

Innovative Practices for Development of Entrepreneurial Activities in India

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Abstract

India is rising to be an entrepreneurial sector in the recent years. With the developing Indian economy the Government of India is taking large initiatives to grow and enhance entrepreneurship in India. The research paper focuses on the entrepreneurial status of India and highlights some of the major developments in the area of entrepreneurship in India. The paper is based on secondary data and the data obtained will be included as a part of primary data research at the later stage of research. The main aim of the paper is to discuss the major trends and innovative practices that India is implementing in order to develop and grow the entrepreneurial activities in India. The role of India among the other countries regarding entrepreneurial activities and the TEA (Total Entrepreneurial activity) in India have also been discussed in the paper.

Keywords: *Entrepreneurial activity, NEP, Innovative practices, Social Impact.*

Introduction

The Ministry of Education, Government of India considers Innovation and Entrepreneurship as the key economic drivers of the country's growth, progress and sustainability. The New Education Policy of India also focuses on skill development with creativity and to enhance the critical thinking pattern of the learners. The educational institutions are also focusing in knowledge creation and innovation by developing incubation centers for new-start-ups and to boost innovative business ideas in the society.

Innovation refers to the process of generating and implementing novel ideas, methods, or technologies that result in improved products, services, processes or business models. Opportunities can be created through entrepreneurial activities to bring innovative ideas on the floor for real practices. Entrepreneurship is a strong medium that can bring innovation into the market for utilization or consumption.

Review of Literature

Verma B. and Singh P. (2024) focused on social entrepreneurship and innovation in India by discussing about the characteristics of social entrepreneurship and innovation.

The research paper discusses about the Pre-2000 stage of entrepreneurship till 2024 where the role is based upon the issues like prospects for growth in social entrepreneurship, Continued support from government, investors, and civil society and vision for sustainable and inclusive growth models. Various theories relating to entrepreneurship are also the main highlights of the paper.

Parveen S. et al (2022) discussed about the importance of the role of entrepreneurship in the economic development and creation of new ideas. The research paper presented the concepts relating to new ideas in entrepreneurial businesses and the process adopted to run those processes. India's ranking among major states as per the India Innovation Index 2020 have been discussed in the paper along with India's performance on the Global Innovation Index. The various areas of business innovation highlighted by the authors are Product, Marketing, Service, Manufacturing process and Customer care. Regarding the service concept the areas identified in the research are Client interface, Service Delivery systems and Technological options.

Siddiqui, et al. (2014) had identified the various factors that support innovative entrepreneurship in India. The authors also identified through their research the various challenges

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faced in entrepreneurship and suggested ways to use the innovation to the best capacity.

Research Methodology

The present paper is based on secondary data and this data obtained will be included as a part of primary data research at the later stage of research. The main aim of the paper is to discuss the major trends and innovative practices that India is implementing in order to develop and grow the entrepreneurial activities in India. The Primary study would be conducted in the selected districts of the state of Uttar Pradesh. The objective of the primary study would be to study the awareness level of entrepreneurial activities and the successful implementation of the Government policies regarding entrepreneurial development in the state of Uttar Pradesh. The second phase of the research will be descriptive in nature. A Sample size of 300 respondents would be selected from the selected districts of Uttar Pradesh for data collection. A structured questionnaire would be used for collecting the primary data. For the purpose of detailed analysis the results of the secondary data would be combined with the primary data and statistical tools like correlation and regression analysis would be applied to draw conclusions.

Results and Discussion: Recent Trends: India's Performance

The secondary data referred for the research gives a wide overview of Indias status in global business and entrepreneurial activities. As per the World Bank Doing Business Report 2020 (Table No:01), since 2014, India has worked enormously on improving its entrepreneurial ecosystem. This has given positive results as India has been one of the top 10 improvers, three times in a row and has improved its ease of doing business ranking. India jumped by 79 positions, from 142nd in 2014 to 63rd in 2019. Though there has been improvement in the overall ranking, the country has majorly improved in four parameters, i.e., starting a business, dealing with construction permits, trading across borders and resolving insolvency after the pandemic.

Table No 01: The World Bank Doing Business Report 2020

Year	Ranking of India
2014	142
2015	130
2016	130
2017	100
2018	77
2019	63

Source: The World Bank Doing Business Report, 2020.

The National Expert Survey (NES), conducted via email on the state of entrepreneurship in the country with 72 national-level experts from both the public and private sectors. The information was collected with the help of a standardized questionnaire provided under the global GEM project. As per the NES, the **Total Entrepreneurial Activity (TEA)** in India and its comparison with other countries in the lowincome group in the GEM country classification is shown in Table no:02. From the table given below we can see that the total entrepreneurship activity rate in India has increased from 5.3 percent in 2019–20 to 11.5 percent in 2022–23. It is important to mention here that TEA includes nascent entrepreneurship and new business ownership.

