

# REGIONAL SOCIAL ENTERPRISE ECOSYSTEMS IN INDIA

SNAPSHOTS OF NINE REGIONS

AUTHORS

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# About the Organisations

**Villgro** is one of India's foremost social enterprise incubators, supporting innovators and social entrepreneurs during their early stages of growth. Since 2001, Villgro has incubated 97 such enterprises, secured Rs 873 million in follow-on funding, and touched over 6.8 million rural lives.  
[www.villgro.org](http://www.villgro.org)

**Okapi** is an India-based research and consulting group focused on institutional design for achieving complex goals in changing times. We help our clients create policies, ecosystems, and organizations that motivate and aggregate individual contributions to broader public purposes. Okapi's practice draws extensively on academic social science research for insights and innovative approaches to the challenges our clients face: from regulatory design and public investment prioritisation, to developing and refining strategies for catalysing small enterprise innovation, to establishing organizational practices that encourage alignment with social missions. Okapi is currently being incubated by the Indian Institute of Technology Madras and has offices in Mumbai and Chennai.  
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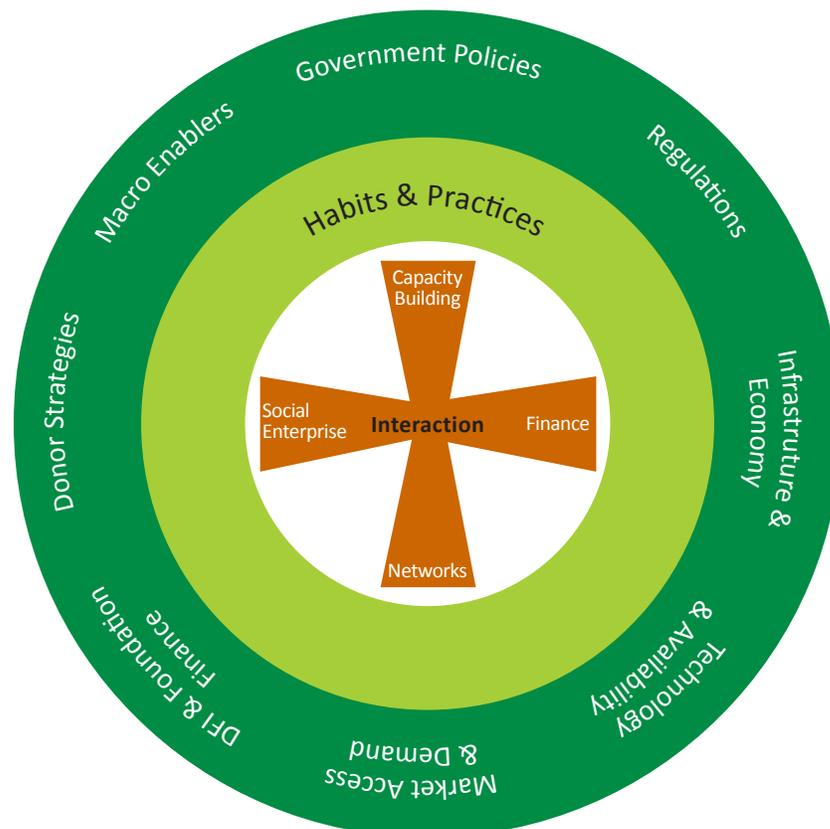
# 1 Introduction and Overview

## 1.1. Introduction and Background

Launching a social enterprise can be challenging. And it is easier when you do not have to do it alone, when there is an ecosystem that includes access to finance and non-financial support - handholding, employees who have technical skills as well as the heart to pitch in, and social networks to find mentors, peers, and experiences to learn from. These support ecosystems are increasingly available in and around India's major metros, but still nascent in the smaller cities and towns.

To improve understanding of regional ecosystems, Villgro's Unconvention |L team has been working with Okapi Research to map ecosystems alongside nine Unconvention |L events across India. Here, the 'region' is broadly defined as city-centric with the city together with a radius of 2-3h travel, including nearby and obvious business hubs.

**Figure 1.1. Social Enterprise Ecosystem**



A “social enterprise ecosystem” comprises the policy context, the economic and market setting, and the entrepreneurs and organisations offering financial and non-financial support that enables social (and conventional) enterprises to grow, collaborate and innovate. The ecosystem includes more than just the basic ingredients of a business – the financial, technological, and human capital involved in the enterprise – but also the networks and platforms that allow entrepreneurs and other stakeholders to connect with each other, exchange knowledge, and form effective partnerships.

For each of these components, a set of indicators were created that provide insights into the presence of the elements of the ecosystem that enable businesses to thrive, the ease with which new enterprises can access these resources, and the relationship between the elements of the ecosystem. The analysis looks at the quality of the ecosystem for new and small businesses as a baseline, but pays particular attention to the presence of added support for businesses working in sectors likely to have social impact and entrepreneurs seeking to blend social impact with financial sustainability. We take into account the startup ecosystem and civil society environment more broadly because regional social enterprise ecosystems are nascent. Our intent is to gauge the potential for the future.

### **1.1.1. Indicators**

In this summary we include only those indicators used in this pilot study. For the full conceptual framework and more detail on the indicators, please see Sonne (2014). The indicators are provided in a dashboard format - we do not rank indicators or cities, given the difficulty in doing so with limited information available and the challenges of distilling the differences between systems into a single dimension.

#### **Local Economy**

Social enterprises’ ability to survive and thrive depends to a great extent on the market conditions and local economy in which the enterprise operates. Is the local infrastructure (like roads, transport systems, electricity or internet access) conducive to enterprises and small firms? We also look at the profile of the local economy, and whether there are particular local characteristics that can act as barriers, such as the political situation. Lastly we consider local industry and any particular clusters that may have an impact on the social enterprise ecosystem, as well as barriers, such as cartels hindering new market entrants.

**Table 1.1. Local Economy Indicators**

INDICATOR	DESCRIPTION	METRIC
Infrastructure	Infrastructure: roads, electricity, internet	Electrification: hours/day, internet access. Infrastructure – road network.
Economic Profile (substituting demand)	Economic profile of the region- income, activity.	Income, activity
Political stability and obstacles to particular enterprises (e.g. energy, agri business)	Is the political situation impacting on regional SE activity and if so how/why	Is the political situation acting as a barrier to SE
Local industry (collaborators)	Is there a thriving local industry and what does it focus on?	Yes/no – existence of industry cluster - example/description
Local barriers (e.g. cartels)	Are there local barriers to SE setting up or progressing, such as cartels preventing market access?	Yes/no – existence of barriers – explanation/description

### Entrepreneurship

Since social entrepreneurship links to both conventional entrepreneurship and civil society activities, we expand the idea of a vibrant ecosystem to include conventional entrepreneurs and startups, and civil society. We ask whether it is culturally acceptable to be an entrepreneur and whether it is a common occupation. In other words, are there tacit barriers to become a social entrepreneur, and are there existing role models within the community or region? Are there a large number of entrepreneurs and start-ups in the region (social or otherwise)? If there are already a significant number of MSMEs, does that translate into a vibrant environment in which to start and run a social enterprise? This may include a vibrant social enterprise environment, but if that is not the case, we can look for the potential of building such an environment through the existence of a vibrant civil society or conventional start-up environment. We also look for local social enterprise ‘heroes’ – people who have set up social enterprise ventures, lead by example and can inspire others.

**Table 1.2. Entrepreneurship Indicators**

INDICATOR	DESCRIPTION	METRIC
Entrepreneurial culture	Is it culturally acceptable to be an entrepreneur?	Qualitative: yes/no/depends
Vibrant start-up / civil society environment	Do people perceive there to be a vibrant social enterprise, conventional start-up or civil society environment?	Qualitative: descriptive
Social Enterprise Heroes	Are there local SE that are successful, lead by example and (can) inspire others?	Examples
Existence of start-ups	Existence of conventional startups	Number of startups; type of startups. Examples of startups

## Support

A vibrant social enterprise ecosystem usually includes a number of organisations offering various types of financial and non-financial support for entrepreneurs as they start and grow their enterprises. The first task then is to find out what kind of support organisations exist regionally and how they support social enterprises.

**Table 1.3. Support Indicators**

INDICATOR	DESCRIPTION	METRIC
Investors and Angels	Existence of financial support organisations (investors, angels)	List investors and angels investing in 1) social enterprises 2) conventional enterprises locally.
Incubators/ Accelerators	Existence of incubators/ accelerators	List of incubators/accelerators.; work focus
Banks: ease of access to loans	Existence of banks lending to social enterprises; conventional enterprises	List of banks lending to SEs
Support Services	Other kinds of support – non-financial (strategy, management, pro bono, reasonable service providers) from the private sector and civil society. Service providers who offer things especially for social or small businesses (lower cost, specialised)	List of organisations/individuals offering support; type of support
Business Plan Competitions	Existence of business plan competitions; Existence of persons working/acting as local mentors	No and type of competitions.

## Skills and Research

The higher education institutions provide two sets of inputs: capacity building, or skilling, through teaching and mentoring, and new knowledge, through research. We therefore want to know the number of local higher education institutions that undertake programmes or courses in social enterprise. We also want to know the number of institutions that host other types of social enterprise activities such as business plan competitions, mentoring, capacity building workshops or seminars for local social enterprises. The local capacity and quality of workforce is important so we also look at the number of schools that exist locally with programmes in engineering, biology, agriculture, health and other core sectors important to social enterprise activity. Lastly we find out if research is undertaken locally in social enterprise.

**Table 1.4. Skills and Research Indicators**

INDICATOR	DESCRIPTION	METRIC
Higher Education institutions with an SE course	Existence of higher education institutions generally (is there potential locally for creating new knowledge, and HEs focussed on SE teaching, undertaking research in social enterprise and related fields.	List of business schools, engineering colleges and other HE institutions in area. List of those with SE courses/ programmes.
Higher Education institutions with SE-related activity.	Existence of higher education institutions mentoring/incubating social enterprises or have social enterprise student associations	List of business schools, engineering colleges and other HE institutions with demonstrated attention to SE teaching, research, support, mentoring and biz plan competitions.
Higher Education institutions producing skills relevant for social enterprises	Programmes in engineering, biology, agricultural college, IRMA, rural energy - core sectors, agri-business, health.	Number of schools and their nature. Estimated number of students.
Research on social enterprise	Institutions undertaking research on social enterprise	List of institutions undertaking social enterprise research

### Communication and Collaboration

In terms of indicators, we want to find out if there are any existing network platforms locally – either regional or national platforms, or other informal local hubs. Further, we ask if there are co-working spaces in the region. Lastly, we look to see if social enterprises are visible in local media.

**Table 1.5. Communication Indicators**

INDICATOR	DESCRIPTION	METRIC
Network Platforms	Active networking platforms (e.g. TiE) and/or organisations acting as local hubs. Initiatives that gather startups or social enterprises together.	List of platforms present; type of activity and audience
CO-working space	Co-working spaces that can foster collaboration, communication, knowledge sharing	List of co-working spaced; description of what they do/offer and clients.
Media attention	Does the local media drive or highlight social enterprise through articles written?	Number of local articles on SE in past 2 years

## Government and Enablers

The first indicator lists national and state level programmes and schemes: are there regional social enterprise schemes running? Or national schemes with a specific state mandate for implementation? The second indicator considers whether there is any evidence of social entrepreneurship being a policy priority locally and/or at the state level. Beyond specific social enterprise policy and programmes, we list relevant civil society and conventional start-up schemes. We consider the ease of use of government programmes and schemes qualitatively. We also consider Indian industry bodies (such as CII) with activities related to social enterprise, and international development finance institutions here.

We also consider local CSR initiatives by the private sector in this section.

**Table 1.6. Policy Indicators**

INDICATOR	DESCRIPTION	METRIC
SE government policies and schemes	Are there government programmes and schemes to support SE (national, state and local) active locally?	List types of programmes, activity
SE policy priority	Is social enterprise a stated priority by regional government actors?	Yes/no + example
Non-SE schemes relevant to SEs	Non-SE government schemes that can be used by social entrepreneurs locally? (e.g. livelihoods, MFI, handicraft, MSME). How are they used?	No, type and activity of schemes. Examples of schemes
Ease of accessing government schemes	The ease of access and use of government programmes supporting social enterprises?	Qualitative – how long does it take, challenges
Industry Bodies (e.g. CII)	Are there industry bodies locally and do they undertake SE related activities?	List industry bodies and type of activities
Macro enablers (beside Indian government)	Existence of programmes by international development finance institutions- enablers such as GTZ, DfID, WB?	List relevant programmes and their activities.
CSR and philanthropy initiatives in SE	Existence of CSR initiatives involved in supporting social enterprises	List of companies with significant CSR presence. Note public commitment to support SE.

