



## Entrepreneurship in Transition: Lessons for the Technology Start-ups & More

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## PREFACE

COVID-19, the Pandemic has drastically disrupted lives and livelihoods, besides its impact on the overall quality of life of the population. The world today is looking towards the lead role of entrepreneurs as job creators, as against the swelling population of job seekers. This is exactly the time we need globally and in India, “masters of creative destruction”.

With such a Pandemic coinciding with a technological watershed in history, ie., the paradigm of Industry 4.0, one would be keen to know of the future course of youth entrepreneurship. This is because, youth are often considered as the torch-bearers of new technology and that of innovation. Beyond the fad of promotion of “technology start-ups” that is fashionable with many governments today, this is the right time to have a practical view of technology-based start-up promotion in India. Dr. Miene Pieter Van Dijk proposes practical steps towards promotion of technology start-ups, based on his vast experience in several countries including India.

This paper was written for the specific purpose of inclusion in a collected volume under publication by me. In the meanwhile, considering its topical relevance, ISED Small Enterprise Observatory has pleasure to bring it out under its ‘Policy Briefs Series’ for wider circulation and deliberations. ISED wishes to thank the author for his contribution and for the insights and suggestions that he offers to the community of young entrepreneurs and policy makers.

Cochin  
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P.M. Mathew  
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## Abstract

*Youth unemployment is a significant problem in India, especially in a context where higher education is getting increasingly broad-based. Technology based enterprises, or the so-called “start ups”, naturally, are an emerging interest in most developing countries, as also in India. This paper discusses entrepreneurship related activities of youth that have significant social and economic potential. Technology based enterprises and their potential, however, need to be discussed in a context. As such, it discusses the important changes that have taken place in the world of entrepreneurship. It is concluded that the aspiring entrepreneur needs to have the drive and be increasingly technology savvy, though certain skills can be acquired.*

## 1.0. Introduction

India has witnessed a boom in higher education during the past one decade. The mushrooming of institutions of technical education, again, with the active involvement of the private sector, is a remarkable feature distinct from the country's tradition of a significantly regulated higher education system. However, as indicated by the findings of various expert committees, as also of other research findings, there has been a serious erosion of standards in India's higher education.

In many countries of the world, the growth of technical education has resulted in a significant growth in entrepreneurship as well. This implies that, as the size of the labour market widens, a significantly large share of the new entrants opt for entrepreneurship as a career. It again implies that, a rise in the number of entrepreneurs is one of the mechanisms by which new jobs are created in the economy.

Unlike the above experience, in India, most of the technically qualified graduates, especially from the engineering colleges, choose to be wage earners in multinational companies, rather than taking the entrepreneurship route. This trend has been supported by a recent study commissioned by the Ministry of Science and Technology, and was carried out at the Indian School of Mines. At the other end of the spectrum, there is an enhanced interest in India, relating to catching up with the global phenomenon of start-up growth. Centers like Bangalore and Gurugram have emerged as premier centers of technology start-up activities. This is a promising trend that needs to be supported by appropriate infrastructure and mentoring activities.

While having reasonable experience with India, my research experience, to a large extent, is in Africa. My Ph.D. was about small enterprises in two West African capitals (Van Dijk, 1986a & b). I have been able to build upon that research further, and have benefited from several master and PhD students doing research on small and medium enterprises on the urban informal sector. My most recent paper discussed the link between the knowledge economy and start-ups in the Netherlands (Van Dijk, et al., 2013) and the access of Indonesian women to small business (Sunanto et al., 2017). While having such cross-country experience, I am able to draw some broad conclusions in the context of entrepreneurship development in India, and am able to make some suggestions.

Youth unemployment is a big problem in India, just like finding jobs for graduates of the university system. We prepared a Manual (partially based on the ILO, 2010), which helps aspiring technology entrepreneurs to develop their business idea (Van Dijk, 2017; also Box1). The following discussion draws upon, to a large extent, on that Manual.

## 2.0 The Role of Entrepreneurship

“Entrepreneurship is the engine of economic growth” (Glaeser et al., 1992). Schumpeter (1937) considered an entrepreneur as the person who could make new combinations, or come with innovations. This paper specifically focuses on the creation of new technology based firms. The behavioural definition of new entrepreneurship (making the new combinations) emphasizes the relevant characteristics of such an entrepreneur (File, 2012) and in particular his/her ability to in-

novate. A definition focusing geographical on new technology based firms also points to the importance of the setting cluster, city or region where this enterprise is based (Van Dijk, 2017b).

In this contribution I focus on educated young people and women who can create new technology based enterprises and in doing so boost the local and national economy. I suggest focusing on a limited number of entrepreneurship related ac-

tivities, which have social and economic potential, and are relevant for young people.

## 2.1 Skills for Aspiring Entrepreneurs

The aspiring entrepreneurs are expected to have two essential skill sets: (a) preparing ones business plan; and, (b) and knowing ones competitors. The relevant questions that come up at each stage are boxed below:

<b>(A) Business Planning Tips</b>	
1.	How to compete with competitors, focus on 'How to do it?'
2.	How competitive are you?
3.	A lot of material on business plans (BP) can be found on the worldwide web
4.	The basics of Business Planning
5.	Exercise 6 on BP: ask the participants what should be included in the business plan
6.	Start-up briefing (2010): Writing a BP,
7.	A business plan also helps to ...
8.	Outline of a report based on the Start Your own Business (SYB) approach:
a.	Executive summary
b.	The business
c.	Markets & competitors
d.	Sales and marketing
e.	Management
f.	Operations
g.	Financial forecasts
h.	Financial requirements
i.	Assessing the risks
j.	Appendices
k.	Presenting the plan