



# Entrepreneurship in India

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Its Current and Future Impact on Competitiveness

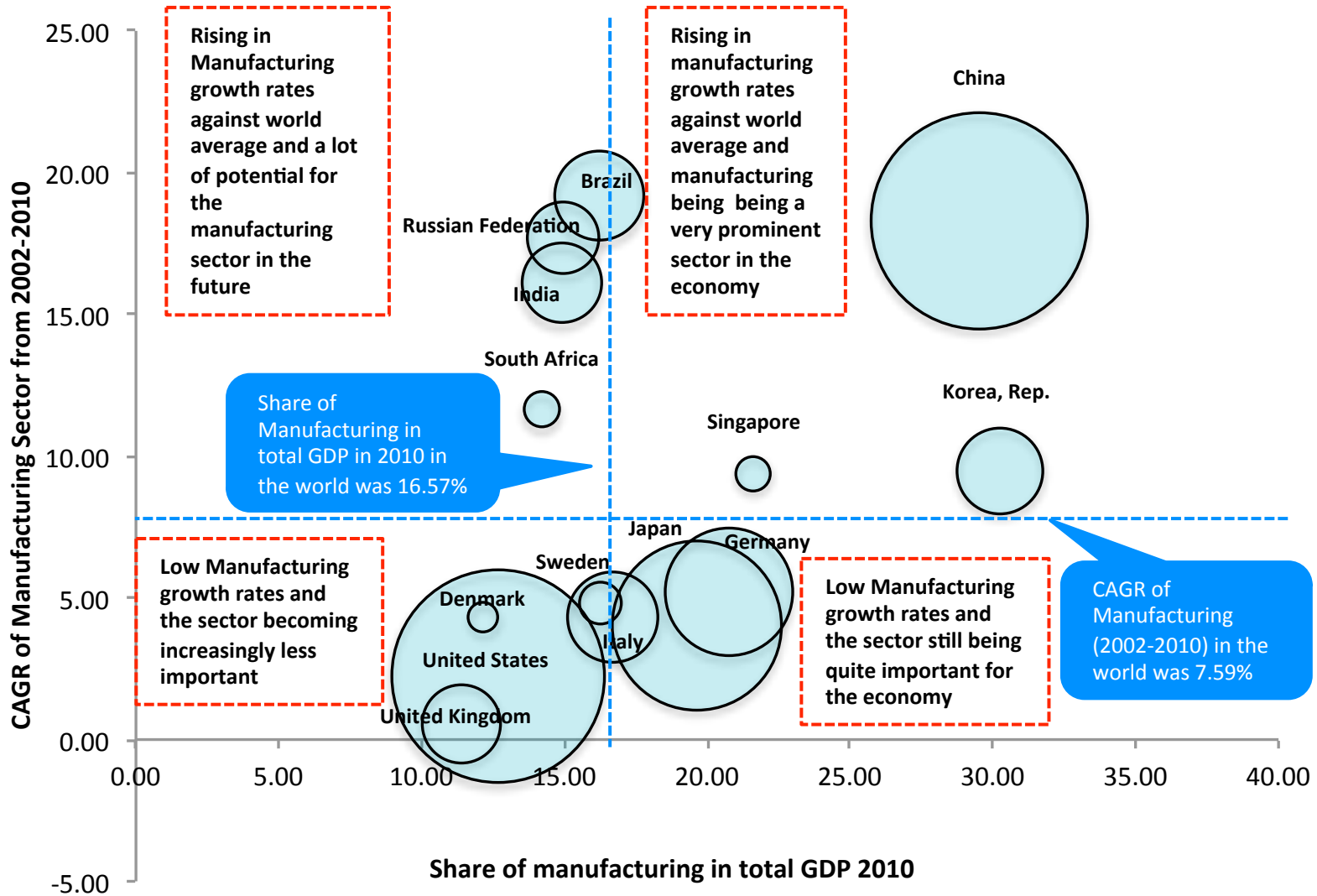
Amit Kapoor — PART 2 of 8



*enhancing  
prosperity*

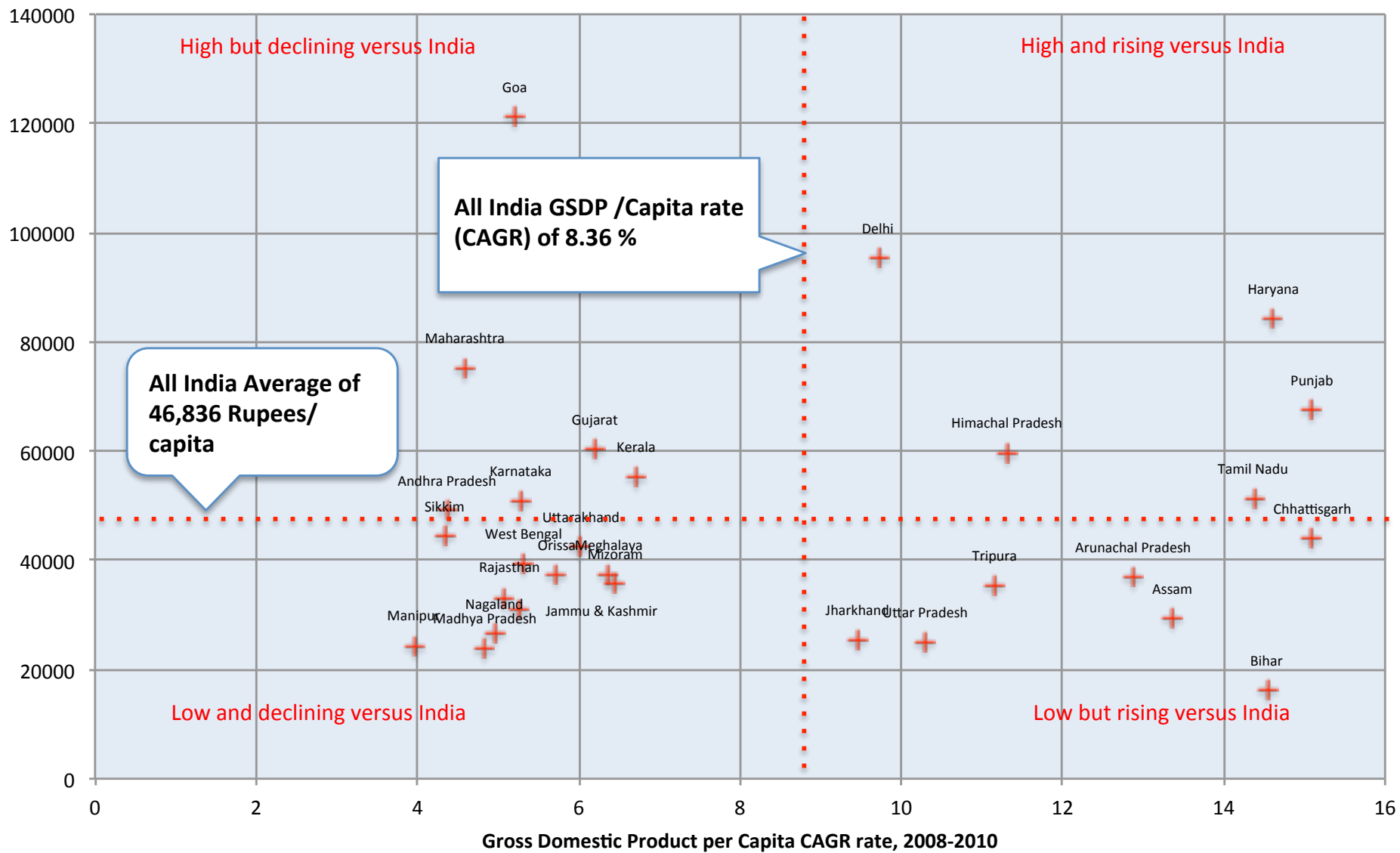