## The Ecosystem: Connecting the Dots

Individual components of the ecosystem are interlinked and intertwined. Therefore, the indicators end by a summary of the ecosystem and how it is working as a whole. Are efforts operating in isolation or is a support 'system' emerging?

## 1.1.2. Methodology

There are a few existing data sources for regional social enterprise ecosystem indicators. We complemented the few existing sources with our own mapping and data gathering process. This study is therefore a mix of desk top research, compilation and analysis of existing quantitative data and qualitative interviews in each of the regions. Interviews were exploratory and based on snowball sampling where one interview or issue would lead to the next. In each region we aimed to interview approximately 25 stakeholders from across the ecosystem, seeking to gain insights from a broad range of entrepreneurs, and people representing support organisations, governments, industry bodies, academia and the private sector. Lastly, in some regions we hosted workshops.

### Data Sources

The main data sources that were used are detailed below.

GDP numbers were taken from the Directorate of Economics & Statistics of respective State Governments and Central Statistics Organisation. Population data and literacy rates are based on the Government of India's Census of India 2011. We report on population growth rates in rural and urban areas because it gives us an indication of whether the region is increasingly urbanising and whether entrepreneurs and markets are predominantly urban or rural based.

Data on Micro, Small and Medium Enterprises (MSMEs) are drawn from a set of MSME district industrial profiles by the MSME Ministry of the Government of India.<sup>1</sup> Because of the lack of existing information on social enterprises and conventional startups, we use MSME data as a (rough) proxy for start-up businesses, but also as an indicator of the general business climate for small businesses in a region.<sup>2</sup> We also use the MSME data to highlight sectors in which small businesses are especially important, based on the number of MSME units, of investment in MSMEs and of number of jobs in MSMEs.

Education data and future labour needs are drawn from National Skills Development Corporation (NSDC) data. The NSDC undertook studies looking at the future potential of formal and informal sectors, as well as the expected future employment needs and skills requirements across sectors, at the district level across all states of India. Bihar's survey was still in progress, however, so we were unable to draw on those figures. The reports are based on secondary data (from central, state and district level government and agencies), as well as primary data in the form of surveys and conversations with stakeholders from the private, public, third sectors and academia. The secondary data used for the computation of incremental workforce demand was mapped across sectors of agriculture, industry and services. Scenario analysis was done to identify ranges of growth across different sectors. Labour growth with respect to sector growth (labour elasticity) was used to arrive at growth projections for jobs in different sectors. The future demand and supply of future skills sets was arrived at by studying student intakes at local institutes and multiplying those by the utilisation rate (based on vacancy data).<sup>3</sup> For social enterprises, then, the NSDC data highlights sectors of growth potential and employment potential. The data on number of higher education institutions we use in this report is also derived from these reports, as well as from the MSME district briefs. The list of prominent higher education institutions is drawn from NSDC, local government websites and interviews with local stakeholders.

Documented CSR activity is based on secondary data from company websites, as well as from interviews with local stakeholders. We include examples of CSR activity since it is an area that is likely

to expand under the Indian Companies Act, 2013, Section 135 Corporate Social Responsibility.<sup>4</sup>

Data on investment deals are based on websites of social enterprises as well as public disclosures from India's major impact investors.

### **Limitations**

This study is the first one of its kind in India and is a pilot undertaken on a limited budget. We maximised the number of people who could contribute to the study by participating in interviews and offering feedback, as well as the amount of data that could be collected and analysed within the timeframe by leveraging the Unconvention|Local events. The report provides insights into a set of regional ecosystems that have previously not been studied in detail, and we believe it is a starting point and hopefully a good motivation for further studies of regional ecosystems in innovation and entrepreneurship enabling development across India.

There are several limitations to this study. First, given the very limited availability of existing statistics to work with at the district and city level, we used MSME data when discussing entrepreneurship, rather than social enterprise data. The latter has not previously been collected. Second, much of this report is based on information collected through interviews with 20-30 stakeholders in each region. While this number meets or exceeds standards for general reports and overviews, a broader sample is always better when exploring new geographies and complex topics such as ecosystems.



The report is organised as follows: next is an overview drawing out key lessons from the nine ecosystems of this study, based on the framework. Following that, nine sections provide overviews of nine regional ecosystems where Villgro's Unconvention-Local held events. These were selected by Villgro on the basis of their potential to emerge as hubs for social enterprise communities, so they may not be representative of social enterprise ecosystems in smaller cities and towns in India in general. That said, these "next hotspots" are also areas of significant interest for policymakers and social investors. We hope that our findings raise sufficient interest in the variation among and characteristics of India's many regional social enterprise ecosystems to extend the research in the years to come.

The overview section begins with a summary on entrepreneurship before moving on to the different types of support, research and skills, networks and government involvement that have been outlined above.



## 1.2. Entrepreneurship

Startup scenes are emerging across India's tier three cities, startup scenes, especially in the ICT sector. Pune is one obvious example, feeding on excellent education institutions and proximity to India's commercial capital, Mumbai. It has its own well-developed startup ecosystem, which social enterprises can feed off. However, further afield, cities such as Lucknow, Bhubaneswar, Jaipur and Trivandrum are all seeing new excitement about entrepreneurship, both social and other varieties.

**Table 1.7. Startups and Micro and Small Enterprises Across Regions**

REGION	STARTUPS AND MICRO AND SMALL ENTERPRISES
<b>Jaipur</b>	Jaipur has a vibrant MSME environment with a lot of small firms and a history of trade. Besides the traditional MSMEs involved in trade, there is an emerging startup scene in Jaipur, particularly in ICT.
<b>Chandigarh</b>	MSME activity exists primarily in light engineering manufacturing, which has historically thrived in the region. Chandigarh additionally has some successful startups
<b>Trivandrum</b>	Trivandrum has traditionally had many businesses developed in the agrarian sector and recently also in tourism, and retail.
<b>Bhopal</b>	Bhopal, as an administrative hub, was not traditionally a business centre, but that is changing as more and more startups are emerging
<b>Patna</b>	Agro-based together with repairing and servicing sectors have the largest number of micro and small enterprises in Patna. However, while Bihar produces raw material, most of the final stage manufacturing takes place outside of the state.
<b>Lucknow</b>	Lucknow has traditionally been primarily an administrative headquarter, although an entrepreneurial ecosystem is now emerging. Micro and small enterprise activity are clustered around ready-made garments and embroidery as well as repairing and servicing.
<b>Guwahati</b>	Guwahati has a limited local industry, with much of the goods and raw materials (apart from tea) being imported from other states. There are few startups.
<b>Bhubaneswar</b>	ICT startups are emerging in the city that has both incubators a planned startup investment scheme from the state government, and networks for entrepreneurs.
<b>Pune</b>	Pune is a startup hub with a focus on technology. Pune for long has been an ancillary unit producer for big automotives as well as a producer of electronics and manufacturing.

India has a long history of civil society, and it is visibly connected to the social enterprise sector in that many of the gaps that social enterprises look to bridge are also gaps that civil society organisations are focussing on as well. This is particularly visible across the regional ecosystems, where there are often few social enterprises, but where many cities have thriving civil society movements. Many of

the regional ecosystems have a very active NGO sector, including for example Bhubaneswar, Bhopal, Jaipur and Patna.

**Table 1.8. NGO Presence Across Regions**

REGION	NGO PRESENCE	EXAMPLES
<b>Jaipur</b>	There are many NGOs, which have been operating across sectors like education, women’s empowerment and water conservation.	Doosra Dashak, Jaipur Foot, Magic Bus, Barefoot College
<b>Chandigarh</b>	Chandigarh does not have a vibrant NGO community. However, there are self-help groups.	Kheti Virasat Andolan, Tammana
<b>Trivandrum</b>	Thiruvananthapuram has a number of NGOs recognised for their important contribution to development in the district.	National Institute of Speech and Hearing (NISH), MAD, People’s Company
<b>Bhopal</b>	There is a thriving civil society movement and many reputed NGOs.	Pradhan, Eklavya, Muskaan
<b>Patna</b>	There are many NGOs operating out of Patna.	Sristi Foundation, Integrated Development Foundation, Nidan
<b>Lucknow</b>	Lucknow has a history of social work, and there are a lot of NGOs in and around Lucknow.	Sanatkada, Finish Society, Sarthak Foundation
<b>Guwahati</b>	There are a lot of non-profit organisations in Guwahati – both international and national. Many of these are traditional NGOs.	Drishtee, Centre for Microfinance & Livelihood (CML), Akshaypatra Foundation
<b>Bhubaneswar</b>	Bhubaneswar is home to many international, national and local NGOs working across a variety of sectors.	Bakul Foundation, Kalinga Kusum, Gram Vikas, Urban Micro Business Centre
<b>Pune</b>	Pune has an active civil society, with many focussed on Pune centric issues.	Lifelabs, Teach For India, Swach

Regions with active startup environments and active civil society also tend to see more social enterprise activity than other regions. This is, for example, true of Jaipur, Bhubaneswar and Pune. However, there are fewer social enterprises in regions such as Guwahati and Bhopal where there is also limited startup activity and not a thriving civil society (though there are plenty of NGOs in both Guwahati and Bhopal).

**Table 1.9. Social Enterprises Across Regions**

REGION	SOCIAL ENTERPRISE PRESENCE	EXAMPLES
<b>Jaipur</b>	Jaipur has a history of social interventions and has some social enterprises, many in retail.	The Living Greens, Jaipur Rugs, Green N Good. Frontier Markets
<b>Chandigarh</b>	Chandigarh has very few social enterprises as of now.	My Earth, Repatra, Let's Endorse
<b>Trivandrum</b>	There are few social enterprises in the city, however some NGOs are now adopting social enterprise models.	Innovation Experience, Thanal-Organic Bazar, Eram Scientific Solutions
<b>Bhopal</b>	There is limited social enterprise activity.	Sahyog Microfinance Limited
<b>Patna</b>	There is a growing awareness of social enterprise in Patna, and social enterprises are emerging in sectors such as renewable energy.	FarmsnFarmers, Husk Power Systems, Saija Finance, Greenleaves Pvt. Ltd., Pratibandh
<b>Lucknow</b>	There is limited though growing social enterprise activity across different sectors in Lucknow.	Inmotion, Sevamob, Naturetech Infrastructure
<b>Guwahati</b>	Social enterprise is at a nascent stage in Guwahati. However, there are some not-for-profits that are transitioning to hybrid models.	Elrhino, Grameen Sahara, Maitri
<b>Bhubaneswar</b>	There is a developing social enterprise ecosystem, however it is not organised.	Ekutir, Gram Tarang Employability Training Services, KIDS Hospital, Greenwaves Farming Venture, Milkmantra
<b>Pune</b>	Pune has a sizable number of social enterprises across different sectors.	Bottom of Pyramid Energy and Environmental Innovations, SSP, Driptech, Saraplast 3s: Shramik, First Energy: Oorja

While social enterprises operate in rural India, relatively few appear to be headquartered outside of the major metropolitan areas. Even a relatively vibrant social enterprise region such as Jaipur did not have more than a few social enterprises operating there. Patna, where the government and donors have worked to create a local ecosystem through the yearly Bihar Innovation Forum, as yet has few social enterprises.

Awareness of social enterprise appeared relatively low across the different regions, with the possible exception of Jaipur.



## 1.3. Support

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Support for social enterprises, and startups more generally, is very limited outside of India's major metros, with the exception of Pune. Few of the regions in this report offer any kind of social entrepreneurship support. However, where there is support for startups, social entrepreneurs tap into this too to some extent. This is particularly true of mentoring.

### 1.3.1. Financial Support

Financial support organisations that usually focus on social enterprises, such as impact investors, are not headquartered in any of the regions. However, there are plenty of funds based elsewhere that invest in these regions, such as Aavishkaar, Seed Fund and Acumen for example. However, it appears that these investments are made specifically in a venture that happens to be based there, rather than as a focus on one particular region. One exception to this are funds such as the World Bank's Development Market Place and SIDBI's Samriddhi Fund, both of which invest in particular low income states. However, even these funds have made limited investments in organisations that are headquartered in the regions. Instead, investments have tended to go to ventures headquartered elsewhere but operating in these regions.