Table No: 02Total Entrepreneurial Activity (TEA) in India

Entrepreneurial activity	Value%	Rank
TEA 2022–23	11.5	24/49
TEA 2021–22	14.4	18/47
TEA 2020–21	5.3	39/43
The established business ownership rate 2022–23	9	12/49

Source: GEM India Snapshot

Total Entrepreneurship Activities in India: TEA is the percentage of the population involved in new or existing businesses in India. The total early-stage entrepreneurial activity rate in India is almost equal for both male and female entrepreneurs as per the GEM survey India 2022-23. This means that there is a high level of gender parity in the Indian entrepreneurial ecosystem. The report also highlights that the East region has the highest TEA rate (14.10%), followed by the West region (12.60%). This indicates a positive attitude towards entrepreneurial activities and its development.

Entrepreneurial Activities in India: Latest Innovative Practices and Trends

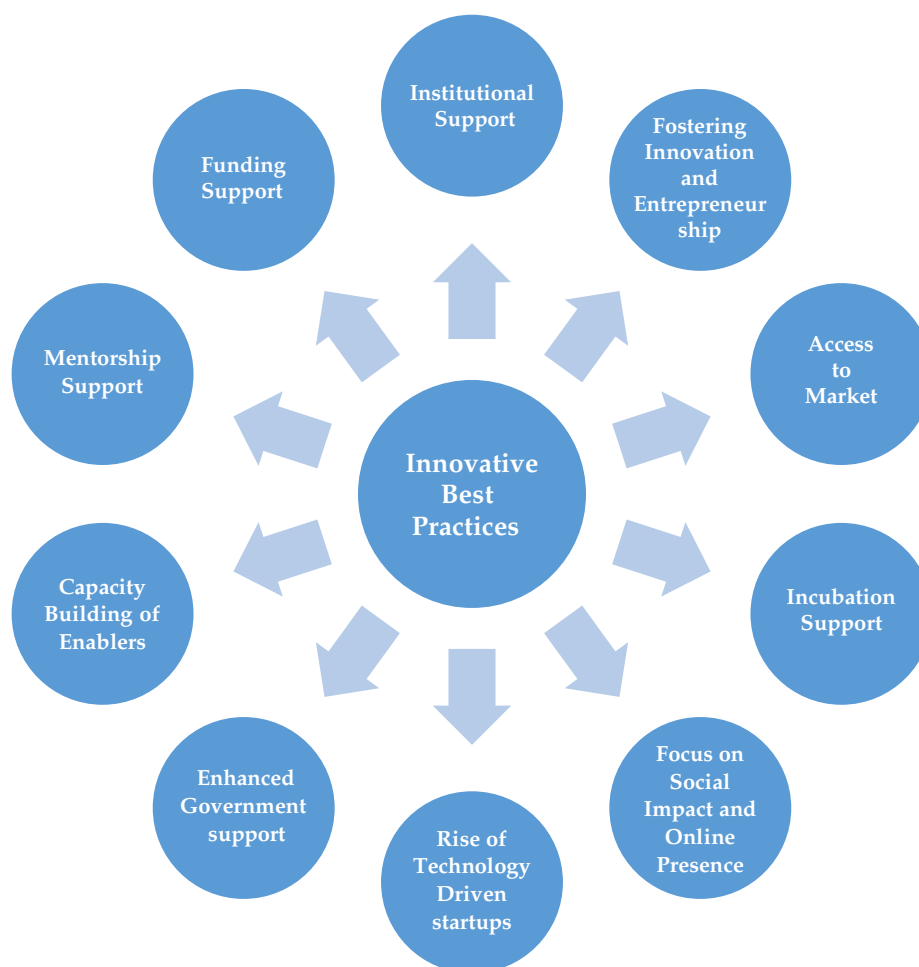


Figure 1: Best Practices in Entrepreneurship In India

The Startup Ranking Exercise initiated by Startup India helps compile and disseminate the best practices of all the States and UTs to form as a base for the development of an entrepreneurial ecosystem. These best practices have been categorized across seven Reform Areas of the States' Startup Ranking Framework 2020. The various Reform Areas and the best practices adopted for entrepreneurial development in India include the following (Refer Figure No 1):

1. **Institutional Support:** Institutional Support focuses on the execution and facilitation of the State/UT's startup policy through a comprehensive portal and specific incentives provided by various Government stakeholders. Startup India and the Government of India recommend providing institutional support in the following manner: Policy Interventions, Digital Infrastructure and Capacity Development.