INSTITUTE *for*  
COMPETITIVENESS

## Manufacturing sector in the World Economy



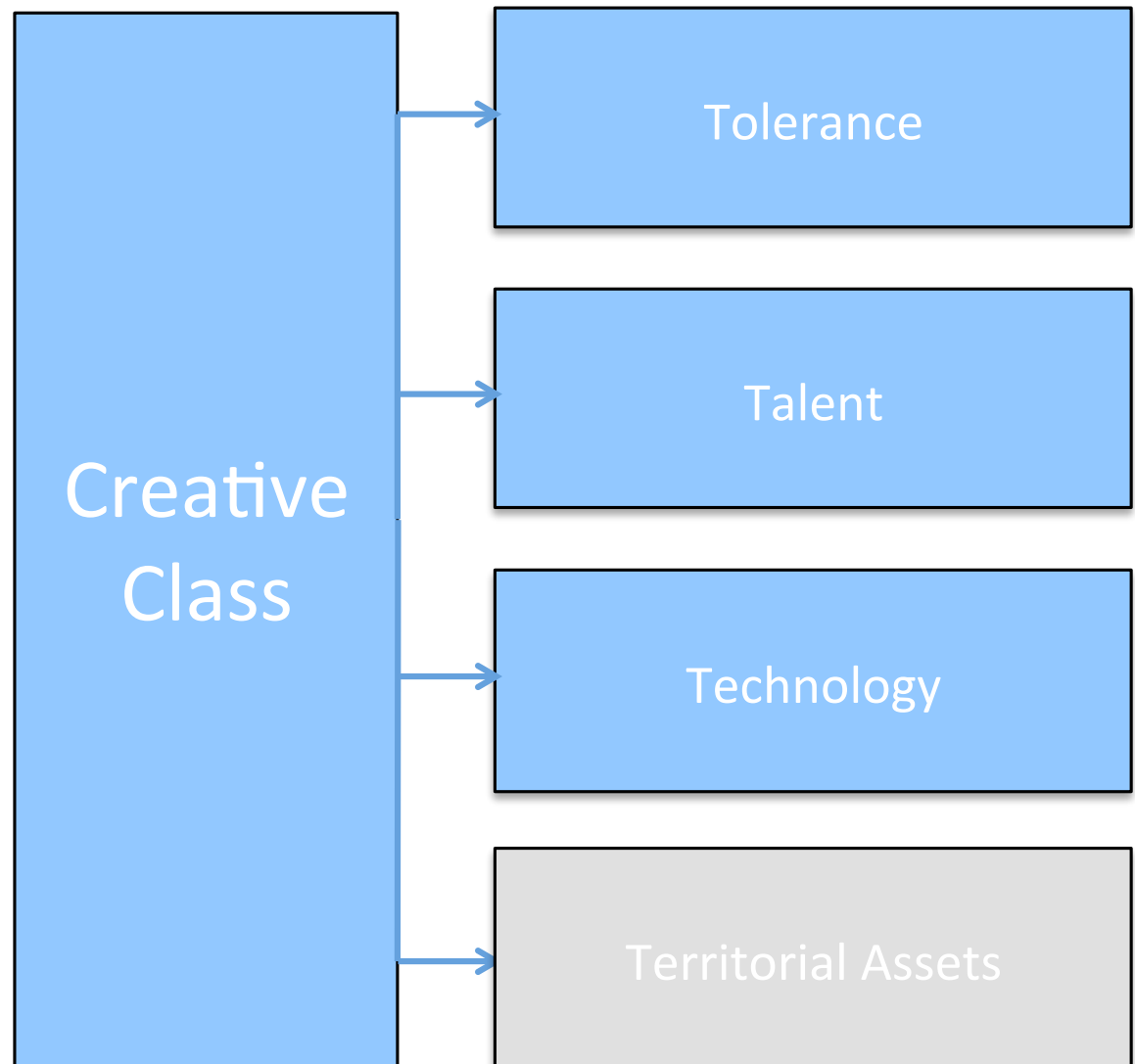


