Global Entrepreneurship Monitor

Sunil Shukla | Mohammad Ismail Parray | Navniit Siingh Chatwal | Pankaj Bharti | Amit Kumar Dwivedi

India Report 2017/2018

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Entrepreneurship Development Institute of India (EDII), Ahmedabad

Centre for Entrepreneurship Development Madhya Pradesh (CEDMAP), Bhopal

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Global Entrepreneurship Monitor 2017-18

India Report

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EXECUTIVE SUMMARY

The 2017-18 GEM Report completes its 19 years of measuring entrepreneurship-related activities. The study had a noble mission of generating globally-comparative data of entrepreneurial activity. It helped identify factors determining national levels of entrepreneurial activity as well as policies aimed at enhancing entrepreneurial activity. It measures entrepreneurship through surveys and interviews of various field experts, conducted by the teams at respective countries. The GEM survey generates a variety of relevant, primary information on different aspects of entrepreneurship and provides harmonised measures about individuals' attributes and their activities in different phases of venturing (from nascent to start-up to established business and to discontinuation). The GEM Report 2017-18 covers results based on 54 economies completing the Adult Population Survey (APS) and the National Expert Survey (NES). The report provides insights into entrepreneurial activities in India. The GEM India study was conducted using a well-established GEM research methodology, consistent across all participating countries, thus enabling a cross-country comparison. The APS was conducted with 4000 respondents. Questions were based on generating information regarding the level of entrepreneurial activity in this country based on the national framework conditions, whereas, the NES was conducted on 72 national experts. The NES in India focuses on the entrepreneurial ecosystem, and with regard to the nine entrepreneurial framework conditions.

Major findings of GEM India Survey 2017-18 in a vignette

APS 2017–18

- Self-perception has been affected and has slightly increased as well as decreased for all the four categories. Perceived opportunity was 44.3 in 2016 and has slightly increased to 44.9 in current 2017 survey.
- Perceived capability or skill knowhow as per the survey results show that it was 44 percent in 2016. However, in 2017, the number has decreased to 42.1.
- Fear of failure has somehow increased among masses due to many policy formulations (for the better). It was 37.5 percent in 2016 and has surged to 39.6 in 2017.
- In 2016, western India showed highest entrepreneurial intention while, in this year, survey results show that eastern India has the highest entrepreneurial intentions.
- Males have shown higher entrepreneurial intention in 2017 as in 2016.
- Entrepreneurial intentions which were 14.9, have crashed to 10.3 in 2017 survey.
- The rate of total early-stage entrepreneurship (TEA) has been 10.6 with a rank of 31 among 65 countries. The TEA rate has declined to 9.3 percent for 2017 with a global ranking of 31 among 54 nations. The ranking has been same but the TEA has continuously declined between 2015 and 2017.
- In 2017, TEA has been highest among the 35-44 age group with 11.5 percent rate. The 18-24 and 55-64 age group are next with a lower score of 9.2 and 9.1 TEA in India.
- Looking into the regional perspective of TEA in India it is visible that Western region has made the highest contribution to the overall TEA with 4.5 of total (9.3). The other regions have contributed lesser such as eastern region, which has contributed 2.1 of the TEA rate in India.
- Africa has the highest established business ownership rate at (11.9) followed by Asia and Oceania at (9.7) among the global regions. India has an established business rate of 6.2 percent higher than last year at 4.6 and a ranking of 51 among 65 nations.
- Among the global GEM regions Africa has lowest value in motivation index with 1.5. However, India ranks 53 among 54 nations for motivational index with a value of 0.7
- North America is the most opportunity-driven region with a value of 82.6 percent while only 39.1 percent Indians are motivated by the opportunities available.
- Innovation rate was 28 percent with a ranking of 25 among 65 nations. The value has decreased to 25.6 with a ranking of 28 among 54 globally surveyed nations.

NES 2017–18

The opinion of national experts revealed insights on factors impacting the environment for entrepreneurship. These factors are known as Entrepreneurial Framework Conditions (EFCs) of the country.

According to the NES, the major constraints for entrepreneurship development in India are as follows:

- *Government Policies; Financial support; Cultural and social norms*
- Apart from these constraints, the factors fostering the entrepreneurial activities in India are government entrepreneurship programs, which is clearly visible with India's position in the ranking of start-up ecosystem reports, development of information, and increase in knowledge, technology-based enterprises.
- The establishment of numerous educational institutions and creating base for entrepreneurship education and training has greatly lifted the entrepreneurial aspirations of young students.
- Students are not only strengthening the workforce but are also aspiring to be self-employed or lead start-ups by using their skill education.
- This is followed by market openness as a fostering force which greatly helps new enterprises to start and diversify. Market openness is being explored by many via different options and ways.
- Cultural and social norms as well as government policies have been fostering new start-ups. The Government of India realised the importance of policy interventions long time ago and various holistic and strategic moves through policy interventions have been taken up at various levels.

ACKNOWLEDGEMENTS

The GEM India Consortium comprising Entrepreneurship Development Institute of India (EDII), Ahmedabad; Centre for Entrepreneurship Development Madhya Pradesh (CEDMAP), Bhopal and Jammu & Kashmir Entrepreneurship Development Institute (JKEDI) is glad to probe the conditions that enable entrepreneurship to flourish or deteriorate so that suitable interventions could be accordingly instituted. The Consortium has been constantly putting in efforts to research the ways and means that could bolster the entrepreneurship scenario so that the entrepreneurs, the lifeblood of economies, continue to perform a potent role.

The GEM Report 2017– 18 throws light on entrepreneurial trends and practices amidst changing business and economic contours. While we express gratitude to the GEM India team members, we particularly thank the Heads of the three institutions for constantly keeping sight of the bigger picture and the finer nuances leading towards it. Our heartfelt gratitude to them. Our sincere thanks to the GEM Global Team at London Business School, Babson College and the GEM Data Team for their untiring support and direction.

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We are sure this Report will ensure further tangible outcomes in the domain of entrepreneurship.

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ChAPTER 1

BUSINESS AND ENTREPRENEURSHIP PERSPECTIVE IN INDIA

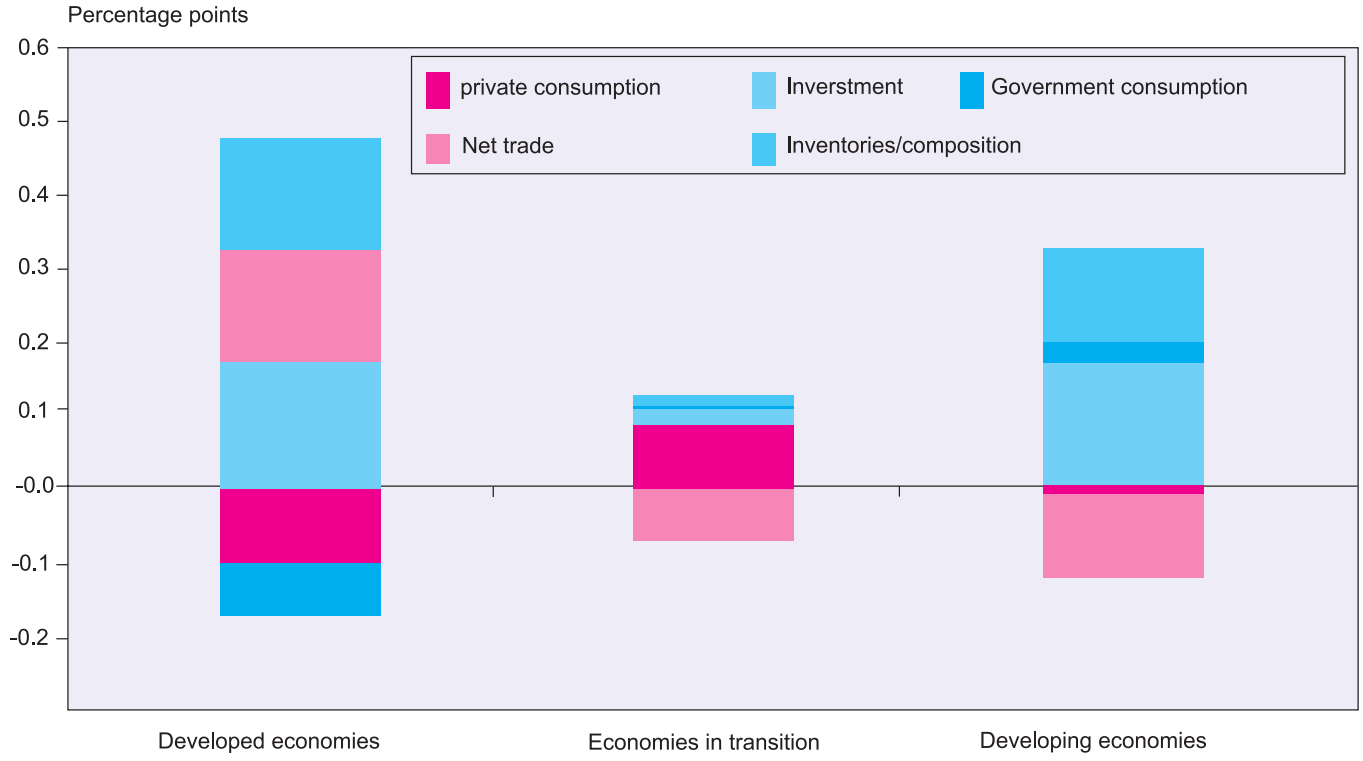
1.1. Indian Economy: An Overview

According to World Bank's Global Economic Prospect report (January 2018), "Growth among Emerging Markets and Developing Economies (EMDEs) is estimated to have accelerated to 4.3%[1] in 2017. Most of the global growth will be driven by emerging economies, in particular commodity exporters, with growth rates for the group as a whole rising to around 4.5% in 2018 and an average of 4.7% in 2019 and 2020. By contrast, growth in developed economies is projected to slow to 2.2% in 2018, from 2.3% last year. The fastest-growing region in the world, according to the World Bank, is East Asia and the Pacific with China's economy expected to grow at a 6.4% this year before slowing to 6.3% next year. In India, GDP growth is expected to reach 7.3%[2] in 2018 before strengthening slightly in 2019/2020 to 7.5%", the World Bank projected.

East and South Asia remain the world's most dynamic regions. In South Asia, inflation declined to record lows in India and Nepal, while it remained relatively mute in comparison to historical figures in Pakistan, Bangladesh, and the Islamic Republic of Iran. The moderately positive picture encompasses most developing regions, especially Asia. Also, major recipients such as China, India, and Indonesia are intensifying policy efforts to attract FDI. India is reclaiming its place as a growth leader after a short slowdown due to demonetisation and Goods and Services Tax (GST). India is projected to grow at 7.4%[3] in 2018 as against China's 6.8%, making it the fastest-growing country among emerging economies. As per the Central Statistics Organisation (CSO) and International Monetary Fund (IMF), India is expected to be one of the top three economic powers of the world, over the next 10–15 years. Subsequently, the announcement of rollout of GST, effective from July 2017, provided the necessary momentum to the economy after a span of two slow quarters.

India has improved its ranking in the World Bank's Doing Business Report by 30 spots over its 2017 ranking and is ranked at 100 among 190 countries in 2018 edition of the report. The tax-collection figures

Figure 1.1: *Contributions to Change in World Gross Product Growth by Component, 2017*



[1] http://thenerveafrica.com/13620/emerging-markets-developing-economies-grow-4-5-percent-2018/

[2] https://in.reuters.com/article/economy-worldbank/emerging-markets-set-to-drive-2018-global-growth-world-bank-idINKBN1EZ0I0

[3] http://www.business-standard.com/article/economy-policy/modi-in-davos-imf-says-india-to-be-fastest-growing-economy-in-2018-at-7-4-118012201030_1.html

between April 2017 and February 2018 show an increase in net direct taxes by 19.5% year-on-year and an increase in net direct taxes by 22.2% year-on-year. India has also retained its position as the third largest start-up base in the world with over 4,750 technology start-ups and 1,400 new start-ups being founded in 2016 (India Start-up Report, 2016). India's labour force is expected to touch 160–170 million by 2020, based on rate of population growth, increased labour force participation, and higher education enrolment, among other factors, according to a study by ASSOCHAM and Thought Arbitrage Research Institute (IBEF, 2018[4]).

India's foreign exchange reserves were US$ 422.53 billion in the week up to 23rd March 2018, according to data from the RBI. Indian companies raised ₹1.6 trillion (US$ 24.96 billion) through primary market in 2017. Moody's upgraded India's sovereign rating after 14 years to *Baa2* indicates a stable economic outlook. India is expected to have 100,000[5] start-ups by 2025, which will create employment for 3.25 million people and US$ 500 billion in value, according to Mr. T.V. Mohan Das Pai, Chairman, Manipal Global Education.

As per the budget (2018), the government is committed towards doubling the farmer's income by 2022. A total of ₹14.34 lakh crore (US$ 225.43 billion) will be spent for creation of livelihood and infrastructure in rural areas. Budgetary allocation for infrastructure is set at ₹5.97 lakh crore (US$ 93.85 billion) for 2018–2019. This is the status of the Indian economy within which the country's business environment and industrial organisation operates.

1.2. Digital India and its Different Perspective

India's new government in 2014 came with new initiatives and programs. The Digital India initiative is one of the ambitious projects to be completed in an order of time. With this initiative, the government aims to reach out to citizens in the remotest of locations and make them a part of India's growth story. Since technology is a key driver in causing disruptive change, digital tools will empower citizens and prove to be a game-changer. Digital India provides the much-needed thrust to the nine areas of growth namely Broadband Highways, Universal Access to Mobile Connectivity and Public Internet Access Programme, among others.

More initiatives to inculcate new patterns of learning and enhancing communication[6] such as E-Pathshala: Transforming Learning through Technology, eBiz platform, My Gov platform, Jeevan Praman, Digital Locker System have greatly been promoted. Digital India has been introduced to ensure smooth implementation of e-governance in the country and transform the entire ecosystem of public services through the use of information technology. There is no better way to promote inclusive growth other than through the empowerment of citizens. Prime Minister Narendra Modi strategically listed "Digital India" among the top priorities for the new central government. This has opened up new doors for the country's digital economy. The Finance Minister has set aside ₹10,000 crore in 2018–2019 for creation and augmentation of telecom infrastructure, which will be crucial for the realisation of Digital India.

1.3. Radical Measures: Demonetisation and GST Rollout

Demonetisation and GST are part of the many challenging and tactical initiatives. The long-term positive effects of these policies are imminent. However, such radical measures are difficult to experiment and harder to accomplish in the economy.

Demonetisation was announced on 8th November 2016 by Prime Minister Narendra Modi. Eighty six percent of India's total currency, the demonetised notes of ₹1,000 and 500 were pronounced ineffective as legal tender. It was considered as a major step to curb corruption that is primarily kept alive through counterfeit currency (black money) and terror funding. The demonetised amount totalled to about ₹15.4 trillion.

International rating agencies, including Moody's and Standard & Poor (S&P), predicted that the move would have a short-term impact on the economic activities of the country and may slow down the rate of growth. Yet, its positive impact can be felt in the longer run. S&P believes that demonetisation will result in a wider tax base and greater participation in the formal economy.

[4] https://www.ibef.org/economy/indian-economy-overview
[5] https://www.ibef.org/economy/indian-economy-overview
[6] http://www.makeinindia.com/article/-/v/digital-india-transforming-india-into-a-knowledge-economy

Demonetisation resulted in a sharp rise in the deposits across banks. India has marched on the path of digital transactions at a much faster pace. Key points describing the success of demonetisation are[7]: rate of inflation came down, India proceeded to a cashless economy, banks' lending increased for small businesses, automobile sales picked up and more people began using mobile wallets over cash. The government also appointed a high-level panel, comprising six chief ministers and experts such as Nandan Nilekani, former chairman, Unique Identification Authority of India, to chart out a roadmap for the adoption of digital modes of payment.

GST: GST is a single indirect tax aimed at making the country a unified common market. It is imposed on the supply of goods and/or services within India. GST is considered as a historic reform in India's indirect tax structure. It helped in simplifying administration as it removed multiple taxation at every stage of the trade model. GST further aims at providing a uniform tax rate for all goods and services, thus helping in reducing tax-cascading, facilitating a common national market, encouraging voluntary tax compliance, reducing tax-collection costs, supporting investment and improving competitiveness, and facilitating the ease of doing business.

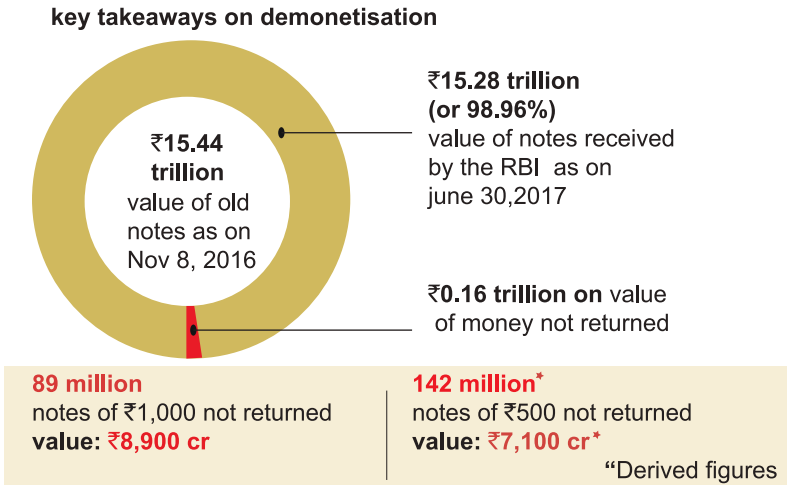
The number of indirect taxpayers in the country witnessed growth of 50% to 9.8 million unique GST registrants, as of December 2017. India's internal trade in goods and services (excluding non-GST goods and services) at 60% is even higher than that estimated in last year's economic survey. The current GST tax base (excluding exports) is around 6.5–7 million, broadly similar to the estimates of Revenue Neutral Rate Committee and GST Council.

Boosting the Manufacturing Sector: The potential to make manufacturing a high-growth and high-GDP sector is huge. The "Make in India" campaign by government makes this possibility real, by giving impetus to the sector. Furthermore, PwC[8] estimates that India will become the fifth largest manufacturing country in the world by the end of 2020. It would be interesting to know how the Goods and Services Tax or GST impacts this roadmap.

Macroeconomic Scenario: Union Minister for Finance, Government of India Mr. Arun Jaitley, presented 2017–2018 budget in the parliament on January 29, 2018. The economic forecast of 2018 shows that a growth rate of 7–7.5% shall be achieved during financial year 2018–2019 as compared to the expected growth rate of 6.75% in financial year 2017–2018. The major focus has been brought to private investments and exports, nominated as two truly sustainable engines of economic growth. Alongside consistent improvement in macroeconomic indicators tax revenue to the central government rose by 18% to ₹17.1 trillion in the year ended 31st March, aided by steady growth in direct taxes and a sharp rise in excise and service tax receipts[9].

Average retail inflation in 2017–2018 (April–December), measured by

Figure 1.1: *Financial Institutions in India*



[7] http://www.mbauniverse.com/group-discussion/topic/business-economy/demonetisation

[8] https://blog.capitalfloat.com/implications-gst-manufacturing/

[9] https://www.livemint.com/Politics/cH5gNYLvx0V4wjPxPsbRzK/Govt-exceeds-201617-tax-collection-target-collects-Rs1710.html

Consumer Price Index (CPI) was seen at 3.3%. Average Wholesale Price Index (WPI) inflation, in 2017–2018 (April–December) was seen at 2.9% from 1.7% in 2016–2017. The Reserve Bank of India (RBI) has cut the repo rate by 25 basis points to 6.0% in August 2017.

The current account deficit has declined to reach about 1.8% of GDP in the first half of FY 2018. During April–December 2017, trade deficit increased by 46.4% over corresponding period of previous year. During April–December 2017, exports grew 12.1% to US$ 223.5 billion, while imports increased by 21.8% to US$ 338.4 billion[10].

The growth rate in Gross Value Added (GVA) by the agriculture and allied sectors is estimated to be 4.9% for 2016–2017, as per provisional estimates. Around 840,000 hectares of land was brought under micro-irrigation during 2016–2017.

Growth rate in the GVA by the industrial sector was 5.6% in 2016–2017 and 5.8% in the second quarter of 2017–2018. During April–November 2017, the Index of Industrial Production (IIP) grew 3.2%, while registering a growth rate of 8.4% in November 2017, the highest in 25 months. The performance of corporate sector highlighted that the growth in sales of more than 1,700 non-government non-financial (NGNF) listed manufacturing companies was 9.5% in Q2 2017–2018 compared to 3.7% in Q2 2016–2017.

The services sector is projected to grow at 8.3% in 2017–2018, as against 7.7% in 2016–2017. As per the World Trade Organisation (WTO) data, India's share in the exports of commercial services in the world increased to 3.4% in 2016 from 3.3% in 2015.

India's ranking in the taxation and insolvency parameters improved by 53 and 33 spots, respectively, due to administrative reforms undertaken by the Government of India in the areas of taxation and passage of Insolvency and Bankruptcy Code (IBC), 2016. Over 1,000 redundant legislations have been scrapped.

The gross expenditure on research and development has increased at a CAGR of 13.03% from ₹24,117 crore (US$ 3.8 billion) in 2004–2005 to ₹104,864 crore (US$ 16.5 billion) in 2016–2017.

India was ranked 13th in 2017 by Nature Index, which publishes tables based on counts of high-quality research outputs in natural sciences in the previous year. As per WIPO, India's Patent Filing Office is the 7th largest in the world with 45,658 registered patents as of 2015[11].

India has secured 40th rank in global competitive index report after its big leap forward from the last 2 years. The score improves across most pillars of competitiveness, particularly infrastructure (66th, up two), higher education and training (75th, up six), and technological readiness (107th, up three), reflecting recent public investments in these areas. Performance also improves in ICT indicators, particularly Internet bandwidth per user, mobile phone and broadband subscriptions, and Internet access in schools. The quality of institutions has increased further, especially in terms of efficiency of public spending (20th).

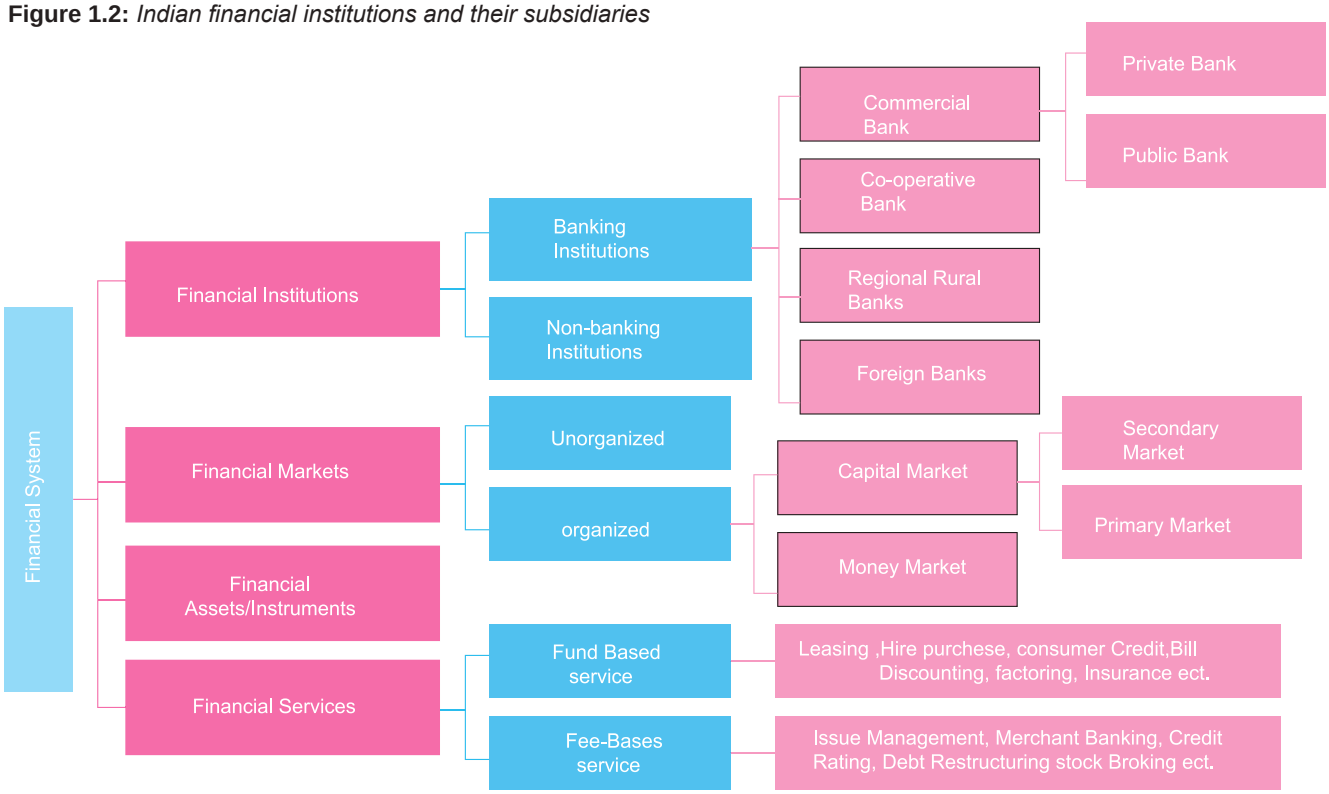
1.4. Financial Institutions in India

Financial institutions play a crucial role in the overall development of a country. The most important constituent of this sector are the institutions. Since the economic reforms which were initiated in the early 1990s, the Indian financial institutions have traditionally been the major source for long-term funds for the economy. The Indian banking system is robust and consists of 26 public-sector banks, 25 private-sector banks, 43 foreign banks, 56 regional rural banks, 1,589 urban cooperative banks, and 93,550 rural cooperative banks, in addition to cooperative credit institutions[12].

Pradhan Mantri Jan-Dhan Yojana (PMJDY) was launched in 2014 to promote a nationwide financial inclusion which led to around 600 million deposit accounts being opened between fiscals 2013 and 2016. Nearly a third of this was on account of Jan Dhan. This gets well reflected in the deposit penetration index of CRISIL Inclusix[13], which surged over 16 points. Financial inclusion is a national priority for the Indian government as it is an enabler for inclusive growth with the main objective to bring people from the bottom of the pyramid of the financial landscape under the ambit of formal banking. PMJDY also envisages channelling all government benefits (from the Centre, States, and Local bodies) directly into the accounts of beneficiaries, and pushing the

[10] https://www.ibef.org/economy/economic-survey-2017-18
[11] https://www.ibef.org/economy/economic-survey-2017-18
[12] *Banking Sector In India* Published in May 2017 by India Brand Equity Foundation (IBEF).
[13] https://www.livemint.com/Opinion/EYDsPA60qlvujdln9SJcdN/India-is-doing-well-on-financial-inclusion.html

Figure 1.2: *Indian financial institutions and their subsidiaries*



government's Direct Benefits Transfer (DBT) scheme.

Direct Benefit Transfer: This scheme ensures that money under various developmental schemes reaches beneficiaries directly and without any delay. Banks play a key role in its implementation.

RuPay Card: RuPay card symbolizes the capabilities of the banking industry to build a card payment network at much lower and affordable costs to the Indian banks so that dependency on international card schemes is minimised. The RuPay card works on ATM, point of sale terminals, and online purchases, and is therefore not only at par with any other card scheme in the world but also provides customers with the flexibility of payment options.

Insolvency Bill: Insolvency and Bankruptcy Code 2016 is a law that was implemented through an act of Parliament. IBC got President's assent on May 2016 and was put into effect thereafter. Certain provisions of the act were imposed in August in the same year. It will ease insolvency processing for individuals, companies, and partnership firms. This insolvency exercise must complete within 180[14] days period. However, for the start-ups and small firms, insolvency must be completed in 90 days. The immediate effect came in multiple settlements and 2,100 companies settled an amount of ₹83,000 crore dues to banks, which highlights the vitality of this reform[15].

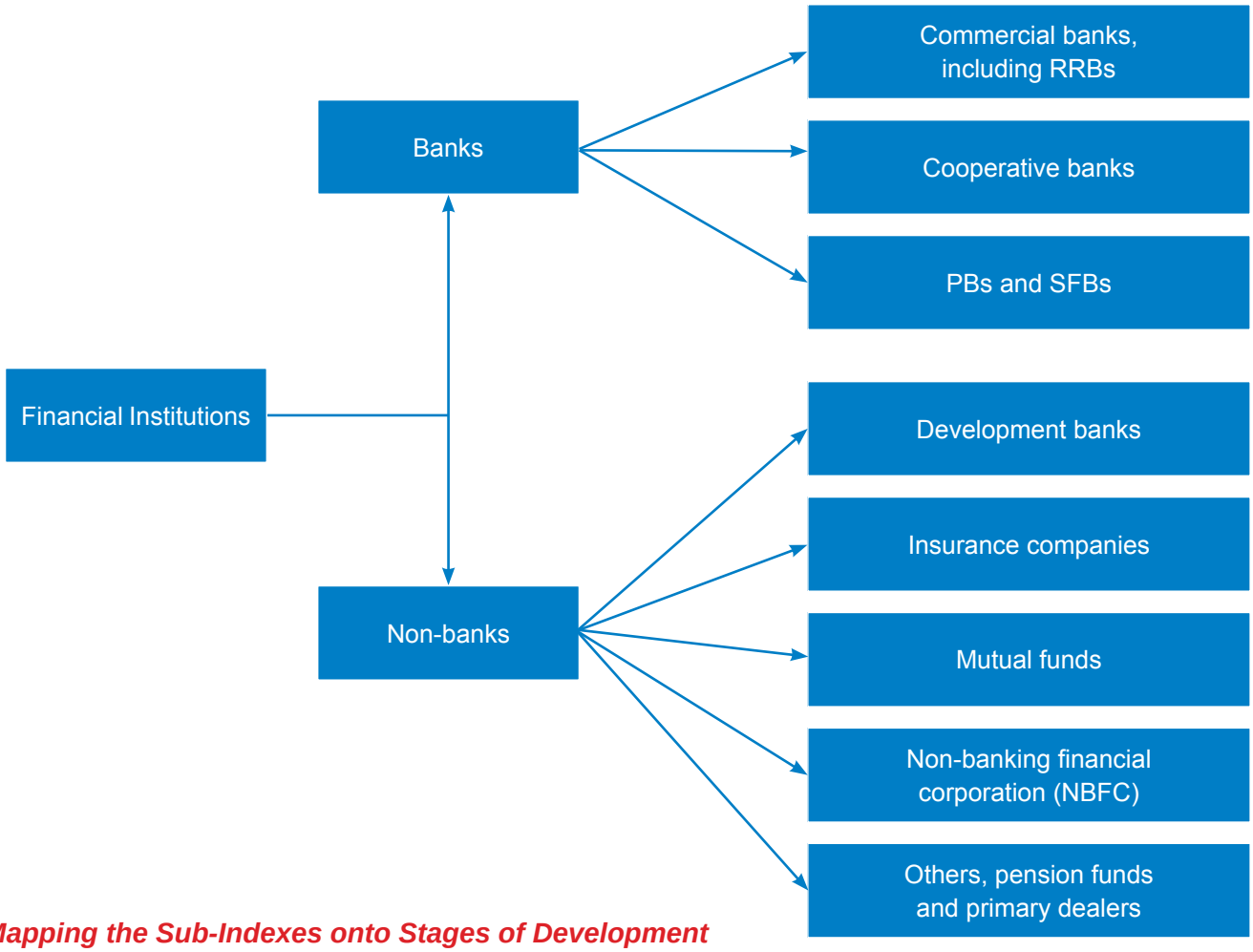
1.5 Classification of Economies

It is now widely accepted that entrepreneurship plays a pivotal role in economic development. However, the policy support system for creation of high growth and high impact firms that drive economic dynamism is missing. In his classical text, Rostow (1960) proposed a five stage economic growth, through which countries pass. He was followed by Michael Porter (2002) who advocated a modern interpretation of the stages of economic growth. He identified a three stage development process (as opposed to growth): a factor-driven stage, an efficiency-driven stage and an innovation-driven stage, Porter's model talks of the recent developments in the economics of knowledge and innovation.

In factor-driven economies, according to Porter, high rates of agricultural self-employment is a significant marker. Secondly, he defines efficiency-driven economies as those that demonstrate efficient productive practices in large markets in order to allow companies

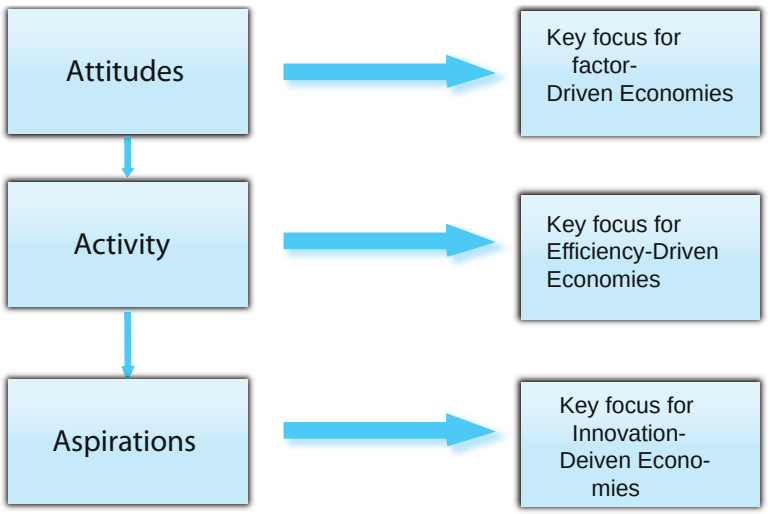
[14] https://www.pressreader.com/india/financial-chronicle/20170822/282037622282826
[15] https://timesofindia.indiatimes.com/business/india-business/owners-settle-rs-83k-crore-bank-dues/articleshow/64279946.cms

Figure 1.3: *Banking and financial institutions in India*



Mapping the Sub-Indexes onto Stages of Development

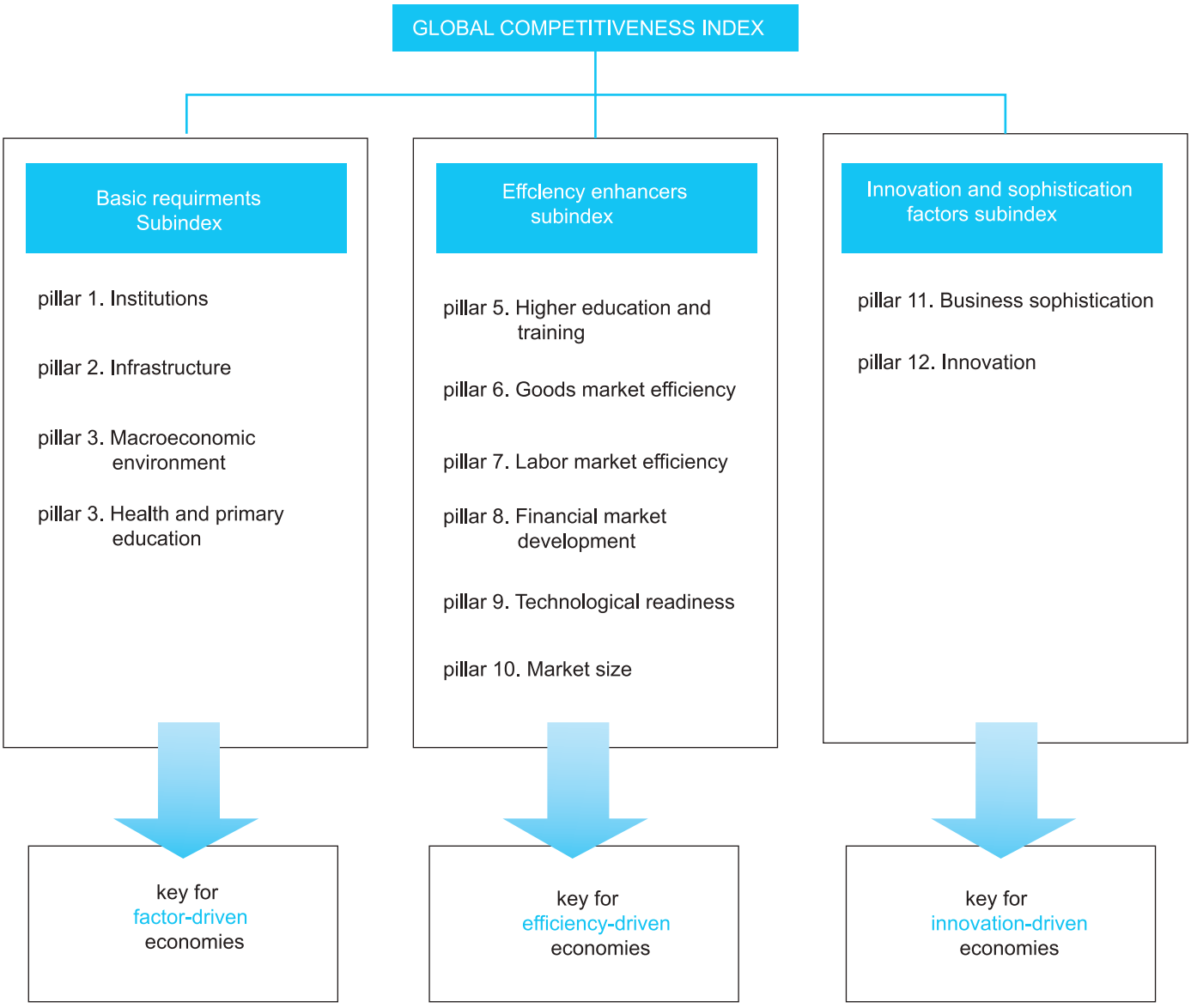
Figure 1.3: Mapping the Sub-Indexes onto Stages of Development



to exploit economies of scale. These economies are faced by a decreasing rate of self-employment. And thirdly, innovation-driven economies, according to Porter are marked by increase in knowledge-intensive activities as knowledge provides the necessary key input. This stage is more biased towards high value-added industries in which entrepreneurial activity is important[16].

