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HEART OF INDIA, BUT WEAK IN BUSINESS: MP'S STRUGGLE TO CREATE ENTREPRENEURS

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Madhya Pradesh (MP) is geographically the heart of India, yet when it comes to business,startups, and entrepreneurship, the state is far from being the country's economic heartbeat.

While India's entrepreneurial landscape is booming with over 1.25 lakh startups officially recognized as of 2024 MP continues to contribute only a small fraction to this rise. Despite its size, natural resources, and strategic location, MP finds itself trailing behind states that have rapidly scaled up as business powerhouses.

The critical question is: Why is the heartland state still behind, and how long can it afford this slow pace?

A Giant State with a Tiny Startup Footprint

MP accounts for 7.3% of India's land area and 6% of its population, yet it hosts only about 2% of the country's recognized startups. This is stark when compared to leaders like Maharashtra (16%), Karnataka (10%), Delhi-NCR (9%), and Gujarat (8%).

These powerhouse states have successfully transformed into magnets for entrepreneurs by offering strong digital infrastructure, simplified regulations, and powerful business networks. MP, meanwhile, has stalled in the India's State Startup Ranking, fluctuating between "Emerging Ecosystem" and "Aspiring Leader," lacking the momentum to achieve "Top Performer" status.

The Preference for "Safe Choices"

One of MP's most profound challenges is a cultural preference among its youth for stable jobs over entrepreneurial risk. According to CMIE employment data, while the unemployment rate is moderate, over 78% of employed youth are stuck in traditional or low-income jobs with limited upward mobility. Unlike in startup hubs like Bengaluru or Mumbai, where entrepreneurial culture is aspirational, MP's educational and social ecosystem still strongly encourages "safe choices," such as securing a government job or stable private employment.

While Indore has emerged as a crucial bright spot, driving the majority of MP's startup activity, the rest of the state, particularly Tier-2 and Tier-3 cities, has not caught up. These regions critically lack the essential support structures:

- Incubation centers
- Accelerators
- Industry collaborations

Infrastructure Gaps and The Investment Dry Spell

Although MP has invested in physical infrastructure like highways and industrial corridors, this alone does not fuel entrepreneurship. The state is missing the specialized startup infrastructure needed to convert ideas into scalable businesses.

Infrastructure Deficiency – Comparison

Startup Incubators:

Gujarat has over 200 active incubators, whereas Madhya Pradesh has fewer than 40.

Tech Parks:

Bengaluru and Hyderabad have world-class tech parks, but MP's tech parks are not on par with these leading hubs.

Credit Access:

Many states offer easier access to MSME credit, while MP faces difficult access to easy credit for small businesses.

The most crippling factor is the severe Investment Dry Spell. Investors naturally prefer states where ideas become businesses faster, and MP's venture capital (VC) inflow remains one of the lowest among large states.

- Maharashtra: Attracted 21.5 lakh crore+ in VC funding (2022-24)
- Karnataka: Received 270,000 crore+
- Madhya Pradesh: Received less than %2,000 crore in the same period.

This massive gap reflects a lack of investor confidence. As a result, successful MP startups often undergo an "entrepreneurial migration," relocating to Mumbai, Pune, or Bengaluru for essential growth capital, effectively draining the state of its best talent.

Where MP Shows Promise

Despite these structural and cultural challenges, MP is not without hope:

1. Indore's Rise: It is now recognized as one of India's cleanest, fastest growing, and most startup-friendly Tier-2 cities.
2. New Industries: Emerging sectors like EV manufacturing, food processing, and logistics are creating fresh industrial opportunities.
3. Policy Traction: Government schemes such as the MP Startup Policy, seed grants, and youth incubation programs are beginning to gain traction.

The Road Ahead

To transform from a resource-rich state into a business-rich state, MP requires a coordinated strategy across policy, finance, and culture. The path forward demands:

- Massive, targeted investment in startup and tech infrastructure.
- Building stronger industry-academia networks to foster innovation.
- Implementing genuine investor-friendly reforms that cut red tape.
- A concerted cultural push encouraging youth to embrace risk and celebrating local entrepreneurial success stories.

MP may be the heart of India geographically, but to become the heart of India's business growth story, it must transition from walking to running. It's time for the heartland state to pick up the pace and beat louder, faster, and stronger.