## PROSPERITY IN INDIA



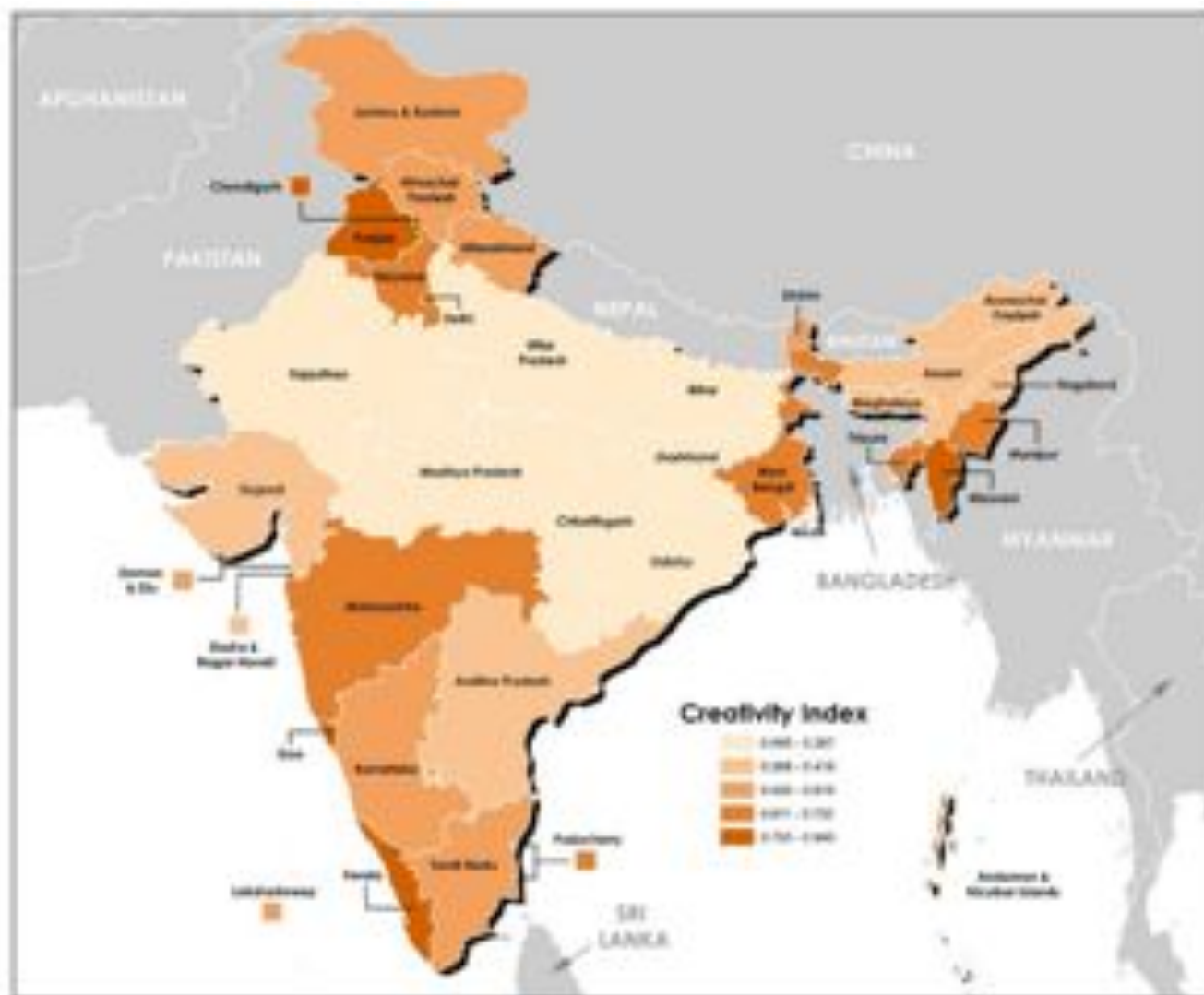
## CREATIVE ECONOMY OF INDIAN STATES AND CITIES