[16] https://www.imperial.ac.uk/business-school/research/innovation-and-entrepreneurship/events/conferences/gedi/about-gedi/

Figure 1.4: *Classification of economies*



Source: WEF's Global Competitiveness Report 2017–2018

Table 1.1: *A classification of BRICS economies*

Categories	Brazil	Russia	India	China	South Africa
Population (million)	204.5	146.3	1,292.7	1,374.6	55.0
GDP (billion)	1,772.6	1,324.7	2,090.7	10,982.8	313.0
GDP per capita (US$)	8,670.0	9,054.9	1,617.3	7,989.7	5,694.6
World Bank's ease of doing business rank	116/190	51/190	130/190	84/190	73/190
WEF's global competitiveness rank	81/138	43/138	39/138	28/138	47/138
Economy development phase	Efficiency-driven	Factor-driven	Factor-driven	Efficiency-driven	Efficiency-driven

Source: Compiled from *GEM Global Report 2016–2017*, *Doing Business Report 2017*, published by the World Bank and *Global Competitiveness Report 2016–2017*, published by the WEF

1.6 Doing Business in India

Prime Minister Narendra Modi's efforts in building India's global appeal for investors has finally shown the signs of new hope and improvement in the World Bank Doing Business rankings. India witnessed its highest-ever jump of 30 places in the rankings, reaching the 100th place among 190 countries. Subsequently, it also joined the list of top 10[17] improvers for the first time and became the first South Asian country to achieve the feat. Financial inclusion, MUDRA scheme, Digital India, surge in foreign investment, and Start-up India are among the many endeavours being undertaken by this government. These policy interventions are pushing India as a favourable destination for doing business. According to the data released by the Ministry of Corporate Affairs, as on 31st December 2017, a total of 1,720,682[18] companies were registered in the country. The results of these policies are visible and during the past 2 years, India has been making a significant improvement in its position at the WEF's Global Competitiveness Index. India climbed up to 39th position in 2016–2017, from the previous 55th, a year ago[19]. Similarly, in the Global Innovation Index rankings, India stood at 60 among 130 participating countries[20].

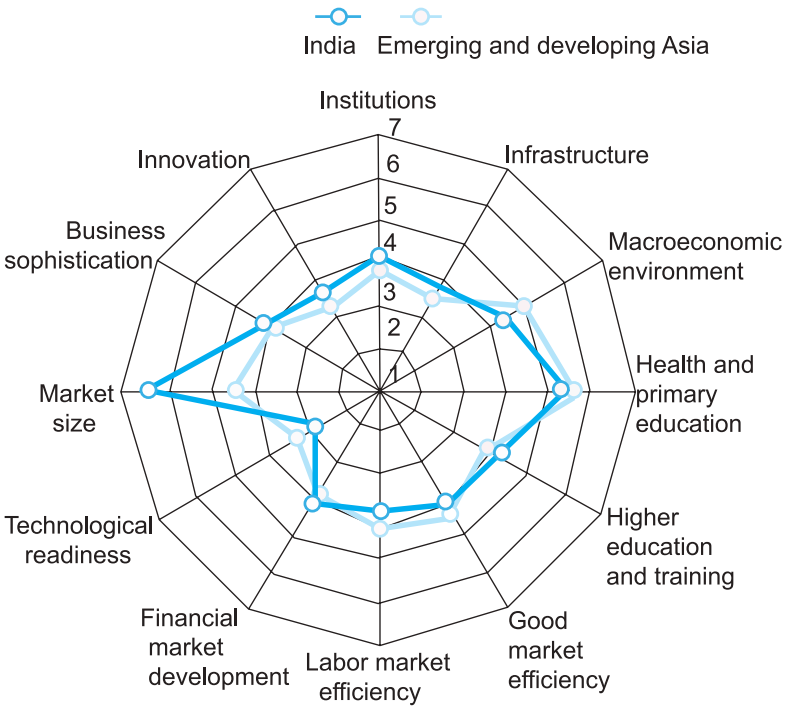
GCI Report 2017–2018[21]:

India also improved its ease-of-doing-business rank to 130 in 2016, among 190 participating countries. This change has occurred due to constant improvement in

GLOBAL COMPETITIvENESS INDEx

Figure 1.3: *Global competitive index report: India highlights 2017-18*

	PILLARS	2015-16 (Rank/140)	2014-15 (Rank/144)
	Basic Requirements (60%)	**↑ 80**	**92**
1st	Institutions	↑ 60	70
2nd	Infrastructure	↑ 81	87
3rd	Macroeconomic enviroment	↑ 91	101
4th	Health and primary education	↑ 84	98
	Efficiency enhancers (35%)	**↑ 58**	**61**
5th	Higher education and training	↑ 90	93
6th	Goods market effciency	↑ 91	95
7th	Labour market effciency	↑ 103	112
8th	Financial market development	↓ 53	51
9th	Technological readiness	↑ 120	121
10th	Market size	↔ 3	3
	Innovation and sophistication factors (5%)	**↑ 46**	**52**
11th	Business sophistication	↑ 52	57
12th	Innovation	↑ 42	49



[17] https://economictimes.indiatimes.com/news/economy/indicators/is-doing-business-in-india-really-easier-now/articleshow/61542423.cms

[18] The Global Competitiveness Report 2017–2018.

[19] *Global Competitiveness Index 2017*, published by the WEF.

[20] *Global Innovation Index 2017*, published by Cornell University, INSEAD and World Intellectual Property Organisation.

[21] http://www3.weforum.org/docs/GCR2017 018/05FullReport/TheGlobalCompetitivenessReport2017%E2%80%932018.pdf

varied parameters that addressed concerns on conducting business in India. As highlighted by the report, some of the noteworthy reforms were in the areas of electricity, tax-paying, trading across borders and enforcing contracts, and resolving insolvency[22].

Insolvency bill and GST implementation will also help the country to gain new heights. Other reforms which are still stringent need to be distilled out for the country's benefit. The developing nature of the country is fast bringing new changes, however, a proper ecosystem must be provided to eradicate many invisible difficulties for indigenous and foreign investors. The implementation of more flexible reforms and eradication of negative linkages in the business environment of the country will help us to be more highlighted and competitive with peer EMDEs.

A comparison of India vis-à-vis its peers in the BRICS economies reflects that India has the highest number of bureaucratic procedures to comply before starting a business, which is 13. With 26 days as the total number of days required to start a business, India stands second while Russia ranks first with 10 days.

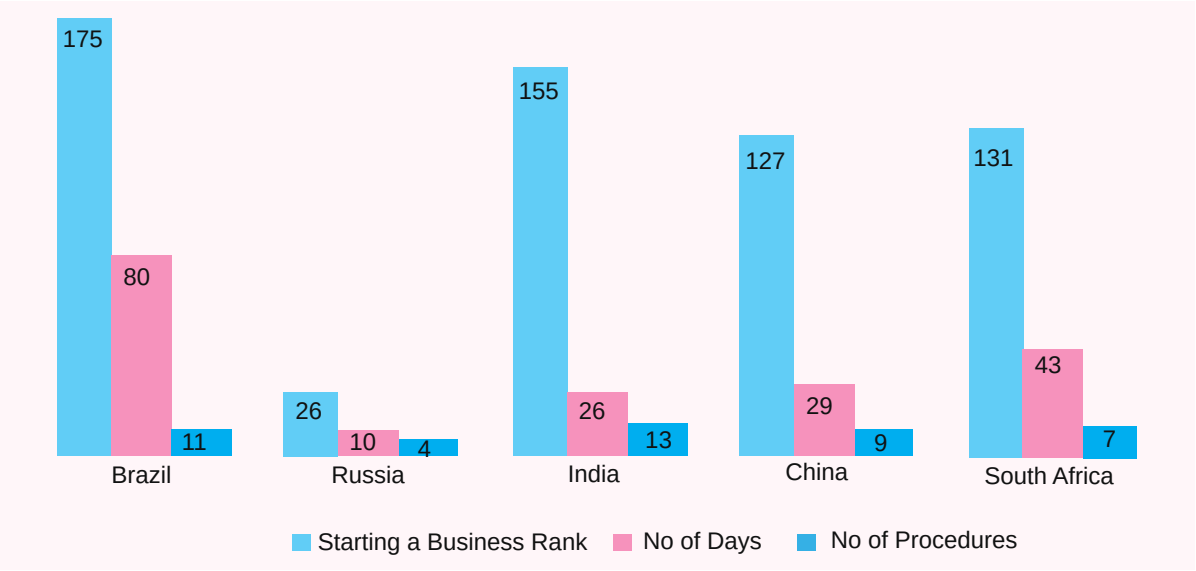
Among its peers in the factor-driven economies, India stands at the bottom in all the major parameters outlined above. Hence, India needs to speed up its economic reforms agenda to clear the hurdles in its path of progress.

Table 1.2: *Year-wise comparison of India's ranking across parameters prescribed for ease of doing business*

S. No.	Parameters	2015–2016	2016–2017
1	Starting a business	151	155
2	Dealing with construction permit	184	185
3	Getting electricity	53	26
4	Registering property	140	138
5	Getting credit	42	44
6	Protecting minority investor	10	13
7	Paying taxes	172	172
8	Trading across borders	144	143
9	Enforcing contracts	178	172
10	Resolving insolvency	135	136

Source: http://www.doingbusiness.org/data/exploreeconomies/india

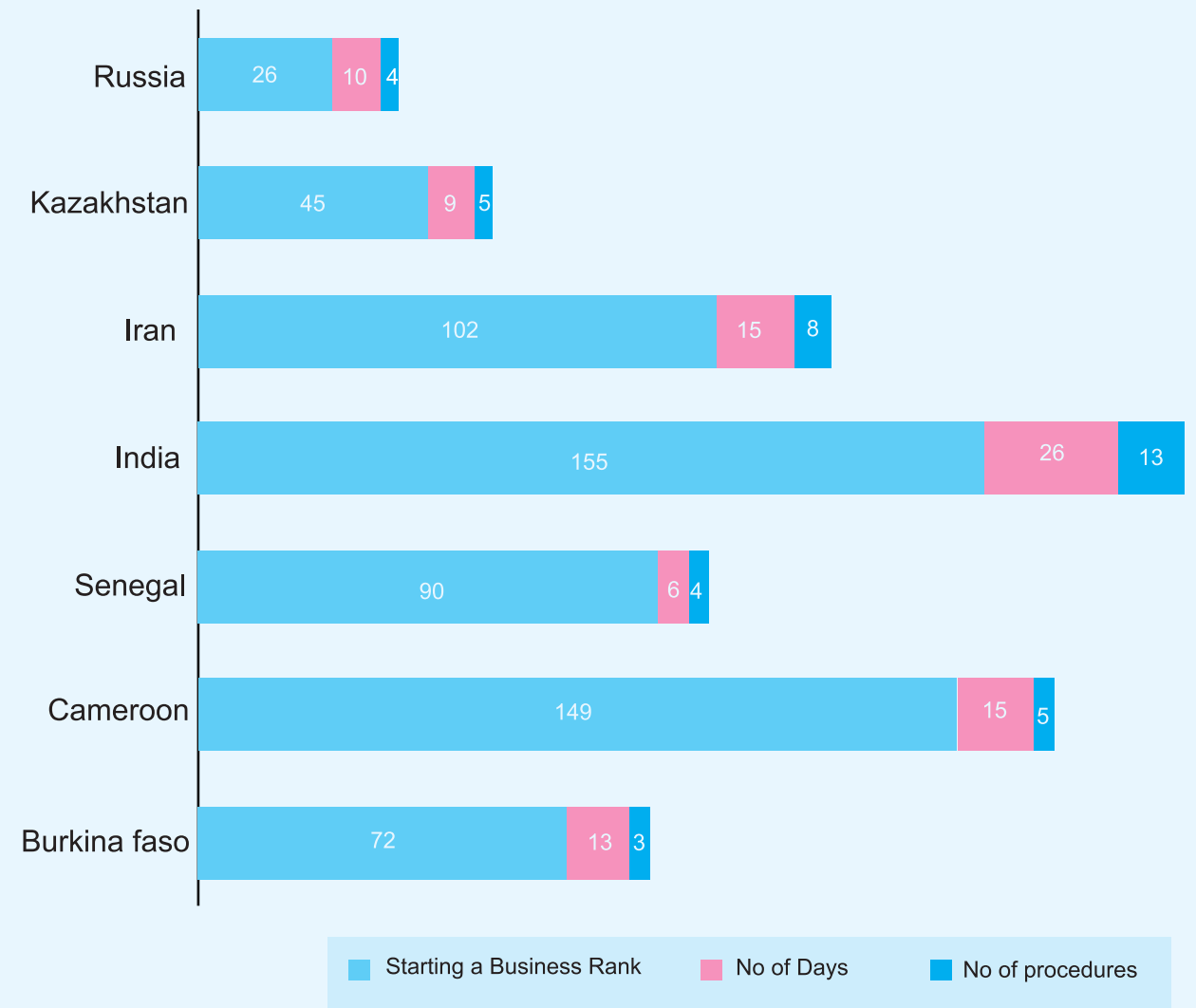
Figure 1.4: *Starting a Business in BRICS Economies*



Source: Doing Business Report 2017, published by World Bank

[22] *Doing Business Report 2017*, published by World Bank.

Figure 1.5: *Starting a Business in the Factor-driven Economies*



Source: Doing Business Report 2017, published by World Bank

The Department of Industrial Policy and Promotion (DIPP) in collaboration with World Bank Group has started to undertake an assessment of implementation of business reforms in the country. This assessment will help to comprehend the extent to which states and union territories have implemented DIPP's 340-point Business Reforms Action Plan (BRAP) covering the period 1st July 2015 to 30th June 2016. These reforms include recommendation on 58 regulatory processes, practices, policies, and procedures spread across 10 reform areas, spanning the lifecycle of a typical business.

Based on percentage scores, the states were classified into four categories:

1. Leaders, with an overall implementation status of 90–100%;
2. Aspiring leaders, with implementation status between 70% and 90%;
3. Acceleration required for states with implementation status between 40% and 70%;
4. Jumpstart needed for states with implementation status between 0% and 40%.

What New has been added to Ecosystem?

- Latest in 2018, doing business was made easy by merging application and improving online application system for both Permanent Account Number (PAN) and Tax Account Number (TAN).
- In Mumbai and New Delhi, the cumbersome process of construction permits has been eased by making it more easy and transparent.
- The e-Biz portals of the DIPP integrate numerous processes

across government departments which directly helps in the incorporation of a company.

- Doing away with requirement for minimum paid-up capital: The requirement for the minimum paid-up share capital has been done away with.
- Making tax laws simpler: Considering the recommendations of Easwar Committee for simplification of tax laws, the government exempted non-residents of possessing PAN for lower tax deduction at source.
- Small Industries Development Bank of India (SIDBI) came out with a ₹2,000 crore India Aspiration Fund (IAF) in August 2015 and Make in India Loan for Small Enterprises (SMILE) scheme of ₹10,000 crore to boost the start-ups' fund-of-funds and equity investments in the country.

Figure 1.6: *Top 10 States for Ease of Doing Business in 2016*

Source: Assessment of Implementation of Business Reforms 2016, published by the DIPP

1.7 Entrepreneurship and Economic Development: A Background

Entrepreneurship is embedded in the society since ages. Since the last five decades, a more rigorous growth has been witnessed from successful economic structural transformations (such as in East Asia), mixed-success transformations (as in many countries of the former Soviet Union), rapid innovation episodes—sometimes accompanied by high growth (such as in Finland, India, Ireland, and the United States to an extent), moreover added by growth stagnation, collapse, and persistent conflict (as in many African countries). The role of private sector has been enormous in stimulating many of these economies such as Brazil, China, India, and South Africa (described as "southern engines of growth") and others felt the need for private sector to strengthen their fragile and failed states, such as Somalia, DR Congo, and others (Naudé 2007). Entrepreneurship as a hope has not only helped the developing world but in the United States calls have been made for more support to entrepreneurs, which is seen as indispensable for the United States to regain a competitive lead in the world economy (Naude, 2008).

Entrepreneurship is widely seen as an important driver of economic development as it leads to employment generation and innovation proliferation (Chinitz 1961; Saxenian 1994; Rodriguez-Pose and Crescenzi 2008; Andersson and Koster 2011). Economic development is a fundamental aspect of human existence. It is the process of structural transformation of an economy towards a modern, technologically advanced economy based on services and manufacturing. Entrepreneurship and other economic aspects such as jobs, incomes, employment, and population play important role in shaping economic policies affecting both urban and rural areas. These different aspects have been supported by a large regional economics literature that reports both the causes and results of entrepreneurship at different

levels of analysis (Audretsch 2003; De Groot et al 2009; Acs et al. 2009; Glaeser et al. 2010, 2014; Andersson et al. 2011; Stam 2014).

Moreover, the impact of regionally active individuals and their actions with a local context (Acs et al. 2014; Stam 2014) and specialisation externalities in particular industries and geography (Marshall 1890; Jacobs 1969) affect the quality of economic development and value creation.

Solow's model of economic development came under criticism when economists talked of a knowledge-based economy which is a better predictor of growth (Romer, 1986; Krugman, 1991). However, this seems to work against entrepreneurship as small firms cannot invest heavily in R&D (pre-requisite for knowledge generation). Despite such negative predictions, entrepreneurship has evolved as a key activity for fostering prosperity all over the world, and has proved to be a powerful determinant for global growth, innovation, and employment[23].

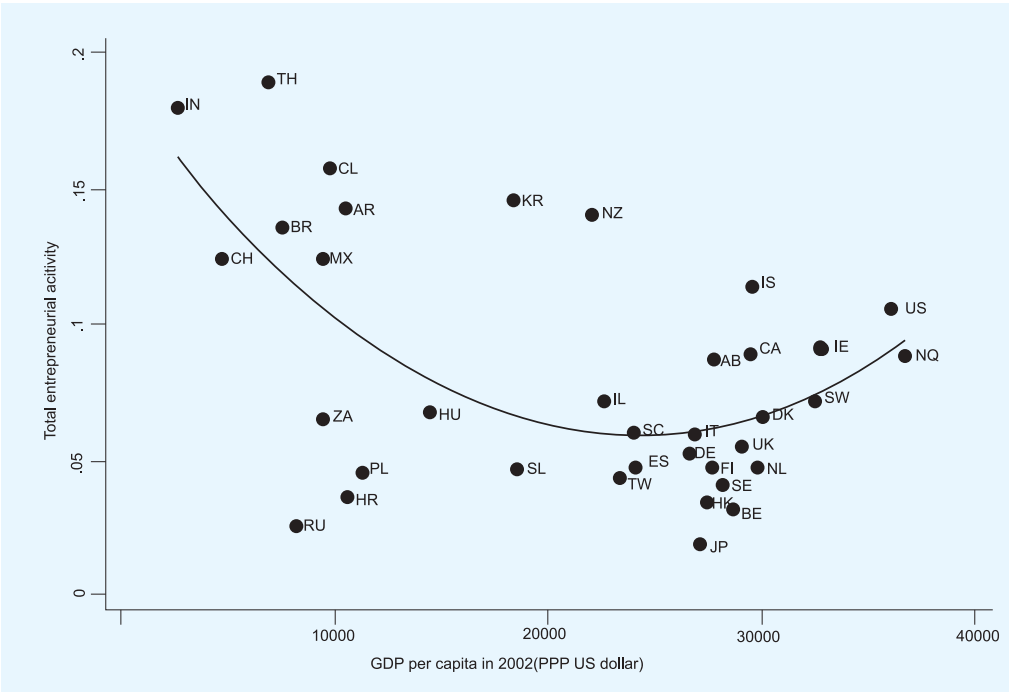
Cross country data gathered by the GEM, Wennekers et al. (2005), Acs (2006), and Amorós et al. (2007) highlighted a U-shape relationship between self-employment, total entrepreneurial activity (TEA—a measure of nascent entrepreneurship), and per capita income. This relationship is depicted in the below figure, using GEM data on TEA from 37 countries in 2002. The relationship has been found to hold true for self-employment rates and GDP per capita (Naudé and Wim (2008): Entrepreneurship in Economic Development, Research Paper, UNU-WIDER, United Nations University (UNU), No. 2008/20, ISBN 978-92-9230-066-1, UNU-WIDER, Helsinki).

The entrepreneurial economy is gradually making its way in the world, with knowledge-driven goods and services having higher degree of flexibility. Against a backdrop of volatility, uncertainty and complexity in the global economic scenario, entrepreneurs are acting as agents of change by confronting the challenges on account of their agility, innovative mind-set, ability to ride the wave of new technology and attract talented young professionals.

Entrepreneurial Ecosystem, Regions and Economic Development

Further to the discussion on entrepreneurship is the presence or absence of an entrepreneurship ecosystem which has a significant role for fostering entrepreneurial activities in a country or region. Entrepreneurship ecosystem is defined as "a set of interconnected entrepreneurial actors (business

Figure 1.6: *The relationship between entrepreneurship and economic development*



Source: Van Stel et al. (2005:319); World Bank (2007)

[23] Carree & Thurik (2003) *Impact of Entrepreneurship on Economic Growth. Handbook of Entrepreneurship Research.* Springer.

angels, banks), institutions (universities, public sector agencies, financial bodies), and entrepreneurial processes (e.g., the business birth rate, numbers of high-growth firms, levels of 'blockbuster entrepreneurship', number of serial entrepreneurs, degree of sell-out mentality within firms and levels of entrepreneurial ambition), which formally and informally coalesce to connect, mediate, and govern the performance within the local entrepreneurial environment"[24].

In recent years, a particularly influential approach has been developed by Daniel Isenberg at Babson College, who has started to articulate what he refers to as an "entrepreneurship ecosystem strategy for economic development". He maintains that such an approach constitutes a novel and cost-effective strategy for stimulating economic prosperity. According to him, this approach potentially "replaces" or becomes a "precondition" for the successful deployment of cluster strategies, innovation systems, knowledge economy, or national competitiveness policies. He identifies six domains within the entrepreneurial system: a conducive culture, enabling policies and leadership, availability of appropriate finance, quality human capital, venture-friendly markets for products, and a range of institutional supports[25].

In addition, McKinsey has developed a composite index to measure the quality of entrepreneurial context of a nation, which rests on three pillars—a fertile entrepreneurial ecosystem, financing new ventures, and infusing an entrepreneurial culture (Table 1.6).

The term ecosystem was originally coined by James Moore in an influential article in the *Harvard Business Review,* published during the 1990s[26]. He claimed that businesses do not evolve in a "vacuum" and noted the relationally embedded nature of how firms interact with suppliers, customers and financiers.

1.8 Entrepreneurship Development in India: Progress and Challenges

Historical evidences suggest that India has been among the largest and advanced economies in the world. It was carrying out trade with several countries, including those in the European continent, during the 15th and 16th centuries. Special social groups and business communities of India have been involved in numerous businesses

Table 1.3: *Pillars of entrepreneurial context*

Ecosystem	Financing	Culture
• Protective and fluid environment ▪ Intellectual property protection ▪ Ease of doing business ▪ Judicial independence ▪ Low level of irregular payments and bribes • Quality of education ▪ Quality of management schools ▪ Overall quality of education system • Burden of tax and regulation ▪ Burden of government regulation ▪ Extent and effect of taxation • Collaboration ▪ State of cluster development—university-industry collaboration in R&D ▪ Administrative burden in starting a business ▪ Number of procedures ▪ Time required ▪ Cost of starting a business	• Ease of access to loans • Perception of venture capital availability • Financing through local equity market • Value per capita of venture capital investment • Number of venture capital deals	• Perception of personal capabilities and opportunities ▪ Perceived opportunities ▪ Perceived capabilities • Perception of entrepreneurship ▪ Entrepreneurship seen as a good career choice ▪ High social status for successful entrepreneurs • Attention to entrepreneurship ▪ Media attention on entrepreneurship ▪ Role of schools in helping understand entrepreneurship • Inclination to entrepreneurship ▪ Entrepreneurial intentions ▪ Fear of failure

Source: "The Power of Many" McKinsey Report 2011

[24] *Entrepreneurial Ecosystem and Growth*, working paper published by OECD, 2014.
[25] *Six domains of Entrepreneurial Ecosystem*, developed by Daniel Isenberg (2011) at Babson college.
[26] *Predators and Prey: A new Ecology for Competition, Harvard Business Review*, May–June 1993 Issue

and entrepreneurial endeavours. These groups nourished with entrepreneurial qualities of a risk-taking aptitude, trading on a difference and a speculative attitude toward transactions, have been mainly conducting trade in India (Medhora, 1965).

During the colonial period, an unusual form of institution flourished, called the "Managing Agency Firms"[27]. The businessmen operating through the managing agency firm were the real entrepreneurs in India. They were the ones primarily responsible for the introduction of new products, new methods of production, and new sources of raw materials; they discovered and exploited new markets and usually undertook whatever reorganisation Indian industry has experienced[28]. During the late 19th century, followed with restrictions imposed by the British Raj, modern industries came up in India. This clearly shows that India already had a well-exhibited culture of entrepreneurship before independence[29].

A paper published by the Ministry of Finance in July 1993 reads the objective of the reforms as "*To bring about rapid and sustainable improvement in the quality of the people of India. Central to this goal is the rapid growth in incomes and productive employments. The only durable solution to the curse of poverty is sustained growth of incomes and employment. Such growth requires investment in firms, in roads, in irrigation, in industry and above all in people and this investment must be productive".*

The set of reforms were a boon for the private companies. Soon, India witnessed a steady rise in the number of entrepreneurs spanning across diverse fields. In the traditional private companies, established during the middle 19th and early 20th centuries, the next generation took charge over the businesses, the most notable phenomena being the rise of a new set of technocrat-turned entrepreneurs having no previous background of business. These new entrepreneurs entered the territory and founded businesses that later competed globally.

India, a Young Country: Status of Youth and Opportunities

In the beginning of the 21st century, India was projected as a young nation. India is likely to have the world's largest workforce by 2027, with a billion people aged between 15 and 64[30]. Recently, a book published by a Delhi-based journalist, *Dreamers: How Young Indians Are Changing the World*, talks about the power of being populated with young people. India is a country where about 600 million people, more than half of India's population, are under 25 years old; no country has more young people. "No matter how poorly placed they find themselves now," writes the book's author, Delhi journalist Snigdha Poonam, "they make up the world's largest ever cohort of like-minded young people, and they see absolutely no reason why the world shouldn't run by their rules." The effect, Poonam says, will be to "change our world in ways we can't yet imagine"[31]. It is expected that by 2020, the average age of an Indian will become 29 years[32]. With rise in the population of youths, India will face multiple challenges in terms of job creation and employment, highlighted the report. The report also suggested that the employment scenario was struggling to keep pace with the economic development in the country. The unemployment rate was reported to be 4.8%, highest in the past 2 years. According to the data released by OECD, more than 30% Indian youth (aged 15–29) are neither in employment nor in education or training. This is double than the OECD average and three times that of China[33].

The phenomena of young population have both positive and negative implications for the Indian economy. The positive effect would be a greater share of the population working and earning, thus increasing their savings, taxes, and consumption, which would lead to increased demand for goods and services. This shift will provide necessary boost to the economy and power investments in healthcare, education, and other building blocks, and lead to a prosperous future. The transition can ideally be termed as "reaping

[27] For a better understanding of the Managing Agency Firm, read the article *Managing Agency Systems Far From Dead,* written by R.K. Hazari and published in *Economic and Political Weekly*, 1965.

[28] Daniel H. Buchanan, Development of Capitalistic Enterprise in India (New York: 1934), p. 145.

[29] The Hindu rate of growth was a term given by Indian Economist Raj Krishna and later popularised by Robert McNamra. It refers to the low rate of growth achieved by India post-independence in comparison to other export-oriented Asian economies.

[30] https://www.bloomberg.com/view/articles/2017-09-08/india-s-youth-are-the-world-s-future

[31] https://www.theguardian.com/commentisfree/2018/jan/13/india-600-million-young-people-world-cities-internet

[32] *The 2015 Revision Population Database,* published by United Nations Population Division.

[33] *OECD Economic Survey India 2017*.

the demographic dividend".

The policies should focus on education, skill development, entrepreneurship, and innovation. The Indian government, at present, is working to create jobs by promulgating policies, e.g., 'Skill India', to offer skill training to millions of youths and prepare them for job prospects; 'Start-up India', 'Stand Up India', for entrepreneurship development with an aim to promote a healthy start-up ecosystem in the country and 'Make in India', to ensure a growth vibrancy in the manufacturing sector and thus facilitate ease of doing business for SMEs in India.

India has witnessed a phenomenal progress of the technology start-up ecosystem in last 10 years. The period was marked by the inception of several thousands of start-ups, rise of unicorns with a total current market valuation of over US$ 32 billion and the emergence of category leaders in areas of Robotics, Analytics, Edu-Tech, Health-Tech, Fintech, etc. In 2017, the start-up base in India, expected to cross 5,000 with a 7% growth from 2016. NASSCOM, 2016 report says start-ups have generated employment for close to 85,000 people, and have secured funding of about ₹3.8 billion[34].

India Start-up Outlook Report 2016 affirms that Delhi emerged as the most sought-after location for starting new venture from a demographic angle and Bengaluru and Mumbai were the next preferred start-up hubs. An industry wise analysis revealed that irrespective of the funding, consumer internet and e-commerce remained the most popular segments.

It showed that 41% of the VC-funded start-ups had women founders or CXO-level executives while this number stood at 31% for bootstrapped ventures and at 29% for ventures with angel funding[35].

The ecosystem for both technology and traditional start-ups has been expanding at a rapid pace. This has resulted in the emergence of a number of home-grown unicorns[36] across the country, Flipkart, Paytm, Urban Ladder, OLA Cabs, Snapdeal, Zomato, InMobi being few of them. There has been a significant rise in the number of co-working space, incubators, and accelerators in India. Presently, 280 of these are operational in the country, as per the reports of National Institution for Transforming India (NITI) Aayog. This number grew at a rate of 40% year-over-year (YOY) in 2016[37].

Table 1.4: *Start-up India Action Plan highlights*

S. No.	Broad Plan	Highlights of the Plan
1	Funding	• A corpus of ₹10,000 crore to be invested in start-ups over the next 4 years • Credit guarantee fund of ₹500 crore
2	Compliance	• Start-ups can self-certify compliances with nine labour and environment laws • No inspection for a period of 3 years • The Bankruptcy Bill 2016
3	Taxation	• Tax exemption for 3 years • Tax exemption in investment above fair market value • Tax exemption on capital gains • Relaxed norms of public procurement
4	Innovation	• Atal Innovation Mission • Faster patent examination with government bearing the cost of facilitation up to 80% • Innovation awards per state • Innovation centres at national Institutes • Seven new research parks • Promoting innovation at school level with prototyping support • Annual incubator grand challenge
5	Infrastructure and Support Service	• A dedicated mobile app and portal • Start-up India hub

Source: Start-up India Action Plan, unveiled on January 2016, accessed from *startupindia.gov.in*

[34] *Indian Startup Ecosystem Maturing* 2016—An ASSOHAM-Zinnov report.
[35] InnoVen Capital "India Startup Outlook report", 2016.
[36] A unicorn is a startup company valued at over $1 billion. The term was coined in 2013 by venture capitalist Aileen Lee.
[37] *Indian Startup Ecosystem Maturing 2016*—An ASSOHAM-Zinnov report.

There is a significant presence of major global VCs and hedge funds from both the West and the East. These include Tiger Global, Sequoia Capital, Accel Partners, Matrix Partners, Inventus Capital, Nexus Venture Partners, Norwest Venture Partners, Bessemer Venture Partners, CapitalG, IDG Ventures, DST Global, Intel Capital, and Qualcomm Ventures from the West. Japan's SoftBank and Singapore's Temasek are among major investors from the East. Chinese giants—Alibaba and Tencent—have also been picking up stakes in Indian start-ups.

The present National Democratic Alliance at Centre, showing agility to assess the concerns of start-ups, launched the Start-up India Action Plan in January 2016. The plan outlined a 19-point action plan to help the start-up ecosystem and clear the logjam relating to matters like compliance and taxation, and promote innovation.

Women Entrepreneurship and Women Entrepreneurs of India

In the latest edition of *Entrepreneur*, expert speak, Nobel laureate Muhammad Yunus says that "If illiterate and poor women can transform themselves in to entrepreneurs, imagine what millions of high school and university graduates around the world, empowered by enormously powerful technology, can do". Micro-credit and other financial, training, mentoring have helped thousands of women to uplift and create their own space.

Perception towards women as a mute member in a patriarchal society has begun to change across the world. Such progressive mind-set has given women their rights and agency back to them and has increased their participation in social, political, and economic aspects. Women have come up in life on par with their male counterparts, and organisations and supportive systems across the world have brought gender and development into light which helped build the capacity and entrepreneurial skills of women in many countries. Developed countries have shown better improvements but women in underdeveloped countries represent a largely untapped pool of entrepreneurial talent.

In the overall countries studied through (GEM) project, it is evident that involvement of women in entrepreneurial activities is lesser than men. There is perhaps no greater initiative a country can take to accelerate its pace of entrepreneurial activity than to encourage more of its women to participate. Gender distinctions created on economic and social basis cause a negative impact on the education, work, health, and political participation of women. In a study conducted by the *Global Entrepreneurship Monitor* in 2015, on women entrepreneurship, it was found that women entrepreneurship rose by 6% worldwide in the past 2 years.

The *Mastercard Index of Women Entrepreneurs (MIEW) Report 2017* found that indicators such as, support for SMEs, financial inclusion of women, ease of doing business, quality of governance', cultural perception of women entrepreneurs, and entrepreneurship supportive factors are the strongest enablers of women ownership of businesses. It also predicted few enabling factors such as a positive business mind-set, sheer drive and determination to succeed, and high ability to identify good business opportunities, as crucial, as was found in the *GEM Report* too.

The *MIEW Report* also suggested that some of the most common and biggest constraints to women business ownership are lack of financial funding/venture capital, regulatory restrictions and institutional inefficiencies, lack of self-belief or entrepreneurial drive, fear of failure, socio-cultural restrictions, and lack of training and education. In almost all the 54 economies evaluated, at least one or more of these constraints were holding back the progress of women in the field of business/ entrepreneurship.

Historical evidence suggests that in India, representation of women entrepreneurs was abysmally low during both the colonial and post-independence era, much attributed to the social setup and the role entrusted upon women. Despite the barriers, three organisations—Shri Mahila Griha Udyog Lijjat Papad[38] founded in 1959, Self Employed Women's Association (SEWA)[39] founded in 1971, and Biocon[40] founded in 1978—were founded by women.

[38] Started by seven housewives by taking out time from their household chores and making rolled *papads* at Girgaum at Mumbai in 1959, with a modest sum of ₹80. Today, the organisation has 43,000 sisters engaged, with annual sales revenue crossing ₹650 crore. To know more, visit *www.lijjat.com*

[39] SEWA, founded by Dr. Ela Bhatt, is an organisation that unites petty workers and self-employed females. The trade union was registered in the year 1972. To know more, visit *www.sewa.org*

[40] Founded by Dr. Kiran Majumdar Shaw as an enzyme-manufacturing company, expanded to a full-fledged biopharmaceutical company later on. It employs over 3,000 bio scientists, engineers, and managers. To know more, visit *www.biocon.com*

The history and legacy of these organisations explains the potential of women as entrepreneurs. During Liberalisation, there was a push towards women entrepreneurship across small businesses, with several women-centric institutions cropping up, such as Federation of Indian Women Entrepreneurs (FIWE) and Consortium of Women Entrepreneurs of India (CWEI). To support women entrepreneurial initiatives, many banks, viz. Small Industries Development Bank of India (SIDBI), National Agricultural Development Bank of India (NABARD), State Bank of India (SBI), and Punjab National Bank (PNB), started to offer credit assistance to women. Several government schemes were also launched to provide necessary momentum to women entrepreneurship in the country. Some of the schemes are mentioned below:

- With its launch in 1986, Special Training and Employment Programme for Women (STEP) assisted women groups to set up their own businesses and get out of poverty and, therefore, improve their social status by creating self-help groups (SHGs).
- National Credit Fund for Women, also known as Rashtriya Mahila Kosh (RMK), was set up in 1993 to provide micro-credit to poor Indian women, by provision of loans by microfinance institutions (MFIs).
- Integrated Women Empowerment Programme or Swayam Sidha Scheme was launched in 2001. It extended the STEP by putting more emphasis on its first stage. After the creation of the initial SHGs, Swayam Sidha Scheme requires them to federate into Village Societies, including representatives of each SHG and local functionaries. These Village Societies then federate into Block Societies (the block being the administrative unit directly under the district), that could ask for registration as a non-profit society. The aim is to strengthen the links between women SHGs and make them more powerful.
- Under the Prime Minister's Employment Generation Programme (PMEGP), the share of the government grant in setting up a microenterprise has risen from 15% to 25% in urban areas and from 25% to 35% in rural areas, when the beneficiary is a woman. Additionally, the share of the project cost, to be supported by the beneficiary, drops from 10% to 5%, the remaining 60–70% being covered by a bank loan.
- Under the Micro and Small Enterprises–Cluster Development Programme (MSE–CDP) created in 2007, clusters with more than 50% of female-owned enterprises benefit from a government grant of 90% for both soft as well as hard interventions in training.
- Under the Credit Guarantee Fund Scheme for Micro and Small Enterprises, launched in 2000, the guarantee cover for women-owned businesses in case of default was extended to 80% of the bank loan, instead of the previous 75%.
- The Mahila Coir Yojana, managed by the Coir Board, Ministry of MSME, was launched in 1994 to modernise the traditional industry of the coir fibre by providing technical training (for a period of 2 months) and subsidies (up to 75%) for the use of motorised spinning machines.
- SIDBI also has its own scheme for women entrepreneurs, namely the Mahila Udyam Nidhi Scheme, to provide subsidised loans to female entrepreneurs in small-scale businesses. New as well as existing businesses can apply for assistance to upgrade technology, increase of production capacity, or financial bailout.
- Pradhan Mantri Mudra Yojana (PMMY) was launched in 2015, with an allocation of ₹20,000 crore for credit and financial assistance to MFIs and other agencies that lend money to small businesses with a nominal rate of interest.

