



Globalization And Indian Entrepreneurship A Historical Study Of Export-Oriented Start-Ups (1947–2020)

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Abstract:

Globalization has profoundly influenced the trajectory of Indian entrepreneurship since Independence, reshaping economic structures and opening new avenues for export-oriented ventures. This paper examines the historical evolution of Indian entrepreneurship with a particular focus on export-oriented start-ups between 1947 and 2020. It highlights how India transitioned from a state-controlled economy, where entrepreneurial activity was constrained by protectionist policies, to a liberalized and globally integrated economy that fostered innovation and export competitiveness. By analysing distinct phases—post-Independence industrial policy, the license raj era, the liberalization of the 1990s, and the digital start-up boom of the 21st century—this study underscores the role of globalization in creating opportunities for Indian enterprises to integrate with international markets. Case studies of IT, pharmaceutical, and digital start-ups illustrate how Indian entrepreneurs leveraged global networks, technology, and policy reforms to establish a global footprint. The findings reveal that globalization not only transformed the Indian start-up ecosystem but also redefined the nature of entrepreneurship itself—shifting it from traditional trade practices to globally competitive, innovation-driven enterprise.

Keywords: *Globalization, Indian Entrepreneurship, Export-Oriented Start Ups, Liberalization (1991), Historical Perspective*

Introduction:

Rationale and Significance of the Study:

Since India's independence in 1947, the country's economic journey has been shaped by the dynamic interaction between state policies, global forces, and entrepreneurial spirit. In the early decades, a protectionist framework and state-led industrialization restricted private initiative, especially in the export sector. However, with the gradual opening of the Indian economy and the onset of globalization, Indian entrepreneurs began to play a

transformative role in integrating the country with global markets. Among these, export-oriented start-ups emerged as significant agents of change, contributing to foreign exchange earnings, employment generation, and India's global reputation in sectors such as IT, pharmaceuticals, and services. The study of this historical trajectory is crucial because it not only highlights the adaptive strategies of Indian entrepreneurs but also illustrates how globalization reshaped the very nature of enterprise in India. Understanding this historical evolution

provides insights into the foundations of India's present-day start-up ecosystem and its prospects in a rapidly globalizing world.

Concept of Globalization in the Indian Context:

Globalization refers to the increasing interconnectedness of economies, cultures, and societies through trade, investment, technology, and communication. In the Indian context, globalization has been a gradual but transformative process. Initially, India followed a policy of self-reliance and restricted global engagement, focusing on import substitution and domestic industrial growth. However, the balance of payments crisis of 1991 marked a turning point when the government embraced liberalization, privatization, and globalization. Since then, India has not only welcomed foreign capital and investment but has also encouraged domestic entrepreneurs to compete globally. Globalization thus redefined Indian entrepreneurship by enabling access to international markets, advanced technologies, global supply chains, and transnational networks of knowledge and finance.

Meaning of Entrepreneurship and Start-ups (with Export Orientation):

Entrepreneurship, in its broadest sense, refers to the ability to identify opportunities, mobilize resources, and create enterprises that generate value. In India, entrepreneurship has historically been linked with trade, agriculture, handicrafts, and family businesses. However, the post-liberalization period witnessed the rise of "start-ups," which are innovative, risk-driven, and often technology-enabled

enterprises. Export-oriented start-ups represent a particular category that focuses on producing goods or services for international markets. These enterprises play a pivotal role in globalization by serving as bridges between local innovation and global demand. From textile exports in the early decades to IT services, pharmaceuticals, and software-based products in recent times, export-oriented start-ups exemplify how Indian entrepreneurship has evolved in tandem with global economic changes.