The report uses a set framework of 3T's of Economic Development of Indian Cities namely Tolerance, Talent and Technology to assess the Creative economy of Indian Cities. Tolerance can be described as the openness of a city or region to accommodate immigrants, minorities etc. Talent is the second "T" of economic development. Talented individuals are responsible for generating innovative ideas that result in technologies that can stimulate economic growth and prosperity. Technology is the third "T" of economic development. Greater utilisation of technology raises the competitiveness of that region by improving the ability of businesses to provide new goods and services and acquire cost-saving advantages, often through productivity gains.



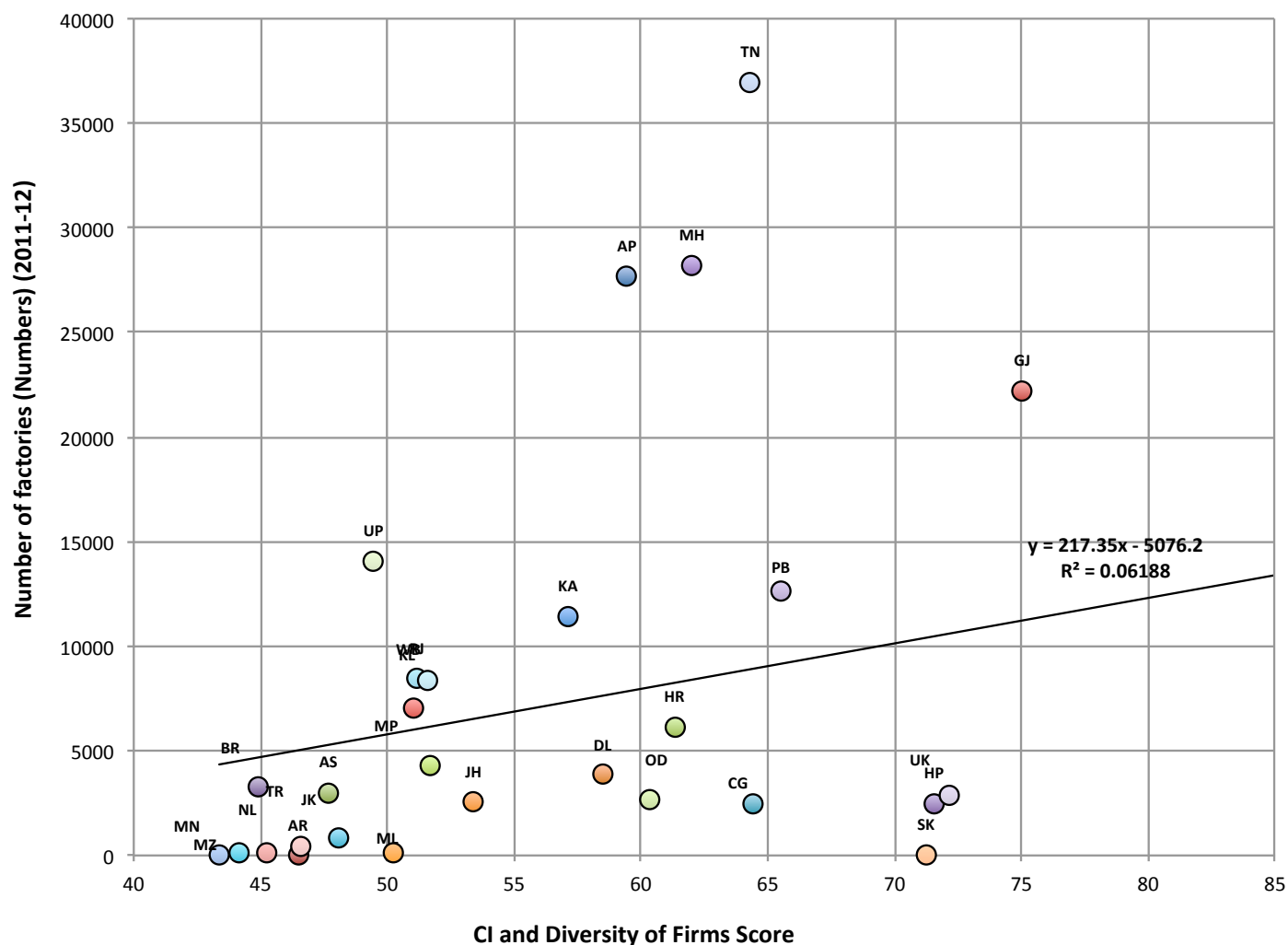
## CREATIVE ECONOMY OF INDIAN STATES 2013