Combining the concerted efforts at all levels and a rise in the number of educated women, the possibilities for women taking part in formal employment are aplenty, which further contributes to rise in the number of entrepreneurial ventures by them. The scenario for large family businesses once resistant to the idea of women leadership are now welcoming and favouring women entrepreneurs or leaders. The rate of growth of new-generation female entrepreneurs-led businesses gives direction to the entrepreneurial movement in the country. They are active in creating high-impact enterprises covering financial services, IT/ITES/e-commerce, life sciences, and small- and large-format retail businesses.

However, with majority of these ventures belonging to women from upper class, the middle and lower class is yet to join the league. The situation is changing rapidly, backed by the support of an ideal environment and infrastructure for the education of girls, including skill development, and a thriving ecosystem for the advancement of their entrepreneurship goals.

Table 1.5: *List of new-generation female entrepreneurs in India*

S. No.	Name	Name of Enterprise	Launch Year
1	Aditi Gupta	Menstrupedia	2012
2	Anu Acharya	MapMyGenome	2011
3	Falguni Nayar	Nykaa	2012
4	Meena Ganesh	Protea	2013
5	Nidhi Agarwal	KAARYAH	2015
6	Radhika Aggarwal	ShopClues	2011
7	Richa Kar	Zivame	2011
8	Sairee Chahal	Sheroes	2014
9	Shraddha Sharma	YourStory.com	2008
10	Suchi Mukherjee	Limeroad	2012
11	Upasana Takku	MobiKwik	2009

Source: Compiled from websites of the respective start-ups

1.9 Genesis of the Global Entrepreneurship Monitor (GEM), India

The GEM research was initiated in India by the N.S. Raghavan Centre for Entrepreneurial Learning (NSRCEL) at IIM Bengaluru in 2001. Following the successful accomplishment of GEM India Research Project 2001, it was undertaken again in 2002. Back then, the GEM research model was in its nascent stage and the "Assessment of Entrepreneurial Activity" in India was a novel concept. Prof. Mathew J. Manimala of NSRCEL, IIM-B conducted the GEM India survey during 2001 and 2002 under the GEM Research Project and delivered research work in the form of two annual reports. Subsequently, during 2006–2008, a team of Prof. I.M. Pandey, Prof. Ashutosh Bhupatkar and Prof. Janki Raman from the Pearl School of Business, Gurugram conducted the GEM India study. The surveys were conducted over a period of 3 years and its data featured in the *GEM Global Report* (2006, 2007 and 2008). The GEM India team, on the other hand, could not publish the national report during the same period. Moreover, due to some reasons, in the succeeding years, i.e. 2008–2011, the GEM India study was not undertaken.

GEM India Study (2012–2015)

In 2011, with an aim of continuing with the GEM India study, the heads of three institutions—Dinesh Awasthi (Entrepreneurship Development Institute of India or EDII, Gandhinagar), Krishna Tanuku (Wadhwani Centre for Entrepreneurship Development, Indian School of Business or ISB, Hyderabad), and Bibek Banerjee (Institute of Management Technology or IMT, Ghaziabad) along with Vijay Vyas (Faculty, Portsmouth Business School, UK) and Mathew J. Manimala (NSRCEL, IIM-B) discussed the possibility of forming the GEM India Consortium. Finally, the three institutions—EDII, ISB, and IMT Ghaziabad—formed a national-level consortium by signing a Memorandum of Understanding (MoU). The GEM India plus Consortium was formed on 2nd February 2012 for conducting the study over a period of 3 consecutive years, starting 2012 till 2015. All the three partnering institutions unanimously agreed to nominate EDII as the lead institution and Sunil Shukla, Director, EDII as the Team Leader. As per the stipulated requirements, GEM India plus Consortium conducted research studies during the years 2012–2014. The *GEM National Report 2014* featured the study results conducted during the year 2014.

GEM India Study (2015–2018)

To continue the GEM India study, GEM India Plus 2012–2015 Consortium was reconstituted. The present GEM India Team comprises EDII, Centre for Entrepreneurship Development Madhya Pradesh (CEDMAP), Bhopal and Jammu & Kashmir Entrepreneurship Development Institute (JKEDI), Srinagar. The three institutions signed a MoU on 11th April 2015 at EDII, Gandhinagar for conducting the GEM study over the next 3 years, starting April 2015. The institutions agreed to fulfil/complete the GEM annual cycle and its obligations, in a time-bound manner, to suit GEM's global schedule. Yet again, EDII was nominated as the Lead Institution as well as the Secretariat of the GEM India team, and Sunil Shukla was designated as the National Team Leader.

About the GEM India Partner Institutions

Being a pioneer in entrepreneurship education and research in India, EDII took the initiative of continuing GEM India study by reconstituting the consortium with new partners. For this, EDII initiated dialogue with two state-level institutions practising entrepreneurship, viz. CEDMAP, Bhopal and JKEDI, Srinagar. Subsequently, their individual strengths, capabilities, and enthusiasm for working together as partner institutions led to the formation of GEM India Consortium in April 2015.

ENTREPRENEURSHIP IN FOUR STATES

(GUJARAT, MADHYA PRADESH, CHHATTISGARH AND JAMMU & KASHMIR)

ChAPTER 2

A REVIEW OF ENTREPRENEURSHIP DEVELOPMENT IN GUJARAT




2.1 Introduction

Gujarat is situated in western India and shares its borders with Rajasthan in the north, Madhya Pradesh in the east, Maharashtra and the union territories of Daman & Diu, and Dadra & Nagar Haveli in the south. The Arabian Sea borders the state along its west and south-western boundary. The state is spread over an area of 196,024 km^2 and is home to nearly 62.7 million. The literacy rate of its population lies at 78.3%.

2.2 The Business Environment in Gujarat

2.2.1. An overview of Industry

Gujarat government in its socio-economic review 2017–2018 acknowledges the state as the growth engine of India. The state contributed 7.9% share of GDP. Gujarat is the third largest milk producer of India with 7.9% of the national production. Gujarat's dairy sector consists of 17 district milk producers' unions, with around 14,598 milk co-operative societies. The state's milk production, which stood at 12.1 million tonnes during 2015–2016, was the fourth largest in India. It also contributes 18% of total industrial production and is one of the best industrial states in India. CRISIL report "States of growth" says Gujarat is amongst the fastest-growing states of India between fiscal of 2013–2016. The per capita income (i.e., per capita NSDP) at market current prices has been estimated at ₹156,691 in 2016–2017 as against revised estimates of ₹140,273 in 2015–2016, showing an increase of 11.7% over the year 2015–2016. The average annual growth of gross state domestic product (GSDP) in Gujarat, from 2004–2005 to 2015–2016, stood at 12.02%. The state's net state domestic product (NSDP) expanded at a compounded annual growth rate (CAGR) of 11.78% from 2004–2005 to 2015–2016[1]. According to the assessment conducted by the DIPP, Gujarat was the second most preferred destination for investment during year 2016[2]. It also ranked first as per the N-SIPI 21[3], an index of National Council of Applied Economic Research (NCAER)'s State Investment Potential Index (N-SIPI) 2016, which evaluated each state on five key factors (labour, infrastructure, economic condition, political stability and governance, and perception of a good business climate). Gujarat is a leader in industrial sectors such as chemicals, petrochemicals, dairy, drugs and pharmaceuticals, cement and ceramics, gems and jewellery, textiles, and engineering.

Table 2.1: *At a Glance: Gujarat*

Capital	Gandhinagar
Language	Official language: Gujarati Other languages: Marwari, Hindi, Marathi, Urdu, Sindhi, and Kutchi
Area (km^2)	196,024
Per-capita gross state domestic product (GSDP) (US$)	2,619
Total population (million)	62.7
Literacy rate (%)	78.03
Number of districts	26
Major rivers	Narmada, Sabarmati, Tapi (or Tapti), and Mahi
Prominent cities	Ahmedabad, Gandhinagar, Surat, Vadodara, and Rajkot
Major tourist destinations	Great Rann of Kutch, Gir, Somnath, Dwarka, Gandhi Ashram, Calico Museum, Nal Sarovar, Lothal, Sarkhej Roza, etc.
Prominent airport	18
Prominent major and minor ports	1+41
Major industries	Chemical, petrochemical, textiles, pharmaceuticals, gems, and jewellery
Natural resources	Natural gas, limestone, manganese, bauxite, China clay, fire clay, calcite, dolomite, fluorspar, gypsum, bentonite, quartz, silica sand, and steatite

1. *https://www.ibef.org/download/Gujarat-January-2017.pdf*, Gujarat Budget Estimates 2016–2017.
2. *https://www.ibef.org/download/Gujarat-January-2017.pdf*
3. *Vibrant Gujarat Report 2016.*

The industrial sector comprises over 800 large industries and more than 453,339 MSMEs. The state supplemented the manufacturing thrust with focused efforts towards improving agricultural productivity and service-sector growth. Its agricultural GDP growth rate increased from under 2% in the 1980s and 1990s to more than 6% during the period 2000–2013. Gujarat has successfully developed world class infrastructure. There are 42 ports, 18 domestic airports, and 1 international airport. The state also has an extensive road and rail network. A 2,200 km gas grid supplies gas to the industrial areas.

The state attracted investment commitments worth US$ 1,407 million under Gujarat Textile Policy 2012, for varied units such as processing, spinning, weaving, made-ups, technical textiles, etc. By 2017, the government plans to create 2.5 million new jobs and attract investments worth US$ 3.06 billion. According to the DIPP, FDI inflows in the state of Gujarat totalled US$ 13.28 billion during April 2000–March 2016. Gujarat accounted for about 4.6% share in the overall FDI inflows in India.

There are 13 major industry groups that together account for around 82.05% of total factories, 95.85% of total fixed capital investment, 90.09% of the value of output, and 93.21% of value addition to Gujarat's industrial economy. Gujarat is a leader in industrial sectors such as chemicals, petrochemicals, dairy, drugs and pharmaceuticals, cement and ceramics, gems and jewellery, textiles, and engineering. The industrial sector of the state comprises of around 603,000 micro, small, and medium industries which provide employment to about 3,851,000 people.

The state's engineering sectors contribute around 18.0% to state's total industrial production and around 9.0% to the national engineering output. Gujarat accounted for 6% share in country's electronics production, 10.4% in basic metals, and 16.20% in fabrication of metal products.

Gujarat accounts for around 72% of the world's share of processed diamonds and more than 80% of diamonds processed in India. About 90% of diamonds in Gujarat are processed by about 10,000 diamond units located in and around Surat.

Gujarat accounts for around 80% of the global production of Isoniazid, which is used for treating tuberculosis. Gujarat accounts for nearly 70% of the cardiac stents production in India. Moreover, the state accounts for 58% of orthopaedic implants and about 50% of intraocular lenses produced in the country. In the state of Gujarat, 3,324 pharmaceutical manufacturing units have been licenced. The state of Gujarat houses 40% of the contract research and manufacturing services (CRAMS) in India, which pertain to outsourcing research services and manufacturing pharmaceutical and biotechnology products. As of February 2015, 135 medical device manufacturers are based in Gujarat, which represents more than 53% of the total medical device manufacturers in the country. The above describes the strength of the economy by highlighting the major industrial progress made by the state.

The 8th Vibrant Gujarat Global Summit was held at the Mahatma Mandir, during 10th to 13th January 2017 on the theme of sustainable economic and social development. The summit brought together state governments, ministers, corporate world leaders, senior policy makers, heads of international organisations, and educators from around the world. Their presence enhanced the cause of development and promoted cooperation. From the start of Vibrant Gujarat Global Investors Summit in 2003–2017, total 76,512 projects have been filed for MoU with clear investment intentions. As on 31st March 2017, out of total registered projects by 2015 summit, 30,512 production projects have been started. Total 1,709,881 jobs are generated out of these projects. The state government is proactively taking measures to remove hassles for economic progress.

2.2.2. Agricultural sector

There has been a noticeable growth, despite water scarcity in the state. Continuously rising milk production and significant exports of fish have dominated the growth in animal husbandry sector in the state. The animal husbandry and dairy sector in Gujarat contributes significantly to socio-economic development of the rural economy of the state and provides sustainable livelihood in villages. Gujarat is one of the largest processors of milk in India and Amul dairy is Asia's biggest dairy. Gujarat has emerged as a diversified agricultural economy. Since Gujarat is an industrially developed state, it has been very decisive in the development of agriculture sector. The state agriculture economy has witnessed an imminent shift from low value cereals and other crops to high value crops like cotton, groundnuts, fruits and vegetables, and condiments, and spices. The state received 112.18% of the average rainfall during the monsoon of 2017. There has also been a

year-on-year surge in the production of cotton bales. In 2016–2017, the production of cotton bales each of 170 kg was 50.43 lakh bales which increased to 127.46 lakh bales during the year 2017–2018. Same trends have been felt in oil seeds an increased production output that stands at 49.32 lakh tonnes during the year 2017–2018.

Horticulture has emerged as one of the high potential sub sector alongside agriculture. It is a supplier for large number of agro-based industries which offers good avenues for generation of employment opportunities, both in rural and urban areas. This has resulted in an enhanced share of horticulture to total agricultural output. This is currently about 20% to total agricultural economy. The state produces many vegetables and spices such as cumin, fennel, and garlic. Onion dehydration industry of the state is the biggest in the country. In floriculture, flowers like carnation, gerbera, and rose are cultivated using hi-tech green house, and the state also enjoys monopoly in processing of Isabgul.

2.2.3. Handicrafts of Gujarat

The state is an amalgam of three regions: the industrial mainland of Gujarat, the southern peninsula of Saurashtra, and the desert and marshlands of Kutch. Due to proximity to ports such as Surat and Porbandar, several crafts of the state, viz. *patola*, *mochi* embroidery and *mashru*, and block-printed fabrics are being exported to the far-East and Europe since centuries. It has also led to assimilation of cultures of the Arabs, Moghuls, Portuguese, Dutch, and the British.

Gujarat consists of five meta-clusters at Kutch, Surat, Ahmedabad, Vadodara, and Rajkot and is home to crafts of painted terracotta, embroidery, *bandhani*, Applique, *patola* and *mashru*-weaving, kite-making, wood-carving, rogan painting, boat-making, block-making, and marquetry.

2.3 Entrepreneurship Development in Gujarat

Giving a big push to promote start-up policy in the country, Government of India in January 2016 launched the ambitious Start-up India Action Plan with a timeline of 4 years and incentives provided for 3 years. Gujarat is renowned for its entrepreneurial culture. Apart from hosting a vibrant business community and a large number of MSMEs, the state presents a unique human capital opportunity with its demographic dividend and a rising educated youth population. The state is host to premiere institutions like Indian Institute of Management, Indian Institute of Technology, NID, and EDII. In Gujarat, the start-up policy is supported by institutions such as ISRO, PRL, EDI, IIM, IIT, NIT, GTU, MICA, PDPU, DAIICT, IRMA, CEPT, etc. There are some institutions which provide a Student Start-up Support System and have incorporated entrepreneurship in their curriculum. For instance, GTU offers specialisation in Technology Entrepreneurship while EDII offers PGDM in Business Entrepreneurship. Industry associations/organisations like TiE, CII, Gujarat Chamber of Commerce, FICCI, NASSCOM, etc. also advance the cause of entrepreneurs in the state.

The state has always been ahead of others because of its proactive approach for boosting entrepreneurial activities. It has also been a pioneer in taking initiatives in entrepreneurship development across the country. The primary mission of the policy includes proactive support for innovation, start-ups, and technology transfer. Under the scheme, the state government has created Nodal Institutions (NIs) to promote start-ups.

There are many funding agencies working in Gujarat like Gujarat Venture Finance Ltd (GVFL) and Gujarat Angel Investors Network (GAIN). GVFL: Backed by National and International Institutions like CDC–UK, HDFC, ICICI, and various state corporations. These are examples of few venture capitalists who are witness to the complete life-cycle of VC investment. GAIN: Focuses exclusively on start-ups and early-stage companies in smaller cities and towns.

There are sustenance funds like ₹10,000 per month to the innovation team for a period of 1 year, for projects recommended by the Approval Committee of the Nodal Institution Mentoring Service. ₹5 Lakh to Nodal Institution for mentoring services development/ prototype/proof of concept and ₹10 lakh for development/prototype/ proof of concept. Nodal Institution may use this for purchasing materials, equipments, and sources for market development.

To promote entrepreneurship and encourage employment for artisans engaged in traditional crafts, the government of Gujarat announced its' first-ever Cottage and Rural Industries Policy 2016. Under the policy, the state government will support artisans in terms of training, marketing, and branding and design

development. The policy will also bring artisans under various social security schemes. The government will also set up a design studio where artisans will be imparted training by experts from National Institute of Design (NID), National Institute of Fashion Technology (NIFT), and CEPT University.

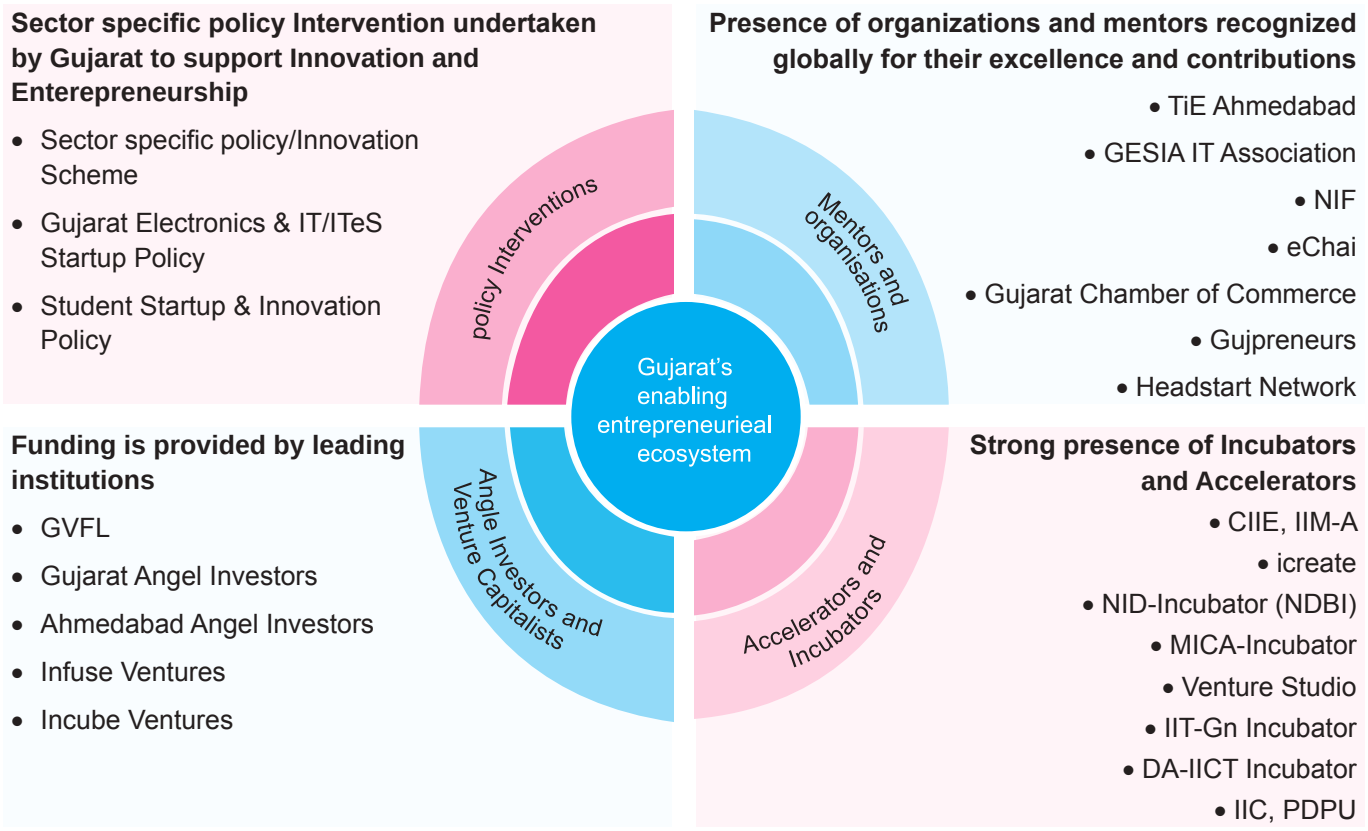
To attract youths to this industry, a provision has been made for cash awards ranging from ₹11.51 lakh for Best Young Artisan, Best Female Artisan, and Best Artisan of Languishing Craft. The scheme has also included a venture capital fund for new entrepreneurs, encouraging start-up firms in the sector, subsidy for purchasing tools, e-commerce websites to sell the products, a crafts museum, and a raw materials bank for selected craft products.

2.3.1 Entrepreneurship Development Institute of India (EDII)

An internationally acclaimed institution with over three decades of engagement for facilitating entrepreneurship development, EDII has carved a niche for itself. The institute has been instrumental in setting up 12 state-level exclusive entrepreneurship development centres and guiding other related institutes in India. Further, it has played a pivotal role in entrepreneurship education, being the first in India to offer a full-fledged post graduate diploma in business entrepreneurship. As per the Alumni Survey 2017, 78% alumni of the institute have chosen an entrepreneurial career after graduating, which reflects the institution's credibility and commitment towards nurturing entrepreneurship. It has also played a major role in spreading entrepreneurship education by partnering and hand holding a large number of schools, colleges, science and technology institutions, and management schools in several states.

At the international level, to institutionalise entrepreneurship movement, the institute has established EDII-like affiliate institutes in Cambodia, Lao PDR, Myanmar, and Vietnam. In order to broaden the frontiers of entrepreneurship research, EDII has established a Centre for Research in Entrepreneurship Education and Development (CREED) to investigate a range of issues surrounding the SME sector through its publication "*The Journal of Entrepreneurship*".

Figure 2.1: *Start-up Ecosystem in Gujarat*[4]



Source: Gujarat State Start-up Initiative, published in July 2017

4. https://www.startupindia.gov.in/uploads/pdf/6_2017_Gujarat.pdf

The government of Gujarat has framed a Student Start-up and Innovation Policy to issue grants worth ₹200 crore to students for their innovations. As per the new policy, the government will create pre-incubation support facilities, called Pre-incubation Ecosystem Support (IPIES) in universities[5].

The government aims to establish at least 100 incubators in the state, develop 2 million feet^2 of "incubation space", and facilitate investment (VC funding) of $1 billion to start-ups over the next 5 years. Several incentives for incubators and start-ups were announced through this policy.

Table 2.2: *Selected incubators in Gujarat*

S. No.	Name of Incubator	Focus Area	Notable Start-ups from the Incubator
1	Centre for Innovation Incubation and Entrepreneurship IIM-A	ICT, renewable energy, and social impact	Travelyaari, Innoz, Thrillophilia, Gridle
2	CrAdLE, EDII	Manufacturing, healthcare, renewable energy, and food/agribusiness	Innersense
3	DA IICT Centre for Entrepreneurship and Incubation	Technology and ICT	Alma Connect Solutions Pvt Ltd., PlayPower Labs India Pvt Ltd.
4	iCreate Ahmedabad	IT, electronics, biotechnology, nanotechnology, robotics, non-conventional/green energy, biomedical equipment and devices, agro and food processing	Naka Foods, Almashines, Hubilo, Purpledocs
5	IIT-GN Incubation Centre	Technology	Cubeit, Tinker Tank, 4DEA, Cretif
6	MICA Incubator	Communication service technologies, communication product technologies, communication equipment, applications tools for communication business	Shabda Nagri, Don't Scratch Your Head, DialogueMakers
7	Venture Studio, Ahmedabad University		OoWomaniya (a product by Impetus Wellness), Cruxbot, Wockito, Biofics, Vendaxo, Lightspeed
8	Innovation and Incubation Centre, PDPU, Gandhinagar	New and renewable energy, oil and gas, agricultural, healthcare and pharmaceuticals, transportation, computer technology, information technology, chemical, education, material science, civil and infrastructure, ecommerce, art, automobile technology, aerospace technology, communication, and electronics	Power Tree, Yobo
9	National Design Business Incubator. National Institute of Design, NID Ahmedabad	Design and technology	Dhama Apparel Innovations Pvt Ltd., Robots Alive Consulting Pvt Ltd., Taparch, Fluvina
10	Gujarat Technological University (GTU) Innovation Council	Energy, agri, IoT, SaaS, logistics	Ovenbell

5. *Economic Times*, 9 January 2017.

ChAPTER 3

A REVIEW OF ENTREPRENEURSHIP DEVELOPMENT IN MADHYA PRADESH AND CHHATTISGARH

3.1 Introduction

Madhya Pradesh, the second largest Indian state, is popularly known as the heart of India and is the ninth biggest state in economic terms. It is spread across an area of 308,000 km^2. According to 2011 census, Madhya Pradesh has a population of 73.3 million and a literacy rate of 69%. The state is endowed with vast natural resources such as forests, minerals, rare and valuable herbs, and medicinal plants. The state is also rich in terms of water resources, with eight important rivers flowing through its landscape. It is the largest producer of oilseeds and pulses, garlic, and coriander in the country. Low cost of basic infrastructure, availability of skilled manpower, and cheap unskilled labour, further paved way for expanding the existing industrial base to a greater extent. Its rich cultural heritage and comparatively peaceful law and order situation, coupled with good connectivity with neighbouring states, has led the state towards growth.

3.2 Business Environment in Madhya Pradesh and Chhattisgarh

Madhya Pradesh is among the fastest-growing states in the country. The state enjoys importance due to its geographic location. At current prices, the Gross State Domestic Product (GSDP) of Madhya Pradesh for 2016–2017 was US$ 99.41 billion. Between 2011–2012 and 2016–2017, the CAGR for GSDP was 15.21%. Madhya Pradesh has natural resources in abundance which include fuels, minerals, agriculture, and biodiversity. The state is the third largest producer of cement in the country which provides up to 13% of national demand. The state represents 8.3% of the country's coal reserves and has 218.04 billion cubic metres (BCM) of estimated coal-bed methane reserves. During 2017–2018 (till September 2017), value of all minerals produced in Madhya Pradesh was recorded to be US$ 1.17 billion[1].

In the assessment conducted by Department of Industrial Policy and Promotion (DIPP) in 2016, Madhya Pradesh secured 5th rank. The significant changes brought by the government have led to new opportunities. The DIPP's 340-Point Business Reforms Action Plan led

Table 3.1: *At a glance: Madhya Pradesh and Chhattisgarh*

State	Madhya Pradesh	Chhattisgarh
Capital	Bhopal	Raipur
Language	Official language: Hindi Other languages include Malvi, Nimadi, Bundeli, Bagheli, Urdu, Sindhi, Punjabi, and Gujarati	Official language: Hindi and Chhattisgarhi Other languages include Halbi and Bhatri
Area (km^2)	308,000	135,194
Per-capita gross state domestic product (GSDP) (US$)	1,188.98	1,257.7
Total population (million)	73.3	25.5
Literacy rate (%)	69	70
Number of districts	51	16
Prominent cities	Bhopal, Gwalior, Indore, Jabalpur, and Ujjain	Raipur, Bilaspur, Bastar, and Raigarh
Major rivers	Narmada, Tapti, Shipra, Chambal, Son, Mahanandi	Narmada, Mahanadi, and Seonath
Airports	5	1
Major industries	Pharmaceuticals, textile, food processing, IT and auto components, engineering, biotech, herbal, garments, mineral and stone, FMCG, engineering	Mining, iron and steel, cement, power, IT and ITeS, and biotechnology
Natural resources	Iron ore, diamonds, copper, magnesium ore, limestone, coal and marble, granite, coal-bed methane	Iron, limestone, and coal

[1] https://www.ibef.org/states/madhya-pradesh.aspx

to numerous changes. Positive changes were seen in power sector which grew at an approximate annual rate of 14% between 2008 and 2013. Such changes substantially improved the investment climate in the state.

There are 11 agro-climatic conditions and a variety of soils available in the state to support cultivation of a wide range of crops. With around 25.2% of the region under forests, Madhya Pradesh has an enormous potential for drug, wood, and agro-based commercial enterprises. Ideal soil and climatic conditions have made it a primary producer of coarse cereals, oilseeds, and soybean in India.

Madhya Pradesh offers distinctive monetary and policy incentives for organisations under the Industrial Promotion Policy-2010 and Action Plan, other than strategies/policies for IT, biotechnology, tourism, and SEZs. To pull in investors and promote entrepreneurs, the state government has selected TRIFAC, an agency that encourages a single window system for speedy approval of different clearances and consents. Madhya Pradesh stands 7th among Indian states in rankings based on ease of doing business (2017 report) and reforms implementation. According to the (DIPP), cumulative FDI inflows, from April 2000 to December 2017, totalled to US$ 1.39 billion.

Economic initiative includes construction of IT parks in four major regions of the state, including Indore, Gwalior, Bhopal, and Jabalpur. The program was initiated during 2016–2017. Electronic manufacturing clusters are also being established in Jabalpur and Bhopal and an amount of US$ 9 million was allocated in budget 2017–2018.

Business initiatives include the introduction of Progressive Industrial Policy, infrastructure improvements and frequent investor meets to facilitate the industry with modern infrastructure, the state has also initiated expansion of existing IT parks, stone parks, apparel parks, and SEZs.

3.2.1 Agricultural Sector and Entrepreneurial Opportunities

In August 2017, the state government launched “Bhavantar Bhugtan Yojana” or “Price Deficit Financing Scheme”. The scheme has benefit of tapping price risks in agriculture which means farmers will be compensated if they have to sell the notified crops at distressed prices which are below the Minimum Support Price (MSP) set by the Union Government. This will directly help boost confidence in agriculture in Madhya Pradesh.

The state was the 4th largest milk producer in India in 2016–2017. Milk production in the state increased from 12.12 million tonnes in 2015–2016 to 13.44 million tonnes in 2016–2017. During 2016–2017, the state recorded 97 MT of total raw silk production. To promote growth in the FMCG sector, the state government has established Gwalior as an FMCG cluster.

Agriculture is a predominant sector in the state as 75% of its population is rural. The rural base generates a wide availability of manpower at a reasonable cost. Agriculture shares one-third of the GSDP and forms the backbone of MP’s economy. Five crop zones, 11 agro climatic regions, and 4 soil types in the state directly add to the biodiversity and favours the production of various crop types. Madhya Pradesh enjoys the status of being the largest producer of pulses and oilseeds in the country. The agricultural land in the district of Narsinghpur is considered to be the most fertile in Asia. The district is famous for its rich agricultural production.

Horticulture has also grown strong over the years. While people are distant from major market centres, the state has a large network of primary agricultural co-operative societies playing a crucial role in supplying agricultural inputs including seed, fertilizer, and pesticides to far flung areas. The state has sufficient notified agricultural market yards and sub market yards which provide facilities for sale of agricultural produce.

3.2.2 Handicrafts in Central India

The state has the highest number of tribal population and they contribute significantly to the crafts landscape. The artisans from non-tribal communities are engaged in traditional crafts, and economic and cultural interaction with diverse set of communities. Madhya Pradesh has seven meta-clusters for various crafts, located at Betul, Bhopal, Gwalior, Indore, Jhabua, Mandla, and Ujjain. The state is also home to crafts like terracotta, bandhani painting, glasswork, dhokra, woodcraft, stone craft, block-printing, iron craft, bead work, and tribal painting. The sector employs over 102,000 artisans.

Chhattisgarh is one of the fastest-growing states in India. Between the years 2004–2005 and 2015–2016, Chhattisgarh’s GSDP expanded at a CAGR of 11.83% to $36.6 billion. According to the assessment conducted by DIPP, it had secured 4th rank in 2015 on account of its significant reforms for promoting

business environment. Chhattisgarh State Industrial Development Corporation (CSIDC) has set up industrial growth centres, five industrial parks, and three integrated Infrastructure Development Centres (IIDC). The state also boasts of a notified Special Economic Zone (SEZ) in the Rajnandgaon district.

Chhattisgarh has recorded a strong growth in agriculture and allied industries between 2004–2005 and 2015–2016; the absolute contribution of agriculture in the state's GSDP grew at a CAGR of 7.71%. The state government has proposed to develop India's largest herbal and medicinal park in Dhamtari on nearly 250-acre land. For conservation, development, and sustainable management of medicinal plants, central government invested around $1 million in 2014–2015. The approximate cost of the project is US$ 3.8–5.3 million[2].

3.3 Entrepreneurship Development in Madhya Pradesh and Chhattisgarh

Madhya Pradesh has established itself as one of the most favourable destinations for high-tech industries, including heavy engineering, IT, ESDM, telecommunications, and automobiles, along with other industries like textiles, pharmaceuticals, cement, agro and food processing-based industries by setting up dedicated industrial clusters at various locations. This industrial growth has resulted in the demand for incubation, and plug and play facilities for young, budding entrepreneurs within the state.

Furthermore, the presence of prominent technical, management, and other professional institutes such as IIT Indore, IIT Gwalior, IIM Indore, Maulana Azad National Institute of Technology (MANIT) Bhopal, Indian Institute of Information Technology, Design and Manufacturing (IIITDM) Jabalpur, Indian Institute of Science Education and Research (IISER) Bhopal, and National Institute of Fashion technology (NIFT) Bhopal, along with more than 224 engineering colleges, 114 polytechnics, 415 ITIs, 135 skill development centres, and other vocational training centres, makes Madhya Pradesh an ideal destination for entrepreneurs, start-ups, and technology transfer. The state has also designed clusters in Indore, Bhopal, Jabalpur, Gwalior, Reva, and Sagar in the fields of pharmaceuticals, textile, food processing, IT, auto-components, engineering, fabrication, biotechnology, herbal products, garments, minerals, forest and herbal-based industries, electronics, FMCG, light engineering, refractories, limestone, forest-based industries, and major and minor minerals processing.

3.3.1 Centre for Entrepreneurship Development Madhya Pradesh (CEDMAP)

The CEDMAP, in a span of over 25 years, has achieved enormous success in the field of entrepreneurship development activities in the state of Madhya Pradesh and Chhattisgarh. Promoted by the state government of Madhya Pradesh and Central Financial Institution as well as lead banks of the state, CEDMAP is an autonomous body and not-for-profit institution set up in the year 1988. Today, it enjoys the status of a premier institution for undertaking various entrepreneurship, skill as well as livelihood development activities in Madhya Pradesh and Chhattisgarh.

The Centre has been actively conducting several training programmes covering Entrepreneurship Development Programmes (EDPs), Rani Durgawati Swarojgar Yojana (RDSY), Pradhan Mantri Swarojgar Yojana (PMRY), Entrepreneurship Awareness Camps (EACs), skill training for DUDA/DST, Mid-Day Meal Scheme (MDM), Self-help Groups (SHGS), training to officials of government departments, Teacher Training Programmes (TTPs), etc. CEDMAP offers numerous vocational training programmes in areas such as mobile repairing, soft toys, leather goods, automobile repair, welding, electrician ship, nursing, food processing, and agro-based training.