Objectives of the Paper:

This study aims to:

1. Trace the historical evolution of export-oriented entrepreneurship in India between 1947 and 2020.
2. Examine the role of globalization in shaping entrepreneurial opportunities and challenges across different phases.
3. Highlight case studies of successful Indian export-oriented start-ups as illustrative examples of global integration.
4. Analyze the impact of policy reforms, technological change, and international linkages on entrepreneurial growth.
5. Provide a historical understanding of how globalization redefined the character of Indian entrepreneurship.

Methodology: Historical-Analytical Approach:

The paper employs a **historical-analytical methodology**, combining descriptive and critical analysis of events, policies, and entrepreneurial trends. Primary sources include government reports (Planning Commission, NITI Aayog, Ministry of Commerce, and EXIM Bank), policy documents (Industrial Policy

Resolutions, New Economic Policy of 1991, Startup India framework), and archival economic data on exports and entrepreneurship. Secondary sources include scholarly books, research articles, and case studies on Indian entrepreneurship and globalization. By situating export-oriented start-ups within their historical context, the study seeks to provide a nuanced understanding of the interplay between globalization and entrepreneurship in India. Case studies of select firms from textiles, IT, and digital start-ups are also analyzed to illustrate the broader historical trends.

Theoretical and Conceptual Framework:

1. Globalization: Definitions, Waves, and Phases

Globalization is a multifaceted concept, encompassing economic, technological, political, and cultural dimensions. Broadly, it refers to the increasing interdependence of countries through trade, investment, technology transfer, information flow, and cultural exchange. Scholars such as Anthony Giddens define globalization as the intensification of worldwide social relations linking distant localities, while economic perspectives emphasize trade liberalization, capital flows, and integration into global markets.

Globalization can be analyzed in **waves or phases**:

- **Economic Globalization:** Expansion of international trade, foreign direct investment (FDI), and integration of national economies. In India, the liberalization of 1991 marked the most significant phase.
- **Technological Globalization:** Spread of technology, digital platforms, and

communication networks, enabling entrepreneurs to access global knowledge and markets. The IT revolution and digital start-ups exemplify this phase.

- **Cultural Globalization:** Exchange of ideas, business practices, and consumer behavior across borders, which has influenced Indian entrepreneurship in marketing, branding, and management practices.

These phases collectively shaped India's entrepreneurial ecosystem, especially for export-oriented start-ups that had to align with international standards, innovation trends, and global competition.

2. Entrepreneurship in Historical Perspective:

Entrepreneurship in India has deep historical roots. Traditionally, Indian traders, artisans, and craftsmen engaged in commerce and small-scale manufacturing, often catering to regional and overseas markets. During the colonial period, entrepreneurship was constrained by British policies but adapted to opportunities in trade, textiles, and maritime commerce.

Post-independence, Indian entrepreneurship faced a dual challenge: balancing national development goals with global economic participation. The **pre-liberalization era (1947–1990)** emphasized small-scale industries and protectionist policies, limiting global exposure. With economic reforms in 1991, entrepreneurship evolved into a more **innovation-driven and globally connected practice**, with start-ups emerging in IT, pharmaceuticals, and services, and increasingly targeting international markets. This historical trajectory demonstrates that entrepreneurship in India is not static; it has continually adapted to socio-economic

policies, technological advances, and global market opportunities.

3. Concept of “Export-Oriented Entrepreneurship”

Export-oriented entrepreneurship refers to ventures that focus on producing goods or services for international markets. These entrepreneurs act as bridges between local resources, innovation, and global demand. Key characteristics include:

- Orientation toward global customers and standards.
- Innovation in products, services, or business models to meet international expectations.
- Strategic use of technology, networks, and capital to compete globally.

In India, export-oriented entrepreneurship gained momentum in phases:

- **Early post-independence exports:** Handicrafts, textiles, and agro-products.
- **IT and software exports (1990s–2000s):** Companies like Infosys and Wipro served global clients, establishing India as a software hub.
- **Digital and knowledge-based start-ups (2010–2020):** Platforms such as Zoho, Freshworks, and Byju's expanded globally, leveraging innovation and technology.

