

EDII'S GEM REPORT: MAJORITY ACTIVITIES WERE IN INDIA'S CONSUMER-ORIENTED SERVICES

'Guj leads in entrepreneurial motivation'

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Ahmedabad: It is often said that business is in the blood of Gujaratis, and the latest Global Entrepreneurship Monitor (GEM) 2023-24 report somehow validates this notion. Gujarat ranked among the top states on indices such as entrepreneurial motivation to continue family tradition and build wealth.

Prof Amit Kumar Dwivedi, one of the report's authors from the Entrepreneurship Development Institute of India (EDII), stated that compared to the national average of 81% for ease of starting a business, Gujarat's average was 82.5%.

"Compared to 81% feeling they have the capabilities to start a new business in India, Gujarat's average was 82.5%. Social perception for entrepreneurship and risk-taking is better in Gujarat for traditional reasons," he added.

According to the report, India ranks second among 49 countries in the national entrepreneurship context index after the United Arab Emirates (UAE) and ahead of Saudi Arabia (3rd), Lithuania (4th), and Qatar (5th).

The ranking represents the quality of a particular economy's entrepreneurial environment. India ranks second in perceived opportunity and third in perceived capability and ease of starting a business among participating countries.

ENTREPRENEURIAL ACTIVITY: INDIAN PERSPECTIVE

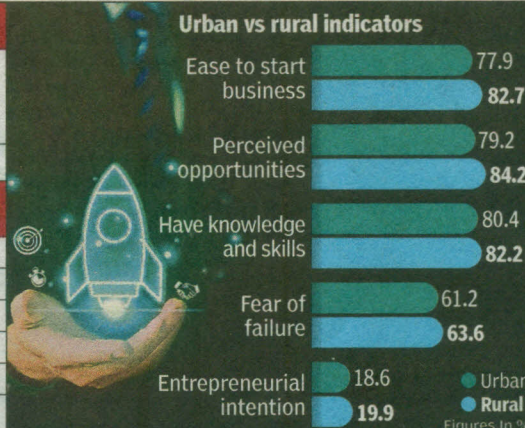
Year	Activity value (%)	Rank
2023-24	12	22/46
2022-23	11.5	24/49
2021-22	14.4	18/47

Attitudes and perception

Head	Value	Rank (/49)
Perceived opportunity	82.5	2
Fear of failure	62.8	2
Perceived capability	81.6	3
Ease of starting business	81.1	3
Entrepreneurial intention	19.5	19

Why entrepreneurship?

Motivation	Value	Rank (/46)
Make a difference in the world	83.8	1
Continue family tradition	75.2	1
Build great wealth	81	6
Earn a living as jobs are scarce	87.8	7



Region-wise difference in parameters

Head	Central	East	North	South	West
Ease to start business	77.4	72.3	83.4	82.4	82.5
Perceived opportunities	77.6	81.4	81.6	84.8	83.5
Have knowledge & skills	81.4	78.5	82.1	81.6	82.8
Fear of failure	62.9	63.9	63.5	62.7	61
Entrepreneurial intention	26.3	15.9	22.3	17.4	16.9

India's Entrepreneurial Rise

- 9.3%** entrepreneurial intention recorded among women compared to 14.6% among men
- 81.6%** perceived capability was found to be highest in India among low-income countries
- 14.7%** highest total entrepreneurial activity (TEA) was recorded from southern India
- 12.7%** Recorded in younger entrepreneurs (18-34 years). It was 11.2% among older ones
- 14.2%** TEA recorded for graduates compared. It was 9.3% among non-graduates in India
- 12.4%** established business ownership (EBO) recorded in India, same as 12% for TEA
- 47.2%** of the respondents felt it was more complicated to start business today than earlier

The GEM report was released recently and is authored by prof Sunil Shukla, director general of EDII, along with prof Dwivedi and prof Pankaj Bharti for the India leg. Shukla said that overall entrepreneurship activities are gaining recognition and momentum in India with favourable policies, better-perceived capabilities, and better-perceived opportunities. "The highlight is improved women participation and reducing the gap between urban and rural

groups on almost all parameters," he added.

Region-wise, the report indicated total entrepreneurial activity (TEA) to be the highest in southern states at 14.8%, followed by 13% in central India, 11.1% in north India, 10.6% in western India, and 8.1% in eastern India. The data also suggested that young age and education positively impacted TEA in low-income countries.

"In India, a percentage of TEA (47.2%) think starting a

business is more complicated than a year ago. It is significantly lower than last year (68%). This implies that the govt of India made significant efforts to remove or reduce the challenges or barriers. Some factors that could make starting a business less complicated in India are implementing schemes to provide easy access to finance, infrastructure, markets, technology, etc.," mentioned the report.

Most of the entrepreneurs agreed that digital technolo-

gies were important to improve sales and that the environmental implications of business should be taken into account.

The employment projection for India indicated that 6.4% of entrepreneurs expected to generate one to five jobs, 1% more than six jobs, and 4.6% zero new jobs. South American countries showed much greater optimism in generating jobs in the next five years, according to the report.