

International Journal of Advance Research in Computer Science and Management Studies

Research Article / Survey Paper / Case Study

Available online at: www.ijarcsms.com

Building Entrepreneurial Eco system in India: An Agripreneurship Perspective

Dr. A. Iyappan¹

ICSSR Post Doctoral Fellow,
Alagappa Institute of Management,
Alagappa University,
Karaikudi, India.

Prof. S. Rajamohan²

Senior Professor & Director,
Alagappa Institute of Management,
Alagappa University,
Karaikudi, India.

Abstract: Startups are one of the strongest engines for wealth creation, employment and economic growth. India is aspiring to be a \$5 trillion economy in the next five years. There is also a need to create 300 million jobs by 2040, which are roughly 10 million jobs a year. These aspirations and needs of India cannot just be fulfilled by the existing large enterprises alone. Startups can act as a vehicle to achieve the next level of economic growth and social development.

India has begun its journey to become one of the fastest growing startup hubs in the world, and today, it is the third largest in technology-driven product startups, after the U.S. and the U.K. The Global Entrepreneurship Monitor estimates about 20% of Indians (aged between 18 and 64 years) intend to start a business in the next three years, while more than 11% are nascent entrepreneurs. In this fast-changing environment, farmers and their rural advisory service (RAS) providers must learn new skills and find new ways of working together to develop inclusive business models that help link diverse farmers and entrepreneurs to growth markets. One solution to help with rural commercialization is to support the growing numbers of agripreneurs, who could play a catalytic role in generating new income streams and jobs. During this tough time India needs to build some holistic and environmentally viable business system in the market. Our study identifies the various elements and critical resources needed to improve the agripreneurial eco system in Tamilnadu and to ensure the availability of such resources to improve agripreneurship development.

Keywords: Entrepreneurial Eco system, Agripreneurship development, Economic Growth.

I. INTRODUCTION

Entrepreneurship is a source for sustainable growth of economy. Globally entrepreneurship represents the power which accelerates the economic development. The entrepreneurial ecosystem in India is the third largest and the fastest growing ecosystem in the world (World Economic Forum, 2014)¹. The number of new companies formed has been steadily increasing over the past decade, with an unprecedented 10,000 companies getting created in 2015 alone. The funding picture also looks upbeat with Indian startups rising over US\$10 billion in the year 2015. Tamil Nadu is the fourth highest state of India. Which is located in the southernmost fare of the country, Tamil Nadu is surrounded by Andhra Pradesh from the north, Kerala and Karnataka from the west, the Indian Ocean from the south, and Bay of Bengal from the east. Tamil Nadu has a diversified producing sector and features among the leaders in many industries like automobiles and auto components, engineering, pharmaceuticals, textile products, leather products, chemicals, plastics, garments, etc. It ranks the first among the states in terms of several factories furthermore industrial workers. Between 2011-12 and 2018- 19, Gross State Domestic Product (GSDP) expanded at a Compound Annual Growth Rate (CAGR) of 11.46 per cent to Rs 16.06 trillion (US\$ 222.58 billion) whereas the Net State Domestic Product (NSDP) expanded at a CAGR of 11.45 percent to Rs 14.41 trillion (US\$ 199.69 billion)².

II. REVIEW OF LITERATURE

Akinbola, et al.³ claim that students' propensity for entrepreneurship is an essential framework for forming a business start-up. Students' attitudes, behavior, and entrepreneurial compassion may encourage the intention and desire to launch new business activities in the future. Students trained in educational institutions or in incubators are on the way to becoming initiators of successful entrepreneurs.

Nowinski and Haddoud⁴ reported that in the field of entrepreneurship, a key attribute that needs to take root in every new venture is the intention to start a business. Thus, entrepreneurial intention concerns the individual's attitude towards starting a new business. The development of business, the expansion of existing ones and the creation of new corporations in the form of joint stock companies have led to the emergence of such a term as corporate social responsibility. One of the definitions of corporate social responsibility is known as a conceptual approach, or style of corporate management, and when we are following it the effectiveness and quality of management decisions is reflected not only in the economic effects, but also responsibility for the consequences of the decisions made to all parties involved in the process of activity (**Johnstone-Louis, 2017**)⁵.

The initiative "Business for Social Responsibility" interprets this category as achieving business success while respecting the ethical standards of civil society and the environment (**London, 2018**)⁶. Here it is important to recognize the consistency of efforts in the area of social responsibility and the achievement of business success that is the economic interests of owners and managers. At the same time, this definition does not identify specific subjects which interests need consideration.

Entrepreneurs are those people who exhibit common traits such as single-mindedness, drive, ambition, creative, problem solving, practical, and goal-oriented. An entrepreneur is an individual who recognizes an opportunity or unmet need and takes the risk to pursue it. He needs to develop these abilities, managing productivity and seeking out new markets (**Singh, 2013**)⁷.