This concept highlights how globalization incentivizes Indian entrepreneurs to scale operations, innovate, and integrate with global value chains.

Review of Existing Literature:

Existing literature reveals significant interest in the interplay of globalization and entrepreneurship in India:

- **Historical studies** trace entrepreneurial activities from indigenous trade and

colonial-era industries to post-independence small-scale enterprises.

- **Economic and policy research** emphasizes the impact of liberalization (1991) and start-up-friendly policies on export growth.
- **Entrepreneurship literature** highlights the evolution from survival-oriented small enterprises to innovation-driven start-ups with global ambitions.
- Studies on **export-oriented start-ups** demonstrate their role in employment generation, foreign exchange earnings, and India's competitiveness in international markets.

Despite extensive literature, gaps remain in **historical studies linking globalization with the evolution of export-oriented start-ups** across distinct phases from 1947 to 2020. This paper addresses this gap by combining historical analysis, policy review, and case studies of key export-oriented ventures.

Phases of Indian Entrepreneurship in Global Context (1947–2020):

a) Early Post-Independence Period (1947–1965)

In the immediate aftermath of independence, India adopted a strategy of **import substitution** to achieve economic self-reliance. The government implemented **industrial licensing policies**, popularly known as the **License Raj**, which restricted the establishment and expansion of private enterprises. This period offered **limited opportunities for export-oriented entrepreneurship**, as priority was given to domestic production and self-sufficiency.

Despite these constraints, **small-scale industries (SSIs)** played a significant role in promoting exports. Sectors such as

handicrafts, textiles, and agro-based products catered to global markets in a modest way. Notable initiatives included promotion of cottage industries and handicraft clusters in regions like Rajasthan, Gujarat, and West Bengal. These early entrepreneurs laid the foundation for future export-oriented ventures, demonstrating resilience in a highly regulated economic environment.

b) Controlled Economy and Global Shifts (1965–1980s)

Between 1965 and the late 1980s, India continued under a **controlled economic regime**, but several developments began reshaping entrepreneurship:

- The **Green Revolution** (1960s–1970s) increased agricultural productivity, creating opportunities for agro-based exports such as rice, wheat, and spices.
- **Small-scale industries (SSIs)** grew significantly during this period, contributing to both domestic supply and limited exports.
- Institutional support mechanisms were established to boost exports, including the **Export-Import Bank of India (EXIM Bank)** and **Export Promotion Councils (EPCs)**, which provided financial assistance, marketing support, and technology guidance.

However, **protectionist policies and bureaucratic constraints** limited the international competitiveness of Indian entrepreneurs. Despite these challenges, this era nurtured the skills, networks, and institutional frameworks that would later support globalized entrepreneurship.

c) Liberalization and the IT Wave (1991–2000)

The **1991 New Economic Policy** marked a turning point in India's economic

and entrepreneurial landscape. Key reforms included the **dismantling of the License Raj**, **trade liberalization**, and **encouragement of foreign investment**, opening Indian markets to global competition.

- This period witnessed the **entry of globalization forces** into the Indian market, creating new opportunities for export-oriented start-ups.
- The **IT and software industry** emerged as a major global player, with companies like **Infosys, Wipro, and TCS** serving as role models for innovation, scalability, and global integration.
- Policy reforms facilitated export promotion, ease of doing business, and access to **foreign direct investment (FDI)**.
- The rise of **software technology parks (STPs)** further encouraged IT exports and entrepreneurship.

The IT revolution positioned India as a **global service hub**, demonstrating how globalization and policy reforms could transform entrepreneurial potential into global competitiveness.

d) The Startup Era and Global Integration (2000–2010)

The first decade of the 21st century saw the **emergence of export-oriented start-ups** in diverse sectors such as **IT services, business process outsourcing (BPO), biotechnology, and pharmaceuticals**.