In terms of other finance, even conventional startup finance is relatively limited. Angel finance is available through Angel networks in Jaipur, Pune and Bhubaneswar. In addition, local TiE networks work informally as angel groups and invest in promising startups, such as in Bhubaneswar and in Jaipur. The only venture capital fund based in any of the nine regions in Jaipur's Rajasthan Venture Capital Fund. In addition, Startup Bhubaneswar invests in startups, and Pune too has easy access to venture capital through its proximity to Mumbai. In Trivandrum, startups can benefit from investments from the local TiE network as well as from Startup Village in nearby Cochin. Chandigarh previously had a locally based fund, but it shut down.

There is very limited availability of debt finance across all regions, with social entrepreneurs and startups alike reporting it as very difficult to access.

**Table 1.10. Financial Support Across Regions**

REGION	IMPACT INVESTMENT	OTHER INVESTORS
<b>Jaipur</b>	There is no social enterprise specific fund based in Jaipur, but Aavishkaar, Seed Fund, Oxygen Services, USAID have invested in Rajasthan.	There are some financial institutions like Rajasthan Venture Capital Fund (RVCF), Rajasthan Angel Investor Network based out of Jaipur (RAIN). RAIN has invested in some startups.
<b>Chandigarh</b>	There are no impact funds or conventional startup funds in the region.	Currently there are no investors based locally, but the region is close to Delhi
<b>Trivandrum</b>	There are no funds specifically for social enterprises.	Startup Village in Kochi is set to launch an angel fund in 2014, and have tried to attract NRK remittances. Technopark also give financial assistance to startups through its many schemes.
<b>Bhopal</b>	World Bank Development Marketplace and Samriddhi Fund have invested in the region. However, no local impact investors exist.	There are no investors based in Bhopal or the rest of Madhya Pradesh.
<b>Patna</b>	SIDBI's Samriddhi Fund invests in Bihar, as did the World Bank's Development Market Place in 2013. Accion, Pragati Fund, Aavishkaar have invested in social enterprises in the region.	There is no state-based investor or angel network.
<b>Lucknow</b>	There are no local impact investors, but Aavishkaar and Acumen Fund have invested in UP. SIDBI Samriddhi Fund and NABARD have offices in Lucknow.	There are no local investors.
<b>Guwahati</b>	There are no private funds from Assam that invest in social enterprise. WB's Development Market Place 2014 is focussed on the North-Eastern Region.	There are no Guwahati based investors.
<b>Bhubaneswar</b>	There are no locally based impact investors but Acumen Fund, Samriddhi Fund and Aavishkaar have invested in the region..	Invest Bhubaneswar and TiEare investing and are interested in working with startups. The Odisha government has announced plans of floating a VC Fund.
<b>Pune</b>	No local impact investors, but close to Mumbai. Aaviskaar and Lok Capital have invested in Pune-based social enterprises.	There are currently no Pune-based funds. However, TiE Angels and Pune Angels invest. Access to finance is relatively easy for conventional startups.

### 1.3.2. Non-Financial Support

The two regions with the best access to incubation and mentoring services are Jaipur and Pune. Pune has incubators primarily aimed at conventional startups. In addition, social enterprises in Pune can access incubation such as UnLtd India in Mumbai. In Jaipur, the state investment authority RIICO recently established an incubation and venture support centre in Startup Oasis together with IIM-Ahmedabad. The centre supports both conventional ventures and social enterprises. Bihar's state government has prioritised social enterprise and innovation. The Bihar innovation Forum provides access to mentoring and a yearly business plan competition for social enterprises. Trivandrum has seen successful investments in supporting startups through its IT Park. Meanwhile, nearby Cochin has a Startup Village that supports startups in Trivandrum too.

Elsewhere, higher education institutions are playing an important role in supporting social startups, such a XIMB in Bhubaneswar and to a lesser extent ISB Mohali in Chandigarh. Lastly, in Bhopal, the Oasis Social Innovation Lab encourages volunteering among young people, and functions as a hub for mentoring and early stage support for social innovation and entrepreneurship.

**Table 1.11. Non-Financial Support Across Regions**

REGION	NON-FINANCIAL SUPPORT: INCUBATION, ACCELERATION AND MENTORING
<b>Jaipur</b>	Startup Oasis, an incubation centre started in association with Rajasthan State Industrial Development and Investment Corporation (RIICO) and IIM-A has started services since 2013. Grassroots Innovation Augmentation Network (GIAN) also operates in Rajasthan.
<b>Chandigarh</b>	There are a few incubation offices sharing facilities offered by Central Institute of Post-Harvest Engineering and Technology (CIPHET), Punjab Biotechnology Incubator (PBTI), Chandigarh Incubation Centre.
<b>Trivandrum</b>	A number of existing Incubators: Startup Village, NRI-TBI, Central Institute of Fisheries Technology, Technopark TBI, with more coming up.
<b>Bhopal</b>	There are no formally established incubators or accelerators, with the exception of Oasis Social Innovation Lab, which informally incubates and mentors social startups.
<b>Patna</b>	Chandragupt Institute of Management and IIT- Patna are starting incubators. Bihar Innovation Forum holds a business plan competition with prize incentives and mentoring.
<b>Lucknow</b>	It is difficult to gain access to mentorship in Lucknow where there are no incubators or accelerators. Nearby IIT- Kanpur has an incubator.
<b>Guwahati</b>	There are some incubation facilities at IIE, IIT-Guwahati and SELCO Incubation.
<b>Bhubaneswar</b>	Some colleges have e-cells and incubators for startups, with many planning to start more incubators. These include, KIIT-TBI, ITER, KIST, and XIMB.
<b>Pune</b>	Many colleges in Pune have started incubators that cater to both students and outsiders. Additionally, there are other incubators such as MITCON and Venture Center.



## 1.4. Skills and Research

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Among the regions in this report, there are several notable education hubs with a large number of public and private higher education institutions, including Bhopal, Bhubaneswar, Pune and Jaipur. In addition, several institutes appear to be coming up in Chandigarh, while Patna also seems to be prioritising expanding their education facilities.

Universities particularly active in teaching social entrepreneurship in the nine regions include ISB-Mohali in Chandigarh, XIMB in Bhubaneswar and TISS in Guwahati. In addition, the ARCH Academy (of design) encourages their students to work with local artisans and set up social businesses. Additionally, IIM-Lucknow and IIFM in Bhopal undertake social enterprise related activities and teaching, although neither teaches a course on social enterprise specifically.

Entrepreneurship more generally is fashionable across all regions, and more and more higher education institutions are teaching entrepreneurship and setting up e-cells. Jaipur for example appeared to have entrepreneurship courses at nearly all its colleges, as did Pune. There appeared to be less emphasis on entrepreneurship courses in Bhopal and Guwahati.

**Table 1.12. Skills and Research Across Regions**

REGION	TEACHING ENTREPRENEURSHIP	TEACHING SOCIAL ENTREPRENEURSHIP	INCUBATION OF STARTUPS/ SOCIAL ENTERPRISES
<b>Jaipur</b>	Jaipur is seeing entrepreneurship courses and e-cells, becoming increasingly popular among colleges like Jaipuria Institute of Management, SKIIT.	There is no focussed course on social entrepreneurship taught in colleges. ARCH Academy however encourages students to work with local artisans.	None with the exception of SKIIT.
<b>Chandigarh</b>	A few colleges have entrepreneurship electives.	ISB-Mohali is the only institution with social enterprise activity. ISB has a Net Impact chapter on campus which gives students avenues to get exposed to social work.	SPIC and Microsoft have set up a centre at Punjab Engineering College (PEC) where they provide state of the art facilities and training for students, entrepreneurs as well as professionals.
<b>Trivandrum</b>	Many colleges are now teaching entrepreneurship.	None.	College of Engineering Trivandrum has an E-cell., with others being set up in different colleges.
<b>Bhopal</b>	Some colleges teach basic entrepreneurship courses.	Indian Institute of Forestry Management (IIFM) runs social initiatives. Social entrepreneurship is not taught in colleges.	IIFM, MANIT, UIT-R GIVP have e-cells.
<b>Patna</b>	Several colleges teach entrepreneurship courses.	There are no higher education social enterprise courses.	Several colleges have e-cells including NIT, BIT, CIMP and IIT Patna, and entrepreneurship-related fests: BIT has Technika, NITP hosts Corona, and IIT-P runs Anwasha.
<b>Lucknow</b>	IIM-L has entrepreneurship courses, but there is not much notable activity in other colleges.	IIM-L has some social enterprise activity such as a Programme In Sustainable Management and Social Entrepreneurship Electives.	None notable.
<b>Guwahati</b>	TISS-G and IIT-G teach entrepreneurship	TISS Masters in Social Work- SE focus.	TISS and IIT-G have e cells and incubation facilities but this is not the norm.
<b>Bhubaneswar</b>	Most colleges are teaching courses in entrepreneurship.	No colleges are teaching social entrepreneurship.	Several colleges have e-cells and incubators, with many planning to start more incubators. There include, KIIT-TBI, ITER, KIST, XIMB etc. There are few social enterprises being incubated.
<b>Pune</b>	Many colleges conduct courses and workshops in entrepreneurship.	There are no social enterprise courses.	E-cells and EDC's are present across colleges. Some new incubators are expected in SCMHRD, Pune College of Engineering, MITCOE and SIMS.

There are no incubators focussing on social enterprises. However, many higher education institutions are setting up incubators for student, alumni and general use across the regions. Examples include IITs in Guwahati and Patna, and engineering colleges in Pune, Bhubaneswar, Chandigarh and Patna.

Research on social enterprise is very limited among universities in the regions studied, with XIMB in Bhubaneswar an exception.



## 1.5. Communication and Collaboration

Given the lack of accessible and formal support for startups and social enterprises in most regions, online and offline groups emerged as particularly important sources of knowledge, advice and support.

**Table 1.13. Networks and Platforms Across Regions**

REGION	NETWORKS AND PLATFORMS
<b>Jaipur</b>	There are no social enterprise networks or regular events taking place in Jaipur. However, Startup Saturday, which began in 2013, has been successful in attracting a large number of young entrepreneurs to its gatherings. CII-Young Indians and TiE have also acted as places to network. NEN is very active in higher educational institutes.
<b>Chandigarh</b>	A Startup Weekend page on Facebook has been active and also culminated into a meet for entrepreneurs in Chandigarh. Startup Pirates is a global programme, which was hosted in Chandigarh.
<b>Trivandrum</b>	GTech is an entrepreneurial networking group based in Technopark TBI. Kerala Startups is a group that started on Facebook. Kochi's Startup Village runs a network; TiE also operates from there but covers Trivandrum too.
<b>Bhopal</b>	There are no formal networks apart from alumni networks of universities and colleges.
<b>Patna</b>	Bihar Innovation Forum is the major network platform for social startups.
<b>Lucknow</b>	The new Bootstrap Startup Weekends is a meeting point for entrepreneurs in the city.
<b>Guwahati</b>	CII-Guwahati holds events on entrepreneurship. The BYST chapter in Guwahati is active.
<b>Bhubaneswar</b>	Bhubaneswar has very active startup groups like Bhubaneswar Startups, Bootstrap Bhubaneswar, Odiya Entrepreneur's Club. Platforms: Bhubaneswar Roundtable, Breakfast Bangalore and INVEST Bhubaneswar.
<b>Pune</b>	TiE, BYST, StreeShakti (CII), Pune Open Coffee Club, Start-up Saturday, NEN, MCCIA and NASSCOM are some places to network. Online: Pune Startups, Pune Tech and Startup Jobs.

Many of the regions have chapters of national networks such as TiE and NEN. Furthermore, several regions have individual startup networks, often based on Facebook pages with monthly or irregular meetups. Examples include Startup Weekend in Chandigarh, Kerala Startups in Trivandrum, Bootstrap Startup Weekend in Lucknow and Bhubaneswar Startups and Bootstrap Bhubaneswar. Additionally, Pune has a number of online networks, and offline networks, co-working spaces and cafes.



## **1.6. Role of Government (and other Enablers)**

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### **1.6.1. Government Policy and Programmes**

There is limited investment in social enterprise ecosystems and impact investment at a state level with the exception of two regions: Jaipur and Patna. In Patna, the Bihar Innovation Forum runs an annual business plan competitions for social enterprises and other social businesses and offers a platform for these to be seen. It also provides some mentoring. In Rajasthan, meanwhile, the state government, through RIICO, has invested in Startup Oasis, which provides support for both social enterprises and conventional startups. In addition, RIICO has invested in, and helped set up the Rajasthan Venture Capital Fund, unique among these regions.