3.3.2 The Start-up Ecosystem in Madhya Pradesh

Madhya Pradesh has over 500 start-ups, with a majority of them situated in Bhopal and Indore. Most of these are in the category of IT or ITeS, followed by e-commerce. The Madhya Pradesh government had earlier collaborated with Small Industries Development Bank of India (SIDBI) to set up a VC fund of over ₹200 crores, with ₹75 crores being provided by the government. It also launched its Incubation and Start-up Policy 2016 to promote a sustainable start-up ecosystem in the state[3]. The Incubation and Start-up Policy 2016 is applicable to domains such as Internet of Things (IoT)/e-

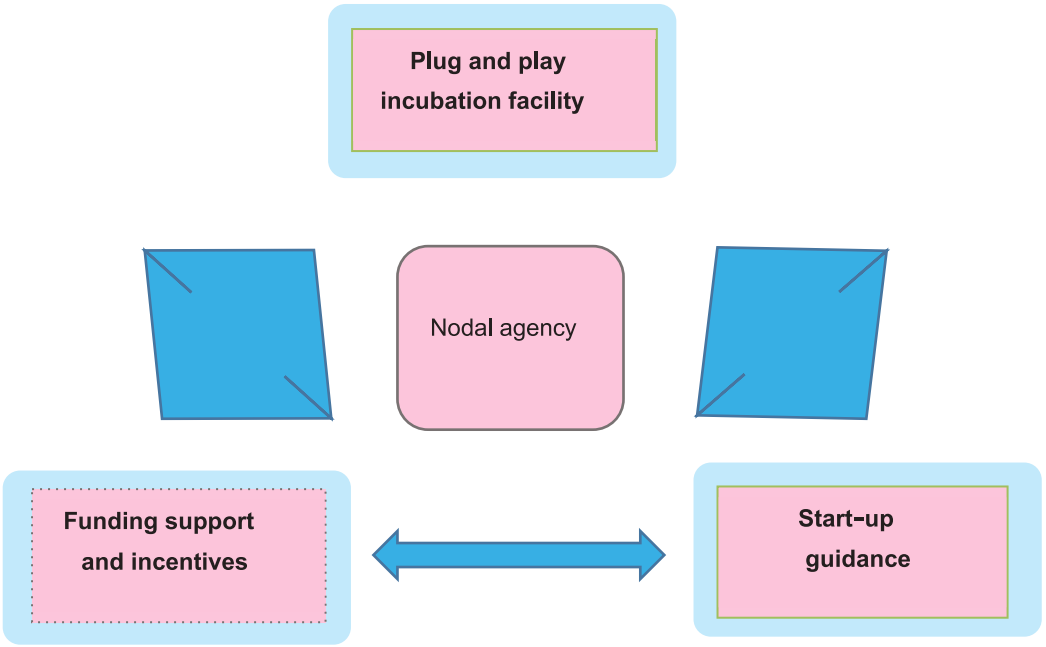
[2] *IBEF State Report Chhattisgarh 2017.*

[3] *MP Incubation & Start-up Policy 2016*, (Draft), Department of MSME, Government of Madhya Pradesh.

commerce/mobile technology, IT/ITeS/BPM/software development, manufacturing including ESDM/robotics/3-D printing, healthcare and pharmaceuticals, biochemical and agriculture, green energy/clean technology/water and recycling, education, or any innovative idea or technology as approved by the State-level Implementation Committee. The three focus areas of the policy are shown below.

The policy aims to build a robust incubator network across academic institutions and to create a network of venture capitalists and angel investors. The policy has declared lucrative incentives for both incubators and start-ups.

Figure 3.1: *Focus areas of Madhya Pradesh Incubation and Start-up Policy 2016*



Source: MP Incubation and Start-up Policy 2016

Table 3.2: *Incentives under the MP Incubation and Start-up Policy 2016*

Incentives for Incubators	Incentives for Start-ups
• Capital assistance up to 50% of gross fixed capital investment up to ₹50 lakh • Capacity expansion support for existing incubators for 2 years • Mentoring assistance of ₹2 lakh for a period of 3 years • Operational assistance to the tune of 50% of actual expense to the limit of ₹5 lakh per year • 100% reimbursement of stamp duty and registration fee	• Reimbursement of 25% of lease rental subsidy to start-ups for a period of 3 years subject to the ceiling of ₹4 lakh per annum • Interest subsidy at 8% per annum subject to an annual ceiling of ₹4 lakh for 3 years • Marketing assistance of maximum ₹10 lakh to eligible start-ups for their product/service launch in the market, upon securing minimum funding of 25% from a registered angel/venture funds/reputed incubators by the start-ups • Cost reimbursement for maximum three patents to a limit of ₹2 lakh for domestic and ₹5 lakh for international patents • Credential development assistance

Source: MP Incubation and Start-up Policy 2016

Table 3.3: *Selected start-ups in Madhya Pradesh*

S. No.	Name of the Start-up	Description
1	The Miraculous Millets	The start-up is working to promote indigenous millets (millets are referred to as coarse cereals) of India as health food options by innovating on food processing and marketing techniques.
2	Appointy	Appointy is online scheduling software that helps small and medium-sized businesses to accept appointments online.
3	Kisan Suvidha	A parallel marketing network providing all the agri-input chemicals and machineries at almost half the market cost.
4	REOFT Technologies	REOFT stands for Research & Engineering of Futuristic Technologies. The aim is to create new or existing technologies more viable, efficient and innovative and most importantly, affordable. REOFT's first product is an anti-theft device, manufactured and assembled indigenously.
5	WittyFeed	WittyFeed is India's answer to Buzzfeed in the viral content space. The start-up is a modern-day blogging platform having photostories and listicles.
6	MyChild	MyChild is an app that helps parent's spot developmental disorders in their child within a matter of 45 seconds.
7	Bindaaskart	Bindaaskart is an online healthcare assistance service provider, targeting chronic disease patients (heart disease, diabetic patients, cancer patients, thyroid patients, skin diseases, to name a few).
8	MotorBabu	MotorBabu is an app that helps users find service centres in vicinity and allow them to book services (bike/car) hassle-free, and with transparency.
9	Pintrip	A search engine dedicated to travel and tourism sector; Pintrip is the smartest itinerary builder in India.

The state of Chhattisgarh also has an excellent educational ecosystem with the presence of IIM, International Institute of Information Technology (IIIT), National Institute of Technology (NIT), All India Institute of Medical Sciences (AIIMS), National Law University (NLU), Indian Institute of Technology (IIT) Bhilai, and a Centre of Excellence by Siemens.

The Chhattisgarh Innovation and Entrepreneurship Policy 2016–2017 is aimed at creating an enabling environment for entrepreneurship development in the state. The policy can prove to be a catalyst for nurturing start-ups. It will offer major tax relief to the first 36 start-ups in the state. It also announced that start-ups would get a subsidy of 75% on term loans up to ₹70 lakhs for 6 years, fixed capital subsidy of 35-40% up to ₹3.5 crore, electricity duty exemption for 10 years, stamp duty exemption on land purchase or lease, besides assistance in preparing project reports, quality certification, and technical patent costs.

Policy also emphasises on the following policies:

Establish accelerators/TBIs in the state to set up at least 100 ventures. Start-ups incubated in the state to have funding raised from VCs, financial institutions, and angel investors. Conduct start-up boot camps in academia, covering all schools and universities. Large innovative companies would be linked with state agencies to establish start-up infrastructure such as accelerators, incubators, R&D spaces. Promote gender equality by encouraging women in entrepreneurship. The Chhattisgarh government has further initiated (36INC) the first business incubator-cum-accelerator. It will act as a hub for network of incubators and accelerators across the state. The Start-up Chhattisgarh was kick-started by the government and under the scheme, innovative business ideas will be collected through a boot camp covering all 27 districts. The top 36 ideas will be selected for further development and handholding.

Table 3.4: *Major start-ups in Chatisgarh*

S. No.	Name of the Start-up	Description
1	Ascent Edutech	By integrating technology in education, the start-up creates interactive lectures with a perfect combination of classroom teaching, 3-D animation, and industry interface, which makes learning more interesting and effective, especially for engineering and technology sectors.
2	Healing Accelerated	E-platform for super-specialist medical opinion.
3	MediKlik	The company is active in patient engagement and doctor discovery through an e-platform, with millions of pages on health-related content.
4	Quick Search	An interactive local search and discovery platform focused on serving all your information needs and queries concerning various businesses and establishments.
5	SpareGuru	SpareGuru is a B2B solutions provider that enables seamless purchasing of business needs across the country.
6	Foodinger	It is a cloud-based restaurant with a vision of providing quality, delicious, and economical food with your smartphone.

ChAPTER 4

ENTREPRENEURSHIP DEVELOPMENT IN JAMMU & KASHMIR

4.1 Introduction

The northern most state of India, Jammu & Kashmir (J&K) comprises of three regions: Kashmir, Jammu, and Ladakh. It has 10 districts in Jammu region, 10 in Kashmir and 2 in Ladakh region. Regionally, the areas are distinct in terms of culture, language, geographical topography, and opportunities. According to 2011 census, the population of the state was 12.55 million and the literacy rate stood at 67%.

The Gross State Domestic Product (GSDP) at constant (2011–2012) prices for the year 2017–2018 is estimated at ₹109,136.52 crore, which was earlier estimated at ₹100,597.57 crore for 2016–2017, indicating growth of 8.49% during 2017–2018. At current prices, GSDP for 2017–2018 is estimated to be ₹140,886.76 crore as against the estimate of ₹126,230.91 crore for 2016–2017, showing an increase of 11.61% during the year. The projected estimates for the year 2018–2019 at constant (2011–2012) prices and current prices of GSDP is ₹116,637.44 crore and ₹157,383.77 crore respectively. The number of industrial units registered up-to October 2017 was 32,226, having investments of ₹12,216.97 crores and total employment generation of 182,094.

The state has a 10.35% population below the poverty line which is half the national average at 21.92% in 2012 based on the Tendulkar committee report. Around 7 lakh families comprising of about 33 lakh individuals are directly or indirectly dependant on horticulture, and handicrafts is a major contributor to the state's econom and cultural richness. The state's emphasis on education has raised the literate population to 67% in 2011.

GST was implemented in 2017 across the country, but since Jammu & Kashmir is a state with special status, the state cabinet tabled a resolution in State Assembly on 6th July 2017. It was unanimously resolved that only those Articles/ Clauses of 101st Constitution Amendment will be assented to be extended by GoI to J&K state which were extremely necessary to implement Central GST/IGST/ ITC in the state of J&K under Article 370 of the Constitution of India. The powers to tax are enshrined in Section 5 of constitution of J&K State. Thus, GST regime came into force in J&K State w.e.f. 8th July 2017 after fully safeguarding Section 5 of J&K state constitution.

Ease of Doing Business, published by World Bank, is based on the ranking of 10 sub-indices. The Department of Industrial Policy and Promotion (DIPP) of the Union Ministry of Commerce and Industry is in partnership with the World Bank Group. Under the Business Reform Action Plan (BRAP), states and union territories were asked to implement 372 recommendations which were gracefully implemented. Out of the total 372 recommendations, J&K state has successfully implemented 270 recommendations and uploaded

Table 4.1: *Jammu and Kashmir: At a glance*

State	Jammu & Kashmir
Capital	Srinagar
Language	Official language: Urdu Other language: Kashmiri, Dogri, Hindi, Punjabi, Ladakhi
Area (km^2)	222,236
Per-capita gross state domestic product (GSDP) (US$)	1,418
Total population (million)	12.55
Literacy rate (%)	67.1
Number of districts	22
Prominent cities	Srinagar, Jammu, Anantnag, Udhampur, Leh, and Ladakh
Prominent airport	3
Major industries	Handicrafts (silk textile, carpet-making, and woollen textile), forest and agro-based industries, cement
Natural resources	The state has limited mineral and fossil-fuel resources, much of which are concentrated in the Jammu region. Small reserves of natural gas are found near the city of Jammu, and bauxite and gypsum deposits occur in the vicinity of Udhampur. Other minerals include limestone, coal, zinc, and copper.

262 replies. As per the dynamic ranking by Department of Industrial Policy and Promotion (DIPP), J&K is ranked at 22nd position with 12.71 points as on date, moving up seven places from previous year's ranking of 29.

4.2 An assessment of State Economy and Entrepreneurship Development

Food processing and agro-based industries (excluding conventional grinding and extraction units) thrive in the state. Jammu & Kashmir's handicrafts are famous all over the world and the traditional handicraft industry has grown extensively. Due to its large employment base and export potential, this industry has been receiving attention from the government. Jammu & Kashmir is famous for its small-scale and cottage industries such as carpet weaving, silks, shawls, basketry, pottery, copper and silverware, papier-mâché, and walnut wood. J&K SIDCO is the nodal agency for promotion and development of medium- and large-scale industries in the state. In H1 2017–2018, exports of carpets, woollen shawls, and papier-mâché stood at US$ 30.42 million, US$ 19.58 million, and US$ 1.05 million, respectively.

Handicrafts is a major industry in the state and is the backbone of the economy of Jammu & Kashmir. The state has 14 districts and 3 meta-clusters located at Jammu, Kashmir, and Ladakh. Major crafts include papier mache, *kaleen* or knit carpets, *Kashmiri* embroidery, woollen textiles, metal castings, *chikri* wood work, metal work, jewellery, painted wood, copperware, hand-spinning, and basketry. The total number of artisans employed in these crafts is close to 250,000. Craft *bazars* and expos are organised for artisans and exporters in many state capitals. Government has also initiated many schemes to encourage artisans to continue the tradition, but people refuse to continue due to decreasing demand and less wages. Handicrafts and handloom have been a priority to the state due to its indigenous character. There are around 523 registered Handloom Industrial Co-operative Societies in the State with a membership of 15,275 weavers and approximately 38,000 handlooms in the state. The credit plan was introduced to make easy and self-credit available to the artisans in need of finance to start a venture. The State has 109 craft training centres which on average train around 1,400 people. Under skill development activity, 13,825 persons are trained annually through 553 training centres in the state.

4.2.1 Agricultural and Horticulture Sector

J&K has agro-climatic conditions best suited for horticulture and floriculture. People are majorly dependant on agriculture and horticulture. Floriculture has too carved a niche for itself over the years. Horticulture is the mainstay of the rural economy, providing employment to large number of local inhabitants. Apple production in the state reached 1.73 million metric tonnes (MT) in 2016–2017. The state is also a major exporter of walnut and its international market share is about 7%.

The cost of setting up operations is comparatively lower than other states. The Skill Development Policy 2012–2017 and the Sher-e-Kashmir Employment & Welfare Programme for the Youth are policies undertaken by the government to develop the skills of the indigenous people of the state and offer better employment opportunities[1].

The Food processing industry offers tremendous opportunity for commercial exploitation of horticulture in the state. However, commercial processing is only about 1% owing to lack of post-harvesting and processing facilities. Opportunities are, therefore, aplenty.

4.2.2. Tourism as the boon

Tourism industry is one of the major contributors to the state's economy. Besides scenic beauty, the state is also a popular pilgrim centre, but does not figure in the top 10 tourist attractions figure India. Clearly the state is a tourist attraction but security concerns pull down the influx of tourists. There are many reasons why people visit Kashmir. The natural beauty and picturesque locations have made it a favoured destination for tourists across the world.

Jammu is also famous for its temples, while the Kashmir Valley is known for its lakes and gardens. During January–October 2017, the total number of tourist visits to J&K was recorded to be 7.31 million. J&K expects to witness 22.7 million tourist arrivals in FY 2020. The state has Asia's largest tulip garden and is among the very few places

[1] https://www.ibef.org/states/jammu-kashmir.aspx

in the world where saffron can be cultivated.

4.3 Entrepreneurship Development in Jammu & Kashmir

Jammu & Kashmir State Industrial Development Corporation (JK SIDCO) is the nodal agency for promotion and development of medium- and large-scale industries in the state. Thrust areas identified by the state government include food processing and agro-based industries, auto ancillaries, precision engineering, computer hardware and electronics, mineral exploration, eco-tourism, silk, handicrafts, and leather goods.

The state has focused its attention on creating facilities in emerging sectors such as renewable energy, IT, biotechnology, nanotechnology, and food processing. DIPP has extended the Special Incentive Package in the state which includes 100% premium reimbursement under Central Comprehensive Insurance Subsidy Scheme to all units on expansion over next five years.

Keeping in mind the role of university-led incubators in offering a desired platform for young minds, Shri Mata Vaishno Devi University–Technology Business Incubator (SMVDU–TBIC) was launched in April 2016. It is the first-ever TBI in the state of Jammu & Kashmir. SMVDU–TBIC has been identified as 1 of the 68 incubators to recommend start-ups under the Start-up India initiative. Since its launch, six incubatees have been shortlisted as resident incubatees, including one virtual incubatee. The state government has also proposed to allocate ₹5 crore to set up two business incubators in the twin capital cities of Jammu and Srinagar, that will provide finances, branding, and marketing support, to the entrepreneurs of the state.

The Confederation of Indian Industries (CII) has launched the CII J and K Angel Network as a single largest platform in Jammu & Kashmir and the only preferred choice for aspiring entrepreneurs to meet and network with business leaders, who can fund, nurture, mentor, and help them build a stronger business plan.

All these initiatives are transforming the start-ups ecosystem in the state, which is slowly making its presence felt in the national start-up landscape. While opportunities were plenty in developing businesses around food items, tea and spices, dry fruits, fruits and vegetables, and handicrafts, lack of technology remained the biggest barrier. However, several start-ups have been founded by integrating technology, and therefore making the outside world access the offerings of Kashmir. A list of few such start-ups is shared below.

Recording a staggering 15% unemployment rate and given that a big chunk of the population in the working age is sunderutilised, Jammu & Kashmir faces the worst unemployment scenario in north India. The Jammu and Kashmir Entrepreneurship Development Institute (JKEDI) is a Society of Government of Jammu and Kashmir established with an objective of fostering inclusive economic growth through development of entrepreneurship culture in the state. The institute started working in the state from 2004 and has been striving to bring in an entrepreneurial culture through entrepreneurship education, skill up-gradation, knowledge dissemination, consultancy services, and developing linkages with national and international organisations to make entrepreneurship the mainstay of the state economy.

Among the major initiatives undertaken by the institute in FY 2016–2017 was the establishment of Centre for Women Entrepreneurship (CWE), an exclusive centre which would focus on skill development and enhancing entrepreneurial acumen among women. A similar centre is envisioned for Kashmir region where it will operate from the present premises of Directorate of Industries and Commerce in Srinagar.

4.3.1 Jammu & Kashmir Entrepreneurship Development Institute (JKEDI)

JKEDI has always played the role of a pioneer in promoting entrepreneurship development in the state. Established by the state government in March 1997, JKEDI established itself as a resource centre par excellence and is working on a mission mode to create an enabling entrepreneurial ecosystem in the state.

The institute implements a host of government-sponsored self-employment schemes, which inter alila include Seed Capital Fund Scheme (SCFS), Youth Start-up Loan Scheme (YSLS) and Education & Term Loan Scheme for Minorities sponsored by the Agency for National Minorities Development & Finance Corporation (NMFDC), Ministry of Minority Affairs. JKEDI also partners with Ministry of Rural Development for the implementation of the employment component of the Himayat Scheme in which a 3-week residential training programme is

organised for the youths of the region. They are also extended the credit facility for enabling them to start their own business.

With the launch of JKEDI Technology, Design, Innovation Incubation Programme (TDII), the institute has taken another leap. The JKEDI-TDII aims at nurturing start-ups, primarily in technology, design, and innovative fields. The programme offers a comprehensive range of incubation services to technology and design professionals to facilitate their transformation into resourceful entrepreneurs. JKEDI is playing a pivotal role in giving the necessary momentum to entrepreneurship development in the state.

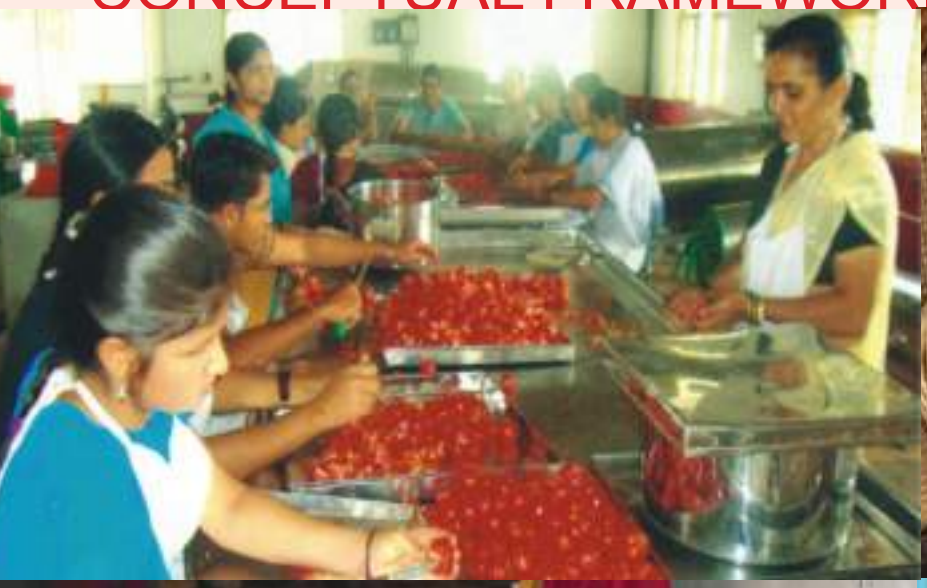
Table 4.2: *Major start-ups in Kashmir*

S. No.	Name of the Start-up	Description
1	KashmirOneStop	An e-commerce platform for customised Kashmiri products like food items, tea and spices, dry fruits and vegetables, religious articles, etc.
2	GoKash Adventures	The company offers affordable small-group tours, safaris and expeditions, exotic Kashmiri cuisine, and local transport for tourists to help them connect with the culture and landscape of Kashmir.
3	Kashmir Basket	Kashmir Basket is a website interface which offers an array of products like dry fruits, home décor, handicrafts, silk items, saffron, spices, Kashmiri tea, Kahwah, Kashmiri art and designs including woodcarving and papier-mâché.
4	Pure Mart	Offers a wide range of organic products.
5	Kashmir Box	A virtual market place for the local artisans, craftsmen, producers, and creative entrepreneurs; the company intend to create micro-entrepreneurs out of these artisans, thus giving them what they deserve and increasing employment in this field and, in turn, improving their standard of living.

ChAPTER 5

GLOBAL ENTREPRENEURSHIP MONITOR (GEM)

CONCEPTUAL FRAMEWORK



5.1 Introduction

Many of the leading researchers in entrepreneurship studies believe that entrepreneurship is an important mechanism to achieve economic growth (Acs et al. 2012; Acs et al. 2008). Previous research has also proved with evidences that there is a distinction among self-employment, business ownership, and new business creation (Blanchflower 2000; Carree and Thurik 2008). Being considered as one of the most important players who shape modern economy, entrepreneurs need to be studied with great depth. Since entrepreneurship spurs growth in an economy, this characteristic urges us to ask what are the major factors leading to an entrepreneurial society? What generates greater economic growth in particular regions? How are social aspects determining the existence of entrepreneurship in a country?

A number of studies have been conducted to understand the complexities of entrepreneurship, its relation to regions, nations, culture, ecosystem as well as other socio-economic aspects. Also, studies have been conducted to explain how entrepreneurship is rooted in economics, social sciences, and management disciplines. It makes the boundaries of entrepreneurship study highly permeable yet the knowledge platform is found to be fragmented and multidisciplinary. While most of the studies are restricted to a single country or region, these lacked uniformity and missed to explain the entrepreneurial qualities of population. There have been thus apprehensions about our understanding of entrepreneurship as a global phenomenon, and as a result of which, the *GEM Survey* was conceived.

The project started in 1997 as a collaborative initiative of Michael Hay of London Business School (LBS) and Bill Bygrave of Babson College, USA. The survey was intended for collection and analysis of harmonised data on the prevalence of nascent entrepreneurship and young enterprises across nations. It aimed at generating and propagating knowledge on entrepreneurship across the globe by exploring the entrepreneurial behaviour and attitude of individuals, mapping them within their national context, and comprehending its effect on entrepreneurship.

The *GEM Survey 2017* represents the 19th consecutive year that GEM has tracked rates of entrepreneurship across multiple phases of entrepreneurial activity; assessed the characteristics, motivations, and ambitions of entrepreneurs; and explored the attitudes of societies towards this activity. This report includes results based on completing the Adult Population Survey (between the age of 18 and 64 years) and the National Experts Survey (NES, hereafter) both sourced from 54 world economies. The GEM countries in the 2016 survey cover 67.8% of the world's population and 86% of the world's GDP.

5.2 The GEM Conceptual Framework

The social, economic, and political contexts influence entrepreneurship in a country, and hence entrepreneurship studies gain significance when they factor these contexts. A conceptual framework helps to understand the multifaceted phenomenon of entrepreneurship which consists of disruptive

Table 5.1: *Regional Classification of economies participating in the GEM Survey 2017*

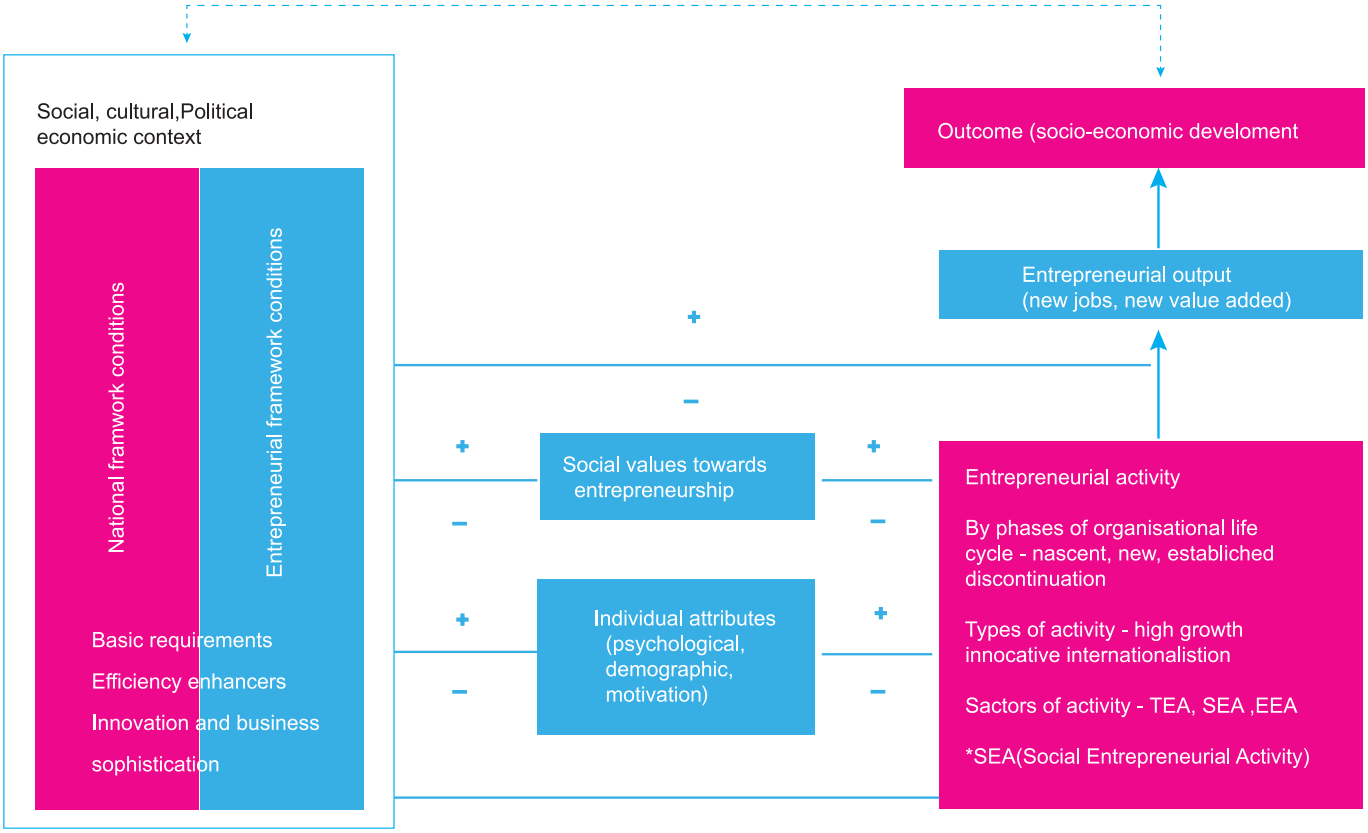
Geographic Region	Factor-driven	Efficiency-driven	Innovation-driven
Africa	Madagascar	Morocco, South Africa, Egypt	
Asia and Oceania	India, Kazakhstan, Vietnam	China, Indonesia, Iran, Lebanon, Malaysia, Saudi-Arabia, Thailand	Australia, Israel, Qatar, Republic of South Korea, Taiwan, United Arab Emirates, Japan
Latin America and Caribbean		Argentina, Brazil, Chile, Colombia, Ecuador, Guatemala, Mexico, Panama, Peru, Uruguay	Puerto Rico
Europe	Russian Federation	Bulgaria, Bosnia & Herzegovina, Croatia, Latvia, Poland, Slovakia	Cyprus, Estonia, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Slovenia, Spain, Sweden, Switzerland, United Kingdom
North America			Canada, United States

Source: GEM Global Report 2016–2017

innovation in products and services, business renewal, job creation, economic expansion, and social well-being (GEM Global Report, 2017). Over the years, the GEM conceptual framework has evolved gradually. This framework and the data analysis helps to understand that credits for innovation-driven growth is not the entitlement of the entrepreneurs alone. It is the environment (ecosystem) and its various constituents that together generate a promising culture of entrepreneurship. An ecosystem of varied determinants with individual attributes results syndicate into a more sophisticated environment for new opportunities and ventures to bloom.

Level of entrepreneurial activity in any country is the result of the population's assessment of its entrepreneurial opportunities and their entrepreneurial potential (i.e., motivation and capacity). Recognition of opportunities and entrepreneurial potential is aided by both specific entrepreneurial framework conditions and general national framework conditions. While entrepreneurial framework conditions are also influenced by the general framework conditions within a nation, both of these are shaped by the social, cultural, political, and economic factors. National framework conditions reflect the essential phases of economic development (factor-driven, efficiency-driven, and innovation-driven). These entrepreneurial framework conditions influence entrepreneurial activities directly. It consists of the following factors:

Figure 5.1: *The GEM Conceptual Framework*



Source: GEM Global Report 2017

- **Finance:** The availability of financial resources, equity debt for SMEs (including grants and subsidies), and the extent to which taxes or regulations are either size-neutral or encourage SMEs.
- **Government Policies:** The presence and quality of direct programmes to assist new and growing firms at all levels of government (national, regional, and municipal).
- **Entrepreneurial Education and Training:** The extent to which training in creating or managing SMEs is incorporated within the education and training system at all levels (primary, secondary, and post-school).
- **R&D Transfer:** The extent to which national research and development will lead to new commercial opportunities and is available to SMEs.

- **Commercial and Legal Infrastructure:** The presence of property rights and commercial, accounting, and other legal services and institutions that support or promote SMEs.
- **Entry Regulation:** It contains two components: (1) market dynamics—the level of change in markets from year-to-year, and (2) market openness—the extent to which new firms are free to enter the existing markets.
- **Physical Infrastructure and Services:** Ease of access to physical resources, i.e. communication, utilities, transportation, land or space at a price that does not discriminate against SMEs.
- **Cultural and Social Norms:** The extent to which social and cultural norms encourage or allow actions leading to new business methods or activities that can potentially increase personal wealth and income.
- **Senior Entrepreneurship:** The availability of policy interventions and social benefits for encouraging senior entrepreneurship.

5.3 Social values towards Entrepreneurship

It includes how a society values entrepreneurship as a good career choice; if entrepreneurs have a high social status; and how media attention to entrepreneurship is contributing (or not) to the development of a national entrepreneurial culture.

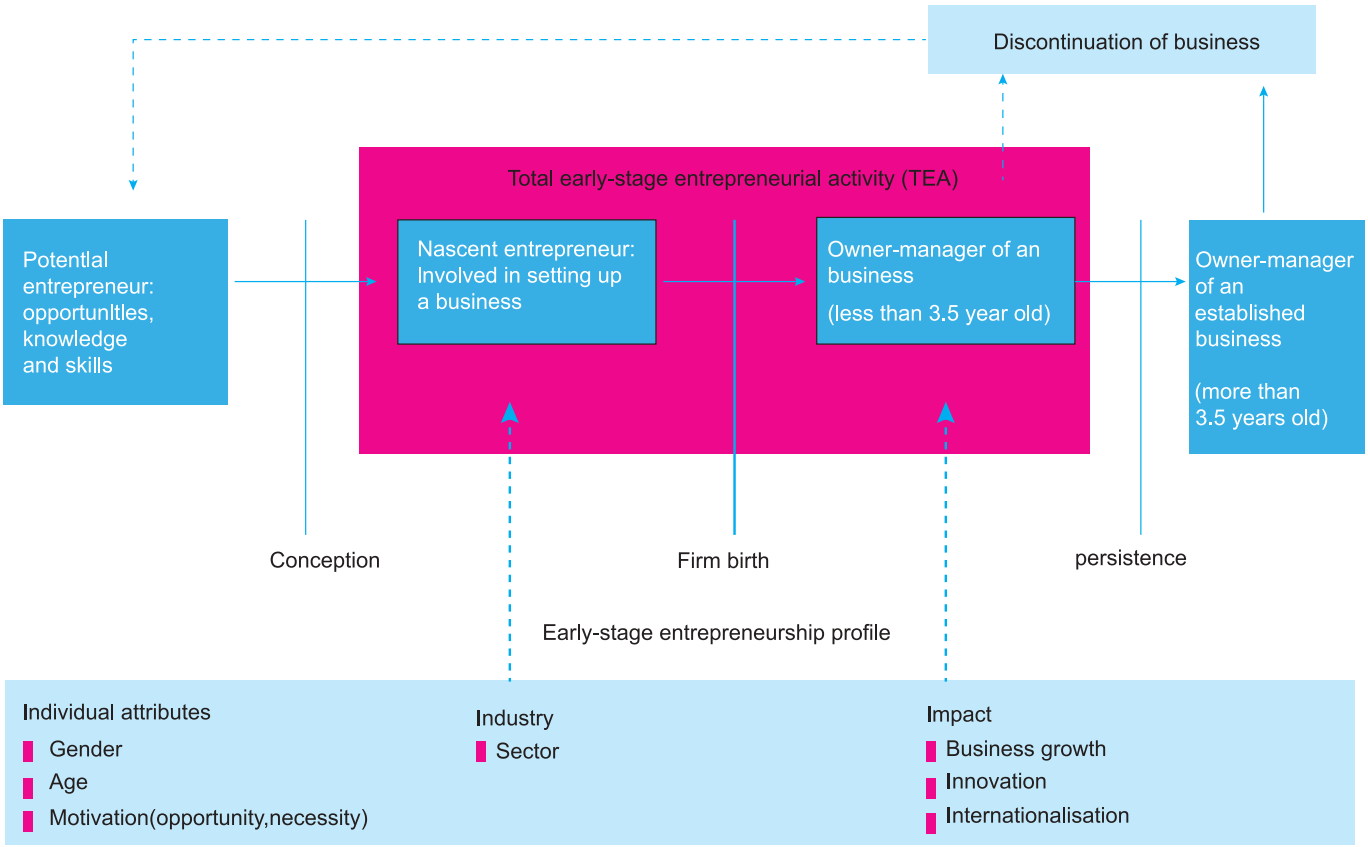
5.3.1 Individual Attributes

It includes several demographic factors (gender, age, and geography), psychological factors (perceived capabilities, perceived opportunities, and fear of failure), and motivational aspects (necessity-based vs. opportunity-based venturing, improvement-driven venturing, etc.).

5.3.2 Entrepreneurial activity

Entrepreneurial activity is defined according to the venture's lifecycle phases (nascent, new venture, established venture, and discontinuation), types of activity (high growth, innovation, and internationalisation), and the sector of the activity (Total early-stage Entrepreneurial Activity or TEA,

Figure 5.2: *GEM Model of Business Phases and Entrepreneurship Characteristics*



Source: GEM Global Report 2017

Social Entrepreneurial Activity or SEA, Employee Entrepreneurial Activity or EEA).

5.4 GEM Operational Definitions

- **TEA:** Percentage of individuals aged 18–64 who are either a nascent entrepreneur or owner-manager of a new business.
- **Nascent Entrepreneurship Rate:** Percentage of individuals aged 18–64 who are currently a nascent entrepreneur, i.e. actively involved in setting up a business they will own or co-own; this business has not paid salaries, wages, or any other payments to the owners for more than 3 months.
- **New Business Ownership Rate:** Percentage of individuals aged 18–64 who are currently an owner-manager of a new business, i.e. owning and managing a running business that has paid salaries, wages, or any other payments to the owners for more than 3 months but not more than 42 months.