State	Creativity Index
Delhi	0.943
Chandigarh	0.914
Punjab	0.867
Kerala	0.857
Goa	0.819
Mizoram	0.800
Andaman & Nicobar Islands	0.752
Puduchery	0.714
Maharashtra	0.648
Tripura	0.629
Haryana	0.629
Manipur	0.619
West Bengal	0.619
Karnataka	0.610
Daman & Diu	0.610
Sikkim	0.610
Uttarakhand	0.581
Tamil Nadu	0.514
Lakshadweep	0.514
Himachal Pradesh	0.467
Jammu & Kashmir	0.448
Gujarat	0.419
Nagaland	0.390
Assam	0.371
Andhra Pradesh	0.343
Meghalaya	0.343
Arunachal Pradesh	0.343
Dadra & Nagar Haveli	0.314
Uttar Pradesh	0.267
Jharkhand	0.181
Rajasthan	0.152
Bihar	0.114
Chhattisgarh	0.114
Madhya Pradesh	0.114
Odisha	0.065

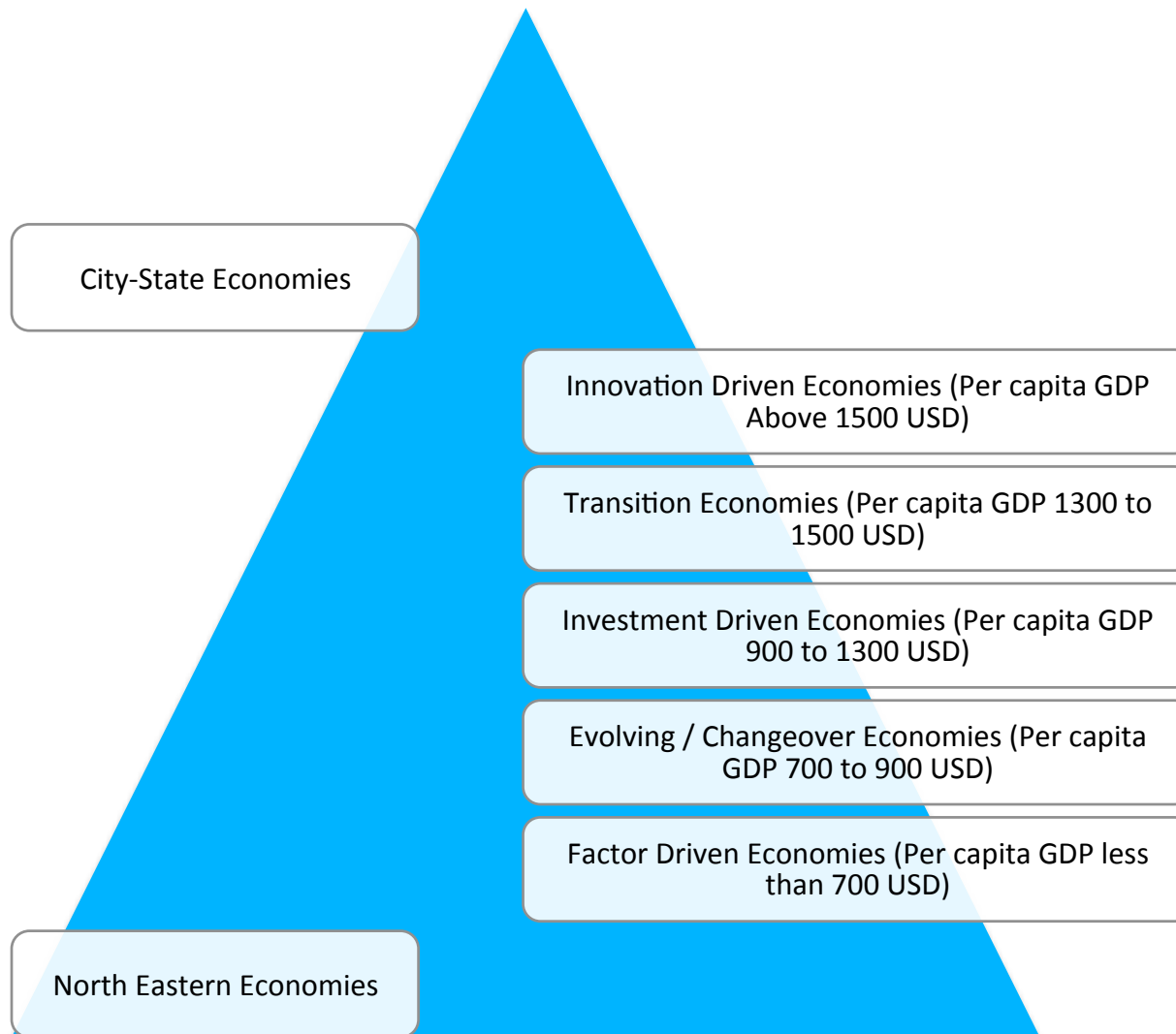


## NUMBER OF FACTORIES AND CI AND DIVERSITY OF FIRMS SUB- INDEX SCORE

CI and Diversity of firms shows a very mild positive correlation between Number of factories as per the ASI (Annual Survey of Industries dataset) and the CI and Diversity of firms sub-Index.



## STAGES OF DEVELOPMENT FOR SCR 2014





## SCR 2014 INDEX

	STATES	Microeconomic Competitiveness Score
CITY STATES	Goa	1
	Delhi	2
INNOVATION DRIVEN ECONOMIES	Maharashtra	1
	Gujarat	2
	Tamil Nadu	3
	Uttarakhand	4
	Haryana	5
TRANSITION ECONOMIES	Punjab	1
	Himachal Pradesh	2
	Kerala	3
INVESTMENT DRIVEN ECONOMIES	Karnataka	1
	Andhra Pradesh	2
	Rajasthan	3
	West Bengal	4
EVOLVING/ CHANGEOVER ECONOMIES	Odisha	1
	Madhya Pradesh	2
	Chhattisgarh	3
	Jharkhand	4
	Jammu & Kashmir	5
FACTOR DRIVEN ECONOMIES	Uttar Pradesh	1
	Bihar	2
NORTH EASTERN ECONOMIES	Sikkim	1
	Mizoram	2
	Arunachal Pradesh	3
	Assam	4
	Nagaland	5
	Tripura	6
	Meghalaya	7
	Manipur	8