**Table 1.14. Social Enterprise and Startup Initiatives by State Governments**

REGION	SOCIAL ENTERPRISE/STARTUP INITIATIVES BY STATE GOVERNMENT
Jaipur	Rajasthan does not have any specific social enterprise policies or programmes in place. The State is active in supporting startups and entrepreneurship, as is evident by the fact that RIICO set up Startup Oasis together with IIM-Ahmedabad. The state supports venture capital through the Rajasthan Venture Capital Fund, which received investments from RIICO.
Chandigarh	The Chandigarh and Punjab governments are setting up financing schemes and incubators in and around Chandigarh. There are no specific social enterprise schemes.
Trivandrum	Kerala does not have any specific social enterprise policies or programmes in place. However, it is promoting entrepreneurship through various schemes and nodal agencies. This is primarily seen in Technopark, which was financed by the government.
Bhopal	Madhya Pradesh was one of the first to set up a State Innovation Council. However, there are no specific schemes for social enterprises or startups.
Patna	The state government has made innovation and entrepreneurship for development a priority. The State Innovation Council is active and has set up the Bihar Innovation Forum together with Jeevika (BRLPS), sponsored by the World Bank. The state government has lending schemes for MSMEs.
Lucknow	The Government of Uttar Pradesh has launched 'NiveshMitra', a web-based online facility for entrepreneurs setting up an enterprise in UP. Its Industrial Policy has incentives for MSME's but there are no social enterprise or startup schemes.
Guwahati	The Government focus is primarily on skills and vocational training and creating jobs. Schemes for entrepreneurship fits within that remit, which tends towards micro-entrepreneurship. There are no social enterprise policies.
Bhubaneswar	There is no specific government initiative to promote social entrepreneurship. However, its Youth Policy recognises entrepreneurship as important and an Odisha Entrepreneurship Development Policy is in formation. Further, a new equity fund is being set up to promote startups.
Pune	There are no specific policies for social enterprises. The state government has MSME schemes. However, there are no specific startup schemes.

Beyond this specific support for social enterprises, all regions provide schemes encouraging MSME activity, though particularly in manufacturing, and often focussed on loans connected to assets and subsidies, rather than services industries. There are also efforts to create single windows for clearances and make it easier to set up an enterprise. However, startups generally report that it is relatively difficult to access government schemes and acquire necessary permissions.

### 1.6.2. Industry Bodies

There is limited investment in social enterprise ecosystems and impact investment at a state level with the exception of two regions: Jaipur and Patna. In Patna, the Bihar Innovation Forum runs an annual business plan competitions for social enterprises and other social businesses and offers a platform for these to be seen. It also provides some mentoring. In Rajasthan, meanwhile, the state government,

through RIICO, has invested in Startup Oasis, which provides support for both social enterprises and conventional startups. In addition, RIICO has invested in, and helped set up the Rajasthan Venture Capital Fund, unique among these regions.

**Table 1.15. Activities by Industry Bodies Across Regions**

REGION	INDUSTRY BODY ACTIVITIES
<b>Jaipur</b>	An active FICCI promotes and holds fairs for minerals, tourism, textiles and handicrafts. TiE promotes entrepreneurship, spearheaded by many individuals. CII is active in the state, primarily through supporting SMEs and providing technical skilling.
<b>Chandigarh</b>	There is Global Shapers Chapter, and TiE& CII have shown interest in developing the entrepreneurial ecosystem.
<b>Trivandrum</b>	There are no other non-governmental enablers such as development finance institutions active in social enterprise in Kerala. TiE chapters work in collaboration across Kerala.
<b>Bhopal</b>	Industry bodies do not appear to be active in Bhopal. There are no other non-governmental enablers such as development finance institutions active in social enterprise.
<b>Patna</b>	PHD Chamber, Bihar Industries Association and Bihar Chambers of Commerce exist but are mostly geared towards big businesses.
<b>Lucknow</b>	TiE Lucknow promotes entrepreneurship and has interest in social enterprise as well. CII is a fairly young chapter in Lucknow.
<b>Guwahati</b>	Industry bodies are not very active.
<b>Bhubaneswar</b>	TiE Bhubaneswar had invested in enterprises and is mobilizing mentor support as well a pipeline through outreach in various colleges for conventional startups. CII-YI has hosted some events.
<b>Pune</b>	TiE conducts many events; it has a NURTURE programme for short mentorship. It aims to focus on social enterprises in the near future.



## 1.7. Discussion: Social Enterprises and Regional Ecosystems

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The previous section summarised a number of indicators for nine regional social enterprise ecosystems across India. We have done this in order to improve our understanding of the regional variation in enabling environments and characteristics, including local strengths, weaknesses and gaps. We chose to use a city-centric approach to the ecosystem mapping because we found early that many startups, whether social or conventional, are located in cities, and the vast majority of support for startups are city based too. While this study is in a sense a pilot in that it is a first attempt to map regional ecosystems at a limited budget, the overview of the nine ecosystems show that there are broad themes emerging. Some of these key insights include:

### **Entrepreneurship: Emerging Startup Scenes Across India**

Pune is an obvious example, however, further afield, cities such as Lucknow, Bhubaneswar, Jaipur and Trivandrum are all reporting emerging startup scenes. Regions with active startup environments and active civil society also tend to see more social enterprise activity than other regions.

### **Financial and Non-Financial Support is Limited Outside India's Metros**

Support for social enterprises, and startups more generally, is very limited outside of India's major metros. However, support based in other cities is beginning to emerge. The two regions with the best access to incubation and mentoring services are Jaipur and Pune.

### **Higher Education: Plenty of Entrepreneurship Courses but Limited Social Enterprise Activity**

Across the regions, colleges are now incorporating entrepreneurship courses into curricula, and setting up e-cells. Universities particularly active in teaching social entrepreneurship in the nine regions include ISB-Mohali in Chandigarh, XIMB in Bhubaneswar and TISS in Guwahati. Additionally, IIM-Lucknow and IIFM in Bhopal undertake social enterprise related activities. However, research on social enterprise is very limited among universities in the regions studied, with XIMB in Bhubaneswar an exception.

### **Networks Are Local and Startup Focussed**

There are no national social enterprise networks active at a local level across India, but many regions have seen entrepreneurs starting their own networks, primarily for conventional startups, that social enterprises join too. In addition, startup networks, such as TiE, are used by conventional and social startups.

### **Government Policy is Limited but Increasingly Enabling Startups**

There is limited investment in social enterprise ecosystems and impact investment at a state level with the exception of two regions: Jaipur and Patna. In Patna, the Bihar Innovation Forum runs an annual business plan competitions for social enterprises. In Rajasthan, meanwhile, the state government, through RIICO, has invested in incubator Startup Oasis. Meanwhile, governments in Trivandrum and in Bhubaneswar are investing in the conventional startup ecosystem through investment programmes and incubators.

### **Context Matters**

The review also highlights that the needs are somewhat different across different regions. In a region such as Jaipur, there is already a culture of entrepreneurship with many startups and education institutions teaching entrepreneurship, as well as providing support facilities. Here, the state

government is already active in supporting entrepreneurship through a VC fund and an incubator. In Bhopal, however, while it is an education hub, there is limited emphasis on entrepreneurship, and culturally the region has not encouraged entrepreneurship. Nevertheless, the state government was one of the first to set up a State Innovation Council. Bhubaneswar, meanwhile, has a lot of good quality higher education facilities, and an emerging startup scene together with a vibrant civil society, which holds promise for social startups. Here too the Government is actively encouraging startups through Invest Bhubaneswar and a planned new VC fund. Lucknow, and Bhubaneswar have emerging startup scenes but limited support currently available and here entrepreneurs themselves have started network platforms to collaborate and support each other. However, Lucknow, while distinguished for its tradition of non-profits, does not yet have many social enterprises located there. Meanwhile, Patna and Trivandrum are good examples of where the state governments have invested heavily in creating a supportive social enterprise ecosystem and a startup ecosystem, respectively, in regions that have not previously been well known for entrepreneurship. Location also matters - regions such as Chandigarh, Jaipur and Pune are all close to major metros which provide both a range of support, as well as potential markets, which entrepreneurs can rely on, which means that the local ecosystem can in a sense 'piggy-back' on bigger nearby ecosystems. Other regions are relatively more isolated and must build their own ecosystems, or find ways to link to more mature ecosystems in spite of great geographical distances.

### 1.7.1. The How - Enabling Ecosystems

Given that the challenges that regions face in building a social enterprise (as well as a startup) ecosystem are broadly similar, but that the local specific gaps, issues and opportunities vary, this study points to four strategies for building and enabling ecosystems:

- 1) Complement and build on existing strengths, such as a thriving education hub, or grassroots-originated support organisations, for example.
- 2) Fill in gaps, such as setting up incubators or accelerators if other support is available, create better access to early-stage finance if there are ways to access other kinds of support, or provide access to good mentoring.
- 3) Translate lessons from one region's experience in building an ecosystem to another, using best practices from early initiatives in creating ecosystems that have worked elsewhere and adapt them to local conditions.
- 4) The big push: get the ecosystem started through a big integrated push at multiple levels, including for example financial and non-financial support, awareness raising of entrepreneurship, and entrepreneurship activities within the higher education institutions.

### 1.7.2. Looking to the Future

Based on this study, what are the next steps for enabling increased social enterprise and startup activity across the country? One concern confirmed in this study is the lack of knowledge about startup activities outside of the major metros. We are seeing small emerging startup bubbles especially in the ICT sector, across a number of regions, such as Jaipur, Bhubaneswar and Lucknow.

However, there is no information readily available about these emerging entrepreneurs for investors or policy makers, or is there information available to startups themselves, about the kind of support available, about the kind of support they need, or the ways to build their businesses. Furthermore, there is seemingly a rapid growth in the number of incubators (and to a lesser extent accelerators) across the country's higher education institutions. However, there is little information about them too, and these incubators often lack the support and expertise to establish best practice support for startups, whether social or not. There is a major opportunity for the future to learn more about these entrepreneurs and the best ways to incubate and accelerate startups, using existing facilities and institutions such as the higher education institutions.

Studying existing ecosystem stakeholders in more detail may throw up new lessons on best practice. Improving our understanding of how stakeholders network, collaborate and communicate will in turn help us understand how best to encourage collaboration, hopefully enabling innovation among startups. We may also want to consider the role of culture and how to more effectively break cultural barriers to entrepreneurship, especially to encourage entrepreneurship among the young, who are likely to face increasing competition for placements upon finishing university and vocational courses alike.

Likewise, while there is often a focus on entrepreneurship and on MSMEs, we need to emphasise the importance of innovation in successful MSMEs and startups. It is the innovating startup or MSME that is most likely to succeed in creating a new market and increasing growth, by being able to change, innovate and adapt to changes, challenges and new conditions. What, then, distinguishes innovating startups and MSMEs from non-innovating enterprises in these regions and how can finance and support be more effectively channelled to encourage and enable innovation?

Practically, this report has shown that there is a great deal of startup activity, both social and conventional, taking place across regions of India. This is an apt time to consider how to better support social enterprises and conventional startups given that the government has introduced a budget that significantly emphasises startups and entrepreneurship, such as:

- INR 100 billion catalyst fund, technology centre network from a fund corpus
- INR 2 billion and a nationwide district level incubation and accelerator programme
- INR 1 billion for start-up village entrepreneurship under National Livelihood Mission.
- INR 2 billion for Scheduled Castes entrepreneurs to promote micro industries.

Insights from our regional snapshots, such as the lack of support for social enterprises and conventional startups alike, suggest that the new budget allocations have the potential to reduce a number of gaps in the startup and social enterprise ecosystems across the country.

However, there are considerable challenges in implementing the budget effectively. For instance, further insights into how incubators and accelerators can effectively support startups in regions where there is a limited support ecosystem would be helpful. Likewise, entrepreneurs stress that existing financing schemes from the government are difficult to access, especially for young startups with limited assets, and a particular financing gap for both conventional startups and social enterprises is debt finance at the very early stage. It is important then, that finance programmes are targeted at specific existing finance gaps and are flexible enough for startups to be able to access them. Likewise, processes of accessing loans, grants and subsidies often take a long time, again something that seriously hinder the progress of young startups and often make them look for other financial sources first, that do not take as long or with as uncertain timelines.

Further, understanding how best to work with existing stakeholders such as academia and industry bodies and how to encourage them to collaborate to set up skills training and incubation that provides the best support possible, is a challenge. A major issue across regions is the lack of seasoned entrepreneurs with expertise in starting and running a startup or social enterprise, so mentors who can effectively engage with entrepreneurs is an issue. Likewise, entrepreneurs often struggle to find people with adequate skills to employ, with graduates often requiring considerable on-the-job training - costly for a young firm with limited resources - which is something that local higher education and vocational training institutions should consider.