Nowiński, W. and Haddoud, M. Y. (2019)⁸ reported that in the field of entrepreneurship, a key attribute that needs to take root in every new venture is the intention to start a business. Thus, entrepreneurial intention concerns the individual's attitude towards starting a new business. They further explored that entrepreneurship is even more suitable once there are fewer jobs in the labor market.

J P Sharma, Reshma Gills and Tulsi Bhardwaj (2015)⁹ In this competitive era of growth, investors from all over the world are making more and more investments into the Agripreneurship for unleashing its existing potentialities as well as for exploring the untapped areas. But the specific and actual opportunities for different areas are not the same. Proper documentation and presentation of identified opportunities in different areas are lacking in our situation. In order to overcome these situations and developing a sustainable growth and economic independence among small and medium level farmers, extension and educational agencies need to help in developing human resources and capacities among them. Creation, documentation and replication of marketing innovation and marketing models by extension agencies may help in agripreneurship development.

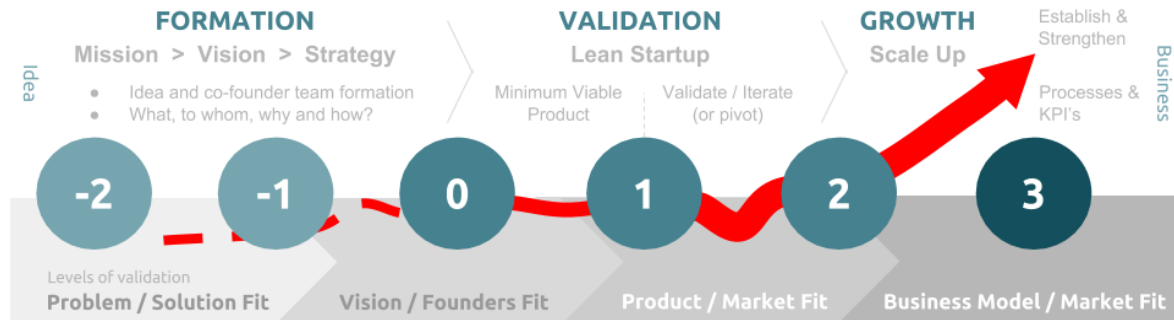
III. OBJECTIVES

1. To identify the functional elements of building entrepreneurial eco system in India.
2. To know the various Agritech startups funded in the year 2019.
3. To suggest some possible ways for better implementation in the view of Agripreneurship in India.

IV. STARTUP ECO SYSTEM

A startup ecosystem could be formed by people and included in various types of organizations in physical or virtual locations and interacting as a system to create new startup companies on the various startup stages for developing startup companies and the ecosystem should be set up based on these stages. According to Startup Commons (2014), there are six stages under three major phases (see Figure 1) and the stages are in Figure 1.

Figure1: Key stages for developing startup companies in India

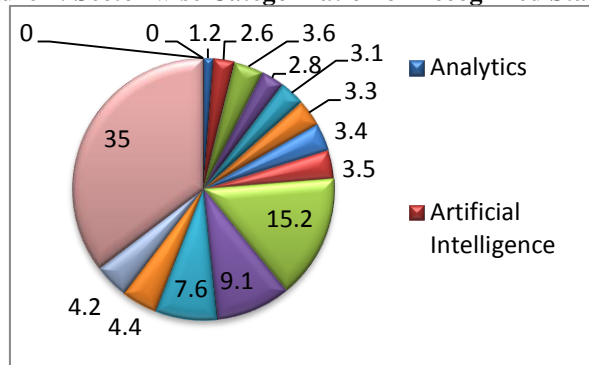


Source: Startup Commons (2014)

V. SECTOR WISE CATEGORIZATION OF RECOGNIZED STARTUPS

Of the recognized startups till FY 2018-19, 15.20% are from IT services, 9.1% Healthcare and Life Sciences, 7.6% AR/ VR (Augmented and Virtual Reality), 4.40% Food and Beverages, 4.20% Agriculture, 3.5% Finance Technology, 3.40% Retail and Other Speciality, 3.30% green technology, amongst others.

Figure 2: Sector wise Categorization of Recognized Startups



Source: States' Startup Ranking 2019, Ministry of Commerce and Industry, Govt of India

VI. PILLARS OF ENTREPRENEURIAL ECO SYSTEM IN INDIA

The evaluation of states/UTs included collecting feedback from the startup beneficiaries on 25 action points out of 30 action points Overall; the weightage given to feedback was 76% of the total score, as compared to 18% weightage given last year.