- Service exports grew rapidly, driven by global demand for cost-effective, skilled labor.
- The **Indian diaspora and global venture capital** played an important role in financing, mentoring, and connecting start-ups with international markets.

- Government initiatives like **STPI (Software Technology Parks of India)** and **Special Economic Zones (SEZs)** provided infrastructure, tax incentives, and regulatory support for export-oriented entrepreneurship.

This era highlighted the shift from traditional business models to **innovation-driven, globally integrated ventures**, laying the foundation for India's modern startup ecosystem.

e) Globalized Entrepreneurship in the Digital Age (2010–2020)

From 2010 onward, Indian entrepreneurship entered the **digital age**, characterized by technology-driven start-ups catering to **global markets**.

- Start-ups in **e-commerce, fintech, edtech, SaaS, and digital platforms** began expanding internationally.
- Integration into **global value chains** became a norm, enabling Indian start-ups to participate in international trade and innovation networks.
- Initiatives such as "**Startup India**" and the growth of innovation ecosystems provided mentorship, funding, and regulatory support.
- Case studies of globally recognized start-ups illustrate this transformation:
 - **Zoho** and **Freshworks** in SaaS solutions.
 - **Ola** expanding ridesharing globally.
 - **Byju's** in international education markets.

This phase demonstrates how globalization, technology, and supportive policy environments together fostered **export-oriented entrepreneurship**,

positioning India as a competitive player in the global start-up ecosystem.

Impact of Globalization on Indian Export-Oriented Start-ups

Globalization has been a transformative force for Indian entrepreneurship, particularly for export-oriented start-ups. Its impact can be analyzed across **economic, socio-cultural, technological, and policy dimensions**.

a) Economic Impact

Globalization significantly influenced the **scale, scope, and performance** of Indian export-oriented start-ups:

- **Employment Generation:** Start-ups in IT, BPO, pharmaceuticals, and e-commerce created millions of direct and indirect jobs, not only in urban centers like Bengaluru, Hyderabad, and Pune but also in smaller towns, promoting inclusive growth.
- **Contribution to GDP:** Export-oriented start-ups contributed substantially to national income by expanding service and product exports. The IT and software sector alone accounted for a growing share of India's GDP and foreign exchange earnings by the early 2000s.
- **Trade Balance and Foreign Exchange:** Export revenues from start-ups helped improve India's trade balance, integrating Indian businesses into global markets and enhancing the country's economic resilience.

b) Socio-Cultural Impact

Globalization also reshaped the **mindset and culture of entrepreneurship** in India:

- **Entrepreneurial Mindset:** Exposure to global markets encouraged risk-taking, innovation, and strategic thinking among Indian entrepreneurs. Start-ups adopted

- international business practices, quality standards, and competitive strategies.
- **Global Work Culture:** Collaboration with international clients, cross-border teams, and adoption of digital communication tools fostered a professional culture aligned with global standards.
- **Social Perception:** Entrepreneurship became socially desirable, inspiring younger generations to pursue startup ventures rather than traditional employment, thereby transforming India's socio-economic fabric.

c) Technological Impact:

Technology has been a key enabler for export-oriented start-ups in the era of globalization:

- **Digital Platforms:** Start-ups leveraged digital technologies, cloud computing, and e-commerce platforms to reach international markets efficiently.
- **Cross-Border Innovation:** Collaboration with global partners, access to international research, and adoption of emerging technologies enabled Indian start-ups to compete with global players.
- **Scalability and Reach:** Technology allowed start-ups to scale rapidly, reduce operational costs, and enhance product and service delivery to international clients.

d) Policy Impact:

The role of the **Indian state** evolved significantly under globalization:

- **Regulatory Reforms:** Post-1991 liberalization and initiatives like **Startup India** simplified business regulations, reduced bureaucratic hurdles, and promoted ease of doing business.