It is important that startup finance programmes and policies recognise the inherent risks and uncertain nature of startups, and do not treat startups as regular MSMEs. That means that startup finance should not be modeled on existing MSME schemes that generally require firms to have been in existence a number of years, and have assets. Startup finance also needs to recognise that there is an increasing amount of activity in the service sector, which again cannot be evaluated in the same way as manufacturing firms. Likewise, banks already have provisions to lend to small firms, but rarely do, especially to startups. Therefore, policies need to not only be improved but also effectively implemented. For example, provide new incentives for banks to lend to new firms, as well as provide banks with the knowledge of how to evaluate and understand a startup.

Lastly, building efficient local ecosystems goes beyond setting up an accelerator, a fund or opening a co-working space. These are integrated efforts including a range of local stakeholders providing financial and non-financial support, networks and connections, and know-how and expertise. To decentralise social enterprises and startup ecosystems across India, means that the knowledge of how to build them and what they are needs to be decentralised too. One important consideration is therefore how the centre can provide the kind of expertise that can help the regions shift from an MSME or industry mindset to an innovating entrepreneurial startup mindset and then to implement schemes, processes and support (such as incubation centres) that can do this. At the same time local ecosystems need to draw on local stakeholders, such as in higher education for educating young people in the right skills, industry and industry bodies to make sure those skills are needed, and to provide access to markets, suppliers and partners, as well as mentoring for startups, and banks to provide working capital loans. Finally, startups should be involved in decision-making on how to set up support - both financial and non-financial by, for instance, connecting with startup networks that exist locally.

This is an exciting time for social enterprises and startups across India because of the increased startup activity, increased focus on entrepreneurship and innovation more generally, and a government push for startup support across India, and away from the metros.

**The next nine sections provide snapshots of each of the regions.**



## Endnotes

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<sup>1</sup>Based on the Micro, Small and Medium Enterprises Development Act, 2006, MSMEs are defined as follows. Manufacturing investment in plant and machinery (INR): micro up to INR 2,500,000; small INR 2,500,000 - INR 50,000,000; medium: INR 50,000,000 - INR 100,000,000, Services investment in equipment (INR): micro up to INR 1,000,000; small: INR 1,000,000 - INR 20,000,000, and medium: INR 20,000,000 to INR 50,000,000. Source: <http://www.dcmsme.gov.in/>.

<sup>2</sup>Though we recognise that conceptually startups, social enterprises and MSMEs can be, and often are different MSMEs are not necessarily startups, or social enterprises, for instance. However, social enterprises may aspire to be seen as an MSME with a social focus.

<sup>3</sup>Source: NSDC and Ernst & Young (2012) Skills Gap Assessment for the State of Odisha, NSDC. For more NSDC reports: <http://www.nsdcindia.org/>

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## 2

# BHOPAL Regional Social Enterprise Ecosystem

## 2.1. OVERVIEW

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There is currently limited entrepreneurial activity in Bhopal, the capital of Madhya Pradesh (MP) in central India. However, that may be about to change as the state government is prioritising innovation and entrepreneurship, and as a major higher education hub that increasingly needs to look for alternatives to conventional job placements for its graduates. It was one of the first to set up a State Innovation Council.

More and more businesses are starting up in Bhopal, and the city is expanding its commercial sector, becoming more entrepreneurial. Further, NGOs working with entrepreneurs through livelihoods promotion make up a nascent set of organisations encouraging social enterprise.

However, with a historical lack of entrepreneurship, but a strong NGO culture, it comes as no surprise that social entrepreneurship is not widely understood. Apart from Oasis, Bhopal has little in the way of support ecosystem at present. There are no investors, incubators or other kinds of financial support. Nor are there any formal networks or other platforms for entrepreneurs to use.

A unique feature of Bhopal, which holds promise for social entrepreneurship, and startups more generally, is that the city is a higher education hub of considerable proportion. The city and its environs are home to more than 110 engineering colleges and several management and medical colleges. While still very nascent, creating awareness, implementing courses and setting up support to encourage social entrepreneurship among the huge student population is a major opportunity.



## 2.2. Local Economy

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Bhopal is the capital of Madhya Pradesh (MP) in central India. The state had a GDP of INR 3,618.74 billion in 2012/13 (at current prices), or 3.82% of the national GDP.<sup>1</sup> As the seat of government, Bhopal is an administrative centre rather than a business hub (which falls to neighbouring Indore). As such, Bhopal does not have a long history of trading and business, though recently there is increased startup activity in the city.

Bhopal city and district has a population of 2.37 million, and a literacy rate of 80%.<sup>2</sup>

Banking & financial services (42%), transportation & logistics (13%), and retail (18%) are the sectors with largest human force requirements over the next decade. These three sectors together constitute more than 70% of the incremental work force demand for Bhopal.<sup>3</sup>



## 2.3. Entrepreneurship

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Bhopal, as an administrative hub, was not traditionally a business centre, but that is changing as more and more startups are emerging. The ready-made garments and embroidery sectors have the largest number of units but electrical machinery and transport equipment produce the highest employment in the micro and small enterprise space. The number of small business units as well as startups is increasing year by year.

**Table 2.1. MSME Data**

	BHOPAL
No. MSME Registered (State)	1,257,000
No. of Employees in MSMEs (State)	2,030,000
No. MSME (District)	10,959
No. of Employees in MSMEs (District)	34,599
Investment in MSMEs (District) (INR)	1,825,459,000

Source: MSME District Industrial Profiles, Ministry of MSME, GOI.

Large local MSME sector includes ready-made garments & embroidery with 18.2% of units and 5.8% of investments and repairing & servicing with 13.4% of units and 11.2% of employment, However, very little investment has been made in wood furniture with only 8.2% of units and engineering with units 5.7%.

**Table 2.2. MSME Data, Largest Sectors**

	UNITS (%)	INVESTMENTS (%)	EMPLOYMENT (%)
Ready-made garments & embroidery	18.2	5.8	9.8
Metal-based (steel fabrication)	0.8	24.1	2.6
Electrical machinery & transport equip.	0.2	24.7	24.4
Repairing and servicing	13.4	0.2	11.2
Wood Furniture	8.2	2.5	7.8
Source: MSME District Industrial Profiles, Ministry of MSME, GOI.			

There is also a thriving civil society movement, and many reputed NGOs, including Pradhan, Eklavya and Muskaan are based in Bhopal. Additionally, in the wake of the Bhopal Disaster, a large number of NGOs moved in to work with survivors of the disaster.

**Table 2.3. Examples of NGOs**

NAME	SECTOR	DESCRIPTION
Pradhan	Livelihoods	Livelihoods promotion
Eklavya	Education	Education for children
Muskaan	Education	Education for children

However, there are very few social enterprises, with one example being Sahyog Microfinance Limited.



## 2.4. Support

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There is no formal social enterprise or startup support available locally in Bhopal. Even nearby Indore, which has a more active business environment, does not offer startup support.

### 2.4.1. Financial Support

There are no Investors based in Bhopal or the rest of Madhya Pradesh. However, the World Bank's Development Market Place 2013 invested in projects targeting Madhya Pradesh, including: Access Development Services, Agastya International Foundation, Real Medicine Foundation, Rang De, Aga Khan Rural Support Programme, Under The Mango Tree. Lastly, Samridhi Fund invested INR 150 million in 2013 in Gramco, a company based in Indore.<sup>4</sup>

**Table 2.4. Financial Support**

TYPE	EXAMPLES
Locally based investors and angels	There are no local VCs
Other funds investing locally	SIDBI's Samridhi Fund, World Bank's Development Market Place 2013
Banks: ease of access to loans	There are no known banks that lend to social enterprises

Since access to finance is limited in Bhopal, new startups report relying primarily on savings or friends and family.

### 2.4.2. Non-Financial Support

There are no formally established incubators or accelerators in Bhopal, with the exception of Oasis Social Innovation Lab, which informally incubates and mentors new ideas and social startups, as well as promoting volunteering among Bhopal's young. Oasis has mentored four social entrepreneurs, all of whom have set up enterprises in Madhya Pradesh.

There are no business plan competitions exclusively for the state, but the Indian Institute of Forest Management has a yearly competition attracting competitors from across India, including social businesses.

**Table 2.5. Non-Financial Support**

NON- FINANCIAL SUPPORT	EXAMPLES
Incubators/Accelerators	Oasis Social Innovation Lab
Support Services & Mentoring	Oasis Social Innovation Lab
Business Plan Competitions	IIFM

Another type of informal incubator in Bhopal is that offered by individual entrepreneurs who host a number of entrepreneurs within the facilities, and also encourage innovation and entrepreneurship among its staff.



## 2.5. Skills and Research

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Bhopal is a higher education hub with the city and its environs being home to more than 110 engineering colleges and several management and medical colleges.

Well-respected higher education institutions in management, social work and design include the Indian Institute of Forestry Management (IIFM), Maulana Azad National Institute of Technology, JICM School of Management and NIFT. Maulana Azad National Institute of Technology, Rajiv Gandhi Technical University, Barkatullah University, Lakshmi Narain College of Technology, Bhopal, Sagar Institute Of Science & Technology, Bhopal, Indian Institute of Science Education and Research offer top rated engineering courses. Gandhi Medical College Bhopal, RKDF College of Dental Sciences, Rishi Raj College of Dental Science, Shivang Homoeopathic Medical College and Hospital are some well-known medical colleges. In agriculture, Central Institute of Agricultural Engineering College of Agriculture, Jabalpur is well-respected.

These also include more than 80 engineering institutes, over 40 institutes offering pharmacy courses, and four vocational training institutes.<sup>5</sup> Other institutes offering skilling courses are National Institute of Technical Teachers' Training and Research (NITTTR), and entrepreneurship institutes MSME, EDI, IED, and the Center for Research and Industrial Staff Performance (CRISP).

A few of them have incubation centres or e-cells, including MANIT and UIT-RGVP, but it is not clear how active they are. IIFM has an active Entrepreneurship Development Cell.

**Table 2.6. Higher Education and Social Enterprise**

TYPE	EXAMPLES
HE Institutions with a social enterprise course	None
HE institutions with other social enterprise activity	IIFM has an active e-cell together with social development initiatives and rural management courses.
Entrepreneurship courses	Many colleges have e-cells and teach entrepreneurship, including MANIT and IUT-RGVP.

None of the universities currently conduct courses on social entrepreneurship or provide student mentoring. However, with too few work placements to go round, colleges are beginning to recognise that encouraging students to start their own enterprises is an alternative to focussing only on placements.

Overall, though, in spite of e-cells, students prefer to find a placement rather than start an enterprise, and being active in the e-cell is often something that students do to put on their CV.

There was no evidence of social enterprise research being undertaken at the institutions in the region.



## 2.6. Communication and Collaboration

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There are no formal networks in Bhopal. Those that exist are alumni networks of universities and colleges, as well as an informal network of Directors of colleges. While these networks could be leveraged for angel support or dissemination of social enterprise curricula and college support, they are not obviously immediately useful for social entrepreneurs or conventional startups.



## 2.7. Role of Government (and other Enablers)

### 2.7.1. Government Policy and Programmes

Madhya Pradesh was one of the first states to set up a State Innovation Council, and it has a state-level Council of Science & Technology with the objective of creating awareness and enabling science, technology and innovation for development. There are no specific schemes for social enterprise or innovation.

**Table 2.7. State MSME and Entrepreneurship Policies<sup>6</sup>**

POLICY EXAMPLES
Web-based Rural Soft Monitoring System
National Knowledge Network-POP in Madhya Pradesh
MP Audyogik Kendra Vikas igam (Bhopal)
Online Employment Exchange Website by Dept. of Commerce, Industries and Employment
MS Small Scale Industries Revival Scheme, 2010
State Industrial Policy, 2010 (amended 2012)
Single Agency Clearance System

### 2.7.2. Industry Bodies

Industry bodies do not appear to be active in Bhopal. There are no other non-governmental enablers such as development finance institutions active in the social enterprise space.

