

Indian start-ups need a Silicon Valley touch

Techpreneurs can learn a lot from the strengths of TiE

IN the first weekend in May, The Indus Entrepreneurs (TiE) held their annual Silicon Valley conference, known as TiEcon. There are now many chapters of TiE around the world, and several smaller versions of TiEcon, but Silicon Valley is where it all started, over 20 years ago, and remains the hub of the global TiE network. You can still meet the founders of TiE walking around, men like Kanwal Rekhi and Suhas Patil, who envisaged an organisation that would allow entrepreneurs who came after them to have an easier time than they did, as pioneers in starting technology companies in a world in which corporate glass ceilings and stereotypes about Indians as leaders both operated.

Less than a quarter century later, several marquee technology companies have CEOs of Indian origin, and they as well as their counterparts among the country's ethnic majority come to TiEcon to speak and to be honoured for their achievements. But a lot of the energy of the conference comes from younger entrepreneurs who are seeking to get their ideas heard, understood and funded, and to learn what technology and business trends are emerging now and looming further in the future. This year at TiEcon, I was invited to speak about work I have been doing with Sanjoy Chakravorty of Temple University and Devesh Kapur of the University of Pennsylvania on the Indian American community, but this gave me an opportunity to sit in various different sessions.

In one closed session for entrepreneurs, a senior TiE member provided

mentoring, answering a range of questions for about a dozen young entrepreneurs. Many, but not all of them were of Indian origin, and some had come from India to network in Silicon Valley. Others had global histories, having spent time in multiple countries and continents in their entrepreneurial journey. At the other end of the spectrum, one of the "grand keynotes" was provided by a very different kind of entrepreneur (if one can even use that term)—Kailash Satyarthi, 2014 Nobel Peace Prize Laureate, told his personal story of humanitarian enterprise, working to rescue children from abuse and bondage. But Satyarthi began his talk by acknowledging how TiE and the type of effort and achievement it represented had helped to alter the world's perception of India and its people. Of course this is something that has been said very explicitly by India's prime minister as well, to larger and broader audiences of Indian Americans.

One could get a sense of the hunger to transfer the lessons of TiE and its members in the presence of state government



NIRVIKAR
SINGH

TiE shows that Indians can be world-class achievers on tech innovation, that they can mobilise human and financial capital to create businesses and jobs, and they can be mentors and even guides for policy innovations

cern that the overall tax regime was not favourable enough, and that the Mauritius route was an unnecessarily costly way to get foreign investment into India.

delegations and government officials. There were sessions in which they spoke, and interacted with entrepreneurs trying to run businesses in India, or looking for possibilities to do so. I got the sense that the two sides still did not quite speak the same language, and that government officials had to work hard to convince the business people that the regulatory and policy environment had indeed changed sufficiently for the better. It seemed that the smooth functioning of government in cases where innovation and investment were desired for India was still somewhat exceptional, and required the personal oversight of exceptional leaders such as Chandrababu Naidu.

I heard various views at TiEcon about the impacts of the Start Up India initiative. Many senior TiE members had attended the launch in New Delhi, earlier this year. Some were positive and hopeful but at least one expressed con-

Interestingly, just a few days later, the India government tightened up the tax treatment of investment flows through Mauritius (and Singapore by extension), to check money laundering and round-tripping of funds for tax avoidance. This will only increase the need for an overall tax policy that is more favourable to start-ups in India, and an environment in which entry and exit are much easier for all kinds of businesses, but especially the ones likely to create high value-add—the technology firms that are the bread and butter of TiE and its cohorts.

TiE was conceived as an organisation that would put aside narrow regional and religious identities that are part of the mosaic of India and focus on building social capital for the broadly conceived group of its members. In this it has succeeded. Of course, all the other identities are still there, but they mostly get put aside when it comes to working together, especially when putting on massive events such as TiEcon. TiE shows that Indians can be world-class achievers on the frontiers of technological innovation, that they can mobilise human and financial capital to create businesses and jobs, that they can be role models and mentors and even guides for policy innovations, and that they can do this together without being caught up in narrow, divisive or hegemonic identity politics. All these are lessons that need to be transferred to India.

The author is professor of economics, University of California, Santa Cruz