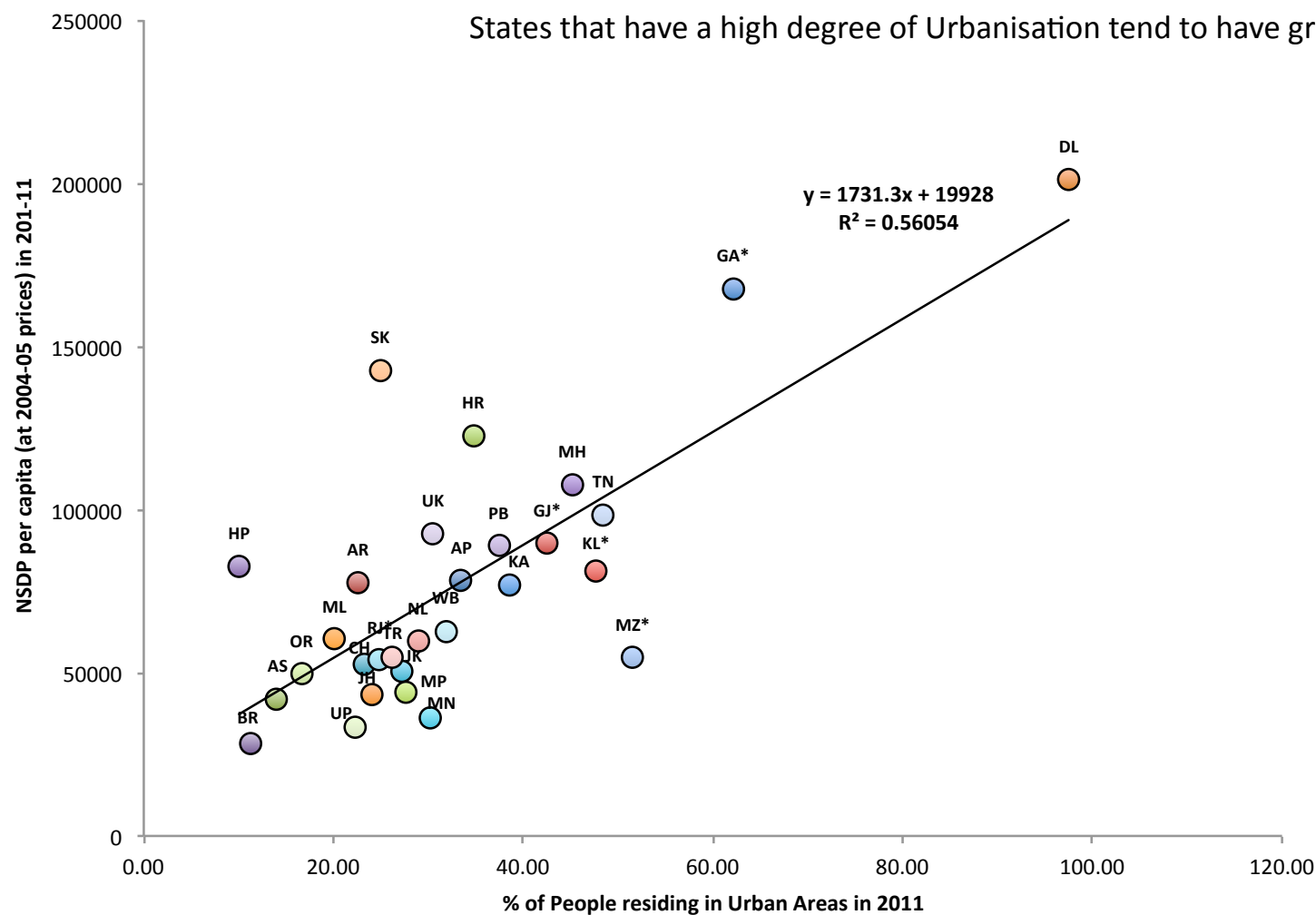
## UNTANGLING THE LINKAGES BETWEEN CITY, COMPETITIVENESS AND ECONOMIC GROWTH

- More advanced economies are more urbanized economies
- Cities tend to be the only place where companies and individuals find opportunities for successful economic activity
- Rise of cities is seen as an inevitable part of development but also as a policy challenge
- Avoid a political schism between metropolitan and rural regions
- Cities have a different role to play in advanced economies
- From the competitiveness perspective, the policy imperative is crucial for cities as well as for rural regions
- Cities and the rural regions around them should cooperate closely

### **The case with Mumbai**

- Tried to manage the growth by creating artificial boundaries
- The approach failed and made living conditions worse
- Different policy approach is required that focuses on better public services and land use inside the city
- Competitiveness-oriented policy approach can be used that changes the economic fundamentals of where people live and work

