<u>DISTRICT/ REGION</u>	<u>LIKELY COSTS EXAMPLE</u>	<u>LIKELY BENEFITS</u>	<u>SELF-RELIANCE POTENTIAL</u>



Tech/ Saas Startup	Gurugram	High rent, high salaries, strong marketing costs	Investor access, scale rapid growth	Moderate to high
Agritech Startup	Hisar/ Karnal	Tech adoption cost, funding constraints	Farmer productivity, rural impact, local relevance	Very high
Women-led food venture	Rohtak/ Bhiwani	Packaging, licensing, branding	Home-based income, women's empowerment, local jobs	High
Textile handloom startup	Panipat	Raw material and logistics cost	Traditional modernization potential	High
Renewable energy startup	Rural Haryana	Technology cost, awareness gap	Sustainability, electrification growth	Very high

### **Economic and Social Impact of Startups on Haryana's Development**

Startups carry a huge potential to transform the overall development strategy for Haryana. From an economic point of view, startups can increase production levels, create employment opportunities, attract investments, and expand the tax base. They can modernise traditional industries. From a social point of view, startups can create self-employment opportunities, reduce reliance on others, cater to aspirations among young people, and empower marginalised social groups. They carry a huge potential to transform service delivery in areas like education, healthcare, agriculture, finance, and transportation.

In rural areas like Haryana, entrepreneurship can help prevent migration. For semi-urban areas, startups can help create a service economy. For cities like Haryana, startups can help create innovation centres and global competitiveness. Startups carry a huge potential to bridge traditional economic activities and



modern economic systems. For example, dairy farming can be digital branding; farming can be market intelligence; artisans can be e-commerce.

Startups can also contribute to environmental goals in waste management, renewable energy, water conservation technologies, eco-packaging, and green agriculture if aligned with sustainability. Therefore, it can be seen that the benefits of startups are not limited to profit alone but are part of a larger ecosystem.

<b><u>DIMENSIONS</u></b>	<b><u>MAJOR COSTS</u></b>	<b><u>MAJOR BENEFITS</u></b>
Financial	Initial capital, working capital, office setup, software tools	Revenue generation, investment attraction, tax contribution
Regulatory	Registration, GST, legal compliance, licensing, documentation	Business formalization, credibility, long-term scalability
Infrastructure	Rent, utilities, logistics, warehousing, internet access	Market expansion, supply chain development, digital access
Human resource	Hiring, training, retention, salary competition	Employment generation, skill development, local talent absorption
Technology	Website/app development, cybersecurity, cloud services, digital marketing	Innovation, productivity, process efficiency, digital transformation
Market	Customer acquisition, branding, competition, market uncertainty	New market creation, consumer convenience, business diversification
Social development	Family hesitation, social risk, psychological pressure, failure stigma	Youth empowerment, women's entrepreneurship, self-employment, social mobility
Regional	Urban - rural disparity, unequal access to incubators and investors	District-level development, local enterprise ecosystems, reduced migration



## **Analytical Table: Cost - Benefit Framework of Startups in Haryana**

### **Policy Recommendations**

To enhance the cost-benefit analysis of startups in Haryana and develop self-reliant entrepreneurship, several policy interventions are needed. Firstly, Haryana needs to promote district-level startup clusters instead of only focusing on Gurugram. Each district can be encouraged to develop its own sector-specific ecosystem based on its strengths in agritech, dairy, textiles, logistics, renewable energy, education services, handicrafts, etc.

Secondly, access to finance for early-stage startups needs to be enhanced through collateral-free loans, credit guarantees, seed grants, women-specific funds, and startup credit counselling. State-sponsored micro-seed financing for rural and first-generation entrepreneurs will help in lowering barriers for new startups.

Thirdly, entrepreneurship education and training in skills development need to be integrated into colleges, universities, polytechnics, and skill development centres. Training needs to be provided in business skills, digital marketing, GST, branding, packaging, e-commerce, financial literacy, and customer skills.

Fourth, the government needs to set up entrepreneurship facilitation centres in each district and subdivision of the country. These will help entrepreneurs access schemes, register their businesses, and submit their applications in a simplified manner.

Fifth, women's entrepreneurship needs more attention in terms of incubation, digital market training, safe co-working, childcare-friendly business programmes, and access to women's enterprise networks. Sixth, rural digital and logistics infrastructure has to be developed further. This way, rural startups will be able to compete better.

Seventh, the rural ecosystem has to be developed further by promoting self-reliant business models by rewarding entrepreneurship in sourcing, production, rural employment, indigenous innovation, and enterprise linkage in rural areas.



## Conclusion

The cost-benefit analysis of startups in Haryana shows a dynamic entrepreneurial scenario. The costs of starting a startup in Haryana include capital costs, regulatory costs, infrastructure costs, talent costs, technology costs, and market costs. These costs are higher for first-

generation entrepreneurs, rural entrepreneurs, women entrepreneurs, and those outside the

NCR. However, the benefits of startups in Haryana are numerous. Some of the benefits of the startup sector include the creation of employment opportunities, promotion of innovation, diversification of the economy, expansion of the financial sector, empowerment of the youth and women, strengthening of the supply chain, and development of the region.

The concept of self-reliance adds great depth to this analysis. Self-reliance in the field of entrepreneurship is not about setting up an enterprise on one's own but about setting up sustainable enterprises on the basis of local capabilities, domestic innovation, skill-building, digitalisation, and self-reliance. Self-reliance can become the foundation of a highly powerful startup ecosystem in Haryana, which can be based on agriculture, manufacturing, services, and technology, with a focus on optimising resources and specialising at the district level.

Startups in Haryana can become a powerful instrument of economic change with the support of policies, finance, education, and infrastructure. The future of Haryana's economic and social development is not about the growth of industry and cities alone, but also about the capabilities of the youth, women, farmers, professionals, and innovators of Haryana to set up productive, inclusive, and self-reliant startups. Therefore, the economic logic and the vision of Haryana's development support the conclusion that the benefits of startups, when nurtured well, are many times greater than the costs involved and can become decisive in shaping a self-reliant Haryana.

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