5.5 Characteristics of Early-stage Entrepreneurial Activity

- **Opportunity-based Early-stage Entrepreneurial Activity:** The percentage of individuals involved in early-stage entrepreneurial activity (as defined above), who claim to be purely or partly driven by opportunity as opposed to finding no other option for work, includes taking advantage of a business opportunity or having a job but seeking a better opportunity.
- **Necessity-based Early-stage Entrepreneurial Activity:** The percentage of individuals involved in early-stage entrepreneurial activity (as defined above), who claim to be driven by necessity (having no better choice for work) as opposed to opportunity.
- **Improvement-driven Opportunity Early-stage Entrepreneurial Activity:** The percentage of individuals involved in early-stage entrepreneurial activity (as defined above), who (1) claim to be driven by opportunity as opposed to finding no other option for work; and (2) who indicate that the main driver for being involved in this opportunity is being independent or increasing their income rather than just maintaining their income.
- **high-growth Expectation Early-stage Entrepreneurial Activity (Relative Prevalence):** The percentage of early-stage entrepreneurs (as defined above) who expect to employ at least 20 people, 5 years from now.
- **New Product-market-oriented Early-stage Entrepreneurial Activity (Relative Prevalence):** The percentage of early-stage entrepreneurs (as defined above) who report that their product or service is new to at least some customers and not many businesses offer the same product or service.
- **International-oriented Early-stage Entrepreneurial Activity (Relative Prevalence):** The percentage of early-stage entrepreneurs (as defined above) who report that at least 25% of their customers are from foreign countries.
- **Established Business Ownership Rate:** The percentage of individuals aged 18–64 years who are currently an owner-manager of an established business, i.e. owning and managing a running business that has paid salaries, wages, or any other payments to the owners for more than 42 months
- **Business Discontinuation Rate:** The percentage of individuals aged 18–64 years who in the past 12 months have discontinued a business, either by selling, shutting down or otherwise discontinuing an owner/management relationship with the business. It may be noted that it is NOT a measure of business failure rates.

5.6 Individual Attributes of a Potential Entrepreneur

- **Perceived Opportunities**: Percentage of individuals aged 18–64 years involved in any stage of entrepreneurial activity excluding those who see good opportunities to start a business in the area they live in.
- **Perceived Capabilities**: Percentage of individuals aged 18–64 years involved in any stage of entrepreneurial activity excluding those who believe they have the required skills and knowledge to start a business.
- **Entrepreneurial Intentions**: Percentage of individuals aged 18–64 years involved in any stage of entrepreneurial activity excluding those who are latent entrepreneurs and intend to start a business within 3 years.
- **Fear of Failure Rate**: Percentage of individuals aged 18–64 years involved in any stage of entrepreneurial activity excluding those who report that fear of failure would prevent them from setting up a business.

5.7 The GEM Methodology

In the beginning, with six participant countries mostly from the G8

nations (Canada, Denmark, Finland, Germany, UK, and the United States), a global report was published in 1999 under the stewardship of Paul Reynolds.

The purpose of GEM is to find empirically based answers to the following questions:

1. Does the level of entrepreneurial activity vary between countries, and if so, to what extent?
2. Does the level of entrepreneurial activity affect a country's rate of economic growth and prosperity?
3. What makes a country entrepreneurial?
4. What kind of policies may enhance the national level of entrepreneurial activity?

To find the answers to the above questions, GEM collects primary data from two main sources, namely APS of at least 2,000 adults randomly selected (18–64 years of age) in each country and NES to collect opinion from the experts.

5.7.1 APS in India

To investigate the level of entrepreneurial activity in the country, primary data collection was done. A stratified random sampling method was used to select cities or villages across the country. Further, a city/village was divided into four to five strata and selection of a certain number of survey starting points within each city/village was ensured. With the help of the Kish Grid method, households and adults were identified for the survey. Rather than selecting the respondents directly from the population, a two-stage sampling method was used. Herein, after identification of the household, the eligible age-group was listed in the descending order by age and an eligible respondent was identified by "Next Birthday" method. If a selected person was not available at the time of initial visit, at least three more visits were made before moving to another household. In all, 4,000 respondents aged between 18 and 64 years were included in the survey.

Apart from regional representation, an effort was also made to ensure appropriate representation based on gender, i.e. male/female and location wise, i.e. urban/rural. For this purpose, appropriate weightage was decided on the basis of various criteria.

Table 5.2: *Regional Distribution of APS*

Region	Number	Percentage
East	1,173	29.3
West	769	19.2
North	1,224	30.6
South	834	20.9
Total	4,000	100

Source: Based on *GEM India Survey 2017–2018*

Table 5.3: *Rural/Urban Distribution*

Location	Unweighted Sample	Percentage	Weighted Sample	Percentage
Urban	2,603	65.1	1,341	33.5
Rural	1,397	34.9	2,659	66.5
Total	4,000	100.0	4,000	100.0

Source: Based on *GEM India Survey 2016–2017*

Table 5.4: *Gender Distribution*

Gender	Unweighted Sample	Percentage	Weighted Sample	Percentage
Male	2,078	52.0	2,046	51.1
Female	1,922	48.1	1,954	48.9
Total	4,000	100.0	4,000	100.0

Source: Based on *GEM India Survey 2016–2017*

The Census 2011 data was used for developing the weightage system for various indices, i.e. male, female, urban, and rural. While computation of the TEA index is the major outcome of this part of the study, it has also led to the identification of several characteristics of entrepreneurial individuals and firms. However, the *GEM India Report 2017* is mainly a description of the level and nature of entrepreneurial activity among adult population of the country and the quality of entrepreneurial framework conditions. The APS data was used to estimate the level of participation in entrepreneurial activity as well as to gather the information on attitudes towards entrepreneurship and related entrepreneurial activities.

5.7.2 NES in India

The second source of the GEM data is the NES which was conducted via phone, email, or through in-person interviews, on the state of entrepreneurship in the country. 72 national experts from public and private sectors were spoken to. The interview was conducted with the help of a standardised questionnaire provided under the global GEM project. Local experts were selected for their expertise based on the "entrepreneurial framework conditions". They are equipped with rich perspectives not only about their respective profession but also entrepreneurship. The questionnaire presented a series of statements reflecting the GEM perspective on conditions supporting entrepreneurship. The experts were asked to estimate the degree to which each factor was applicable for India. The final section solicits open-ended responses which are coded to nine categories.

In all, 72 national experts were identified, approached, and requested for providing data. Data was collected using e-mails and speed post, followed by face-to-face as well as telephonic interviews. The average age of experts was 40.7 years and the average work experience was 10.5 years. The profile of experts and their areas of specialisation is given in Table 5.5 and 5.6, respectively.

Table 5.5: *Specialisation of Experts (Table contains multiple responses)*

S. No.	Specialisation	No.	Percentage
1	Entrepreneurs	27	37.5
2	Investors, financers, bankers	3	4.2
3	Policymakers	9	12.5
4	Business and support services providers	24	33.3
5	Educators, teachers and researchers on entrepreneurship	43	59.7

Source: Based on *GEM India Survey 2017–2018*

ChAPTER 6

GEM INDIA STUDY

MEASURING ENTREPRENEURSHIP ACTIVITY IN INDIA

Entrepreneurial Behaviour and Attitude: GEM India Snapshot

Table 6.1: *Entrepreneurial behaviour and attitude - GEM India snapshot*

SELF-PERCEPTION		
	value (%)	GEM 2017 (Rank 54)
Perceived opportunity	44.9	27
Perceived capability	42.1	41
Fear of failure	39.6	21
Entrepreneurial intention rate	10.3	42

SOCIETAL vALUES		
	value (%)	GEM 2017 (Rank 52)
High status to successful entrepreneurs	56.2	45
Entrepreneurship as a good career choice	53.0	43
Media attention to entrepreneurship	44.8	50

ENTREPRENEURIAL ACTIvITY		
	value (%)	GEM 2017 (Rank 54)
TEA	9.3	31
Established business ownership rate	6.2	34
EEA	0.2	53

GENDER EQUITY		
	value (%)	GEM 2017 (Rank 54)
Female-to-male TEA ratio	0.80	17
Female-to-male opportunity-driven TEA ratio	0.51	54

IMPACT		
	value (%)	GEM 2017 (Rank 54)
high job creation expectation rate	9.5	42
Innovation rate	25.6	28
Business service sectors rate	0.7	54

MOTIvATION		
	value (%)	GEM 2017 (Rank 54)
Motivational index	0.7	53

	value	Rank 54
Entrepreneurial spirit index	–0.19	41

The above table consists of current year's most important data points. The results shown under multiple headings such as self-perception (individual perception), societal values, concern to the social outlook of the respondents and entrepreneurial activity as well as gender equality-based analysis and others are part of the societal or a general outlook of the society. The 2017–2018 GEM global report added a new index. The index will be useful and its major form is still in process. However, the index will be useful to compare countries with regard to their entrepreneurial framework conditions, which is clearly useful for policy formulation. It is the first step in creating an entrepreneurial activity index which will help compare countries in a broader perspective (GEM, 2017–2018).

Motivational index is another important development in the global GEM report this year. This index will help to measure and analyse things more harmoniously. The global data show that in general 74% of respondents say that an opportunity has been the basic motivation for them. However, the value for motivational index has been lowest for factor-driven economies at 67.6%.

6.1 Societal values towards Entrepreneurship in India

Entrepreneurship as an activity is deeply embedded in the cultural and social context. It does not originate out of vacuum. There are many other influences which collectively generate and base an entrepreneur. Researchers found that there is a significant impact of the society in shaping individual attitudes for starting a business (Reynold, 1992; Comeche & Loras, 2010; Kwon & Arenius, 2010). This influence is more critical in the developing world where finance, skill, and livelihood, is a big of challenge and demands lot of effort to pursue. Also important for success are results and failure has no motivational power. The image of an entrepreneur is linked to the cultural values and societal norms that affect business creation in which the social legitimacy of the entrepreneur becomes necessary (Valencia, 2005). In the GEM survey, societal value towards entrepreneurship is measured through the following three dimensions:

a. Perceived desirability to choose an entrepreneurial career;

b. Perceived level of status and respect that entrepreneurs enjoy in the society;

c. Perceived level of media attention received by entrepreneurs in a society.

The survey finds an increase in perception regarding high status to successful entrepreneurs, the score has increased from 46.7 in 2016 to 56.2. Perception regarding entrepreneurship as a good career choice was reported as 53% in 2017 against 44.4% in 2016. The perception for media attention given to entrepreneurs has also increased. It was 39.7 in 2016 and has increased to 44.8 percant.This

Table 6.2: *Perception of societal values regarding entrepreneurship in India in 2017*

	value % (2017) (Rank 52)	value % (2016) (Rank 65*)
High status to successful entrepreneurs	56.2 (45)	46.7 (61)
Entrepreneurship as a good career choice	53 (43)	44.4 (57)
Media attention to entrepreneurship	44.8 (50)	39.7 (61)

Source: GEM Global Report 2016–2017 and 2017–2018

*Value in parenthesis denotes the number of countries participated in the GEM survey

Table 6.3: *Perception of societal values regarding entrepreneurship in the GEM Regions*

Regions	Entrepreneurship as a Good Career Choice	High Status to Successful Entrepreneurs	Media Attention to Entrepreneurship
Africa	76.2	74.5	60.1
Asia and Oceania	61.9	72.5	67.5
Latin America and Caribbean	60.8	60.7	60.8
Europe	58.5	67.3	54.3
North America	64.3	74.7	75.5

Source: GEM Global Report 2017–2018

reflects that societal perception towards entrepreneurs in the country.

Table 6.3 provides a comparison of GEM region. The table reflects that entrepreneurship as a good career choice is reflected high by African region followed by North America & Asia and Oceania. Africa and North America show same level of perception regarding high status to successful entrepreneur followed by Asia & Oceania. However media attention is highest in North America followed by Asia & Oceania.

6.1.1 Regional comparison of societal values towards entrepreneurship in India

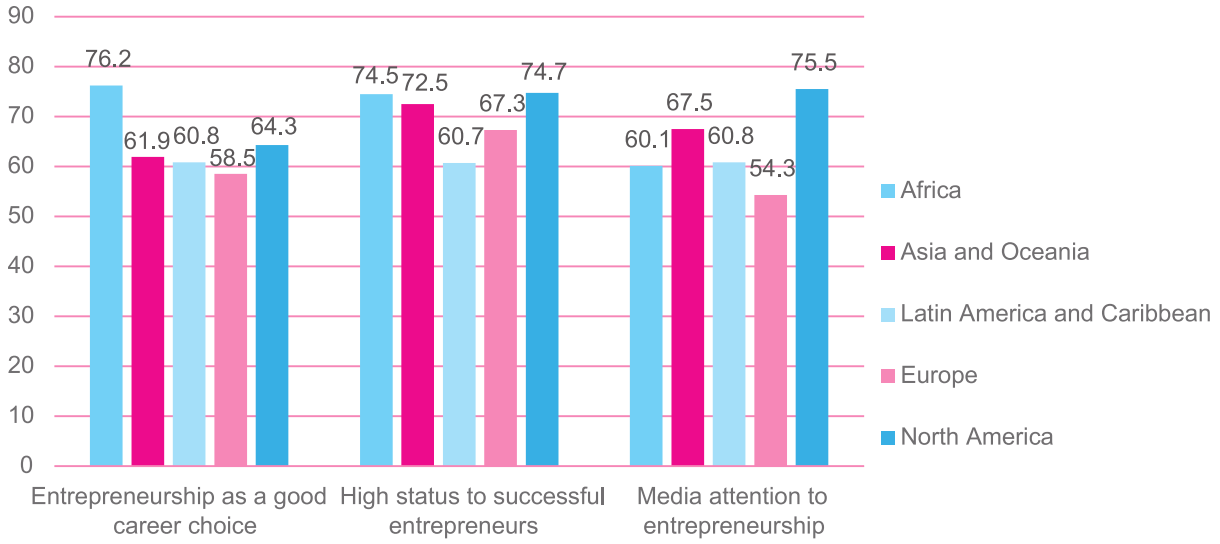
Economics literature is full of evidences that regions play an important role for economic growth. Strategies established at the regional level help an economy to grow more smoothly (Veselovsky et al., 2015). There are numerous studies which identify entrepreneurship as regionally and contextually based. Other determinants like culture, knowledge, human capital, play their role in making a region more successful than others. India is a geographically and culturally diverse country. A major proportion of India's population lives in rural India. However, entrepreneurship grows more often in an environment which constitutes of many social, economic, cultural, and organisational factors. Hence, both individual and environment play equally for entrepreneurship development. It is crucial to understand how societal values vary across regions and influence entrepreneurial activities.

GEM India distributes its sample in to four regions of north, south, east, and west. The three societal dimensions derived in the below figure show that perception of east Indians is highest towards entrepreneurship as a good career choice (19.2%), followed by north India, and closely by south and west India. Eastern India contributes highest perseverance towards entrepreneurs to have a high status followed by north India. Perseverance of East Indians to media attention to entrepreneurs is highest at 20.3 followed by north Indians at 12.8.

6.1.2: Comparison of Societal values for entrepreneurship in selected states.

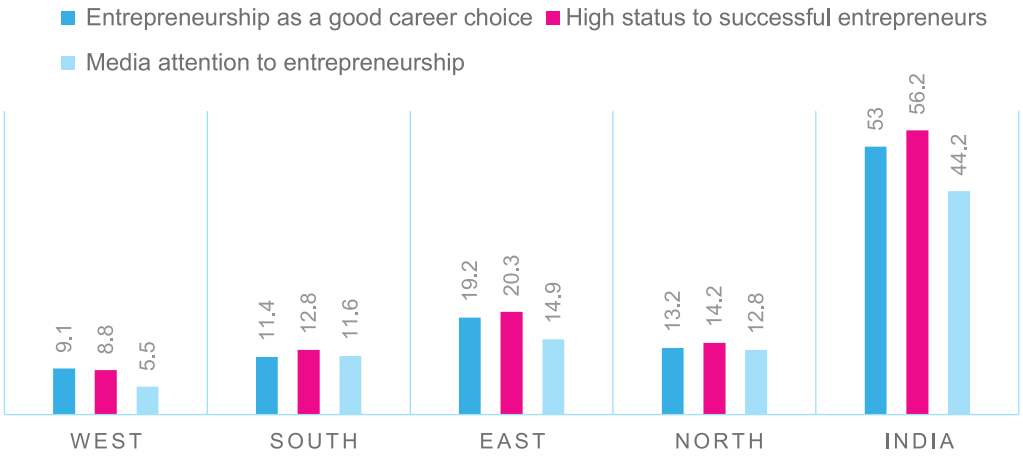
The analysis has been extended to states as well. Four states have been considered for the analysis and the results show that Gujarat has high perseverance towards entrepreneurship as a good career choice and high status to successful entrepreneurs. However, results also show that perseverance of people that successful entrepreneurs get higher media attention is lower (10.4) than Madhya Pradesh and Chhattisgarh (11.7). Results also show that media attention to successful entrepreneurs is marginally high in Madhya Pradesh, Chhattisgarh and lower in other states. Madhya Pradesh and Chhattisgarh are marginally lower in comparison to other two states. This clearly identifies state-level differences which comprise of the above statements regarding societal values of entrepreneurship.

Figure 6.1: *Perception of societal values regarding entrepreneurship – A regional comparison of economies in 2017 (% of population aged 18-64*



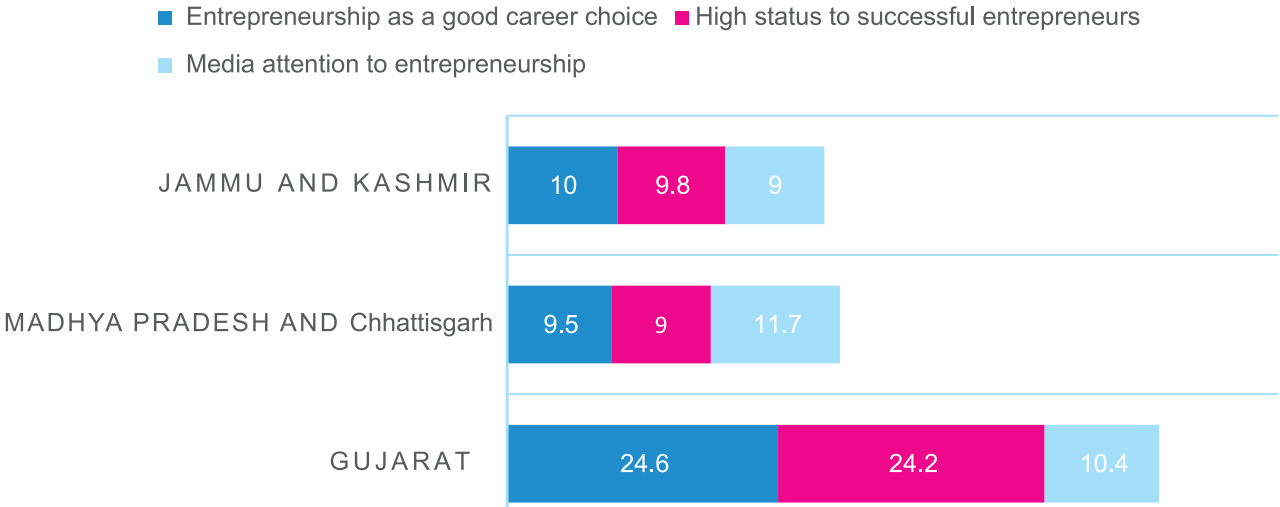
Source: GEM Global Report 2017

Figure 6.2: *Perception of societal values regarding entrepreneurship (region-wise comparison in India)*



Source: GEM India Survey 2017–2018

Figure 6.3: *Perception of societal values regarding entrepreneurship (comparison of selected states)*



Source: GEM India Survey 2017–2018

6.1.3 Gender and societal values towards entrepreneurship in India

The analysis has been further done by looking through the lens of gender perseverance of societal values of entrepreneurship. Comparatively, the results are marginally different for both male and female. There is a marginally higher percentage of male respondents considering that entrepreneurship is a good career choice and 30.3% male consider that successful entrepreneurs have a high status in society. The results are more contrasting in media attention to entrepreneurs which show that 24.9% male and 19.9% of female respondents agree to the statement.

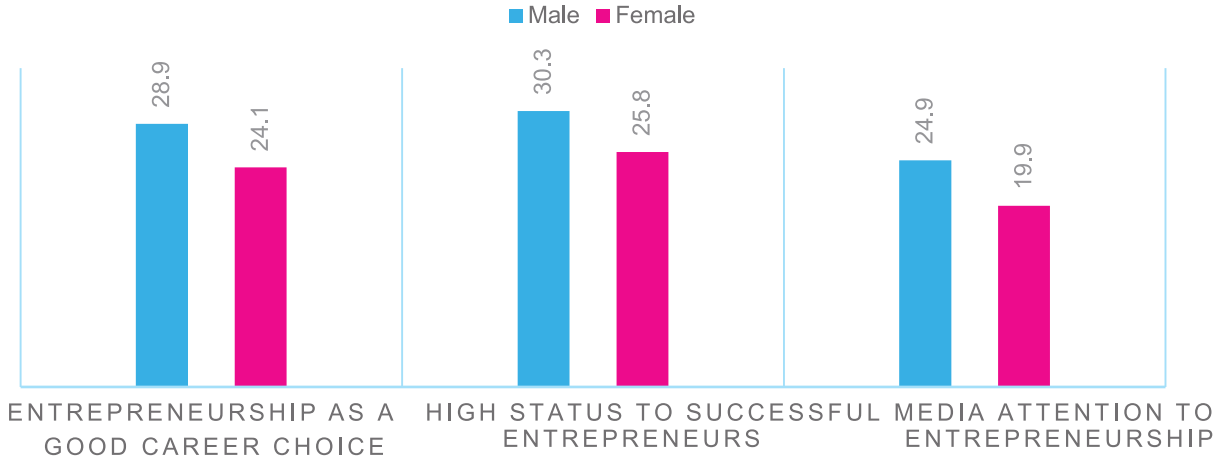
The comparison of results for societal values at regional, state, and gender level shows diversity of the data set and the coverage it holds. The results are more satisfactory for all ways in which analysis has been conducted.

6.2 Entrepreneurial potential in India

The entrepreneurial potential was measured by the GEM study, by highlighting the self-perception about entrepreneurship. It includes perceived opportunity to start a business, perceived capabilities to start a business, fear of failure, and entrepreneurial intention.

The GEM considers those who perceive good opportunities for starting a business and believe that they have the required skills as potential entrepreneurs in the society. Opportunities (or the perception of good opportunities) play an important role in determining whether an individual will even consider starting a business or not.

Figure 6.4: *Perception of societal values regarding entrepreneurship (gender-wise comparison)*



Source: GEM India Survey 2017–2018

Another factor taken into account is the fear of failure. Fear of failure can be influenced by intrinsic personality traits as well as by societal norms and regulations. In some countries, the legal and social ramifications of business failure might act as a strong deterrent, thus reducing the pool of potential entrepreneurs.

Potential entrepreneurs see good opportunities for starting a business and believe they have the necessary skills, knowledge, and experience to start a business. However, perceiving a good opportunity and having the skills to pursue it will not necessarily lead to the intent of starting a business. Individuals will assess the opportunity costs, risks, and rewards of starting a business versus other employment preferences and options, if available. In addition, the environment in which potential, intentional, and active entrepreneurs exist needs to be sufficiently enabling and supportive. The GEM defines entrepreneurial intention as the percentage of the 18–64-year-old population (individuals already engaged in any stage of entrepreneurial activity excluded) who are latent entrepreneurs and intend to start a business within the next 3 years.

In the *GEM Survey 2017*, it is reported that there is a marginal increase in self-perception about entrepreneurship opportunities even as perception for perceived capabilities decreased from 44% to 42.1%. The data also reveals that the rate of entrepreneurial intention decreased (14.9% to 10.3%) while the fear of failure rate increased from 37.5% to 39.6 in 2017.

Self-perception about entrepreneurship have been highly considered in all GEM-based regions. Perception for perceiving opportunities is depicted highest by North American region, while Latin America and the Caribbean region lead in perceived capabilities. Asia and Oceania reflect the highest percentage of fear of failure perception. This data clearly depicts reasons like financial insecurity and cultural constraints leading to fear of failure among youngsters. In India, it is 39.6, which is about the same as the highest average for fear of failure. Entrepreneurial intention percentage is highest as reflected by Africa, Asia, and Oceania. India shows a very low score of 10.3%.

6.2.1 Regional comparison and Self-perception

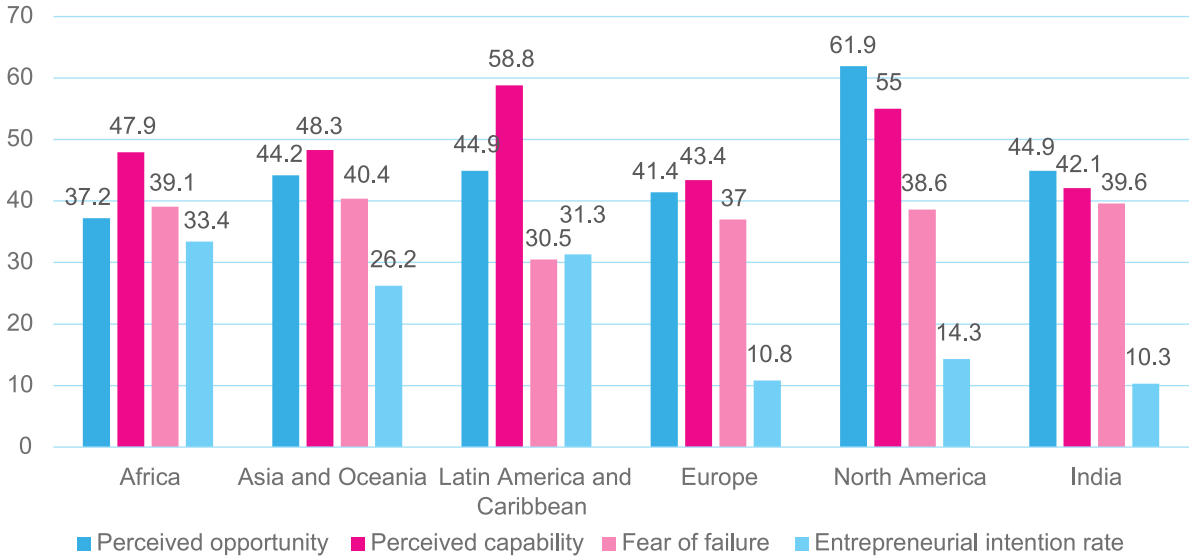
Looking from a regional perspective, in India, the eastern region has the highest self-perception

Table 6.4: *Self-perception to start a business in India*

	GEM 2017 (Rank 52)	value % (2017)	value % (2016)
Perceived opportunity	27	44.9	44.3
Perceived capability	41	42.1	44
Fear of failure	21	39.6	37.5
Entrepreneurial intention rate	42	10.3	14.9

Source: GEM India Survey 2016–2017 and 2017–2018

Figure 6.5: *Self-perception about entrepreneurship – A comparison of GEM regions*



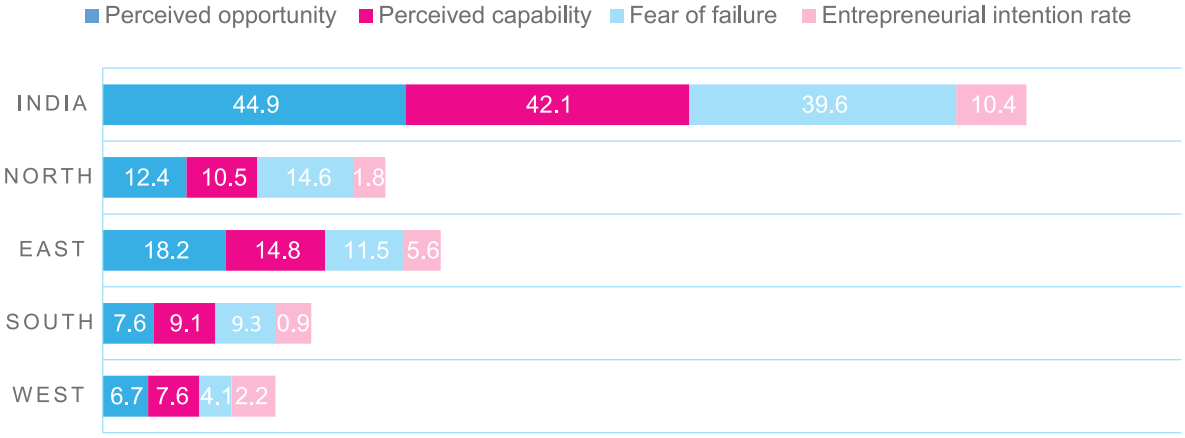
Source: GEM Global Report 2017

about opportunity with 18.2% of respondents. Capability with low fear of failure and highest entrepreneurial intention. These results show a great consistency. The second region following the trend is the north region (12.4) with high perseverance to perceived opportunity and capability with high fear of failure (14.6) and lowest intension rates. West is a consistent performer which has an average outcome with 6–7% of respondents supporting perceived opportunities and 7.6 % for capabilities. North region with an intention of 1.8 looks down due to a high fear of failure at 14.6% of people confirming to that. The results surely confirm the diversity and impact of regional resources, regional policies, and regional cultures. These things are clear when we look at opportunity grabbing intentions, fear of failure, and others.

6.2.2 Self-perception about entrepreneurship in India (selected state-wise comparison)

The results above have been clear in a regional perspective and the table below provides a view of data for state level self-perception of respondents. The results confirm that perceived opportunity is highest in Gujarat (17.2) and perceived capability is also very high in Gujarat (22.6). The state has lower fear of failure and highest entrepreneurial intentions at 4.6. However, 2017 survey shows that perceived opportunity is at 3.3 of the total intentions depicted by the states collectively. Madhya Pradesh and Chhattisgarh respondents have more of a neutral perceiving self-perception regarding

Figure 6.6: *Region-wise self-perception about entrepreneurship in India*



Source: GEM India Survey 2017–2018

entrepreneurship. These results highlight the rise of entrepreneurship information among masses which is somehow constrained by financial, social, and cultural aspects of the society and system.

6.3.3 Gender and self-perception about entrepreneurship in India

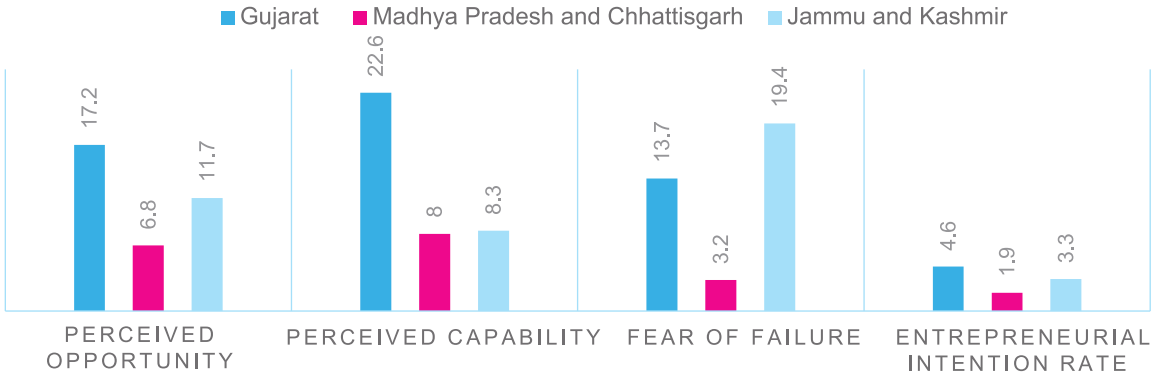
In the *GEM Survey 2017*, it is reported that in comparison to females, the males have higher levels of perceived opportunities (25.4), capabilities (24.8), higher fear of failure (22.5), and higher entrepreneurial intention (6.1). These results confirm about the national level which is clearly representative of all the respondents and does not confirm the perceptions in regions and states of India. The results confirm to the GEM India 2016 study which provided the likely results. The rate of intentions among respondents was marginally same to the 2017 survey results.

6.3 Entrepreneurial Activity Indicators

The TEA consists of the percentage of individuals aged between 18 and 64 years who are in the process of either starting a new business or have recently started one. Thus, TEA has two dimensions: nascent entrepreneurs—individuals who are taking steps to start a business; and new entrepreneurs—owner-managers of businesses less than 3.5 years in existence (or baby businesses). It is important to mention here that the above-mentioned measurement of entrepreneurship includes organisational lifecycle approach, i.e. nascent, new business, established business, and discontinuation.

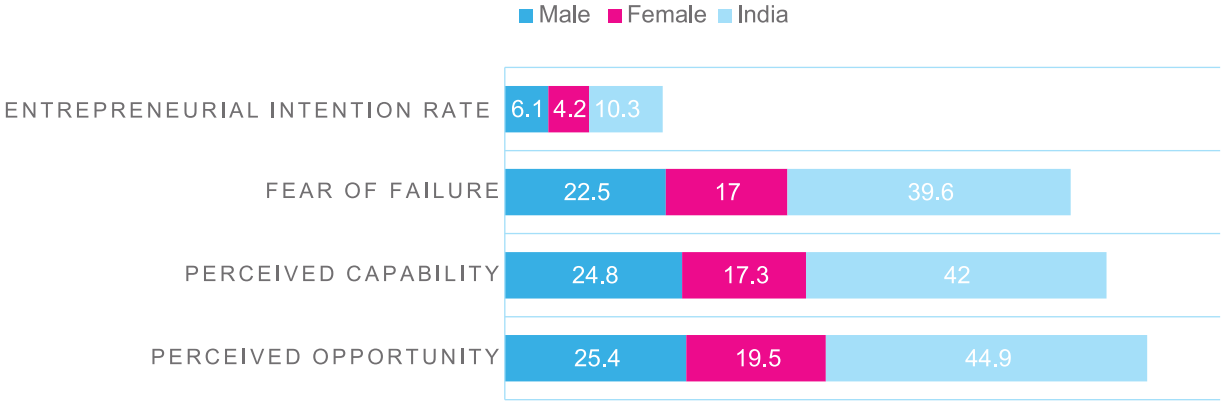
The GEM survey monitors entrepreneurial activity by using the following different indicators: Total Entrepreneurial Activity, Entrepreneurial Employment Activity, established business ownership rate, and Business discontinuation rate. The pattern of calculating averages has now been shifted to regional basis and the average data or mean values for TEA in Latin America and Caribbean is highest at 18.5 followed by 16.2 in North America and with an average of 9.3% in India.

Figure 6.7: *Self-perception about entrepreneurship in India (selected state-wise comparison)*



Source: GEM India Survey 2017–2018

Figure 6.8: *Gender-wise self-perception about entrepreneurship in India (% of population aged 18-64 years)*



Source: GEM India Survey 2017–2018

The percentage of new business ownership rate shows that it is highest in Latin America and Caribbean followed by Asia and Oceania with 7.1%. India has 4.6% for new firm formation. Results for regional comparison do not hold much for established business ownership rate. It is highest in Africa followed by Asia and Oceania with 9.7% and India with 6.2%.

Entrepreneurial Employment Activity depicts highest percentage in North America with 7.9% followed by Europe at 4.4% and half than the highest by Asia and Oceania 3.1%. The same percentage in India is very low at 0.2%.

Looking at the data results for discontinuation rate of businesses, it is found that Africa with 6.9% has the highest discontinuation rate followed by North America at 5.5% and Latin America and Caribbean at 5.2%. The interesting thing is that India has a low discontinuation rate among countries, and among regions, it is only more than Europe which has a lower discontinuation rate than India at 2.9%.

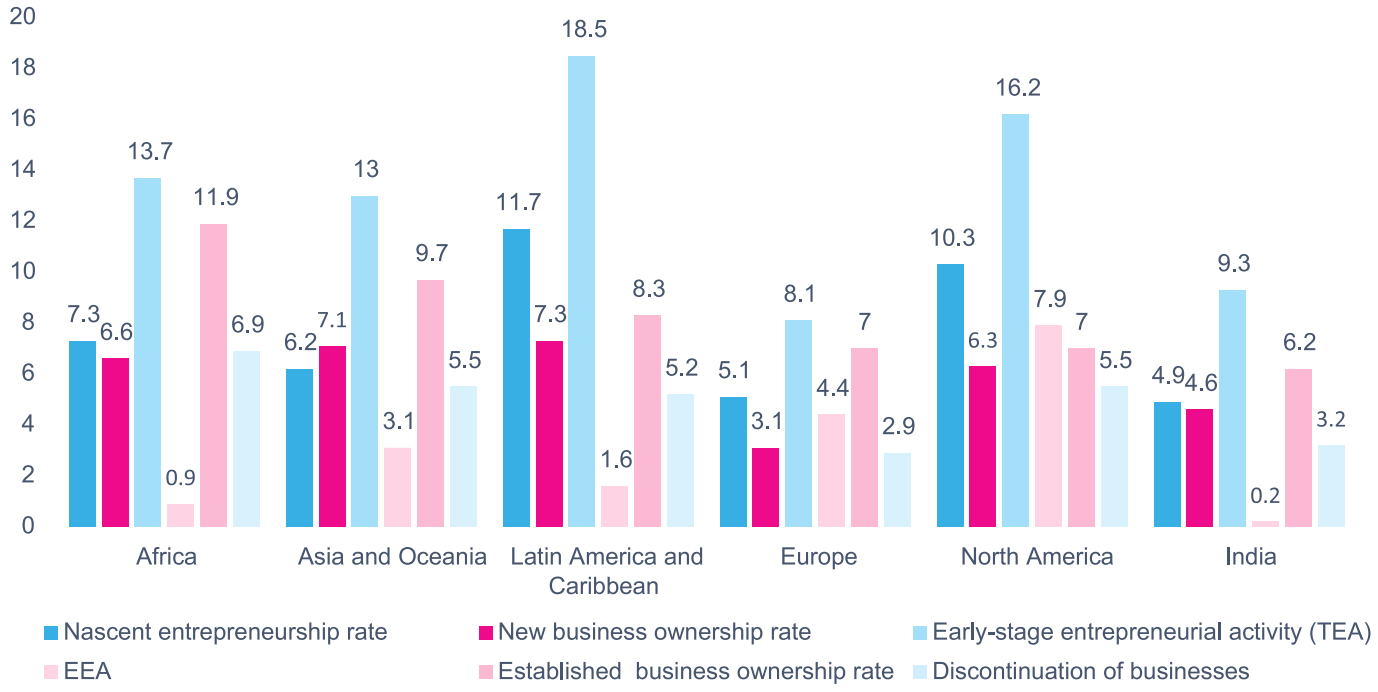
6.3.1. Region-wise TEA in India

The TEA varies to a great extent across regions and is reflected in the GEM Survey 2017. GEM India Survey (2017–18) shows that 9.3 percent of respondent are involved in any kind of entrepreneurial activity. The results at regional level show that 4.5% is being represented by western region, followed by eastern region and marginally lower followed by north and south India. A comparative analysis of these results shows that perceived opportunity is highest in eastern India but the western region is the hub of working enterprises. The TEA rate is lowest in the western region.