The Madhya Pradesh Laghu Udyog Nigam has a remit to develop linkages between micro, small, medium and macro industries, as well as markets, and have been involved in organising the National vendor Development Programme and Exhibition.<sup>7</sup>

### 2.7.3. CSR Initiatives

CSR initiatives in Bhopal include: BHEL, Bhopal that supports children, and provide scholarships. SBI Bhopal Circle has presented ambulances to hospitals, and organised blood donation camps.<sup>8</sup>

## 2.8. The Ecosystem: Connecting the Dots

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### 2.8.1. Ecosystem Summary

There is a very limited social enterprise or even conventional startup ecosystem, with no financial support. Only the Oasis Social Innovation Lab provides non-financial support, that too informally.

It is however a hub for education from across the state and beyond, which means that while there is limited social enterprise education at present, there is potential to tap this vast knowledge base and infrastructure to build a social enterprise ecosystem.

Lastly, the Government is visibly encouraging innovation in the state, having been one of the earliest to set up a State Innovation Council, and also set up a Ministry for STI.

### 2.8.2. SWOT

#### STRENGTHS

- Education hub
- Government active in enabling innovation and entrepreneurship
- Existing NGOs and active civil society

#### WEAKNESSES

- No impact investing
- No networks for social enterprises
- Very limited social entrepreneurship activity and support

- Expand entrepreneurship interest at colleges into social entrepreneurship
- Provide early stage support - incubation or pre-incubation, and business plan competitions.
- Create awareness among students

- The only current support - Oasis Social Innovation Lab stops
- Policy disinterest in social enterprise
- Lack of emergence of social enterprise heroes (currently none)

#### OPPORTUNITIES

#### THREATS



## Endnotes

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<sup>1</sup>Source Directorate of Economics & Statistics of respective State Governments and Central Statistics Organisation

<sup>2</sup>Source: Census of India 2011: <http://censusindia.gov.in/>

<sup>3</sup>Source NSDC: <http://www.nsdcindia.org/knowledge-bank/index.aspx>

<sup>4</sup>Source: websites of respective investors and social enterprises; interviews with local stakeholders.

<sup>5</sup>Source": MSME Report

<sup>6</sup><http://mp.gov.in/>; <http://www.bhopalmunicipal.com/>;

<http://www.mp.nic.in/ict/AGMARKNET.htm>; <http://www.cii.in>; <http://www.mprojgar.org>;

<http://www.mpsidc.org>; <http://www.mpindustry.org>

<sup>7</sup><http://mplun.org/>

<sup>8</sup><http://timesofindia.indiatimes.com/city/bhopal/BHEL-shouldering-social-responsibility/articleshow/19421899.cms>; [http://www.borl.in/Completed%20CSR%20activities/M\\_\\_65](http://www.borl.in/Completed%20CSR%20activities/M__65)

## Appendix: Interviews and Sources

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### Interviews

Amitabh Pandey, IIFM  
Gourav Jasiwal, Agrini  
Shuchika Rathod, Jackpot  
Pradeep Ghosh, Oasis  
Praveen Khedale, Sahayog Microfinance  
Vikram Sharma, CARD

### Workshop

Unconvention-Local in Bhopal (15 participants)

### Sources

Department of Commerce, Industry and Employment, Govt. of MP website  
(<http://www.mpindustry.org/Index.asp>)  
Madhya Pradesh State Industrial Development Corporation website  
(<http://www.mpsidc.org/>)  
Department of Rural Industries  
(<http://www.mpruralindustries.gov.in/RuralIndustry/default.aspx>)  
MP AUDYOGIK KENDRA VIKAS NIGAM (BHOPAL) Ltd.  
(<http://www.mpakvnbhopal.nic.in/Default.htm>)  
National Informatics Centre, MP  
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MSME India website, Madhya Pradesh  
(<http://www.msmeindore.nic.in/index.php/en/>)  
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Department of Commerce, Industry and Employment, MP website  
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Shouldering Social Responsibility, Times of India  
(<http://timesofindia.indiatimes.com/city/bhopal/BHEL-shouldering-social-responsibility/articleshow/19421899.cms>; [http://www.borl.in/Completed%20CSR%20activities/M\\_\\_65](http://www.borl.in/Completed%20CSR%20activities/M__65))

## 3

# Bhubaneswar Regional Social Enterprise Ecosystem

## 3.1. OVERVIEW

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Bhubaneswar is a growing education hub in East India, with many colleges having been set up in recent years.

Access to finance is cited as a problem in Bhubaneswar and only a few social enterprises, such as Milkmantra, have been able to get angel and VC investment. However, platforms such as Invest Bhubaneswar are now building the local ecosystem and encouraging investments.

There are many colleges with new e-cells and incubators in the region. The National Science & Technology Entrepreneurship Development Board (NSTEDB) and AICTE stipulate that colleges have an Entrepreneurship Development Cell (EDC) and also give support for setting up incubation. Many in

Bhubaneswar cite this as reason for the proliferation of EDC's in the various engineering colleges. Though colleges are said to be not very motivated in entrepreneurship development, the sheer number of graduates each year who cannot be guaranteed placement may push in this direction in the future.

Given this combination, social enterprise can be leveraged and promoted.



## 3.2. LOCAL ECONOMY

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The Odisha state GDP in 2012-2013 was INR 2,587.4 billion (at current prices), or 2.73% of the national GDP.<sup>1</sup>

Bhubaneswar is the state capital and largest city of Odisha, and this region is made up of two districts: Khorda and Cuttack. Khorda District has a population of 2.25 million and a literacy rate of 87%, while Cuttack district has a population of 2.6 million and a literacy rate of 86%.<sup>2</sup>

Bhubaneswar is a planned city and was primarily residential. However, manufacturing, services and retail sectors have emerged as important employers.

Khorda district has manufacturing clusters, including engineering and fabrication cluster, brass and bell metal cluster, UPS & inverter cluster. There are also small craft clusters in applique, stone carving, wood carving, silver filigree, patta and tasar painting and palm leaf engraving. There are clusters in metal, golden grass, terracotta, cane and bamboo works.

For Khorda, mineral and metal-based industries contribute to 30% of the employment in MSMEs, with repairing & servicing contributing a share of 26%.

In terms of workforce needs for the future, banking, financial services & insurance sector seem to be the sectors with maximum demand-supply gaps, with 28% of the skills gap in Cuttack and 45% in Khorda coming from this category, for 2012-2026.<sup>3</sup>



## 3.3. ENTREPRENEURSHIP

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Bhubaneswar, the capital of Odisha has not traditionally been very entrepreneurial. There has been an emphasis on manufacturing because of big industries in mining, trading, paper, cement, iron and steel in Odisha. Some upcoming sectors with potential in entrepreneurship are tourism, agro-based and service industry. There is a movement towards entrepreneurship training both through central and state initiatives and programmes, as well as independent NGOs and enterprises.

**TABLE 3.1. MSME Data**

	CUTTACK	KHORDA
No. MSME Registered (State)	997,000	
No. of Employees in MSMEs (State)	2,367,000	
No. MSME (District)	7,113	3,948
No. of Employees in MSMEs (District)	52,855	42,827
Investment in MSMEs (District) (INR)	2,048,708,000	5,326,683,000
Source: MSME District Industrial Profiles, Ministry of MSME, GOI.		

The main MSME industries in Khorda include agro-based and soda water 9.5% of units and 21% of investments, engineering and metal-based (fabrication) 13% of units, and Repairing and servicing 42.5 of units, 23% of investment and 26% of employment.

**TABLE 3.2. MSME Data, Largest Sectors**

	KHORDA			CUTTACK		
	Units (%)	Investment (%)	Employment (%)	Units (%)	Investment (%)	Employment (%)
Agro-based & soda water	9.5	21.3	11.2	14.5	21.8	13.6
Mineral based	5.4	6.8	16.8	5.8	5.9	13.8
Engineering & metal based	12.9	13.1	13.1	14.2	17.8	17.2
Repairing and servicing	42.5	23.1	26.1	25.6	17.1	15.3
Source: MSME District Industrial Profiles, Ministry of MSME, GOI.						

In Cuttack, apart from repairing and servicing (25% of units), agro-based industries, and engineering and metal-based industries play an important role in employment generation (14% and 17% of employment generation, respectively).

There is an emerging startup scene in Bhubaneswar, many in the technology space due to incubation facilities provided by educational institutions such as KIIT.

Odisha has a large number of not-for-profits operating in the state, including local, national and international agencies. For example, Bakul Foundation started as a movement towards volunteerism. It has many artists, media people, for example, coming down and conducting workshops for kids. It does not accept monetary donations for the trust employee payments. KalingaKusum started in 2011, has 7 training centres to skill entrepreneurs in west Odisha. They have trained 800 youth who have started around 40 enterprises with an aim of reaching 100,000 youth over 10 years. Their training is free, however they charge the industry that employs the graduates of the skills course.

**Table 3.3. NGO Examples**

NAME	SECTOR	DESCRIPTION
Bakul Foundation	Volunteerism	Voluntary network which hosts activities for children
Kalinga Kusum	Skills Training	Creates entrepreneurs through training in west Odisha
Urban Micro Business Centre	Livelihoods, PPP	City livelihood centre concerned with micro level interventions in domestic service, food, informal tailoring
Gram Vikas	Community health, Livelihoods, Water & Sanitation	Provision of basic amenities

There is not much awareness about social enterprise, with few currently operating in this space. E-kutir started by an Ashoka Fellow, has created a crowd-funding venture which charges the franchisee a fee. Through Vegekart, it gets farmers inputs in terms of seeds and expertise, removing middlemen from the deal-making process. They have an entrepreneurship model wherein they identify a lead who can form a farmer group.

**TABLE 3.4. Social Enterprise Examples**

NAME	SECTOR	DESCRIPTION
Ekutir	Agriculture, Sanitation	Works on creating efficient and sustainable value chains
Gram Tarang Employability Training Services	Skills training	Skill-building and employment generation for youth
KIDS Hospital	Health	Affordable diabetes care
Greenwaves Farming Ventures	Agriculture	Aims to create model farms incorporating local communities
Tatvagyan	Education	Activity based educational experience
Milkmantra	Dairy Processing	Hygienic dairy products

Gram Tarang Employability Training Services operates on a paid model of skill training. It is reimbursed by the Odisha Livelihood Mission and MoRD for its training services. NSDC is a partner and has agreed a second proposal for funding, which will allow them to expand to different districts.<sup>4</sup> Furthermore, Greenwaves Farming Ventures is working on building a model farm concept looking at interdependent activities of dairy, agriculture, poultry, and fisheries. It aims to influence local communities and then maybe collaborate with them. Lastly, KIDS Hospital aims to provide diabetes care at affordable cost. It has been allowed by GoO to open district health care centres in all 30 districts. All RSBY and BPL will be referred to them. They will provide both primary and secondary care.



### 3.4. Support

Bhubaneswar, which is the focal point for all entrepreneurial activities in the state of Odisha does not have organised and extensive financial and non-financial support for startup entrepreneurs. It has no specialised social enterprise support available, and still needs to be developed. Currently services are contracted through personal connections.

#### 3.4.1. Financial Support

There is very nascent financial support for startup entrepreneurs in Bhubaneswar as of now. Milkmantra is one enterprise that has been able to attract national and international investors along with KIDS hospital. TiE Bhubaneswar has invested in four projects under INR 10 million each. The Government of Odisha has recently announced its plans to float a VC fund with an INR 1 billion corpus to invest in startups.<sup>5</sup>

In terms of impact investment in ventures based in Bhubaneswar, Milkmantra has two angels based out of Cuttack, and it has received investment from Aavishkar. Springhealth received an investment of USD 0.13 million by Acumen Fund, DfID has accepted the proposal of, and allocated funds of INR 180 million to KIDS Hospital through the Samriddhi Fund in 2014. Lastly, Gram Tarang will get an INR 1 billion loan from NSDC.<sup>6</sup>

Investment opportunities for non-resident Odiyas are fewer, but Invest Bhubaneswar is working towards mobilising them. It has already held two international conferences. Odisha does not have an Odiya bank; most banks focus on their own priority sector targets. Entrepreneurs interviewed noted that getting traditional debt finance from banks as very difficult.

There is still limited awareness of social enterprise and funding for the same in the state.

**Table 3.5. Financial Support**

FINANCIAL SUPPORT	EXAMPLES
Locally based investors and Angels	Invest Bhubaneswar, TiE
Other Funds invested locally	Aavishkaar, Acumen Fund, Samriddhi Fund
Bank: ease of access to loans	Access through conventional banking is difficult

#### 3.4.2. Non-Financial Support

Incubator KIIT- TBI started in 2009 focussing on areas of engineering, rural innovation, IT and biotechnology. It also houses an MSME and a biotechnology incubator, with people from other states coming to it as well. It conducts a competition called Innovio through which it offers incubation support and IP and financial help. Financially, it helps entrepreneurs procure seed fund support from

TDB and NSTA, as well as soft loans from DIT. There aren't any rural innovations or social enterprises incubated by it as of now. ITER has a virtual incubator. KIDS Hospital is supported by Ennovent.