- **Export Promotion Policies:** Government support through **Software Technology Parks (STPs)**, **Export Promotion Councils (EPCs)**, and **Special Economic Zones (SEZs)** facilitated international trade and access to capital.
- **Incentives and Funding:** Subsidies, tax benefits, and venture capital promotion encouraged innovation-driven start-ups to explore export markets.
- **Global Integration:** Policies encouraged participation in international trade fairs, bilateral business agreements, and partnerships with foreign investors, making Indian start-ups globally competitive.

Globalization transformed Indian export-oriented start-ups into **globally integrated, technologically advanced, and economically significant enterprises**. It reshaped not only economic outcomes but also entrepreneurial culture, technological capabilities, and the policy environment, laying the foundation for India's modern start-up ecosystem.

Challenges Across the Historical Phases:

Indian export-oriented start-ups, while benefiting from globalization, also faced a range of **challenges** that evolved across historical phases from 1947 to 2020. These challenges influenced their growth trajectory, competitiveness, and sustainability.

a) Bureaucratic Hurdles and License Raj Legacy:

- In the **post-independence period (1947–1990)**, strict industrial licensing, permits, and regulatory controls under

- the **License Raj** created significant barriers for entrepreneurs.
- Even export-oriented ventures faced delays in approvals, limited access to raw materials, and high compliance costs, which constrained their ability to scale.
- Legacy bureaucratic practices continued to affect start-ups in the early 1990s, requiring entrepreneurs to navigate complex procedural landscapes even after liberalization.

b) Access to Global Capital:

- Historically, Indian entrepreneurs had **limited access to international finance**, venture capital, and equity markets.
- During the pre-liberalization era, dependence on domestic banks and informal financing restricted growth potential.
- Even post-1991, start-ups had to compete for foreign investment, often requiring proven track records or diaspora connections.
- Lack of global capital limited innovation, expansion, and the ability to adopt advanced technologies.

c) Competition in Global Markets:

- Entering international markets exposed Indian start-ups to intense **global competition**, particularly from established firms in developed countries.
- Export-oriented ventures had to meet **stringent quality standards, certifications, and customer expectations**, which was a challenge for nascent enterprises.
- Market volatility and currency fluctuations added uncertainty, requiring strategic adaptability.

d) Sustainability and Dependence on Global Demand:

- Export-oriented start-ups are inherently dependent on **external markets**, making them vulnerable to global economic cycles.
- Changes in demand, trade policies, or international competition could significantly impact revenues and growth.
- Start-ups had to balance domestic market presence with global expansion to reduce over-reliance on international clients.

e) Post-2008 Crisis and COVID-19 Shocks (Towards 2020):

- The **global financial crisis of 2008** disrupted trade flows, investor confidence, and startup funding. Many export-oriented start-ups faced liquidity constraints and slowed growth.
- The **COVID-19 pandemic (2020)** created unprecedented challenges, including supply chain disruptions, reduced global demand, and remote working pressures.
- Despite resilience and technological adaptation, these crises highlighted vulnerabilities in global dependence and the need for robust risk management strategies.

While globalization created new opportunities for Indian export-oriented start-ups, these challenges—ranging from historical bureaucratic constraints to modern global shocks—shaped their strategies, growth, and resilience. Understanding these hurdles is essential for assessing the evolution of Indian entrepreneurship and preparing for future global integration.

Comparative & Historical Analysis:

The evolution of Indian export-oriented start-ups between 1947 and 2020 can be better understood through a **comparative and historical lens**, highlighting both global benchmarks and the legacy of domestic developments.

a) Comparative Insights: Indian Start-ups vs. Other Asian Economies:

China:

1. China's export-oriented entrepreneurship benefited from **state-led industrial policies** combined with aggressive integration into global markets.
2. Unlike India's delayed liberalization, China adopted **special economic zones (SEZs)** and export incentives earlier, resulting in rapid manufacturing and technology exports.
3. Indian start-ups, especially in IT and services, focused on knowledge-intensive exports, whereas China emphasized manufacturing-led exports.