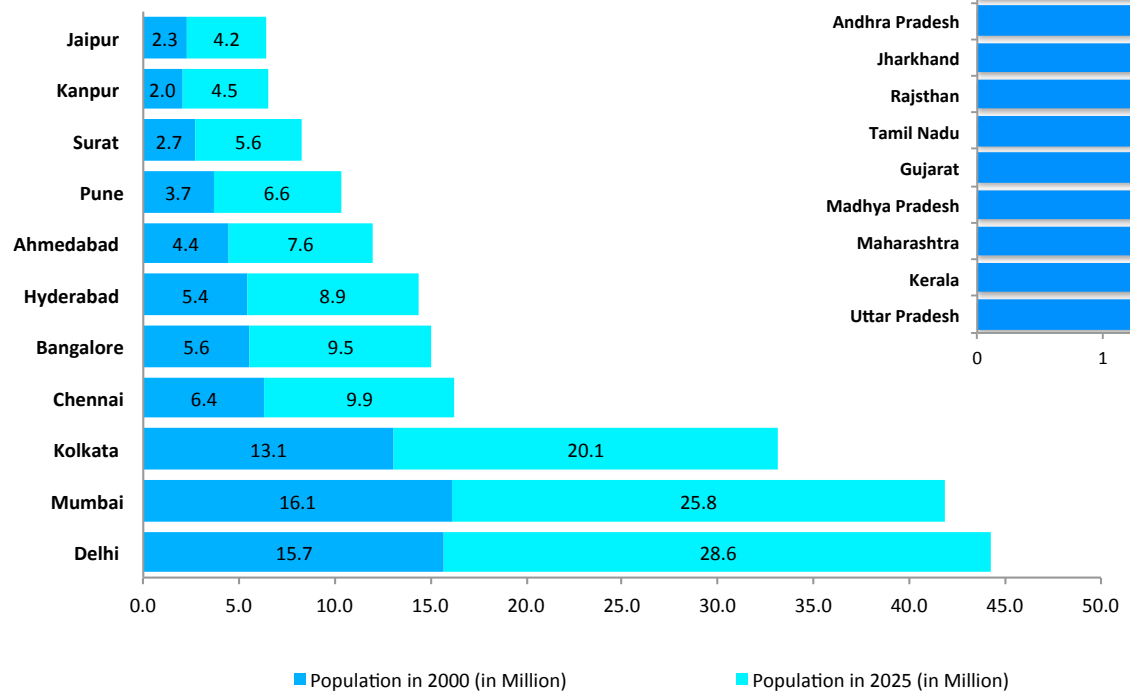
## AGGLOMERATION EFFECTS



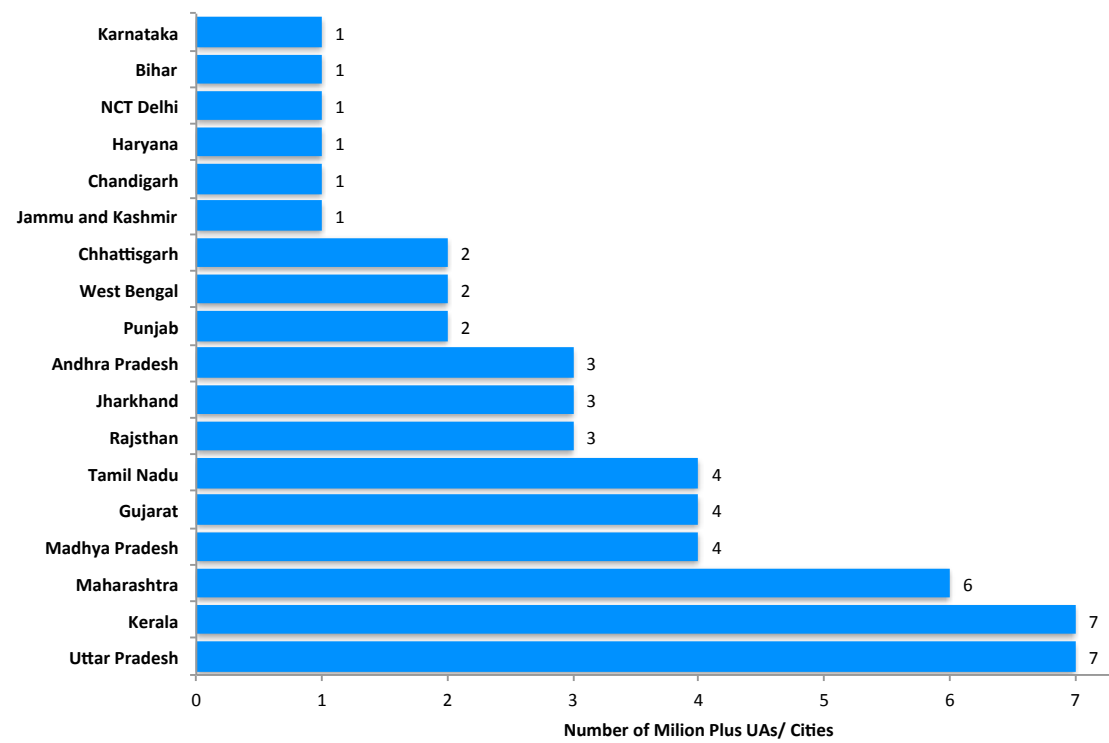
\* depicts states with NSDP per capita in 2011-12 all other figures for 2012-13

# DEVELOPMENT OF INDIAN CITIES

Cities with population > 4 million by 2026



Statewise Distribution of Million Plus UA's/ Towns



Source: World Cities, UN-Habitat, 2012-13

Source: Census 2011