Example of Best Practices adopted in the state of Uttar Pradesh:

- a) Assigned nodal agency (UP Electronics Corporation) with a model startup portal. The Department of IT &

Electronics, Government of Uttar Pradesh is the nodal department for startups in the State.

- b) More than 200 women led startups supported

In order to promote Innovation, technology commercialization and startups in HEI's the National Innovation and Startup policy has developed a framework. Some of the major aspects of this framework are mentioned below:

- a. HEI's Strategies and Governance for Promoting Innovation and Entrepreneurship
- b. Norms for Faculty and Students Driven Innovation and startups
- c. Incubation and Pre-incubation support and Facility creation in HEI's
- d. IP ownership right for technologies Development and transfer of HEIs
- e. Pedagogy and Learning Interventions for Innovation and Entrepreneurship Development
- f. Entrepreneurial performance Impact Assessment

2. **Fostering Innovation and Entrepreneurship:** It aims to encourage the spirit of innovation among aspiring students and rural entrepreneurs.

Example of Best Practices in Tamil Nadu: Tamil Nadu has provided unparalleled support to startups with several key policies and programs facilitating the growth of more than 2,700 startups in the State.

- a) Robust startup registration mechanism enabling 2700+ startups
 - b) 5 disruptive policies introduced in sectors such as Electric Vehicle, Artificial Intelligence, Blockchain
3. **Access to Market:** It aims to encourage the State/UT Government to ease participation in the public procurement process for startups and become an enabler in connecting startups with private stakeholders.

Example of Best Practices in Odisha: Under the Odisha Startup Policy 2016, the Government of Odisha has notified various relaxations on prior turnover, prior experience, and EMD submission to encourage the participation of startups in the public procurement process.

- a) Relaxations on prior turnover, prior experience and EMD submission for startups
 - b) 20 + programs encouraging startups in public procurement process
4. **Incubation Support:** Incubation support is provided in the form of financial and infrastructural support to startups and State-supported incubators.

Example of Best Practices in Maharashtra:

- a) 20+ established network of incubators
 - b) 150+ startups incubated
 - c) Conducted 2 acceleration programs attended by 85+ startups
5. **Funding Support:** It aims to establish either seed and venture funds for direct funding to startups or fund of funds for financing startups through various private funds.

Example of Best Practices in Gujrat:

- a) Two funds established to provide funding support to startups - Student Innovation Funds and GVFL startup fund
 - b) 160+ startups supported with financial assistance
6. **Mentorship Support:** It aims to provide guidance from experts in business schools in providing support in areas of marketing, finances, product, international expansion, fundraising, legal, etc.

Example of Best Practices in Delhi: 100+ startups connected with 30 registered mentors.

7. **Capacity Building of Enablers:** It aims driving the growth of the entire startup ecosystem.

Example of Best Practices in Assam:

1. 30+ Government officials sensitized
2. Trained 100% of State supported incubators

8. **Enhanced Government support:** The Government of India has adopted methods for entrepreneurial development that suit the Indian environment and requirements. With a focus on specific industries to trigger innovation and entrepreneurship the National Science and Technology Entrepreneurship Board (NSTEB) promotes entrepreneurship and innovation in India. The government has also focused on spending a good financial support to the organizations who are dealing in research based activities and development of innovative products in India. The financial funding support helps to strengthen the innovative entrepreneurship in India.
9. **Rise of Technology Driven startups:** The technology based incubators are being developed in India for larger usage and promotion. The knowledge of research is being shared at a large scale across the country for the development of innovative organizations and to support the R&D based industries.
10. **Focus on Social Impact and Online Presence:** The social media now-a-days is having a great impact on the society. With the large use of internet and social media platforms the entrepreneurial activities are getting an edge to promote and grow their businesses. New innovative ideas and new developments can be easily made aware through social media and online presence can be achieved through social media platforms like Facebook, Instagram etc.

Conclusion

It is clear that the government of India and the rising entrepreneurs are adopting innovative best practices in order to boost the entrepreneurial business in India. The new developments and policies are supporting the utilization of entrepreneurship to a large scale. Even people who want to start new businesses are getting lot of help from the new innovations coming up in entrepreneurial areas that include strong infrastructure, technology collaboration, digital presence, new funding opportunities etc. overall the new entrepreneurial set-up is being made with a focus upon the requirements of the country, its people, its strengths and opportunities that will lead to success in the future.

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