South Korea:

- South Korea relied on **chaebols (large family-owned conglomerates)** to drive exports, supported by technology transfer, government subsidies, and strategic FDI.
- Indian start-ups were more fragmented and SME-driven, with gradual growth in scale and international integration.

Singapore:

- Singapore's entrepreneurial ecosystem focused on **innovation, financial services, and trade facilitation**, providing global connectivity.
- India mirrored some aspects through IT parks, digital start-ups, and SEZs but faced scale and infrastructure challenges.

Comparative Insight: While India lagged in early industrial policy efficiency, its strength lay in **service exports, IT, and innovation-driven start-ups**, carving a unique niche in the global economy.

b) Continuities and Changes in Entrepreneurship (1947–2020):

• Continuities:

1. Entrepreneurial spirit rooted in trade, family businesses, and resourcefulness persisted across decades.
2. Small-scale industries and regional export clusters continued to play a foundational role.

• Changes:

1. Shift from traditional trade and handicraft exports to **technology-enabled, globally competitive start-ups**.
2. Transformation in organizational culture, global collaboration, and risk-taking mindset.
3. Increased reliance on venture capital, digital platforms, and international networks post-1991.

c) Historical Legacy Shaping Current Entrepreneurial Ecosystem:

- The **legacy of regulated industrial policies** created initial challenges but also cultivated resilience, risk management skills, and adaptive strategies among entrepreneurs.
- Early export clusters, SSIs, and artisan networks laid the groundwork for modern innovation hubs.
- Liberalization, technology adoption, and policy reforms built upon these historical foundations, enabling India to establish **globally recognized start-ups** in IT, SaaS, fintech, and e-commerce.
- Present-day entrepreneurial ecosystems, including incubators, venture funds, and

digital infrastructure, are deeply influenced by this historical evolution.

The comparative and historical analysis underscores that Indian export-oriented start-ups evolved uniquely, balancing continuity with adaptation. While facing challenges in scale and policy implementation relative to Asian peers, India leveraged its strengths in services, innovation, and human capital. Historical experiences, both restrictive and enabling, continue to shape strategies, culture, and resilience in the current entrepreneurial ecosystem.

Globalization as Both Opportunity and Challenge:

Globalization provided unprecedented opportunities by opening international markets, enabling technology transfer, and fostering an entrepreneurial mindset aligned with global standards. Simultaneously, it posed challenges, including competition in global markets, dependence on external demand, access to capital, and exposure to global economic shocks like the 2008 financial crisis and COVID-19.

Conclusion:

This study traces the historical evolution of **Indian export-oriented start-ups** from 1947 to 2020, highlighting the dynamic interplay between **globalization and entrepreneurship**. The findings demonstrate that Indian entrepreneurship has undergone a profound transformation over seven decades, shaped by policy shifts, technological advancements, and international market integration.

Summary of Findings:

- In the **early post-independence period (1947–1965)**, entrepreneurship was constrained by **import substitution policies** and the **License Raj**, yet small-scale industries in handicrafts, textiles, and agro-products laid the foundation for future export-oriented ventures.
- During the **controlled economy phase (1965–1980s)**, initiatives like the Green Revolution and institutional support (EXIM Bank, Export Promotion Councils) facilitated gradual growth in exports, despite protectionist constraints.
- The **liberalization era (1991–2000)** marked a turning point, enabling IT and software start-ups to serve global markets, supported by policy reforms, technological innovation, and FDI.
- From **2000–2010**, export-oriented start-ups expanded in IT, BPO, biotech, and pharma sectors, leveraging global networks, venture capital, and government initiatives like SEZs and STPI.
- In the **digital age (2010–2020)**, start-ups in e-commerce, fintech, edtech, and SaaS increasingly integrated into global value chains, demonstrating innovation, scalability, and international competitiveness.

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