**Table 3.6. Non-Financial Support**

NON- FINANCIAL SUPPORT	EXAMPLES
Incubators/Accelerators	KIIT-TBI, ITER (virtual)
Support Services & Mentoring	TiE, KIIT-TBI
Business Plan Competitions	

Incubators exist in the following institutes: KIIT Technology Business incubator (KIIT-TBI), NIST (National Institute of Science & Technology)-Berhampur, Konark Institute of Science & Technology (KIST)-Bhubaneswar, CV Raman College of Engineering (CVRCE)-Bhubaneswar, Silicon Institute of Technology, Xavier Institute of Management (XIM) -Bhubaneswar, ITER-Bhubaneswar, Modern Engineering & Management Studies (MEMS) -Balasore, Gandhi Institute of Management Studies (GIMS) - Gunupur), Majhighariani Institute of Technology & Science (MITS) - Rayagada, Rajdhani College of Engineering & Management (RCEM), Dalmia Institute of Scientific & Industrial research (DISIR) -Rajgangpur

Organisations and forums promoting entrepreneurship include KIIT-TBI, TiE-Bhubaneswar, and Invest Bhubaneswar.

Lastly, Youth Development Foundation-Gram Vikas Fellowship, Yuva Jagran Yatra promote social understanding and entrepreneurship



### 3.5. Skills and Research

Bhubaneswar is an education hub for eastern India. While Cuttack district has 52 colleges and one technical university, Khorda has 18 colleges and six technical universities, according to MSME data. The NSDC report suggests that there are 100 engineering and 36 MBA colleges in and around Bhubaneswar.

Bhubaneswar has a number of reputable national higher education institutions, such as IIT-Bhubaneswar (IIT-B) and IIIT-Bhubaneswar (IIIT-Bh), medical colleges including an AIIMS, National Institute of Science Education and Research and National Institute of Fashion Technology. There is also the Xavier Institute of Management- Bhubaneswar (XIMB). Two deemed universities are – Kalinga Institute of Industrial Technology (KIIT) University and Siksha O Anusandhan University. Lastly, the Orissa University of Agriculture and Technology is based in Bhubaneswar.

The only higher education institution teaching social enterprise is XIMB. However, KIIT teaches a rural management course, as does Institute of Technical Education and Research (ITER). Additionally, XIMB had a CSR committee and a Social Responsibility Committee and Cell.

Centurion University is looking into setting up activities on social enterprise, and already undertakes outreach activity with the national skills development corporation through its social outreach arm, Gram Tarang. There are no social enterprise cells or incubators. However, conventional e-cells are common. These include at KIIT University, SOA University (ITER), NIT Rourkela, GITA, IIIT-Bhubaneswar, IIT-Bhubaneswar, XIMB, GIET-Gunupur, Silicon Institute of Technology, College of Engineering and Technology (CET) -Bhubaneswar, Trident Academy of Technology, Veer Surendra Sai University of Technology (VSSUT) -Sambalpur. Most other colleges in Bhubaneswar also have or are setting up e-cells.

**Table 3.7. Higher Education and Social Enterprise**

TYPE	EXAMPLES
HE Institutions with a social enterprise course	None
HE institutions with other social enterprise activity	Research on social enterprise; informal mentoring.
Entrepreneurship courses	Many colleges have e-cells and teach entrepreneurship.

In terms of social enterprise research, XIMB undertakes some research, including a programme working with street vendors. There was no evidence of other institutions in the region undertaking such research.



## 3.6. Communication and Collaboration

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There are a few new upcoming network platforms like Bhubaneswar Roundtable, Breakfast Bangalore which plans to extend to Bhubaneswar and INVEST Bhubaneswar. There is a lot of online information sharing through Facebook (Bootstrap Bhubaneswar, Bhubaneswar Startups). NEN conducts sensitising workshops and Faculty Development Programmes (FDP) in colleges.

There are no formal mentoring networks in Bhubaneswar as of now. TiE is in the process of mobilising a mentor base amongst its members for entrepreneurs while CII Young Indians organises a few events. TiE conducts outreach through e-cells in colleges - NIST, KIIT and Silicon Institute. SIDBI also organises social enterprise meets but awareness amongst people is low.

Entrepreneurs have commented that it is difficult to find senior/mid-level management in Bhubaneswar while low level is relatively easy.

Some organisations have managed to create partnerships. E-kutir in the sanitation sector, has partnered with Unilever to create a sanitation kit. They have other corporate and NGO partnerships with Barefoot Park, Unilever, KIIT, Gram Vikas, KISS, and Adhikar. Milk Mantra had a training programme in association with Grameen Services.

Bakul Foundation has been able to form interagency coordination groups for disasters with other NGOs (international agencies) as well as local NGO partnerships. There are sectoral networks for NGOs both national and international.



## 3.7. Role of Government (and other Enablers)

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### 3.7.1. Government Policy and Programmes

The Odisha government does not have any specific policies or programmes for social enterprise in place. However, there are a number of policies for entrepreneurship. For example, the Urban Poverty Alleviation Dept. of Municipal Corporation focusses on microenterprise growth. In 2012/13, Odisha won an award for being the most successful state in rolling out the national self-employment programme Swarna Jayanti Sahari Rojgar Yojana (SJSRY).<sup>7</sup>

Furthermore, the Odisha Entrepreneurship Development Policy is currently on the way, while the Odisha State Youth Policy 2013 recognises entrepreneurship as a priority area.<sup>8</sup> There is also a state Youth Fund for Entrepreneurship. A public-private partnership, the New Urban Micro Business Centre at Centurion University-provides skilling for urban poor.

**Table 3.8. State MSME and Entrepreneurship Policies<sup>9</sup>**

POLICY EXAMPLES
Odisha State Financial Corporation (OSFC) Loan Assistance for MSME's
Food Processing Policy 2013
Industrial Promotion & Investment Corporation of Odisha provides credit linkages for MSME's
Orissa Industries (Facilitation) Act, 2004
Agricultural Promotion & Investment Corporation of Odisha supports Agricultural Entrepreneurship
Urban Women Self Help Programme (UWSP)
Odisha State Youth Policy 2013
Directorate of Industries promote and facilitate the growth of the small scale industries (SSIs)
Skill Up-gradation Training under Self-employment Programme in Handloom Sector

### 3.7.2. Government Policy and Programmes

TiE Bhubaneswar had invested in enterprises and is mobilising mentor support as well as a pipeline through outreach in various colleges. CII-YI has hosted some events. FICCI and CII are also present, though not highly active in the social enterprise space.

### 3.7.3. CSR Initiatives

CSR initiatives in Bhubaneswar and surrounding areas include the following: the Odisha Mining Corporation plans to spend a portion of its income on CSR. GMR Group has worked on livelihoods training for communities near its plant. Tata provides medical services in some locations in Odisha, while Jindal Steel & Power Ltd (JSPL) has worked on women's initiatives like conducting medical tests and registering pregnant women and facilitating neonatal care. The Bansidhar & Ila Panda Foundation, the social development arm of Indian Metal & Ferro Alloys Ltd, has initiatives in education, skills training, women and child health as well as sanitation.<sup>10</sup>



## 3.8. The Ecosystem: Connecting the Dots

### 3.8.1. Ecosystem Summary

Though Odisha has a lot of efforts taken in the not-for-profit space, for-profit social entrepreneurship is yet on the back seat. Traditionally, Bhubaneswar has been an administrative headquarter, home to the state government, but with many new higher education institutions, the region has attracted people from across states. Given a critical mass of young people and creation of e-cells with colleges, entrepreneurship channels are being slowly ignited.

Local efforts by TiE, Invest Bhubaneswar and other informal network platforms seek to create an entrepreneurial mindset and investment channels within the state. Though the focus is not primarily on social entrepreneurship, these efforts in the conventional space, if sustained will create a strong ecosystem in the future.

Odisha has many opportunities in agriculture and allied activities, and tourism. With growing incubation facilities, and consolidation of mentors through networks, there is much scope for social entrepreneurship within the state.

### 3.8.2. SWOT

#### STRENGTHS

- Educational hub
- History of social intervention
- Emerging startups
- State government investing in ecosystem
- Existing startup networks

#### WEAKNESSES

- No specific networks for social enterprises
- Low awareness of social entrepreneurship
- Access to finance is difficult

- Use college e-cells to promote social entrepreneurship
- Use current platforms to boost investment
- Government work with existing incubators and network platforms to roll out new startup investment programme

- Lack of policy interest in social enterprise thus far.
- Focus on conventional enterprise without efforts in social enterprise

#### OPPORTUNITIES

#### THREATS



## Endnotes

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<sup>1</sup>Source: Directorate of Economics & Statistics of respective State Governments and Central Statistics Organisation

<sup>2</sup>Source: Census of India 2011: <http://censusindia.gov.in/>

<sup>3</sup>Source NSDC: <http://www.nsdcindia.org/knowledge-bank/index.aspx>

<sup>4</sup><http://gramtarang.org.in/>

<sup>5</sup>[http://www.business-standard.com/article/specials/odisha-to-float-rs-100-cr-venture-capital-fund-114051900821\\_1.html](http://www.business-standard.com/article/specials/odisha-to-float-rs-100-cr-venture-capital-fund-114051900821_1.html)

<sup>6</sup>Source: websites of respective investors and social enterprises; interviews with local stakeholders.

<sup>7</sup><http://www.newindianexpress.com/states/odisha/Odisha-Bags-National-Award-on-SJSRY-Implementation/2014/01/20/article2009701.ece>

<sup>8</sup><http://www.thehindu.com/todays-paper/tp-national/tp-otherstates/new-entrepreneurship-policy-in-pipeline-says-naveen/article4832664.ece>; [http://www.dsysodisha.gov.in/pdf/osyp\\_2013.pdf](http://www.dsysodisha.gov.in/pdf/osyp_2013.pdf)

<sup>9</sup><http://www.odisha.gov.in/>; <http://msmeodisha.gov.in/>; <http://218.248.11.68/industries/AboutIDCOL.asp?lnk=12&PL=6&SL=1>

<sup>10</sup>Source: interviews with local stakeholders followed by desktop research on company websites.

## Appendix: Interviews and Sources

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### Interviews

Sujit Mahapatra, Bakul Foundation  
Sobhan Mohanty, eKutir  
Dr. Alok Kanungo, KIDS Hospital  
Gobinda Dalai, Gram Vikas  
Abhinav Madan, Gram Tarang Employability Training Services  
Sushanta Kishore Khuntia, Greenwaves Farming Ventures  
Sujeet Kumar, Kalinga Kusum  
Devesh Rath, KIIT TBI  
Jeevan Arakal, XIMB  
C.R. Pattanayak, EDII  
Nishikanta Mishra,  
Ashok Das, Sankalp  
Dhanada Mishra, Human Development Foundation  
Srikumar Misra, Milkmantra  
Binoy Munda, Munda Clothing  
Srilata Patnaik, Pradan  
Shailja Rout, Shailaja Organics  
Subhabrata Bhattacharjee, NEN  
Binayak Acharya, Tatvagyan  
JN Pany,TIE  
Sobhi Mohanty, Urban Micro Business Centre  
Sarah Allen, UnLtd

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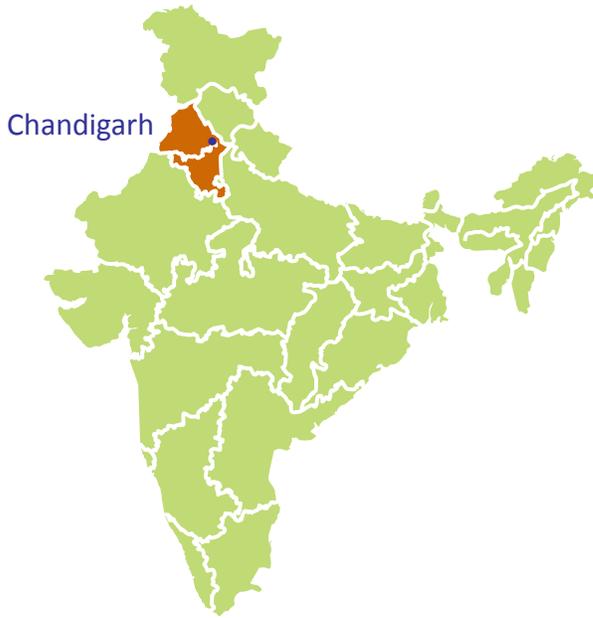
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# 4

## Chandigarh Regional Social Enterprise Ecosystem

### 4.1 Overview

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Chandigarh, a city, Union Territory, and capital of two states, has many of the ingredients to become a hub of social enterprise activity in northwest India. Small and medium enterprises, primarily in light engineering, are thriving in the area. In recent years there are a lot of startups in ICT thriving as well. Social enterprises are still few. However there are many NGOs in surrounding Punjab and Haryana.