6.3.2 State-wise TEA in India (Selected States)

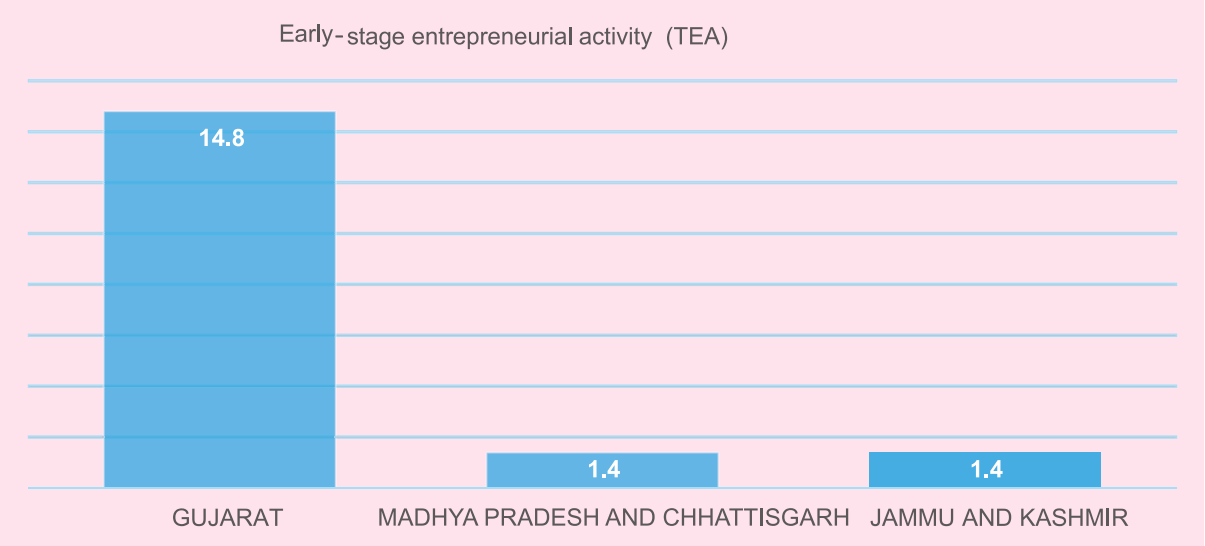
The TEA activity is an important component of GEM report which talks of the existing and happening enterprises in the country and states considered for analysis. The below figure taking states into consideration shows that Gujarat state in western India represents 14.8% of the TEA in India. The other states of Madhya Pradesh, Chhattisgarh, and Jammu & Kashmir show a comparatively low and grim TEA in their states as only 1.4% of the respondents are involved in any kind of entrepreneurial activity.

Figure 6.9: *Ranking of Types of Entrepreneurial Activity by Region, GEM 2017 – Percentage of Population Aged 18-64 years*



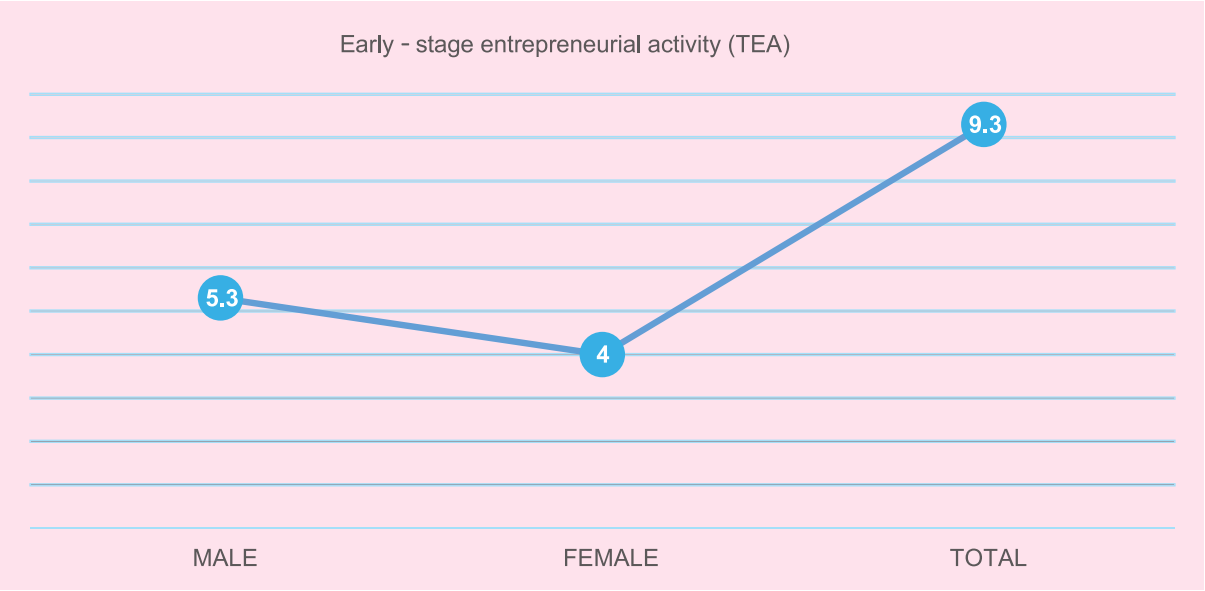
Source: GEM Global Report 2017

Figure 6.10: *TEA in selected states in India*



Source: GEM India Survey 2017–2018

Figure 6.11: *TEA in India, grouped by gender (% of population aged 18-64 years)*



Source: GEM India Survey 2017–2018

6.3.5 Gender-Wise TEA in India

The *GEM Survey 2017* reports that the participation of female population in the TEA in India varies significantly and is less than the participation of males. However, the lower rate of female participation is evident across economies participating in the *GEM Survey 2016 and 2017*. The total respondents involved in any kind of entrepreneurial activity is 9.3%. This percentage when taken in a gender perspective shows that 5.3% comprise of males and 4% of the total comprise of females. It is also reported that a regional difference exists in India in the participation of females in TEA. While northern and western regions are more balanced, there is a significant difference in southern and eastern regions.

6.3.4. TEA grouped by age in India

High TEA rates among the young age groups of 18–44 years is indicative of positivity for a country like India, which is undergoing a demographic transition with an increase in the share of working age youth.

The below figure depicts the data results for TEA for age in GEM prescribed regions and its comparison with India. The data shows that over all age group of 25–34 has the highest percentage of TEA in North America followed by Latin America and Caribbean. The other age group which shows a high TEA rate is 35–44 with the highest in Latin America and Caribbean at 20.6%, followed by 15.8% in North America.

The trend of percentage in India is not much diverse as the age group 35–44 shows highest percentage of TEA at 11.5 followed by 55–64 age group at 9.2%. The maximum variation in age group and activity can be observed in the North American region as well as Latin America and Caribbean, while other regions are more stable like in Asia and Oceania, age group 25–34 and 35–44 show the same 15% perception to TEA.

6.3.5. TEA by age groups in India Comparison of last 4 years

The data results for TEA among age group of last 4 years show that variations have occurred for the better. The data reveals that from 2014 data results, the perseverance of youth has increased from less than 6% to more than 8%. The TEA age group for 25–34 had been rising till last year and has now come down again. The TEA averages for age group 35–44 have increased constantly for last 3 years and are highest among all others. The results for 2016 show constant rise in TEA for all age groups.

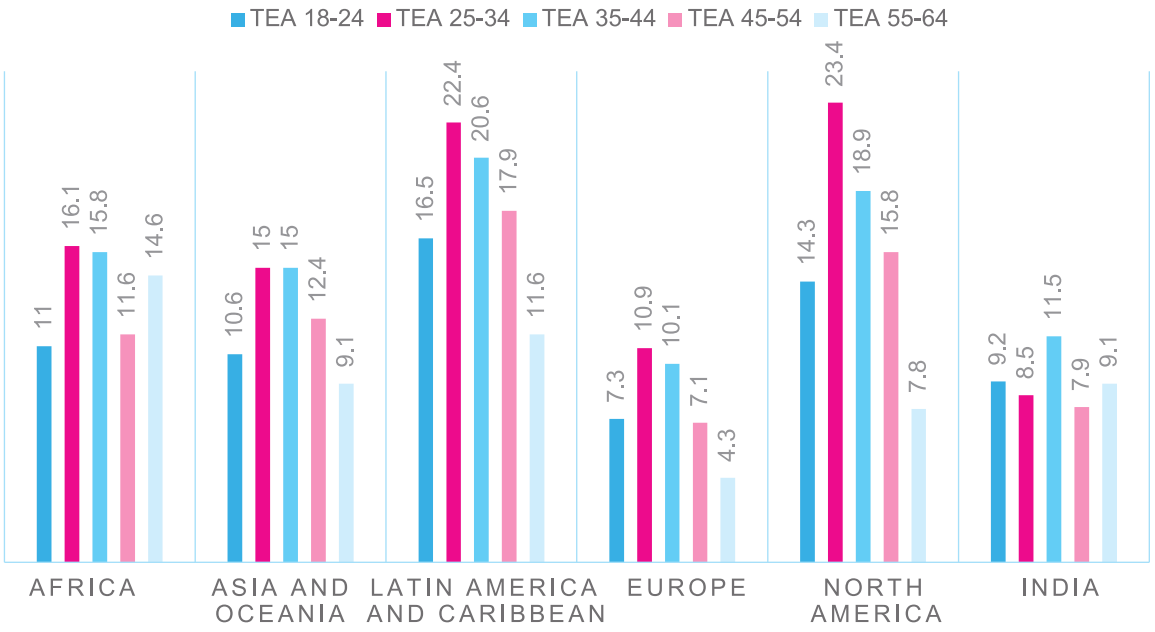
6.3.6 Established business rate in India

The established business rate is the percentage of the adult population that are owners/ managers of businesses that have been in operation for more than 42 months. Information on the level of established businesses is important as it provides some indication of the sustainability of entrepreneurship within an economy. These businesses have moved beyond the nascent and new business phases, and are able to contribute to a country's economy through the ongoing introduction of new products and processes, and a more stable base of employment.

6.3.7 Business discontinuation reasons

The business discontinuation rate captures the percentage of the population aged 18–64 years (who are either a nascent entrepreneur or owner-manager of a new business) and have, in the past 12 months, discontinued a business either by selling, shutting down, or otherwise discontinuing an owner/management relationship with the business.

Figure 6.12: *Ranking of TEA by Age Group, by Region, Percentage of Population Aged 18 - 64 years*



Source: GEM Global Report 2017

Figure 6.13: *TEA by age groups in India comparison of last 4 years*

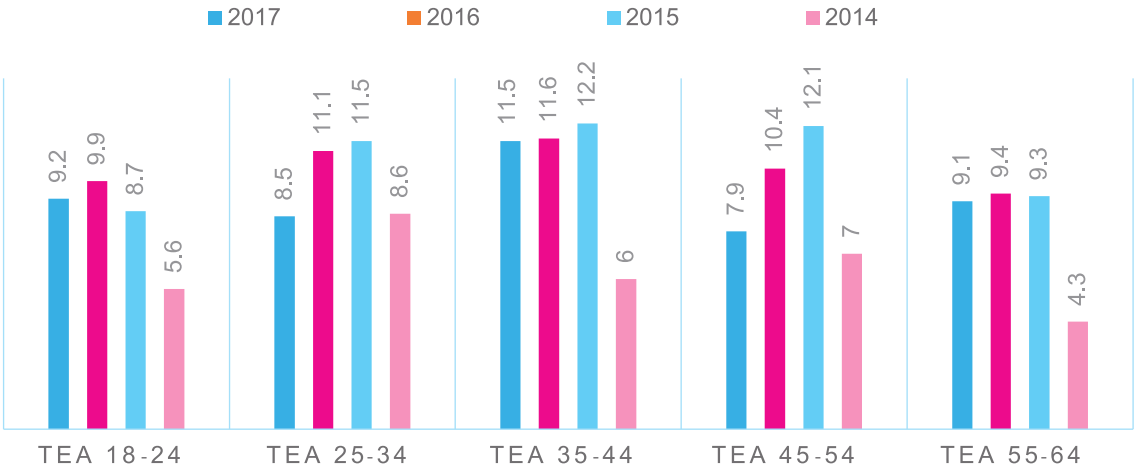
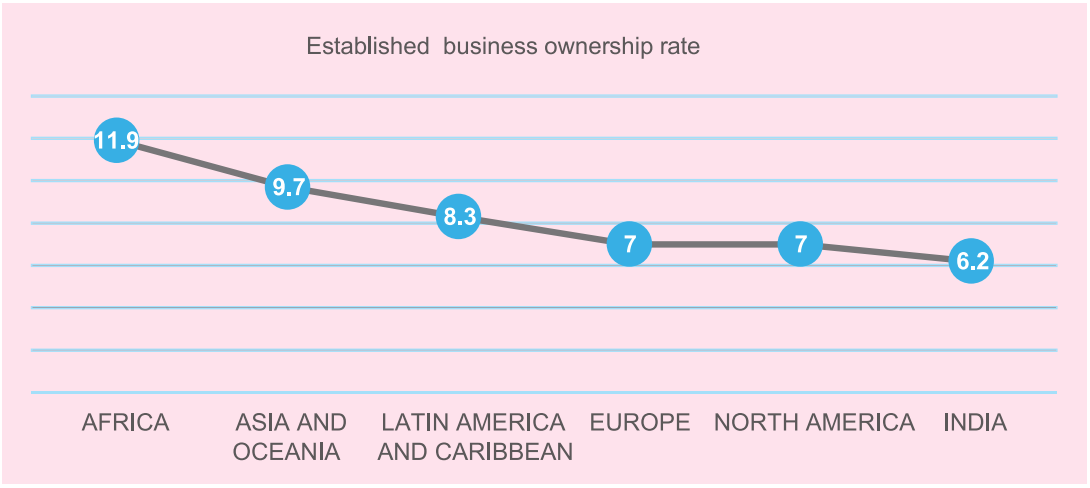


Figure 6.14: *Established business rate – A comparison of GEM economies (% of population aged 18-64 years)*



Source: GEM Global Report 2017–2018

As highlighted in GEM Global Report 2016, the business discontinuation rate is often highly contextualised—a high rate could indicate low levels of preparations for venturing (capabilities, wrong perceptions about an opportunity, low level of motivation, etc.). A low rate, on the other hand, is not necessarily a positive indicator as entrepreneurs might be stuck in "dead" ventures because of complicated exit regulations, taxation policy, etc. The reasons for business discontinuance are many and varied. Some reasons could be seen as positive, such as the opportunity to sell, pursuing another opportunity or planned retirement. On the other hand, discontinuation may happen due to lack of business profitability, problems with accessing finance, and running out of working capital.

The data in the below table highlights that in GEM regions, unprofitability has been the biggest reason compared to others for all regions. It is the highest reason for discontinuation in Africa, Latin America and Caribbean with each at 40.6%. The other reasons following this are 'personal reason' and 'another opportunity'. The biggest reason for discontinuation in India is not profitability it is financial. The GEM study verifies the fact that there is a dearth of financial accessibility and availability. Unprofitability with a score of 31.6% is the second biggest reason for business discontinuation in India. It makes clear that financial health is an important concern for a country in transition with a high demographic dividend in the young age group. Personal reasons have also remained an important cause of business discontinuation in every other GEM region considered.

6.4 Motivation for entrepreneurial activity in GEM regions and India

Entrepreneurial activity can be conceptualised as a function of opportunity structure and motivated entrepreneurs with access to resources (Aldrich & Zimmer, 1986). Further Shane, Locke and Collins (2012) argue that keeping other factors constant, human motivation plays a critical role in the entrepreneurial process. Hence, a more realistic explanation is required to understand how motivation influences the entrepreneurial process? The GEM conceptual framework uses necessity versus opportunity motives with the rate of TEA in the country.

For understanding the entrepreneurial motives, the *GEM Survey 2016* calculated the motivational index (MI)—a ratio of necessity-driven and improvement-driven entrepreneurs. A higher index value reflects a high share of improvement-driven entrepreneurs.

The GEM regions show a varied view of reasons for entrepreneurial motivation. The data points out that 82.6% of North Americans are motivated by new opportunities to explore and establish a new enterprise. The same is followed by Europe with 75.4% motivated by new opportunities and 39.1% in India. The analysis also depicts the impact of opportunity recognition and its application in the entrepreneurial way. North America has the highest value in motivation index at 5.2 followed by 3.4 in Europe and 3.2 for Asia and Oceania and India's separate motivational index value comes to 0.7 which is very low compared to regions and countries in the survey.

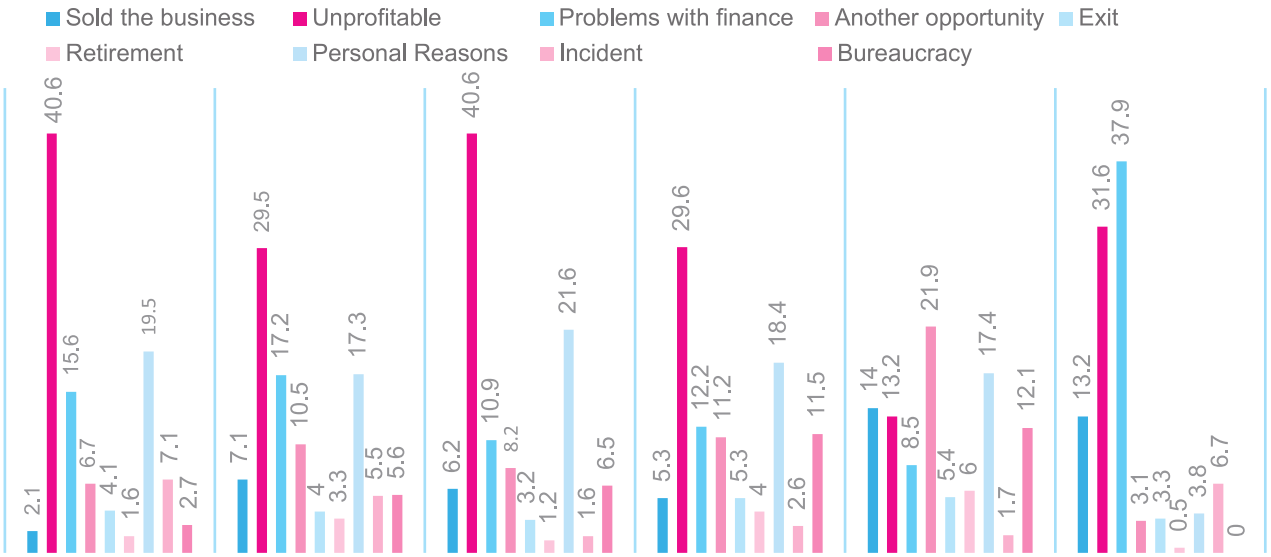
6.5 Entrepreneurial aspiration in India

The word "Aspiration" denotes 'will to succeed'. Aspiration also refers to a state in which the entrepreneur is motivated to create firms and increase their scale to employ people in it. Aspiration also motivates and helps an individual to move to a progressive stage of life. These high-growth aspiring entrepreneurial firms have a significant job creation potential and thus benefit the economy by raising the overall employment rate, correlated with innovation, technological advancement, and investment. While individual decision to become an entrepreneur is the most studied area, it is important to study the factors leading to such entrepreneurial aspirations. The GEM study also attempts to understand the individual entrepreneurial aspirations leading to entrepreneurial activity, growth, innovation, and internationalisation of profiles of entrepreneurs.

6.6 Innovation orientation in India

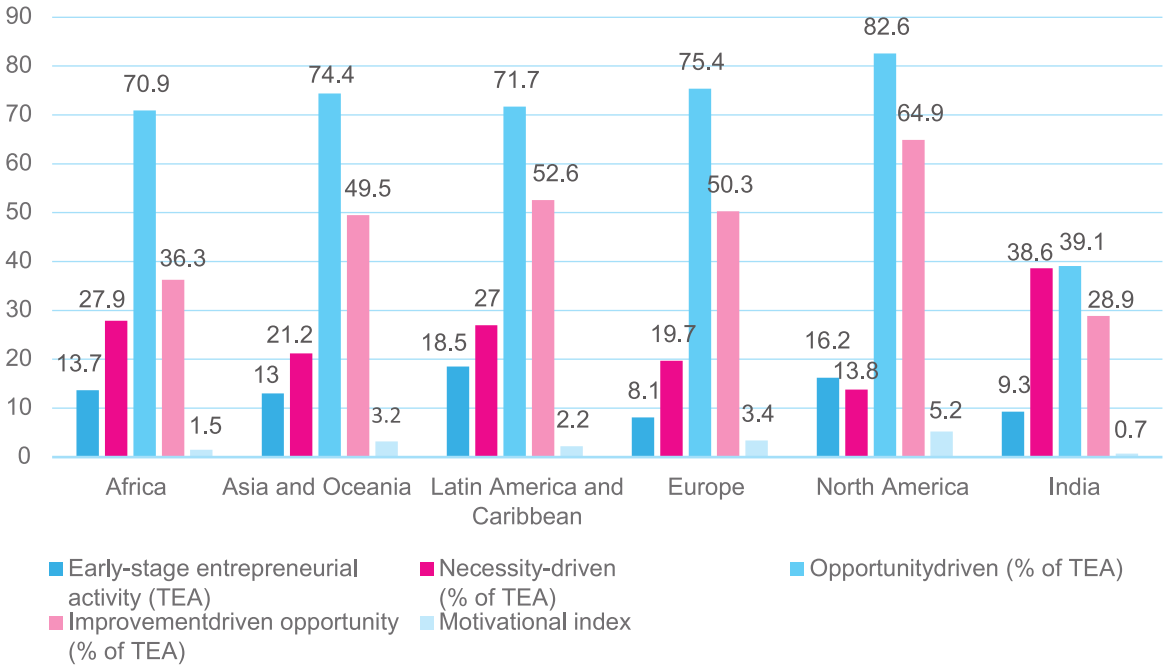
Innovation is a key driving force in the success of a business.

Figure 6.15: *Ranking of Reasons for Business Exit by Region, GEM 2017 – Percentage of those Exiting a Business in the Previous Year*



Source: *GEM Global Report 2017*

Figure 6.16: *Ranking of Entrepreneurial Motivation for TEA by Region, GEM*



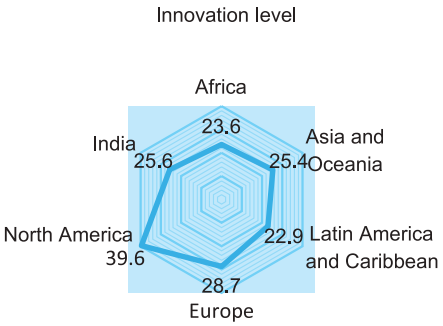
Source: GEM Global Report 2017

Innovative practices in existing business models and organisations, added by the creation of new ventures based on new business models and technology, are the key characteristics for expanding value of resources. Innovation is viewed in line with Schumpeter's view of innovative entrepreneurship from the perspective of market and industry. He defined entrepreneurship as undertakings through innovation, which include "the introduction of new commodities, technological change in the production of existing commodities, opening up of new markets or new sources of supply, setting up new business organisations" (Schumpeter, 1942). The degree and frequency of innovation always creates a positive impact on economic development. Since innovation is a dynamic process and changes constantly, it is extremely difficult to measure the same. The GEM team has been using two different ways to assess innovation: (1) innovativeness of the product or service, and (2) novelty of the technology used.

As far as product innovation is concerned, it is measured in terms of the number of customers who consider the product or service as new or unfamiliar. Three levels of product innovation are distinguished: products/services that are unfamiliar to all (potential) customers, products/ services that are unfamiliar to some (potential) customers, and products/ services that are unfamiliar to no (potential) customers.

The *GEM Survey 2017* finds that, India is very close (in innovativeness) to other countries and regions. But, the data also shows that North American regions lead innovativeness with 39.6%. India has an impressive score of 25.6% which depicts the change and the efforts put in to bring the change.

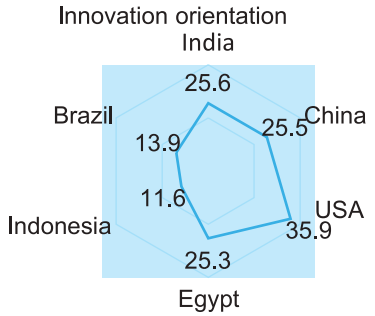
Figure 6.17: *Innovation levels (% of TEA with new product and no competitors) – A comparison of GEM regions and India*



Source: GEM Global Report 2017–2018

A comparison of innonation level reveals that India and china are on the same scale while Egypt, Brazil and indonesia have low levels at 25.3, 13.9 and 11.6 respectively. The data is given below in the radar box.

Figure 6.18: *Innovation orientation for TEA – A comparison of countries*



Source: GEM Global Report 2017–2018

6.7 Employment Growth expectation of TEA in India

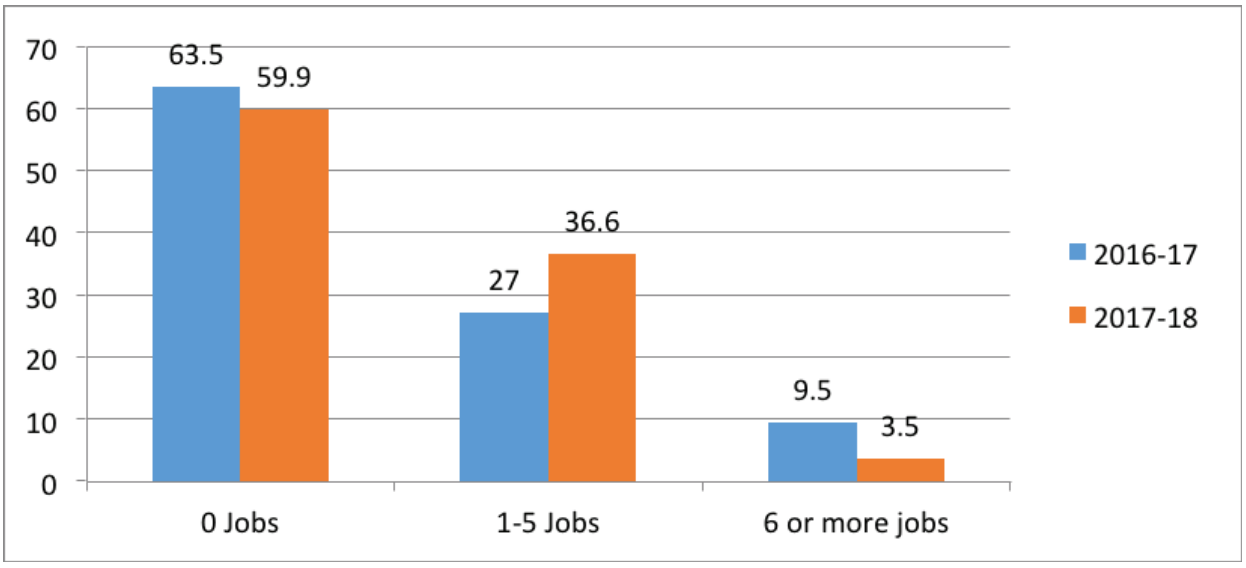
To measure the growth expectation of the TEA, the GEM team collects employment projection figures by asking how many employees (other than the owners) were employed or are expected to be employed over the next 5 years. The below presented comparative data of 2 years reveals that the first question of 0 jobs has not changed much; however, there has been a more than marginal change in the employment projection of 1–5 employees in next 5 years.

These employment projections hint that majority of new businesses in India are not positioned to expand and are continuing for to different reasons. Other results, meanwhile, also reveal that due to look of prospective for profitability, businesses do not project expansions and continuing to operate at the given level.

6.8. Industry sector participation in India

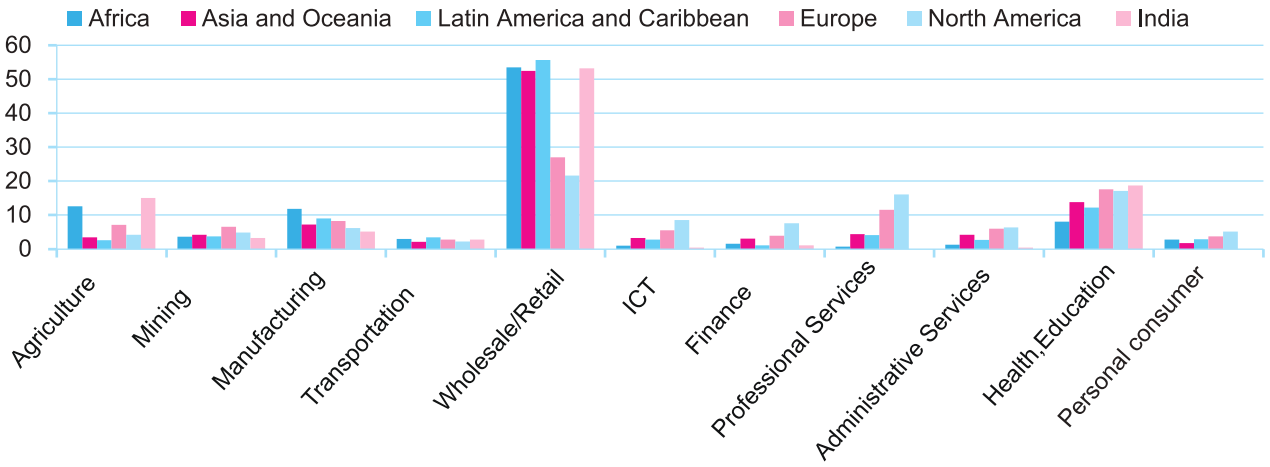
The survey results for Indian respondents reveal more of a concentrated result in wholesale and retail which consists of a major chunk of businesses being covered in the survey. The data shows that other than Europe and North America, all regions and India do have high concentration of whole sale and retail businesses representing this survey. Agriculture is also an important industry to enterprise in countries like India and Africa. Other than this, every other sector is marginally represented in all regions and countries.

Figure 6.19: *Employment projection for where are 5-year project by TEA in India (% of population aged 18-64 years)*



Source: *GEM Global Report (2016–2017) (2017–2018)*

Figure 6.20: *Industry sector participation % of TEA in India (% population aged 18-64 years)*



Source: GEM Global Report 2017–2018

ChAPTER 7

ENTREPRENEURSHIP FRAMEWORK CONDITIONS IN INDIA:

NATIONAL EXPERT SURVEY (NES)

7.1 Introduction

The conceptual framework of GEM identifies a definite set of contexts ranging from social, cultural, political and economic aspects for individuals to express their intentions and perform entrepreneurial activities. The framework is a representation of the multifaceted features of entrepreneurial endeavours, behaviours, pro-activeness, and innovativeness of individuals with concern to the environment. The GEM conceptual model depicts two mutually inclusive framework conditions—a general national framework condition (NFC) and a specific entrepreneurial framework condition (EFC) for assessing the level of entrepreneurial activity in a country. In the GEM study, the NFC reflects the country's economic stages of development (factor-driven, efficiency-driven, and innovation-driven).

The GEM survey is more driven by looking at interdependency between entrepreneurship and economic growth in a country. It helps to trace what determines entrepreneurship in a country and identify such factors which help an individual economy to grow. An entrepreneurial ecosystem plays an important role and GEM has classified EFCs into nine different categories—financing, government policies and programs, education and training, R&D transfer,

Figure 7.1: *Entrepreneurial Framework Conditions*

Source: GEM Global Report 2017–2018

physical, commercial, and legal infrastructure, market openness, and culture and social norms.

EFC of a nation is measured with the help of NES conducted every year. In 2017, the NES provided data on these nine components of the entrepreneurship ecosystem using a Likert scale of 1 (highly insufficient) to 9 (highly sufficient). The NES provides information regarding challenges and the environment faced by start-up entrepreneurs. Environment has a significant impact on entrepreneurial attitudes. At least four experts were interviewed for each of the framework condition which adds up to 36 experts to complete the survey. Other aspects such as gender, specialty, and experience, were also needed to be taken into consideration. NES India data is collected from experts, academicians, and entrepreneurs, as per the GEM global framework.

An entrepreneurial ecosystem is defined as a "set of interdependent actors and factors coordinated in such a way that they enable productive entrepreneurship within a particular region" (Stam & Spigel, 2016).

According to the World Economic Forum's *Global Competitiveness Report*, countries are classified into three different stages:

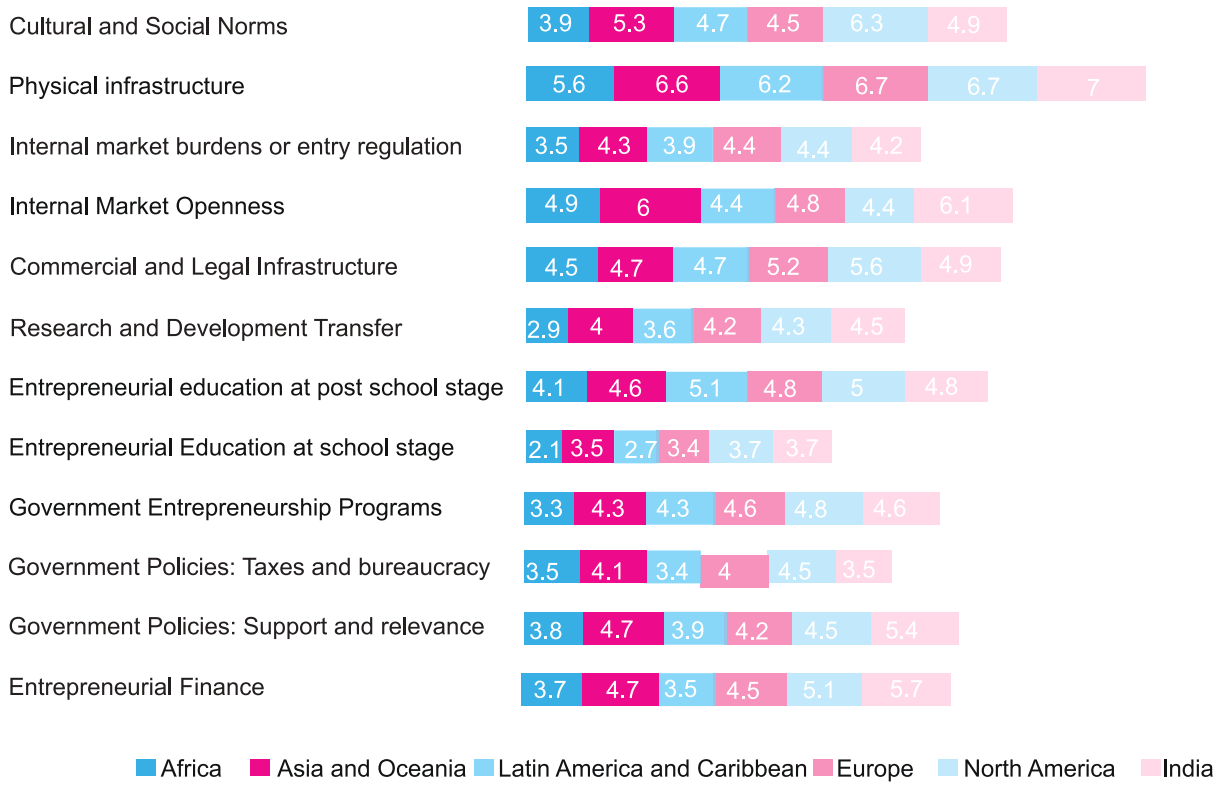
- Stage 1 "Factor"-driven (FD) economies, where countries compete primarily on the use of unskilled labour and natural resources, and companies compete on the basis of price as they buy and sell basic products or commodities.
- Stage 2 "Efficiency"-driven (ED) economies, where growth is based on the development of more efficient production processes and increased product quality.
- Stage 3 "Innovation"-driven (ID) economies, where companies compete by producing and delivering new, different products and services by using the most sophisticated processes.

The *GEM Survey 2017–2018* study consists of 54 economies belonging to the three stages. While India remains a factor-driven economy, it is showing significant improvements at par with and occasionally better than the economies at efficiency- or innovation-driven stages.