Table 1: Ranking Framework Overview of Startup pillars

S. No	Framework Pillar	Number of Action Points	Score
1	Institutional Support	8	24
2	Simplifying Regulations	3	12
3	Easing Public Procurement	6	14
4	Incubation Support	4	23
5	Seed Funding Support	3	11
6	Venture funding Support	2	8
7	Awareness and Outreach	4	8
	Total	30	100

Source: States' Startup Ranking 2019, Ministry of Commerce and Industry, Govt of India

Pillar wise Participation of States

A quick snapshot of number of action points attempted by each State/UT across all the seven pillars of ranking framework is presented below:

Table 2: Pillar wise Participation of States

State/UT	Institutional Support	Simplifying Regulations	Easing Public Procurement	Incubation Support	Seed Funding Support	Venture funding Support	Awareness And Outreach	Total Attempted
Andaman & Nicobar Islands	7	0	4	3	0	0	2	16
Andhra Pradesh	8	3	4	4	0	0	4	23
Assam	8	3	5	3	3	1	4	29
Bihar	8	3	6	4	3	1	4	29
Chandigarh	6	2	3	3	2	1	3	20
Chhattisgarh	6	3	2	3	3	0	3	20
Delhi	6	0	1	3	3	0	4	17
Gujarat	8	3	6	4	3	2	4	30
Haryana	8	3	6	3	3	2	4	29
Jharkhand	8	2	6	3	3	0	4	26
Karnataka	8	3	6	4	3	2	4	30
Kerala	8	3	6	4	3	2	4	30
Madhya Pradesh	8	3	6	4	3	2	4	30
Maharashtra	8	3	6	4	3	2	4	30
Nagaland	5	1	4	1	0	0	1	12
Odisha	8	3	6	4	3	0	4	28
Punjab	8	3	6	4	3	2	4	30
Rajasthan	2	0	1	0	0	0	0	3
Sikkim	8	0	0	3	3	1	3	18
Tamil Nadu	8	3	6	4	3	2	4	30
Telangana	8	3	6	4	3	2	4	30
Uttar Pradesh	8	3	6	4	3	2	4	30
Uttarakhand	8	3	6	4	3	2	4	30
Mizoram	7	0	0	1	3	0	4	15

Source: States' Startup Ranking 2019, Ministry of Commerce and Industry, Govt of India

Based on the total number of attempts and pillars of the ranking framework the states/UT have been grouped in to five percentile based grading categories are as follow.

Table 3: States' Startup Ranking 2019- Category X

Best Performer	Gujarat	100 percentile
Top Performers	Karnataka and Kerala	More than 75 to less than 100 percentile
Leaders	Bihar, Maharashtra, Odisha and Rajasthan	More than or equal to 30 to less than or equal to 75 percentile
Aspiring Leaders	Haryana, Jharkhand, Punjab, Telangana and Uttarakhand	More than 10 percentile and less than 30 percentile
Emerging Startup Ecosystems	Andhra Pradesh, Assam, Chhattisgarh, Delhi, Himachal Pradesh, Tamilnadu and Uttar Pradesh	Less than or equal to 10 percentile

The states/UT have been grouped in to Best Performers, Top Performers, Leaders, Aspiring Leaders, Emerging Startup Ecosystems for the category X based on the total number of attempts and pillars of the ranking framework. Gujarat stands as the best performer whereas Tamilnadu is joining the emerging startup ecosystems grading.

Table 4: States' Startup Ranking 2019- Category Y

Best Performer	Andaman and Nicobar Islands	100 percentile
Top Performers	-----	More than 75 to less than 100 percentile
Leaders	Chandigarh	More than or equal to 30 to less than or equal to 75 percentile
Aspiring Leaders	Nagaland	More than 10 percentile and less than 30 percentile
Emerging Startup Ecosystems	Mizoram and Sikkim	Less than or equal to 10 percentile

Likewise, the states/UT have been grouped in to Best Performers, Top Performers, Leaders, Aspiring Leaders, Emerging Startup Ecosystems for the category Y based on the total number of attempts and pillars of the ranking framework. Andaman & Nicobar Islands stands as the best performer with no top leader performance is shown by any of the states/UT in the year of 2019.

VII. TOP AGRITECH STARTUPS FUNDED IN 2019

450 start-ups in the agri-tech segment have received more than \$248 million funding in the first six months this year (IT INDUSTRY BODY NASSCOM). Agriculture is the backbone of the country. With over 70 percent Indian households still dependant on farming, the sector holds a huge potential for Agritech startups. Today, a farmer rarely knows where his produce ends up, or how. With global warming and scarcity of water, sustainable practices in Agriculture with innovative technology are need of the hour.