7.1.1. Entrepreneurial Framework Conditions, GEM regional averages and India

The below mentioned results are based on the regional view of GEM data. It represents all regions which GEM has considered for evaluation. The data also includes comparative results for India's EFC. The data reveals that North

Figure 7.2: *Entrepreneurial Framework Conditions, GEM Regional Averages and India*



Source: GEM Survey 2017–2018

America and Europe saw a higher level of positive response to the determinants of EFC of the region. However, for other regions and India separately, the data collected through NES was adequately representative. The trend line above the data heads clearly indicate a progress in the views of national experts towards all the indicators. Among all the regions and countries, physical infrastructure has been shown with the highest average. The least scoring dimension in NES for region and India is 'entrepreneurial education at schools'.

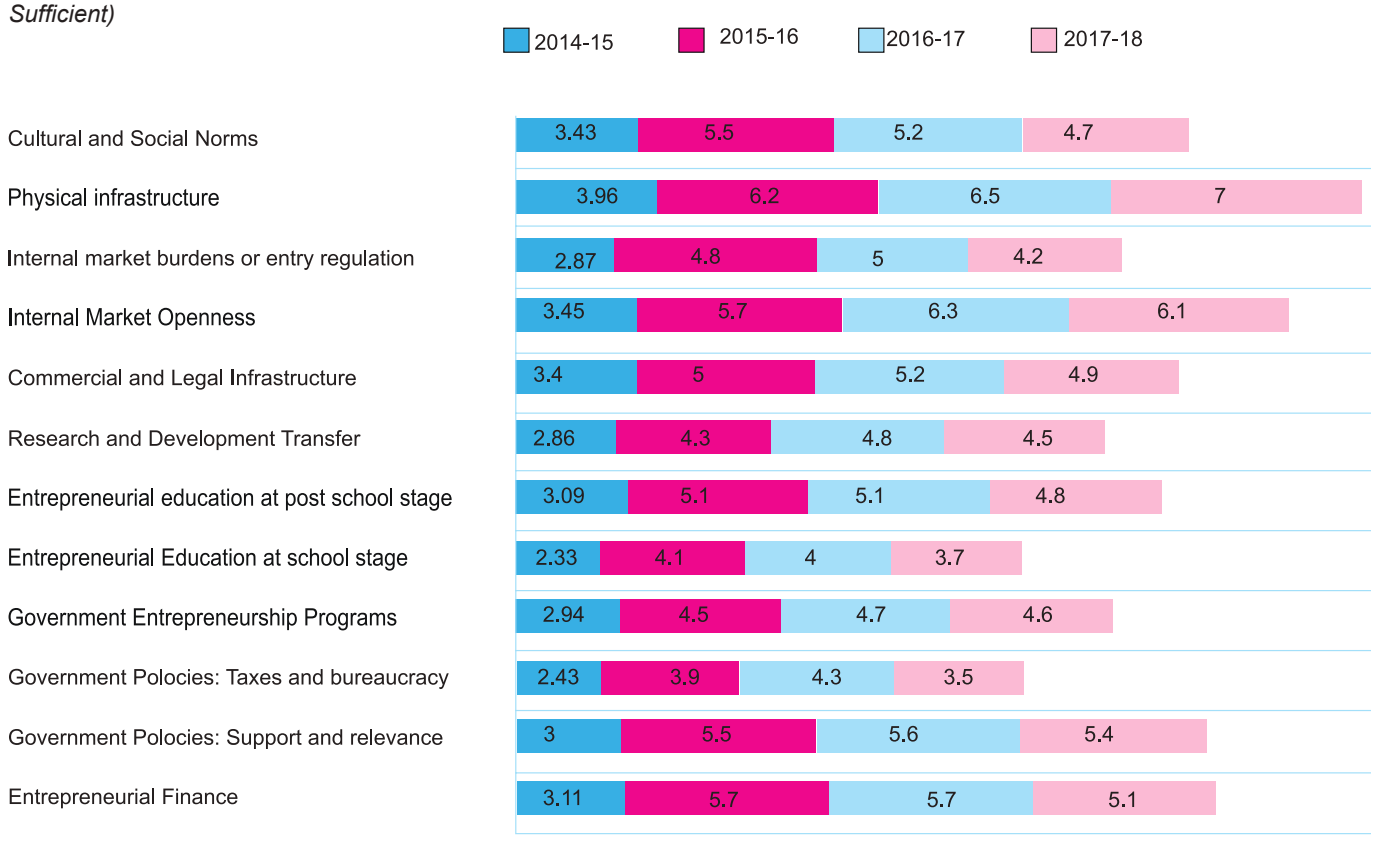
7.1.2. Entrepreneurial Framework Conditions scores, India (2014-2017)

Table 7.3 presents comparative EFC data for the period (2014–17) for EFCs or antecedents of entrepreneurial ecosystem in India. The data is based on yearly National Expert Survey (NES) conducted by GEM India team. The data shows that while in all 4 years, 2014 has been at a low level, the year 2015 has been clearly very different than the previous one. The results show an abrupt prospective increase of perseverance towards these different dimensions. Experts have shared their opinion which reflect that there is a kind of physical infrastructure available and there is a low score for entrepreneurial education at the school level. Another important observation over these 4 years is that entrepreneurial finance, government policies, and programs, have also scored well. The results for 2017–2018 also depict a different view that government policies, entrepreneurial education at schools and internal market burdens have not been rated in a hype and it is a clear representation of India's entrepreneurial activeness.

7.2 Entrepreneurship Financing in India

Entrepreneurship financing measures the availability of capital and its major sources for entrepreneurial activities. The access and availability of finances is very crucial for any entrepreneurial environment to succeed. The number depicts that experts have given an adequate value to different items covered in the finance category. India falls in a "more than average" category of countries and ranks 10 out of 54 surveyed countries. These scores highlight that experts are confident and fairly positive of availability of finances in India. The NES further suggests an increase in the sources of funding, namely equity funding, professional business angel investors, and crowd funding in comparison to the past year.

Figure 7.3: *Entrepreneurial Framework Conditions Scores, India 2017 (Weighted Average, 1 = Highly Insufficient, 9 = Highly Sufficient)*



Source: GEM Survey 2017–2018

7.3 Government Support and Policies in India

The vitality of government policies can be realised by looking at the stages of entrepreneurship. Many entrepreneurs do not pass even the intentionality stage of entrepreneurship due to many reasons. The government is not directly responsible for people to start-up either it provides an environment to start things more smoothly. The importance of government programs and reforms is known widely. Government support and policies help us understand the status of support and policies in India at both national and local levels. The data shows that there is a positive shift towards promoting entrepreneurship through policy design. Several proposals announced by the finance minister suggest that the government is serious about unlocking India's entrepreneurial power such that adequate jobs are created and economic growth ensured.

The results show that the average score is more than the overall average and suggest that experts consider that both internal and external support is available. However, it varies at different degrees. The results show that even at the local level, support for new and growing firms is a priority. India ranks 8th from a total of 54 participant economies in NES survey. Comparing the results from previous years indicate that overall it has been very positive and appreciating. The results also suggest that in a country like India, national policies must be framed in a way such that they can the have an equal impact at lower level.

7.4 Taxes and Bureaucracy in India

The results are distressing when it comes to the 'taxes and bureaucracy' aspect of the support system. On one hand, results show clear and positive support while on the other, getting permits and licenses to work have been valued at 2.6 which is lower than the average. There has been a sweep of changes in the overall policy and bureaucratic system of India especially in the GST and Bankruptcy Bill. The benefits of these changes will take time before they can be availed.

The numbers can be better understood by looking at the ranking provided for this. India stands at 33 out of 54 surveyed countries. This is an indicator that the country needs to make more serious efforts to end many needless formalities and delays so as to bring down the number of procedural days. These changes can better serve the weaker section of the society as they suffer more from bureaucratic and procedural exclamations. These changes will also help them to keep up with the competition instead of dropping out.

Doing Business Report 2017 says that data from India suggests a clear realisation of transformative reforms. It also says that India has already initiated reforms and it substantially supports and appreciates these efforts, e.g. reduction of time and procedures to provide power connections for businesses.

Table 7.1: *Entrepreneurship Financing in India*

Mean Score	2017
There is sufficient equity funding available for new and growing firms	5.44
There is sufficient debt funding available for new and growing firms	5.02
There are sufficient government subsidies available for new and growing firms	5.79
There is sufficient funding available from informal investors (family, friends, and colleagues) who are private individuals (other than founders) for new and growing firms	6.24
There is sufficient funding available from professional business angels for new and growing firms	5.80
There is sufficient funding available from venture capitalists for new and growing firms	5.14
There is sufficient funding available through initial public offerings (IPOs) for new and growing firms	4.78
There is sufficient funding available through private lenders' funding (crowd funding) available for new and growing firms	4.07

Source: GEM India Survey 2017–2018

Table 7.2: *Governmental Support and Policies in India*

In my country, government policies (e.g., public procurement) consistently favour new firms	5.35
In my country, the support for new and growing firms is a high priority for policy at the national government level	5.77
In my country, the support for new and growing firms is a high priority for policy at the local government level	5.04

Source: GEM India Survey 2017–2018

Table 7.3: *Taxes and Bureaucracy in India*

New firms can get most of the required permits and licenses in about a week	2.60
The amount of taxes is NOT a burden for new and growing firms	3.83
Taxes and other government regulations are applied to new and growing firms in a predictable and consistent way	4.42
Coping with government bureaucracy, regulations, and licensing requirements it is not unduly difficult for new and growing firms	3.13

Source: GEM India Survey 2017–2018

7.5 Government Programs in India

India has a ranking of 21 out of 54 nations surveyed for 2017 NES. The programs initiated by Government of India draw out the role and relevance of the government and lays out an action plan with procedures for start-up generation. It includes a wide range of schemes to assist entrepreneurial entry. The process impact starts from approaching the officials to transfer of knowledge most programs are dedicated towards increasing visibility of new ideas and start-ups in the ecosystem. Programs by the Indian Government such as Start-up India, Stand-up India, inclusion of new incubators, and promotion of entrepreneurship at the grass roots level, are helpful in these entrepreneurial endeavours.

As per the GEM India Survey, the NES indicates that there are positive changes owing to government interventions which include enhancing single-window facilities for doing business, providing a wider network of government-sponsored business incubators, and establishment of science parks to provide a launch-pad for innovative ventures. The results, however, also suggest that a pullback force is still intact in the system, leading to low individual and system interactions. For example, getting assistance for new and growing firms by interacting with single person has received a low score of 3.79, which indicates that there is a need to make it easier for people to receive adequate information.

Table 7.4: *Government Entrepreneurship Programs*

A wide range of government assistance for new and growing firms can be obtained through contact with a single agency	3.80
In my country, science parks and business incubators provide effective support for new and growing firms	5.83
In my country, there are an adequate number of government programs for new and growing businesses	5.58
In my country, the people working for government agencies are competent and effective in supporting new and growing firms	4.66
In my country, almost anyone who needs help from a government program for a new or growing business can find what they need	3.85
In my country, government programs aimed at supporting new and growing firms are effective	4.68

Source: GEM India Survey 2017–2018

7.6 Education: Primary and Secondary Level in India

For education at school level, India is ranked 13th among 54 countries in the NES survey. The country has scored well on the educational front yet there is scope for improvement. Researchers believe that education has a pivotal role in generating human capital, especially in a knowledge economy. At every stage of schooling, education needs to be relevant and should work in tandem with the requirements of the modern economy. Modern economy expects its workforce to be more acceptable to the complex digital environment. Measuring skill sets of the workforce helps understand the dynamics of human capital.

The results suggest that India's primary and secondary education is not completely in favour of an upcoming entrepreneurial economy. In pursuit of creating a young innovative India, it is important to generate creative ideas from the very beginning.

7.7 Education: Post-Secondary Level in India

Education forms a vital part of an entrepreneurial ecosystem. Starting from primary and all through secondary and higher, education must be filled with opportunities to generate and create new ideas and fresh perspectives. Innovativeness is a result of creativity achieved by means of stimulating the human mind. Researchers believe that education has a pivotal role in the choice of career of a person (Karimi, Chizari and Biemans, 2010). It is also positively related to the quality and availability of entrepreneurship education. Entrepreneurship education has been regarded as a key instrument in influencing the entrepreneurial attitude of potential as well as nascent entrepreneurs.

Taking into consideration the need for entrepreneurship education in the country, the government has started exploring different ways for its inclusion. These include inclusion of entrepreneurship in academics as a subject of study, and conducting workshops and seminars. Majority of entrepreneurship educational courses are taught at all levels and to all categories of students in the country. Several institutions are working towards the formalisation of entrepreneurship education. Educational institutions like Entrepreneurship Development Institute of India (EDII), Indian Institutes of Technology (IITs), Indian Institutes of Management (IIMs), and National Entrepreneurship Network (NEN) are visible players in the field of shaping entrepreneurship education in India. Many institutions provide distance mode courses that allow students and professionals to explore the field of entrepreneurship in the country.

According to the NES of *GEM Survey 2017–2018*, the perception regarding different aspects of entrepreneurship education has come down. These results have been higher in the 2016 GEM report. However, the number has not gone too down and is still at the level of confidence. The Government has been creating greater support in the form of incubation and other initiatives but the outcome has not been well exaggerated in the form of start-ups and new businesses. The level of entrepreneurship orientation stands neither very positive nor very negative, hanging close to the average score, which is also similar to previous year's rating. In India there is a need to improve the education system at the post-secondary level, using creative teaching pedagogies and practical skill interventions.

Table 7.5: *Education: Primary and Secondary Level in India*

Teaching in primary and secondary education encourages creativity, self-sufficiency, and personal initiative	4.42
Teaching in primary and secondary education provides adequate instruction in market economic principles	3.46
Teaching in primary and secondary education provides adequate attention to entrepreneurship and new firm creation	3.10

Source: GEM India Survey 2017–2018

Table 7.6: *Education: Post-Secondary Level in India*

Colleges and universities provide good and adequate preparation for starting up and growing new firms	4.29
The level of business and management education provides good and adequate preparation for starting up and growing new firms	4.99
The vocational, professional, and continuing education systems provide good and adequate preparation for starting up and growing new firms	5.10

Source: GEM India Survey 2017–2018

7.8 Commercial and Legal Infrastructure in India

Infrastructure has gained a significant place due to its need in India's overall economic development. A country's infrastructure in any form helps increase its growth faster. India has attained 29th rank among 54 countries of NES survey which indicates that India needs more upgraded and sophisticated infrastructure to accelerate on the path of development. Commercial and legal infrastructure are key aspects of a business ecosystem. The survey results highlight that all values are above average, which is a good indication.

Unlike last year, support of subcontractors, suppliers, and consultants, to new and growing firms has been valued highest, followed by financial services like availability of banking, foreign exchange transaction, and others. The results also suggest that affordability of new and growing firms for suppliers and consultants secured the lowest score. However, the ease of assessing these support mechanisms for a new entrant is comparatively low. India has already initiated a spectrum of projects to be finished in a given timeline. These projects will directly benefit businesses and support commercial and legal infrastructure in India.

7.9 Internal Market Dynamics in India

An open economy is considered as a growth promoter. It helps businesses to grow both internally and externally, domestically as well as internationally. It helps boost competition, lower prices, and maintain pressure on producers and thereby brings innovations and efficiencies to the forefront. The Indian economy has been in transition for long now. The government has been considering support by means of economic reforms, infrastructural development, and technological upgradation. However, it is dynamic in nature and is greatly affected by the global environment. Along with these external market opportunities and challenges, India has its own issues of internal dynamics. The rich demographic character is promising for India, and by the year 2020, India is expected to become the world's youngest emerging economy.

The rank of internal market dynamics for India is 9th out of 54 participant economies. This score is very close to the top 10 economies that have a high internal market dynamic. The scores suggest that the market for consumer goods and services has been continuously in transit because of the increasing middle class. The mean score of 6.3 is very satisfactory for experts to indicate the vibrancy in Indian markets. There are many reasons for this high value, including the rising middle class, enterprise growth, expansion of choices, and many more. The score has improved continuously from 2015 for both. The experts view about dynamics in B2B goods and services has also improved in the years. The Government has been initiating measures for procurement and distribution of goods produced by different types of enterprises.

7.10 Internal Market Openness in India

Internal market openness results suggest that experts felt it to be satisfactory. The results are very close and above the mean value. The pullback force that individuals cannot themselves do more about improving the environment has to be addressed. The existing and occurring changes in the demand and supply will naturally bring in new possibilities to grab the market and increase the share. An increase in market dynamics due to changes in innovations and thriving competition helps to increase opportunities.

In contrast to the above, the rank of internal market dynamics is very low at 29 out of 54 economies. The result dictates that experts are neither dissatisfied nor motivated about the current market condition yet believe that new firms can enter

Table 7.7: *Commercial and Legal Infrastructure in India*

There are enough subcontractors, suppliers, and consultants to support new and growing firms	5.73
New and growing firms can afford the cost of using subcontractors, suppliers, and consultants	4.06
In my country, it is easy for new and growing firms to get good subcontractors, suppliers, and consultants	4.51
In my country, it is easy for new and growing firms to get good, professional legal and accounting services	4.96
In my country, it is easy for new and growing firms to get good banking services (checking accounts, foreign exchange transactions, letters of credit, and the like)	5.32

Source: GEM India Survey 2017–2018

new markets when compared to last 2 years, it has continuously increased and gained momentum. The results also depict that market openness has increased satisfactorily and is still in transition. Other results further suggest that it is on the right track. However, the results for possibility of entering new market without being disrupted by existing firms has a low score which implies that still the lack of innovation and newness keeps these new enterprises in the higher competition risk. The one score of dissatisfaction is of enforcement of anti-trust laws being implemented by government agencies. It truly keeps the new enterprises on a verge of deception and dishonesty. Experts believe that such laws need to be implemented strictly so that standards are maintained to improve upon the existing level.

7.11 Physical Infrastructure in India

The ranking of the physical infrastructure of India is very satisfactory and has the potential to improve. According to GEM Report 2017, India's rank in infrastructure is 15 out of 54 countries. The results are higher than average and more than 5 for all determinants. The results have improved continuously since 2015, and have increased despite india being a factor-driven economy. This depicts the drive to improve infrastructure. The availability of physical infrastructure like roads, utilities, communication, water, and others, stands at 6.16, which indicate that communication-and-connection infrastructure related to internet, phone, gas, water, electricity, and others, have improved as compared to NES GEM 2016–2017 and are easily available at affordable costs. Infrastructure is an important stimulant of policy implementation. India is currently in high need of improved infrastructure facilities to comply with the increasing needs of market and human capital. Initiatives like *Digital India*, affordable internet access, and wide range of hotspot facilities have yielded results (7.41) which clearly show how India is achieving its dreams with a digitised and transparent economy.

7.12 R&D Transfer in India

GEM 2017 Report ranks India's endeavours in R&D transfer at 10 among the participant economies. It is visibly a satisfactory number for a growing and factor-driven economy. Efforts towards commercialisation and technology transfer have been relentless and this acts as an important force indicating the potential of a nation with respect to entrepreneurship. Global improvements and advances in technology have increased their influence on the economy. However, the government has been trying to improve its availability and accessibility. Interdisciplinary and interdepartmental interaction is crucial for technology commercialisation and development through long-term R&D process.

According to the NES survey 2017–2018, there is a noticeable change in

Table 7.8: *Internal Market Openness in India*

In my country, new and growing firms can easily enter new markets	5.03
In my country, new and growing firms can afford the cost of market entry	4.34
In my country, new and growing firms can enter markets without being unfairly blocked by established firms	4.07
In my country, the anti-trust legislation is effective and well enforced	4.03

Source: GEM India Survey 2017–2018

R&D transfer in India as compared to the NES GEM 2015 and 2016. The ease of technology transfers and the capacity, affordability of transferring technology from university or public R&D labs (4.81) in 2016 has gone down to 4.25. However, the change is very meagre and does not impact the overall R&D transfer improvements. Acquiring new technology by new and growing firms (4.37) in 2016 has also decreased to 3.94 which looks more impact full that there have been lesser possibilities of technology transfer for new firms. Experts indicate that support mechanisms like subsidies (4.96) have improved marginally and incentives for commercialisation of technology-based venture creation in 2017 (4.89) has decreased from the previous score of (5.37) in 2016. The overall impact of experts' view indicates the need for impactful changes and mechanisms to help new enterprises receive easy transfer of technology so that their growth in the market becomes possible.

7.13 Cultural and Social Norms in India

In a developing country like India, social and cultural aspects matter more. These aspects include stereotypes, traditions, impossibilities, and a lesser space for women to work. Culture has been considered by researchers as an important aspect of career choice. The fear of failure as an element in our measure of norms has its roots in culture. Asking the same question, say "I want to be an entrepreneur" at two different locations may give separate answers or notions of choice. Culture plays an important role in a person's choice.

It has an impact over the behavioural traits as well as perceptions. All items indicating the prevailing cultural and social norms in India are rated close to and above midpoint. However, the values for all statements have decreased compared to the previous year, marginally for some and a little high for others. The National culture regarding encouragement of entrepreneurial risk-taking is 4.11 which decreased from 4.99 in 2016–2017. Similar to this, other aspects have also changed from a higher value to a lower one. According to the NES GEM 2016–2017 data, the score of national culture emphasizing upon self-sufficiency, autonomy, and perception initiative with encouragement related to creativity and innovativeness, is above average. The overall view of experts observes that perceptions rooted in cultural and social norms need to be relevant and supportive to new entrepreneurs since society is the primary source of motivation, change, and innovativeness, in a country. From ideation to incubation, innovation is possible only when ideas come out into the market.

Table 7.9: *Physical Infrastructure in India*

The physical infrastructure (roads, utilities, communications, waste disposal) provides good support for new and growing firms	6.17
It is not too expensive for a new or growing firm to get good access to communications (phone, Internet, etc.)	7.42
A new or growing firm can get good access to communications (telephone, internet, etc.) in about a week	7.04
New and growing firms can afford the cost of basic utilities (gas, water, electricity, sewer)	7.11
New or growing firms can get good access to utilities (gas, water, electricity, sewer) in about a month	6.96

Source: GEM India Survey 2017–2018

Table 7.10: *R&D Transfer in India*

New technology, science, and other knowledge is efficiently transferred from universities and public research centres to new and growing firms	4.25
New and growing firms have just as much access to new research and technology as large, established firms	3.87
New and growing firms can afford the latest technology	3.94
There are adequate government subsidies for new and growing firms to acquire new technology	4.84
The science and technology base efficiently supports the creation of world-class new technology-based ventures in at least one area	4.97
There is good support available for engineers and scientists to have their ideas commercialised through new and growing firms	4.90

Source: GEM India Survey 2017–2018

7.14 Constraints, Fostering Factors and Recommendations to Strengthen Entrepreneurship in India

The NES, GEM 2017–2018 has identified government policies, financial support, and cultural and social norms, as major constraining factors to entrepreneurship in India. The data is given below in tables. The accumulation of averages is based on the multiple response system for which same statement was repeated in different contexts to derive an average. Apart from these constraints, the factors fostering the entrepreneurial activities in India are: government entrepreneurship programs, which are clearly visible with India's position in the ranking of start-up ecosystem reports, development of information and increase in knowledge, and technology-based enterprises. The establishment of numerous educational institutions and creating the base for entrepreneurship education and training has greatly lifted the entrepreneurial aspirations of young students. Students are not only strengthening the workforce but are also aspiring to be self-employed or lead start-ups by using their skill education. This is followed by market openness as a fostering force which greatly helps new enterprises to start and diversify. Market openness is being explored by many via different option and ways. As another source of reinforcement education and training will help India act as a trigger towards initiation and growth of new start-ups. Cultural and social norms as well as government policies have been fostering new start-ups. The Government of India realised the importance of policy interventions long time ago and various holistic and strategic moves through policy interventions have been taken up at various levels.

The NES, GEM 2017–2018 has brought some important recommendations to policy formulation in the form of enhancing education and training as well as increasing government policies and financial support to new businesses. Experts also recommended an increase in thrust for government intervention programs for start-up growth. The recommendations frequency indicates that there is much need for improvement in government programs (12.5), followed by financial support, and cultural and social norms (13.9).

Table 7.11: *Constraints to entrepreneurship*

The national culture is highly supportive of individual success achieved through own personal efforts	5.2958
The national culture emphasises self-sufficiency, autonomy, and personal initiative	4.507
The national culture encourages entrepreneurial risk-taking	4.1143
The national culture encourages creativity and innovativeness	4.5634
The national culture emphasises the responsibility that the individual (rather than the collective) has in managing his or her own life	5.1014

Source: GEM India Survey 2017–2018

Table 7.12: *Constraints to Entrepreneurship*

Rank	Constraining Factors	Percentage
1	Government policies	55.6
2	Financial support	50.1
3	Cultural and social norms	45.9

Source: GEM India Survey 2017–2018

Table 7.13: *Fostering factors for entrepreneurial activity in India*

Rank	Major Supporting Factors	Percentage
1	Government programs	47.3
2	Market openness	32
3	Education and training	26.4
4	Cultural and social norms	13.9
5	Government policies	11.1
6	Capacity for entrepreneurship	11.1

Source: GEM India Survey 2017–2018

Table 7.14: *Recommendations to improve entrepreneurial activity in India*

Rank	Recommendations	Percentage
1	Education and training	62.5
2	Government policies	61.1
3	Financial support	30.6
4	Cultural and social norms	13.9
5	Government programs	12.5

Source: GEM India Survey 2017–2018

ChAPTER 8

CONCLUSION AND POLICY SUGGESTIONS




8.1 Introduction

Global GEM data has emerged as an important source for researchers and policy makers to enhance the global outlook of entrepreneurship and its different aspects in a country. India is a vast country having different geographical regions. Here, plenty of regional communities speak various languages and follow diverse ways of life. Hence, there is no single paradigm to explain the Indian business practices. About 23% of the population still lives below poverty and inequality looms large leading to regional imbalance in terms of economic prosperity. India is home to close to 17% of the total working population in the world who are young and ready to work. Conducting a survey with a higher degree of responses and reliability within this burgeoning population is challenging.

The GEM data brings together both personal and social perspectives to entrepreneurship, and expert views on the ecosystem, to analyse and look in to the entrepreneurial face of the country. The GEM India Report 2017–2018 helps to decipher the entrepreneurial dynamics in the country. It provides data and analysis that leads academicians, researchers, policymakers, and professionals to enhance and give vigor to the economic growth of the country. While assessing the profiles of entrepreneurial activity through political and socio-economic development, the reports help us evaluate entrepreneurial development over a period of time.

8.1.1. Entrepreneurship policy

Through entrepreneurship policy analysis, the intention is to capture the various elements that constitute entrepreneurship and ascertain the scope of this domain. Entrepreneurial policy goes beyond the level of government and takes into account factors ranging from local to national. Its extent ranges from regulatory policy to economic development and many more. A shift from a managed economy to an entrepreneurial economy (Audretsch & Thurik, 2001) puts small and young businesses at the epicentre. The discrete choices which a nascent entrepreneur faces on the path of organizing a firm, leads him or her to expect assistance from the government and estimate governance on a single bottom line. The way of assistance varies in the form of a loan or subsidy as well as a contribution to social or intellectual capital or may be in the form of a constraint for future (Hart, D.M, 2003). Dynamic entrepreneurial policy is always its well-designed and crafted implementation that can enhance its impact. Likewise, a poorly thought and badly managed effort can reduce effectiveness and create negative effects. Governments active in entrepreneurship policy state their overall objective in one of the three ways: to foster a stronger entrepreneurial culture and climate leading to a more entrepreneurial society; to increase the level of entrepreneurial activity in the country; or to produce an increase in the number of new businesses, the stock of firms, or the number of entrepreneurs (Stevenson and Lundstorm, 2002).

This chapter presents the major findings and recommendations for policymaking in India. The findings are based on a sample survey of 4,000 adults from across the regions, gender, and country. To ensure national representation of population and generalizability of findings, appropriate weights were used for age groups, gender, and urban–rural classifications. This brief conclusion will help to synchronize the results and recommendations for policy implication. In the 2017–2018 report, an attempt has been made to highlight the entrepreneurial activities in four Indian states of Gujarat, Madhya Pradesh, Chhattisgarh, and Jammu & Kashmir.

8.1.2 Key points from Adult Population Survey (APS)

- Self-perception has been affected; in some cases it has depreciated slightly and in others, appreciated at different rates. Perceived opportunity was 44.3% in 2016 and has slightly increased to 44.9 in the current 2017 survey.
- Perceived capability has been 44% in 2016 and has come down to 42.1% in 2017.
- Fear of failure has increased among masses due to many policy formulations during last 2 years. It was 37.5% in 2016 and has surged to 39.6 in 2017.
- In 2016, western India showed the highest entrepreneurial intention and in this year, the survey results indicate that eastern India has shown the highest entrepreneurial intentions.
- Males have shown a higher entrepreneurial intention in 2017 as compared to 2016. The phenomenon is true across regions as well as countries. In developed countries, however, the gap has decreased to a greater extent but the change is slow in factor driven and developing countries.
- Eastern region has shown overwhelming results. It

represents 18% of the total 44% of perceived entrepreneurial opportunities in India.

- Entrepreneurial intentions in India has been 14.9, which in 2017 slowed down to 10.3% for the respondents in survey. The highest rate of intention in 2016 was found in western region, but; the same has changed and the eastern region of India depicted the highest entrepreneurial intentions in the country.
- The rate of total early stage entrepreneurship (TEA) has been 10.6 with a rank of 31 among 65 countries. The TEA rate has declined to 9.3% for 2017 with a global ranking of 31 among 54 nations. The ranking has been the same but the TEA has continuously declined between 2015 and 2017.
- In 2017, TEA has been highest among the 35–44 age group with 11.5% rate. The 18–24 and 55–64 age groups are next with a lower score of 9.2 and 9.1 TEA in India.
- Looking into the regional perspective of TEA in India, it is visible that the western region has made the highest contribution to the overall TEA with 4.5 of total 9.3. The other regions have contributed lesser, such as eastern region with 2.1 of the TEA rate in India.
- Africa has the highest established business ownership rate at 11.9 followed by Asia and Oceania at 9.7 among the global regions. India has an established business rate of 6.2% higher than last year at 4.6 and a ranking of 51 among 65 nations.
- Among the global GEM regions, Africa has the lowest value in motivation index with 1.5., India ranks 53 among 54 nations for motivational index with a value of 0.7
- North America is the best opportunity-driven region with a value of 82.6% whereas only 39.1% Indians are motivated to by the opportunities available.
- Innovation rate was 28% with a ranking of 25 among 65 nations. This value has decreased to 25.6% with a ranking of 28 among 54 globally surveyed nations.

8.1.3. Key points from National Experts Survey (NES): Enablers and constraints

The major constraints for entrepreneurship development in India are:

Constraints	Enablers
Cultural and social norms	Government programs
Financial support	Market openness
Government policies	Education and training
	Cultural and social norms
	Government policies
	Capacity for entrepreneurship

Policy Recommendations for India

India has grown continuously over the decade since GEM started collecting data. Real GDP growth rate of Indian economy in 2017–2018 reached 6.75% and is expected to cross 7–7.5% in 2018–2019, which reinstates India as one of the world's fastest growing major economies. Other than tax, bankruptcy regulations, and other economic policies which helped this economy to uplift, the Government of India has the following three major concerns: creating more jobs, making its labour force more skilled and educated, and raising farm productivity and resilience. This includes creating sustainable avenues for private investments and exports (Economic Survey, 2017–2018). India achieved its highest growth rate during the first decade of the 21st century. The Indian economy faces the challenge of a decreasing share of agriculture in GDP and a widening percentage of service sector bypassing industrial growth and leading to low employment generation. This nature of the economy has brought implications for India's foreign trade which is still very low and has been stagnant for many years.

India has emerged as the third largest start-up ecosystem in the world with, the number of start-ups poised to grow by 2.2 times, to reach 10,500 by 2020. In the hindsight, there are multiple challenges for start-ups in the form of finance, regulatory hurdles, and building competitiveness. As a country of the young, India has over 50% of its population below the age of 25 and more than 65% below the age of 35. Entrepreneurial activities can thus help in addressing the issues with job creation. Despite the presence of the Industrial and SME Policy, entrepreneurship policies have only become its supplement with a belief that these policies can adequately address the concerns of start-ups or new businesses due to their smaller size.

In India, over the past 2 years, there has been a visible trend in bringing policies to address the concerns of entrepreneurs and new businesses. With the launch of 'Start-up India' Policy, 'Make in India' Policy, and the recently launched 'Skill & Entrepreneurship Policy', there has been an attempt to integrate these

policies with the existing ones. India has a long entrepreneurial history. Certain regions of the country are highly entrepreneurial (GEM India, 2016). Infrastructure, policies, schemes, and institutions have been setup to create a more vibrant entrepreneurial culture in India. India has a unique demographic advantage to achieve more growth. Women entrepreneurship is another yet-to-be tapped aspect but an important one.

This policy reformation is needed because the ecosystem of the country demands it. An ecosystem for enterprise growth is an amalgamation of different components ranging from finance, open market, social and cultural support, government policies, programs, etc. All of these create a vibrant and reflexive environment for the growth of entrepreneurship in a country. GEM India Survey 2017–2018 shows that there are few important aspects (Cultural and social norms, financial support, government policies) which continuously hurdle the positive impact of entrepreneurship development in the country. Culture is a long-term phenomenon and it will need decades to change. However, financial aspects and government policies are areas that can be looked into achieve greater impact of entrepreneurship development in India.

GEM India survey also provides information regarding factors which foster entrepreneurship in India. The major entrepreneurship fostering forces are government programs, market openness, education and training, cultural and social norms, government policies, and capacity for entrepreneurship. Experts from almost all fields accept these as a great source of advancement. NES (both global and national) survey also collects feedback and recommendation for improvements by governments. This year, experts have emphasised over the following fields of entrepreneurial ecosystem to be taken into consideration.

Since awareness and education play a vital role in instilling entrepreneurial intentions and mindset, interventions through EDPs and training are being highly recommended. Entrepreneurship needs to be promoted more through education to the masses and through committed implementation of programs launched, so that any capable person with entrepreneurial intent can take benefit from it. The policy design must give a thrust on entrepreneurship education by including it in the curriculum at all levels. Universities and higher educational institutions need to work collaboratively to promote innovative start-ups through investment in R&D and subsequently help in transferring research from the laboratory to commercialise it by creating a business opportunity.

Government policies have been a focus since the inception of GEM India reports. The Government of India has brought forth appropriate legislation and change in policies including tax laws, solvency laws, GST, and others. Efficient government policies are a reality check to the existing entrepreneurial ecosystem in India. The entrepreneurship policy can also fulfil the following three objectives: one, it can stimulate the start-up ecosystem by creating more number of entrepreneurs; two, it can improve the job market scenario and lead to higher income generation; and three, it can promote innovation. The policy should also include a roadmap for a failed entrepreneur in order to help him start over again.

Another important area under recommendation is the need for financial support to be increased as well as to be provided for new enterprises. Experts believe that there is a dearth of financial support in many parts of the country. More vibrant implementation of MUDRA scheme and channelizing start-up and stand-up funds to help new entrepreneurs can help create more jobs through successful enterprises. The policy also needs to ensure that funds do not become a constraint for new entrepreneurs in different phases of setting up their enterprises. The policy framework must address the concerns posed by regulatory constraints and create a level playing field for business angels, VCs as well as foreign investors, to invest in Indian start-ups.

Cultural and social norms buttress a healthy ecosystem. There are certain regions where entrepreneurship is more prevalent than others. The results in the GEM Report, 2016 show that the expert opinion for culture and social support has increased from 3.43 in 2014–2015 to 5.5 in 2015–2016. The experts still recommend this as an important aspect of the entrepreneurial ecosystem.

Experts have also suggested that government programs need to be better promoted. This recommendation has been approved by many experts due to its importance for increasing awareness, enhancing the confidence level among entrepreneurs, and improving accessibility for information regarding government support to new entrepreneurs. This aspect of the ecosystem is also

important because it directly benefits the masses. There is a gap among peoples' perspectives regarding awareness of schemes, programs, policies, and benefits received on the ground. All these recommendations need to be considered and acted upon for facilitating a vibrant ecosystem in the country.

The policy must focus on easing the administrative and legislative procedures for starting and doing business, as well as for exiting from business in India, through an appropriate bankruptcy legislation.