Table 5: Top Agritech Startups funded in 2019

S. No	Startup Company	Investors	Amount (\$mn)
1	Ninjacart	Accel Partners US, Syngenta Ventures, Accel India Neoplux, Qualcomm Ventures and Trifecta Capital	\$150M
2	Agrostar	Bertelsmann India Investments	\$27M
3	Gramophone	Info Edge	\$10M
4	CropIn	Chiratae Ventures and Bill & Melinda Gates Foundation	\$11.7M
5	Farmlink	InnoVen Capital	\$3M
6	Crofarm	Series A round from Kartheek Pulavarthi.	\$2.1M
7	Agrevolution	Debt Financing round, InnoVen Capital	\$2.8M
8	Ecozen	Hivos-Triodos Fund.	\$1.2M
9	TartanSense	BEENEXT, Blume Ventures and Omnivore Partners.	\$2M
10	Milkbasket	InnoVen Capital	\$2.05M
11	Waycool	LGT Impact Ventures	\$23.6M
12	Intello Labs	Nexus Venture Partners and Omnivore Partners.	\$2M

Source: Agritech fund raising startups by 2startups.net

Bengaluru based Ninjacart stands as the most successful startup with greater investment of \$150M and also have many investors. Their inclusive approach in making e-retail beneficiary to both small scale farmers and end consumers made them as a successful startup.

VIII. SUGGESTIONS

- i. The government must take necessary action for improving Supply Chain and taking farmers product directly to consumers.
- ii. The stakeholders of Agripreneurship should create awareness to the farmers about quality inputs and better productivity.
- iii. Agripreneurs continue to learn and can embrace sustainable farming methods, in this way becoming players in the cycle of the Agripreneurship system.
- iv. There is big scope in technology related innovation in agriculture, so the researchers and academicians will create an inclusive discussion platform among the farmers.
- v. Governments should continue to create an environment more conducive to business for Agripreneurs by improving the quality of legislation, enforcement and information about the various schemes.

IX. CONCLUSION

In many of the developing nations, small and medium farms play an important role as life blood for the livelihood security of population and economic welfare of the country. This segment is believed to have important consequences for poverty alleviation in rural areas of developing countries due to their potential to increase incomes and create employment. But in many of these countries, small and medium level agriculture face a series of constraints that often limits their ability to participate competitively in production and marketing chains and there has been considerable concern that these producers are being excluded from important growth opportunities. Agripreneurship among the small and medium farmers is identified as one of the vital solution to the above mentioned situation.

References

1. Jha, S. K. (2018). Entrepreneurial ecosystem in India: Taking stock and looking ahead. IIMB management review, 30(2), 179-188.
2. Ilankumaran, G., and Darling Selvi, V. (2019). Industrial Potentiality and Entrepreneurial Avenues in Tamil Nadu. Shanlax International Journal of Commerce, 7(3), 58-65.
3. Akinbola, O. A., Ogunnaike, O. O., & Amaihian, A. B. (2020). The influence of contextual factors on entrepreneurial intention of university students in Nigeria. Creating Global Competitive Economies, 1-3.
4. Nowiński, W., and Haddoud, M. Y. (2019). The role of inspiring role models in enhancing entrepreneurial intention. Journal of Business Research, 96, 183-193.
5. Johnstone-Louis, M. (2017). Corporate social responsibility and women's entrepreneurship: towards a more adequate theory of "work". Business Ethics Quarterly, 27(4), 569-602.
6. London, M. (2008). Leadership and advocacy: Dual roles for corporate social responsibility and social entrepreneurship. Organizational Dynamics, 37(4), 313-326.
7. Singh, A. P. (2013). Strategies for developing agripreneurship among farming community in Uttar Pradesh, India. ACADEMICIA: An International Multidisciplinary Research Journal, 3(11), 1-12.
8. Nowiński, W., and Haddoud, M. Y. (2019). The role of inspiring role models in enhancing entrepreneurial intention. Journal of Business Research, 96, 183-193.
9. J P Sharma, Reshma Gills and Tulsi Bhardwaj. (2015). Enhancing the entrepreneurial capabilities of small and marginal farmers through extension interventions: 4th International conference on Agriculture and Horticulture, Beijing, China.

AUTHOR(S) PROFILE



Dr. A. Iyappan, is an ICSSR sponsored post doctoral research fellow in Alagappa Institute of Management, Alagappa University. He received doctorate and M.B.A degree from the same University and worked as an adjunct faculty there from 2018. He has been a resource person for Research Methodology and other Statistical tool crash courses in many Institutions. His leadership skills are demonstrated through various responsibilities like the serving Treasurer of AIM Alumni Association, the President of Alagappa University Research Scholars Forum, EC Member of Students Hostel etc.,