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APPENDIX

Table 1: Ranking of Societal Values of Entrepreneurship by Economy, GEM 2017 - Percentage of Population Aged 18-64

Region	ECONOMY	Entrepreneurship as a good carrier choice		high status to successful entrepreneurs		Media attention for entrepreneurship	
		Score	Rank/52	Score	Rank/52	Score	Rank/52
Africa	Egypt	75.9	7	82	3	68.7	17
	Madagascar	83.6	2	77.8	9	53.3	35
	Morocco	75.8	8	63.3	37	45.9	49
	South Africa	69.4	14	74.9	14	72.7	13T
	Total	76.2		74.5		60.1	
Asia and Oceania	Australia	53.9	39	68.9	28	74	11
	China	66.4	16	74.6	16	71	16
	India	53	43T	56.2	45	44.8	50
	Indonesia	70	12	81	5	83.8	3
	Iran	48.3	47	79.4	7	49.4	42
	Israel	65.2	20	86.1	2	55.3	30
	Japan	24.3	51	52	48	56.2	29
	Kazakhstan	59.7	31	80.1	6	49.1	43
	Korea	47.2	49	68.6	29	60.5	23
	Lebanon	-	-	-	-	-	-
	Malaysia	77.1	6	69.9	26	83.2	4
	Qatar	65.9	18	77.3	10	54	34
	Saudi Arabia	69.7	13	69.3	27	66.9	18
	Taiwan	71.1	11	60.1	42	81.3	5
	Thailand	74.7	9	74.5	17	84.3	2
	United Arab Emirates	82.7	3	87.8	1	84.5	1
	Vietnam	62.1	27	74.8	15	81.1	7
	Total	61.9		72.5		67.5	
LATIN AMERICANAND CARIBBEAN	Argentina	60.4	29	47.4	52	47.3	47
	Brazil	-	-	-	-	-	-
	Chile	73.8	10	62.9	38T	62	21
	Colombia	68.4	15	75.3	13	52.1	37
	Ecuador	60.6	28	60.7	41	71.5	15
	Guatemala	91.9	1	73.4	20T	55.1	31
	Mexico	50.7	46	52.3	46T	57.9	28
	Panama	60.2	30	67.5	32T	52.6	36
	Peru	64.7	21	62.9	38T	74.3	10
	Puerto Rico	22.6	52	52.3	46T	81.2	6
	Uruguay	54.9	36	51.9	49	54.3	33
	Total	60.8		60.7		60.8	

Table 1 continue

Table 1 continue

Region	ECONOMY	Entrepreneurship as a good carrier choice		high status to successful entrepreneurs		Media attention for entrepreneurship	
		Score	Rank/52	Score	Rank/52	Score	Rank/52
EUROPE	Bosnia and Herzegovina	62.7	25	65.6	35	26.4	52
	Bulgaria	54.3	37	68	30	47.6	46
	Croatia	62.2	26	47.7	51	48.1	45
	Cyprus	66.2	17	61.5	40	50.5	39T
	Estonia	54.2	38	64.7	36	61	22
	France	59.1	32	74.2	18	47	48
	Germany	51.3	45	77.9	8	49.5	41
	Greece	63.4	23	66.5	34	43.4	51
	Ireland	53.2	42	81.9	4	72.9	12
	Italy	64.2	22	73.2	22T	54.9	32
	Latvia	57.5	33	58.5	44	58.2	27
	Luxembourg	43	50	70	25	48.7	44
	Netherlands	81	4	67.5	32T	63.2	20
	Poland	79.3	5	67.7	31	50.5	39T
	Slovakia	47.6	48	60	43	59	24T
	Slovenia	55.1	35	73.4	20T	72.7	13T
	Spain	53.8	40	47.9	50	50.9	38
	Sweden	53.6	41	70.5	24	64.7	19
	Switzerland	53	43T	73.2	22T	59	24T
	United Kingdom	55.6	34	75.6	11	58.5	26
	Total	58.5		67.3		54.3	
NORTh AMERICA	Canada	65.6	19	74	19	76.5	8
	USA	63.1	24	75.5	12	74.5	9
	Total	64.3		74.7		75.5	

Table 2: Ranking of Self Perceived Entrepreneurial Opportunities, Capabilities, Fear of Failure and Intention by Economy, GEM 2017

Region	ECONOMY	Perceived opportunities		Perceived capabilities		Fear of failure		Entrepreneurial intentions	
		Score	Rank/52	Score	Rank/52	Score	Rank/52	Score	Rank/52
Africa	Egypt	43.5	29	46.6	31	30.2	41	55.5	2
	Madagascar	24.4	50	55.4	15	42	14	39.8	9
	Morocco	37.7	33	49.6	24	52.9	4	26.6	16
	South Africa	43.2	30	39.9	45	31.3	38	11.7	39
	Total	37.2		47.9		39.1		33.4	
Asia and Oceania	Australia	51.4	15	49.3	25	41.4	17	13.2	36T
	China	35.2	39	27.2	52	41.5	16	15.3	30T
	India	44.9	27	42.1	41T	39.6	21	10.3	42T
	Indonesia	47.7	21	57.3	12	46.7	9	28.1	14
	Iran	33.6	42T	53.4	17	39.9	19	38.8	10
	Israel	58.3	9	44.1	37	48	7	26.4	17
	Japan	7.4	54	10.8	54	41.2	18	3.7	54
	Kazakhstan	50.4	18	64.7	7	18.4	53	46.2	6
	Korea	35.3	38	45.7	34	32.2	35	22.8	20
	Lebanon	59.2	8	74.6	1	17	54	32.5	12
	Malaysia	45.1	26	46.1	33	45	11	17.6	24T
	Qatar	45.6	25	41.1	43	41.9	15	15.7	29
	Saudi Arabia	79.5	1T	71.8	3	34.4	30T	30.9	13
	Taiwan	26.6	48	25.9	53	39.2	22T	25.7	18
	Thailand	49.1	19	48.9	27	52.7	5	37.4	11
	United Arab Emirates	35.5	37	64.8	6	61.1	1	56.3	1
	Vietnam	46.4	23T	53	19	46.6	10	25	19
	Total	44.2		48.3		40.4		26.2	
LATIN AMERICANAND CARIBBEAN	Argentina	29.7	45	43.1	39	37.8	26	13.4	35
	Brazil	46.4	23T	55.9	13	39.8	20	15.3	30T
	Chile	55.5	11	61.8	9	29.4	44	45.8	7
	Colombia	52.4	14	68.5	4	26.1	50	52.5	3
	Ecuador	51.2	16	74.1	2	27.1	48	48.2	4
	Guatemala	53.3	13	64.5	8	32.4	34	46.5	5
	Mexico	36.4	35	50.1	22	28.4	46	13.2	36T
	Panama	48.9	20	57.6	10	24	51	20.8	21
	Peru	55.8	10	67.6	5	30.7	40	43.2	8
	Puerto Rico	28	47	46.7	30	28.6	45	18.3	22
	Uruguay	36.9	34	57.5	11	31	39	27.4	15
	Total	44.9		58.8		30.5		31.3	

Table 2 continue

Table 2 continue

Region	ECONOMY	Entrepreneurship as a good carrier choice		high status to successful entrepreneurs		Media attention for entrepreneurship	
		Score	Rank/52	Score	Rank/52	Score	Rank/52
EUROPE	Bosnia and Herzegovina	62.7	25	65.6	35	26.4	52
	Bulgaria	54.3	37	68	30	47.6	46
	Croatia	62.2	26	47.7	51	48.1	45
	Cyprus	66.2	17	61.5	40	50.5	39T
	Estonia	54.2	38	64.7	36	61	22
	France	59.1	32	74.2	18	47	48
	Germany	51.3	45	77.9	8	49.5	41
	Greece	63.4	23	66.5	34	43.4	51
	Ireland	53.2	42	81.9	4	72.9	12
	Italy	64.2	22	73.2	22T	54.9	32
	Latvia	57.5	33	58.5	44	58.2	27
	Luxembourg	43	50	70	25	48.7	44
	Netherlands	81	4	67.5	32T	63.2	20
	Poland	79.3	5	67.7	31	50.5	39T
	Slovakia	47.6	48	60	43	59	24T
	Slovenia	55.1	35	73.4	20T	72.7	13T
	Spain	53.8	40	47.9	50	50.9	38
	Sweden	53.6	41	70.5	24	64.7	19
	Switzerland	53	43T	73.2	22T	59	24T
	United Kingdom	55.6	34	75.6	11	58.5	26
	Total	58.5		67.3		54.3	
NORTh AMERICA	Canada	65.6	19	74	19	76.5	8
	USA	63.1	24	75.5	12	74.5	9
	Total	64.3		74.7		75.5	

Table 3: Ranking of Types of Entrepreneurial Activity by Region, GEM 2017 – Percentage of Population Aged 18-64

REGION	ECONOMY	Nascent entrepreneurship rate		New business ownership rate		Early-stage entrepreneurial activity (TEA)		EEA		Established business ownership rate		Discontinuation of businesses*	
		Score	Rank/54	Score	Rank/54	Score	Rank/54	Score	Rank/54	Score	Rank/54	Score	Rank/54
Africa	Egypt	6.5	25	7.0	11	13.3	19T	2.2	29	5.7	38	10.2	1
	Madagascar	10.9	8	11.2	6	21.8	7	0.6	45T	29.4	2	6.7	10
	Morocco	4.2	38	4.6	26T	8.8	37	0.5	48T	10.4	14T	4.5	23
	South Africa	7.5	21	3.8	33T	11.0	27	0.5	48T	2.2	50	6.0	15T
	Total	7.3		6.6		13.7		0.9		11.9		6.9	
Asia & Oceania	Australia	6.4	26	5.9	20	12.2	23	7.8	7	9.0	19	3.8	32
	China	3.7	42	6.4	17T	9.9	29T	1.4	35T	6.8	27T	2.8	40T
	India	4.9	31	4.6	26T	9.3	31	0.2	53T	6.2	34T	3.2	36T
	Indonesia	3.6	43T	3.9	31T	7.5	41	1.8	31T	10.4	14T	4.8	21T
	Iran	6.8	22	6.9	12T	13.3	19T	1.2	40	10.6	12	6.6	11T
	Israel	8.4	18	5.1	22T	12.8	22	8.6	2	3.3	46T	4.8	21T
	Japan	3.2	47	1.6	51	4.7	50	2.8	23	6.3	33	1.5	51
	Kazakhstan	8.0	20	3.8	33T	11.3	26	4.1	19	2.4	49	7.5	7
	Korea	6.2	27	6.9	12T	13.0	21	1.9	30	11.4	10T	2.7	42T
	Lebanon	8.6	17	16.0	3	24.1	4	1.4	35T	33.2	1	6.6	11T
	Malaysia	15.4	3	6.6	15	21.6	8T	1.4	35T	3.8	44	8.3	6
	Qatar	4.7	33T	2.8	42	7.4	42	2.5	26	1.3	54	5.8	17
	Saudi Arabia	4.8	32	6.9	12T	11.5	25	2.4	27T	3.2	48	8.8	4T
	Taiwan	3.6	43T	5.0	25	8.6	38	8.1	4	12.1	9	4.0	29T
	Thailand	10.6	11T	12.1	4	21.6	8T	4.5	16T	15.2	6	9.2	2T
	United Arab Emirates	4.0	39T	5.1	22T	9.0	33	1.7	34	5.6	39	9.2	2T
	Vietnam	2.5	51T	20.8	1	23.3	6	0.6	45T	24.7	3	4.2	26T
	Total	6.2		7.1		13.0		3.1		9.7		5.5	
Latin America & Caribbean	Argentina	3.9	41	2.1	46T	6.0	47	0.6	45T	6.7	29T	3.0	39
	Brazil	4.4	36T	16.3	2	20.3	10	0.7	44	16.5	4	5.3	18
	Chile	14.7	4	9.7	8	23.8	5	4.5	16T	9.9	17	7.1	8
	Colombia	10.8	9	8.1	9T	18.7	13	1.8	31T	8.7	21	6.5	13

Table 3 continue

Table 3 continue

	Ecuador	21.2	1	9.8	7	29.6	1	0.5	48T	15.4	5	8.8	4T
	Guatemala	13.8	5	11.7	5	24.8	2	1.3	39	12.3	8	6.0	15T
	Mexico	10.6	11T	3.6	37	14.1	17	1.0	41	1.4	52T	3.5	33
	Panama	10.1	13	6.4	17T	16.2	14	0.2	53T	4.7	40	2.7	42T
	Peru	18.7	2	6.5	16	24.6	3	0.9	42T	7.4	25	6.2	14
	Puerto Rico	9.5	14	1.4	52T	10.6	28	2.6	24T	1.6	51	2.7	42T
	Uruguay	10.7	10	4.3	29	14.7	15	3.5	21	6.4	32	5.0	20
	Total	11.7		7.3		18.5		1.6		8.3		5.2	
Europe	Bosnia and Herzegovina	2.5	51T	1.4	52T	4.0	52	0.5	48T	1.4	52T	1.3	52T
	Bulgaria	1.8	54	2.0	48T	3.7	54	0.5	48T	6.5	31	1.3	52T
	Croatia	6.1	28	2.9	41	8.9	34T	4.8	14T	4.4	41T	4.0	29T
	Cyprus	3.6	43T	3.8	33T	7.3	43T	1.8	31T	8.9	20	4.3	25
	Estonia	13.4	6	6.2	19	19.4	11	9.1	1	11.4	10T	4.4	24
	France	2.9	48	1.1	54	3.9	53	3.9	20	3.6	45	3.3	34T
	Germany	3.4	46	2.0	48T	5.3	48	5.7	12	6.1	36	1.6	50
	Greece	2.3	53	2.6	43T	4.8	49	0.9	42T	12.4	7	5.1	19
	Ireland	5.8	29	3.3	39	8.9	34T	5.5	13	4.4	41T	3.3	34T
	Italy	2.7	50	1.7	50	4.3	51	2.4	27T	6.0	37	2.1	48
	Latvia	9.4	15T	5.1	22T	14.2	16	4.4	18	7.7	24	4.2	26T
	Luxembourg	6.7	23T	2.6	43T	9.1	32	8.0	5T	3.3	46T	3.2	36T
	Netherlands	4.7	33T	5.4	21	9.9	29T	7.6	8T	8.6	22	3.1	38
	Poland	6.7	23T	2.2	45	8.9	34T	3.2	22	9.8	18	2.8	40T
	Slovakia	8.2	19	3.8	33T	11.8	24	2.6	24T	10.0	16	4.2	26T
	Slovenia	4.0	39T	3.0	40	6.9	45	6.0	11	6.8	27T	2.3	47
	Spain	2.8	49	3.5	38	6.2	46	1.4	35T	7.1	26	1.9	49
	Sweden	5.3	30	2.1	46T	7.3	43T	6.2	10	4.2	43	2.5	46
	Switzerland	4.7	33T	3.9	31T	8.5	39	4.8	14T	10.5	13	1.1	54
	United Kingdom	4.4	36T	4.2	30	8.4	40	8.0	5T	6.7	29T	2.6	45
	Total	5.1		3.1		8.1		4.4		7.0		2.9	
North America	Canada	11.3	7	8.1	9T	18.8	12	8.2	3	6.2	34T	6.9	9
	USA	9.4	15T	4.6	26T	13.6	18	7.6	8T	7.8	23	4.0	29T
	Total	10.3		6.3		16.2		7.9		7.0		5.5	

*Discontinuation of Businesses – Percentage of Population Aged 18-64

Table 4: Ranking of Entrepreneurial Motivation for TEA by Region, GEM 2017

REGION	ECONOMY	Early-stage entrepreneurial activity (TEA)		Necessity-driven (% of TEA)		Opportunity-driven (% of TEA)		Improvement-driven opportunity (% of TEA)		Motivational index*	
		Score	Rank/54	Score	Rank/54	Score	Rank/54	Score	Rank/54	Score	Rank/54
Africa	Egypt	13.3	19T	42.7	1	53.5	53	27.1	54	0.6	54
	Madagascar	21.8	7	21.6	24	77.7	20	46.5	35	2.2	30
	Morocco	8.8	37	22.3	22	77.3	24T	35.4	46	1.6	38T
	South Africa	11.0	27	24.9	19	75.1	32	36.4	45	1.5	42
	Total	13.7		27.9		70.9		36.3		1.5	
Asia & Oceania	Australia	12.2	23	16.8	36	82.2	9T	63.0	9	3.7	13T
	China	9.9	29T	32.4	9	66.0	46	32.5	50	1.0	51
	India	9.3	31	38.6	4	39.1	54	28.9	52	0.7	53
	Indonesia	7.5	41	24.8	20	74.3	33	42.6	38	1.7	36T
	Iran	13.3	19T	29.9	12	68.9	41	47.6	30	1.6	38T
	Israel	12.8	22	16.4	39	75.9	29	33.1	49	2.0	33
	Japan	4.7	50	15.6	41	79.6	15	52.2	24	3.4	16T
	Kazakhstan	11.3	26	17.8	34	69.5	40	31.8	51	1.8	34T
	Korea	13.0	21	22.0	23	76.1	28	64.2	8	2.9	22
	Lebanon	24.1	4	38.0	5	61.4	49T	41.5	40	1.1	48T
	Malaysia	21.6	8T	7.0	54	89.3	2	64.4	7	9.2	2
	Qatar	7.4	42	12.0	47	82.4	8	47.4	32	3.9	12
	Saudi Arabia	11.5	25	32.5	8	65.5	47	37.3	42	1.1	48T
	Taiwan	8.6	38	15.4	42	84.6	5	56.4	17	3.7	13T
	Thailand	21.6	8T	8.8	51	86.8	3	69.4	4	7.9	3
	United Arab Emirates	9.0	33	16.5	38	79.7	14	55.6	18	3.4	16T
	Vietnam	23.3	6	15.9	40	84.2	6	72.9	2	4.6	9
	Total	13.0		21.2		74.4		49.5		3.2	
Latin America & Caribbean	Argentina	6.0	47	21.4	26	77.5	22	52.8	22	2.5	24T
	Brazil	20.3	10	39.9	3	59.4	51	46.4	36	1.2	45T
	Chile	23.8	5	25.7	17	73.1	35T	59.7	15	2.3	28T
	Colombia	18.7	13	20.1	30	77.4	23	59.4	16	3.0	20T
	Ecuador	29.6	1	42.3	2	57.3	52	36.7	44	0.9	52
	Guatemala	24.8	2	32.1	10	67.4	44	52.3	23	1.6	38T
	Mexico	14.1	17	25.5	18	72.9	37	54.7	20	2.1	31T
	Panama	16.2	14	19.8	31	79.3	16	62.6	10	3.2	18

Table 4 continue

Table 4 continue

	Peru	24.6	3	16.7	37	80.2	11T	62.3	11	3.7	13T
	Puerto Rico	10.6	28	31.7	11	67.1	45	42.3	39	1.3	44
	Uruguay	14.7	15	21.5	25	77.3	24T	49.0	27	2.3	28T
	Total	18.5		27.0		71.7		52.6		2.2	
Europe	Bosnia and Herzegovina	4.0	52	28.3	14T	68.7	42	33.4	48	1.2	45T
	Bulgaria	3.7	54	26.9	16	73.1	35T	28.5	53	1.1	48T
	Croatia	8.9	34T	34.7	7	63.2	48	41.2	41	1.2	45T
	Cyprus	7.3	43T	28.9	13	70.4	39	46.7	34	1.6	38T
	Estonia	19.4	11	18.6	33	75.7	30	50.9	26	2.7	23
	France	3.9	53	20.6	28	77.6	21	61.5	12	3.0	20T
	Germany	5.3	48	11.1	48	79.0	18	59.9	14	5.4	7
	Greece	4.8	49	20.2	29	79.8	13	37.0	43	1.8	34T
	Ireland	8.9	34T	20.9	27	76.5	27	52.1	25	2.5	24T
	Italy	4.3	51	14.0	43	75.2	31	35.2	47	2.5	24T
	Latvia	14.2	16	22.7	21	72.0	38	46.9	33	2.1	31T
	Luxembourg	9.1	32	13.6	45T	80.2	11T	55.3	19	4.1	11
	Netherlands	9.9	29T	7.2	53	83.8	7	72.6	3	10.0	1
	Poland	8.9	34T	9.0	50	90.2	1	67.6	5T	7.5	4
	Slovakia	11.8	24	34.8	6	61.4	49T	47.5	31	1.4	43
	Slovenia	6.9	45	19.6	32	74.0	34	48.4	28	2.5	24T
	Spain	6.2	46	28.3	14T	68.5	43	48.2	29	1.7	36T
	Sweden	7.3	43T	7.5	52	76.8	26	44.8	37	5.9	6
	Switzerland	8.5	39	13.9	44	78.7	19	67.6	5T	4.9	8
	United Kingdom	8.4	40	13.6	45T	82.2	9T	60.8	13	4.5	10
	Total	8.1		19.7		75.4		50.3		3.4	
North America	Canada	18.8	12	17.1	35	79.1	17	53.6	21	3.1	19
	USA	13.6	18	10.6	49	86.2	4	76.3	1	7.2	5
	Total	16.2		13.8		82.6		64.9		5.2	

*Motivational Index is the ratio between Improvement-driven Opportunity TEA and Necessity-driven TEA

Table 6: Ranking of Job Creation Expectations for TEA by Economy, GEM 2017

STAGE OF DEvELOPMENT	ECONOMY	0 jobs in 5 years (% TEA)		1 – 5 jobs in 5 years (% TEA)		6 or more jobs in 5 years (% TEA)	
		Score	Rank/54	Score	Rank/54	Score	Rank/54
Factor-driven	India	63.5	7T	27.0	41T	9.5	42
	Kazakhstan	67.6	3	7.0	54	25.4	18
	Madagascar	64.1	6	34.7	24T	1.1	54
	Vietnam	59.9	10	31.1	34	9.1	44
	Total	63.8		24.9		11.3	
Efficiency-driven	Argentina	42.6	31	44.7	10	12.7	37
	Bosnia and Herzegovina	72.1	2	26.2	45	1.7	53
	Brazil	74.1	1	22.8	50	3.1	52
	Bulgaria	63.5	7T	27.1	40	9.4	43
	Chile	22.3	52	47.9	7	29.8	9
	China	53.0	20T	22.7	51	24.3	19
	Colombia	19.9	54	42.5	12	37.7	4
	Croatia	37.8	34	31.8	31	30.4	8
	Ecuador	35.3	38T	58.1	2	6.6	48
	Egypt	52.5	22	23.8	49	23.7	20
	Guatemala	27.5	49T	50.3	5	22.2	24
	Indonesia	65.8	5	30.6	35	3.6	51
	Iran	34.6	41	30.4	36T	35.0	5
	Latvia	32.5	43	40.0	15	27.5	14
	Lebanon	55.8	13	40.1	14	4.1	50
	Malaysia	31.8	44	55.0	3	13.2	36
	Mexico	27.5	49T	61.8	1	10.8	38T
	Morocco	53.2	18T	36.0	22	10.8	38T
	Panama	40.4	33	41.6	13	17.9	32
	Peru	28.1	48	52.8	4	19.1	30
	Poland	59.3	11	25.8	46	14.9	34
	Saudi Arabia	45.5	29	34.7	24T	19.8	29
	Slovakia	53.0	20T	24.2	48	22.9	22T
	South Africa	20.7	53	47.3	8	32.0	7
	Thailand	36.4	37	34.1	26	29.6	10
	Uruguay	36.8	36	42.6	11	20.6	27
	Total	43.2		38.3		18.6	
Innovation-driven	Australia	35.3	38T	36.5	20T	28.2	12
	Canada	53.2	18T	26.5	44	20.3	28
	Cyprus	46.6	28	45.4	9	8.0	47
	Estonia	34.1	42	38.7	16	27.2	15

Table 6 continue

Table 6 continue

STAGE OF DEvELOPMENT	ECONOMY	0 jobs in 5 years (% TEA)		1 – 5 jobs in 5 years (% TEA)		6 or more jobs in 5 years (% TEA)	
		Score	Rank/54	Score	Rank/54	Score	Rank/54
	France	35.0	40	37.1	18	27.9	13
	Germany	48.1	25	30.0	38	22.0	25
	Greece	53.5	16	36.5	20T	9.9	40
	Ireland	42.7	30	30.4	36T	26.9	16
	Israel	60.1	9	31.2	33	8.7	45
	Italy	54.6	14	31.5	32	14.0	35
	Japan	47.1	26	24.5	47	28.4	11
	Korea	53.3	17	37.0	19	9.7	41
	Luxembourg	49.4	24	32.1	29T	18.4	31
	Netherlands	50.5	23	33.9	27	15.6	33
	Puerto Rico	27.1	51	50.0	6	22.9	22T
	Qatar	37.6	35	17.3	53	45.0	1
	Slovenia	41.1	32	37.8	17	21.1	26
	Spain	58.0	12	33.4	28	8.6	46
	Sweden	66.7	4	27.0	41T	6.3	49
	Switzerland	31.5	45	35.3	23	33.2	6
	Taiwan	30.1	46	26.9	43	43.0	2
	United Arab Emirates	54.2	15	19.2	52	26.6	17
	United Kingdom	46.9	27	29.7	39	23.4	21
	USA	29.3	47	32.1	29T	38.6	3
	Total	45.3		32.5		22.2	

Table 7: Ranking of Gender Distribution of TEA, Opportunity TEA & Necessity TEA by Economy, GEM 2017

STAGE OF DEVELOPMENT	ECONOMY	MALE TEA (% of adult male population)		FEMALE TEA (% of adult female population)		MALE TEA Opportunity (% of TEA males)		FEMALE TEA Opportunity (% of TEA females)		MALE TEA Necessity (% of TEA males)		FEMALE TEA Necessity (% of TEA females)	
		Score	Rank/54	Score	Rank/54	Score	Rank/54	Score	Rank/54	Score	Rank/54	Score	Rank/54
Factor-driven	India	10.3	38	8.2	31	49.7	54	25.1	54	34.9	3	43.4	7
	Kazakhstan	11.4	33	11.3	15T	68.2	48	70.7	30	20.8	22	15.1	42
	Madagascar	23.0	8T	20.6	6	72.2	40	83.8	6	26.4	12	16.1	40
	Vietnam	21.7	11	24.8	2	86.9	4	81.8	9	13.1	42	18.2	36
	Total	16.6		16.2		69.3		65.4		23.8		23.2	
Efficiency-driven	Argentina	6.5	48T	5.4	44	79.5	21	75.1	26T	18.4	29	24.9	22
	Bosnia and Herzegovina	5.2	53	2.7	52	77.8	28	51.9	50	19.0	27	45.5	6
	Brazil	19.9	12	20.7	5	65.8	50	53.4	48	33.7	5	45.8	5
	Bulgaria	4.4	54	3.0	50	75.1	36	70.2	32	24.9	14T	29.8	18
	Chile	28.0	3	19.6	10	78.3	26	65.5	38	20.7	23T	32.9	17
	China	10.5	36T	9.2	26T	63.3	51	69.2	34	34.7	4	29.7	19
	Colombia	19.2	13	18.2	11	79.4	22	75.5	25	19.8	26	20.3	30
	Croatia	11.5	31T	6.4	35T	71.1	42	49.1	52	26.0	13	50.0	2
	Ecuador	28.7	2	30.6	1	61.8	52	53.1	49	37.9	1	46.5	4
	Egypt	18.8	14	7.5	33	58.6	53	40.5	53	37.6	2	56.1	1
	Guatemala	27.9	4	21.8	4	69.6	45	64.9	39	30.4	9	34.1	15
	Indonesia	8.8	43T	6.1	39	81.2	14	64.1	40	18.2	30	34.4	13
	Iran	16.1	20	10.5	21	68.4	47	69.7	33	31.3	7	27.7	21
	Latvia	17.4	17T	11.0	18	70.1	43	75.1	26T	24.9	14T	19.3	32T
	Lebanon	28.8	1	19.8	9	68.7	46	51.5	51	30.9	8	47.5	3
	Malaysia	23.0	8T	20.1	7	88.6	2	90.2	2	6.3	53	7.9	52
	Mexico	17.4	17T	11.2	17	74.6	38	70.5	31	22.9	19	29.2	20
	Morocco	12.9	27	4.7	46	76.7	33	78.9	15	23.3	18	19.8	31
	Panama	18.1	16	14.2	14	80.7	17	77.5	19	17.6	34T	22.5	25
	Peru	26.3	5	22.9	3	83.4	12	76.6	22	12.4	43	21.6	27
	Poland	10.0	39	7.7	32	89.8	1	90.7	1	9.5	50	8.3	51

Table 7 continue

Table 7 continue

	Saudi Arabia	12.4	28	10.3	22T	71.7	41	56.5	46	26.7	11	40.9	8
	Slovakia	13.8	24	9.8	24	66.2	49	54.6	47	31.7	6	39.2	10
	South Africa	13.0	26	9.0	28	82.0	13	65.7	37	18.0	31	34.3	14
	Thailand	23.3	7	20.0	8	87.8	3	85.6	4	6.7	52	11.1	48
	Uruguay	18.4	15	11.3	15T	79.3	23	74.3	28	20.7	23T	22.6	24
	Total	16.9		12.8		75.0		67.3		23.2		30.9	
Innovation-driven	Australia	15.3	22	9.2	26T	84.6	9	78.1	17	15.4	39	19.2	34
	Canada	22.6	10	15.0	12	78.8	25	79.6	12	18.7	28	14.7	43
	Cyprus	8.9	42	5.8	40T	77.5	30	59.5	44T	21.3	21	40.5	9
	Estonia	24.5	6	14.4	13	76.8	32	73.9	29	17.0	36	21.3	28
	France	5.5	52	2.4	53T	85.8	7	59.5	44T	14.2	40	34.8	12
	Germany	6.6	47	3.9	48T	80.3	18	76.8	21	11.7	47	9.9	49
	Greece	5.7	51	3.9	48T	78.1	27	82.3	8	21.9	20	17.7	38
	Ireland	11.7	29	6.2	37T	75.7	35	78.0	18	20.3	25	22.0	26
	Israel	14.8	23	10.7	19T	76.0	34	75.7	23	17.8	32T	14.4	44
	Italy	6.2	50	2.4	53T	80.2	19	62.2	42	11.9	45	19.3	32T
	Japan	6.5	48T	2.8	51	79.0	24	80.8	11	15.7	38	15.2	41
	Korea	15.5	21	10.3	22T	74.8	37	78.3	16	24.6	16	17.8	37
	Luxembourg	11.6	30	6.4	35T	80.8	16	79.1	14	10.8	48	18.8	35
	Netherlands	10.5	36T	9.4	25	86.3	5	81.0	10	3.0	54	11.9	47
	Puerto Rico	13.2	25	8.3	29T	70.0	44	63.0	41	28.9	10	35.6	11
	Qatar	7.4	45	7.4	34	83.7	10T	76.9	20	11.8	46	12.9	46
	Slovenia	9.3	40T	4.3	47	77.1	31	67.0	36	17.6	34T	24.2	23
	Spain	6.8	46	5.6	43	73.8	39	62.1	43	23.9	17	33.6	16
	Sweden	8.8	43T	5.7	42	77.6	29	75.6	24	7.6	51	7.5	53
	Switzerland	11.1	34	5.8	40T	83.7	10T	69.0	35	10.4	49	20.7	29
	Taiwan	11.0	35	6.2	37T	85.9	6	82.4	7	14.1	41	17.6	39
	United Arab Emirates	9.3	40T	8.3	29T	79.9	20	79.2	13	17.8	32T	13.4	45
	United Kingdom	11.5	31T	5.3	45	81.0	15	84.7	5	16.8	37	6.6	54
	USA	16.7	19	10.7	19T	85.0	8	88.0	3	12.0	44	8.4	50
	Total	11.3		7.1		79.7		74.7		16.1		19.1	

Table 8: Ranking of TEA by Age Group by Region, GEM 2017 - Percentage of Population Aged 18-64

REGION	ECONOMY	TEA - 18 - 24 years		TEA - 25 - 34 years		TEA - 35 - 44 years		TEA - 45 - 54 years		TEA - 55 - 64 years	
		Score	Rank/54	Score	Rank/54	Score	Rank/54	Score	Rank/54	Score	Rank/54
Africa	Egypt	13.2	19	18.3	17	12.2	30	10.5	24	6.3	29
	Madagascar	17.5	12	19.6	14T	26.2	6	18.5	9	39.0	1
	Morocco	4.5	43	11.9	30	11.2	37	10.1	26	6.1	30
	South Africa	8.8	28	14.5	25	13.5	25	7.5	38	7.0	25T
	Total	11.0		16.1		15.8		11.6		14.6	
Asia & Oceania	Australia	7.6	31T	13.9	26T	16.5	20	11.9	22	9.3	16T
	China	10.7	23T	11.5	32	12.5	28T	7.9	34T	6.8	27
	India	9.2	27	8.5	41T	11.5	35T	7.9	34T	9.1	18
	Indonesia	4.4	44	10.7	35	9.5	40	5.9	44T	5.0	32T
	Iran	13.4	18	16.5	20	14.9	22	9.2	31	4.4	38
	Israel	7.5	33	14.8	24	14.5	24	13.5	19	12.5	11T
	Japan	3.9	45T	4.3	54	6.4	50	4.0	50	4.2	40
	Kazakhstan	15.0	15	9.3	40	13.4	26	10.0	27	9.3	16T
	Korea	3.3	49T	12.8	28	14.7	23	15.8	13	14.2	8
	Lebanon	23.6	3	28.9	6	24.5	7	22.9	5	16.1	5
	Malaysia	20.4	7	27.1	8	22.2	9	21.2	6	9.5	15
	Qatar	6.8	34T	7.3	47	6.5	47T	9.9	28	8.8	19
	Saudi Arabia	4.8	42	10.0	39	17.3	15T	15.6	14	4.3	39
	Taiwan	8.7	29	13.9	26T	12.1	31	4.6	48	3.4	44T
	Thailand	14.1	16	25.5	10	27.9	3	20.8	7	15.6	6
	United Arab Emirates	5.0	39T	8.4	43	11.7	33	10.2	25	6.7	28
	Vietnam	22.0	5	32.3	2	19.9	12	19.7	8	15.3	7
	Total	10.6		15.0		15.0		12.4		9.1	
Latin America & Caribbean	Argentina	5.0	39T	5.9	50	6.5	47T	8.6	33	3.5	42T
	Brazil	20.3	8	30.5	3	19.2	13	15.1	15	10.3	14
	Chile	13.6	17	29.2	5	29.1	2	25.4	2T	17.1	3
	Colombia	20.2	9	20.5	12	20.7	11	17.9	10	11.9	13
	Ecuador	22.9	4	35.4	1	32.2	1	30.5	1	23.0	2

Table 8 continue

Table 8 continue

	Guatemala	24.1	2	27.0	9	26.8	5	25.4	2T	13.4	9
	Mexico	10.1	25	16.0	22	18.2	14	14.7	16	8.0	22
	Panama	15.7	14	19.9	13	17.1	18	13.3	21	12.5	11T
	Peru	21.2	6	28.0	7	27.2	4	25.4	2T	16.7	4
	Puerto Rico	9.9	26	16.1	21	12.5	28T	9.7	29	4.6	36
	Uruguay	18.7	11	18.0	18	17.2	17	11.0	23	7.0	25T
	Total	16.5		22.4		20.6		17.9		11.6	
Europe	Bosnia and Herzegovina	5.5	38	6.6	48	4.9	53	1.8	54	1.5	54
	Bulgaria	3.3	49T	4.5	53	5.2	52	2.8	52	2.5	49T
	Croatia	10.7	23T	12.7	29	11.5	35T	7.1	40	3.4	44T
	Cyprus	3.1	51	10.5	36	11.6	34	6.2	43	3.5	42T
	Estonia	24.6	1	25.3	11	23.5	8	16.1	12	8.7	20
	France	1.6	53T	5.0	52	4.4	54	3.9	51	4.0	41
	Germany	3.4	48	7.7	46	6.5	47T	5.0	46T	3.4	44T
	Greece	5.7	37	6.2	49	7.6	46	2.0	53	1.7	53
	Ireland	6.6	36	10.4	37T	10.3	39	7.7	37	7.7	23
	Italy	3.9	45T	5.8	51	5.3	51	4.4	49	1.8	52
	Latvia	19.7	10	19.6	14T	17.3	15T	13.4	20	2.6	48
	Luxembourg	11.7	20	11.0	33	10.5	38	7.4	39	4.9	35
	Netherlands	11.2	22	15.0	23	12.7	27	6.5	42	5.4	31
	Poland	3.7	47	18.7	16	9.2	41	6.7	41	2.5	49T
	Slovakia	1.6	53T	8.5	41T	16.7	19	14.5	17	13.1	10
	Slovenia	7.6	31T	10.9	34	9.1	42	5.0	46T	2.3	51
	Spain	4.9	41	8.3	44	7.8	45	5.9	44T	3.0	47
	Sweden	7.9	30	8.2	45	7.9	44	7.8	36	4.5	37
	Switzerland	3.0	52	10.4	37T	11.9	32	9.3	30	5.0	32T
	United Kingdom	6.8	34T	11.6	31	8.6	43	9.0	32	5.0	32T
	Total	7.3		10.9		10.1		7.1		4.3	
North America	Canada	17.2	13	29.5	4	21.5	10	17.5	11	8.1	21
	USA	11.4	21	17.4	19	16.4	21	14.1	18	7.6	24
	Total	14.3		23.4		18.9		15.8		7.8	

The GEM India Report 2017-18 is an outcome of collective efforts of GEM India consortium that strives to capture and understand the current state of affairs in Indian entrepreneurship. This report provides information on entrepreneurship ecosystem prevailing in the country and entrepreneurial activities being carried out in various states. This report is the third national level report by the GEM India Team.

The GEM India study, conducted using a well-established GEM research methodology that is consistent across all participating countries, generates a variety of relevant primary information on different aspects of entrepreneurship and provides harmonised measures about individuals' attributes and their activities in different phases of entrepreneurship. The key outcomes of research reported in the book are relevant to researchers, policymakers, entrepreneurs and corporate houses.

KEY HIGHLIGHTS

- In-depth coverage of entrepreneurial activity in India
- Insightful analyses of data on different parameters of entrepreneurship
- Graphic and easy-to-interpret presentation of findings
- Recommendation for policy implications

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