The level of education in Chandigarh is high and there are several well-regarded higher education institutions in and around the area (e.g. ISB Mohali, Punjab University, PEC) and many more institutions are coming up.

The Chandigarh and Punjab governments are setting up support infrastructure in the form of financing schemes and incubators in and around Chandigarh. These incubators have taken some time to establish themselves and provide a limited set of services so far.

Local networks working with conventional start-ups and entrepreneurs include TiE, NEN and CII's youth initiative Young Indians. There have been new initiatives such as Startup Weekend and Startup Pirates which have discussed conventional entrepreneurship. With the existing ecosystem, startup networks and booming education sector, there is great potential for the future.



## 4.2. Local Economy

Chandigarh is a Union Territory with a GDP of INR 234.87 billion (at current prices), or 0.25% of the national GDP.<sup>1</sup> Chandigarh, together with, SAS Nagar (also called Mohali) and Panchkula form the Chandigarh tri-city area. For the purpose of this regional ecosystem report, three districts are included: Chandigarh, SAS Nagar and Panchkula.

Chandigarh district has a population of 1.05 million and a literacy rate of 86%. Mohali district has a population of 994,628 and a literacy rate of 84%. Lastly, Panchkula district has a population of 561,293 and a literacy rate of 82%.<sup>2</sup>

According to data on future workforce requirements, 59% of future workforce needs in Mohali are predicted to be in agriculture and allied activities, with another 15% of workforce needs in construction. For Panchkula, banking and financial Services have the top projected labour demands with a combined 41% of the workforce requirements. Further, retail will require an additional 20% while the construction industry has a future workforce requirement of 15% in Panchkula.<sup>3</sup> There was no future workforce requirements data for Chandigarh.



## 4.3. Entrepreneurship

In Chandigarh, MSME activity exists primarily in light engineering manufacturing, which has historically thrived. Additionally, Chandigarh has for long been an ancillary unit producer for big automotives as well as a producer of electronics and manufacturing. In Mohali, the latest figures show that there were 6,391 registered MSMEs.

**Table 4.1. MSME Data**

	MOHALI	PANCHKULA
No MSME Registered (Union Territory)	29,000	
No of Employees in MSMEs (State)	70,000	
No MSME (District)	6,391	1,862
No of Employees in MSMEs (District)	35,689	7,435
Investment in MSMEs (District) (INR)	Not available.	694,900,000

Source: MSME District Industrial Profiles, Ministry of MSME, GOI

In Mohali, fabricated metal products together with machinery equipment constitute around 30% of employment opportunities, and 26% of the units.

Panchkula district meanwhile has a smaller number of MSMEs, 1,862, primarily working in: metal-based/steel fabrication 10%, engineering units 24%, and repairing & servicing 14%. In Mohali, the fabricated metal sector accounts for the highest employment level.

**Table 4.2. MSME Data, Largest Sectors**

	MOHALI			PANCHKULA		
	Units (%)	Investment (%)	Employment (%)	Units (%)	Investment (%)	Employment (%)
Fabricated metal products	15	17	20			
Machinery & Equipment	11	6	11			
Maintenance & repair	18	1	6	14	4	7
Engineering Units	Not available <sup>4</sup>			24	31	31
Metal-based steel fabrication				10	12	13

Source: MSME District Industrial Profiles, Ministry of MSME, GOI.

More recently startups in ICT have emerged, with Mohali expected to become an IT hub. For example, in the education sector Yuvshaala is a career counseling service for young students and iScuela+ is an educational platform for children, Purcreo, which provides affordable energy solutions, Pricegrapple with price comparison and Sabkuchfres, an online fresh fruits and vegetables store are some other new startups.

**Table 4.3. NGO Examples**

NAME	SECTOR	DESCRIPTION
Kheti Virasat Andolan	Organic Farming	Advocacy and organic farming
Tammana	Basic Services	Runs health and education camps.

Chandigarh is a city with relatively high income per capita and good access to basic services, one of reasons cited by its residents for lack of social organisations. There are many organisations focussed on agriculture. There are also organisations working on drug abuse in Chandigarh and surrounding areas.

**Table 4.4. Social Enterprise Examples**

NAME	SECTOR	DESCRIPTION
My Earth	Retail	Sells products from NGOs, artisans
Repatra	Waste Management	Recycles waste in exchange for offer coupons
Let's Endorse	Crowd Endorsing	Crowd endorsing for NGOs

A few social enterprises such as My Earth which is a shop selling handicraft products from artisans, and Repatra which recycles waste, exist. Lets Endorse is a crowd-endorsing platform that encourages support for NGOs.



## 4.4. Support

Currently, in Chandigarh there are no support organisations providing financial or non-financial support exclusively to social enterprises. Entrepreneurs report, however, that services can be accessed through personal connections.

### 4.4.1. Financial Support

There are no locally based funds, but Delhi, where investors are located, is close by. There are individual angel investors who have invested in for-profit companies in and around Chandigarh. NABARD provides financial support for rural micro-entrepreneurs. There is a local TiE chapter, and one angel has invested in Yuvshala and LetsEndorse.<sup>5</sup>

**Table 4.5. Financial Support**

FINANCIAL SUPPORT	EXAMPLES
Locally based investors and Angels	No investors, there are angels
Other Impact Funds invested locally	None
Bank: ease of access to loans	Not easy

### 4.4.2. Non-Financial Support

There are a few incubation and other support facilities in Chandigarh. Prometheus is a virtual student focussed incubator, which will be run by a former professor from PEC University of Technology. Additionally, Amity Innovation Incubator Centre, Chandigarh is focussed on students through the ideation phase. Punjab Biotechnology Incubator (PBTI) allows testing for agro-based industries. There are a few incubation and other support facilities in Chandigarh. The Chandigarh administration has conceived an Entrepreneur Development Centre (EDC) in Rajiv Gandhi Chandigarh Technology Park (RGCTP). This will provide space for entrepreneurs as well as facilities with an eye to improve software exports. Morpheus is an accelerator in Chandigarh but currently does not have startup companies in their portfolio that are based in the tri-city, and announced in early 2014 that they would cease operations. Able Partners mentor social media startups. While Chandigarh Incubation Centre and Quark offer office space. The Hatch is another Chandigarh-based incubator started by the Mobera Fund, but it has since shut down.

**Table 4.6. Non-Financial Support**

NON- FINANCIAL SUPPORT	EXAMPLES
Incubators/Accelerators	Morpheus, CIPHET, Prometheus, EDC
Support Services & Mentoring	TiE, CII-YI
Business Plan Competitions	TiE, PEC

Central Institute of Post-Harvest Engineering and Technology (CIPHET) in Ludhiana offers farmers and agricultural entrepreneurs the use of its facilities for initiatives in the agro processing industry. This is supported by a World Bank funded business planning and development (BPD) unit under the National Agricultural Innovation Project (NAIP).



## 4.5. Skills and Research

The level of education in Chandigarh is high and there are several good higher education institutions including Indian School of Business (ISB) - Mohali, Punjab University and PEC University of Technology, all of which have entrepreneurship courses and/or e-cells. With many more institutions currently being constructed, Chandigarh is expected to emerge as a higher education hub.

**Table 4.7. Higher Education Institutes**

MANAGEMENT/DESIGN/ SOCIAL WORK	ENGINEERING	AGRICULTURAL	MEDICAL/PHARMA
<ul style="list-style-type: none"> <li>• Indian Institute of Materials Management</li> <li>• ISB-Mohali</li> <li>• Gyan Jyot Institute of Management &amp; Technology</li> </ul>	<ul style="list-style-type: none"> <li>• PEC University of Technology</li> <li>• University Institute of Engineering and Technology,</li> <li>• Panjab University</li> <li>• Chandigarh College of Engineering and Technology</li> <li>• Chitkara University</li> <li>• Rayat-Bahra Group of Institutes</li> </ul>	<ul style="list-style-type: none"> <li>• National Agri - Food Biotechnology Institute (NABI)</li> <li>• Center of Innovative and Applied Bioprocessing</li> </ul>	<ul style="list-style-type: none"> <li>• Post Graduate Institute of Medical Education and Research</li> <li>• Government Medical College and Hospital.</li> <li>• University Institute of Pharmaceutical Sciences</li> </ul>

University Institute of Engineering and Technology, Panjab University, Chandigarh College of Engineering and Technology are some well-regarded engineering colleges. In the medical field, Post Graduate Institute of Medical Education and Research, Government Medical College and Hospital, University Institute of Pharmaceutical Sciences are in Chandigarh.

**Table 4.8. Higher Education and Social Enterprise**

TYPE	EXAMPLES
HE Institutions with a social enterprise course	None
HE institutions with other social enterprise activity	ISB Mohali
Entrepreneurship courses	ISB Mohali

ISB-Mohali is the only institution in the area with social enterprise activity. It has a Net Impact chapter on campus which gives students avenues to get exposed to social work. Further, through the National Social Services scheme<sup>6</sup> university students work with schools. PEC students participate in additional activities as well. CCET and MCMDAV also engage in social work.

There was no evidence of social enterprise research being undertaken at the institutions in the region.



## 4.6. Communication and Collaboration

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A Startup Weekend page on Facebook has been active and also culminated in a meet for entrepreneurs in Chandigarh. Startup Pirates is a global programme, which was hosted in Chandigarh as an 8 daylong event including expert panels and participants from as far as Gurgaon. It was followed by post-mentoring and advice-seeking on the part of new entrepreneurs. There is a Global Shapers Chapter in Chandigarh which has activities on environment and pollution. TiE and CII-YI exist in Chandigarh and while TiE is currently not very active, both organisations are interested in creating an entrepreneurial ecosystem. However neither is presently supporting social enterprise. Global Shapers Chandigarh Hub (an initiative of the World Economic Forum) is new and quite active, and have organised events at ISB-Mohali with non-profits and change-makers.



## 4.7. Role of Government (and other Enablers)

### 4.7.1. Government Policy and Programmes

The Chandigarh and Punjab governments are setting up support infrastructure in the form of financing schemes and incubators in and around Chandigarh. For instance, the Government of Chandigarh has set up an Entrepreneur Development Centre at Rajiv Gandhi Chandigarh Technology Park (RGCTP) to increase the Chandigarh software export and to provide young entrepreneurs with various facilities. The incubators do not yet provide a full set of services. The Chandigarh administration is focussed on IT, land availability being a constraint. SPIC and Microsoft have set up a centre at PEC University of Technology where they provide state of the art facilities and training for students, entrepreneurs as well as professionals. Under the Prime Minister's Rojgar Yojana, beneficiaries can get loans at nationalized banks after approval by a Task Force Committee. The Industrial Plan 2009<sup>7</sup> has a mandate to improve trade facilities and give assistance to industry. Punjab Infotech, a state nodal agency works to enable investments and companies in the ICT sector.

**Table 4.9. State MSME and Entrepreneurship Policies<sup>8</sup>**

POLICY EXAMPLES
Department of Science & Technology- Science & Technology Cell; Non-Conventional Energy Sources (NCSE) Cell; Integrated Rural Energy Planning (IREP) Cell
Urban Poverty Alleviation & Livelihood Cell- Municipal Corporation
Prime Minister's Rojgar Yojana implemented by Dept. of Industries
Industrial Plan 2009
IT Focus -Software Technology Parks of India

The Municipal Corporation has an Urban Poverty Alleviation & Livelihood Cell that monitors schemes like BSUP/SJSRY/JNNURM, promotes micro enterprise, assists CBO's in innovative projects and identifies certain segments for vocational training.<sup>9</sup> Food processing industries have access to facilities like Quality Certification cost reimbursement, subsidy for research and development work in food processing, subsidy for marketing assistance to small-scale industries of food processing sector.

### 4.7.2. Industry Bodies

CII-YI is active in Chandigarh. They are interested in promoting entrepreneurship and have been working on small initiatives on the same as of now but there is much more scope.

### 4.7.3. CSR Initiatives

CSR Philanthropy exists in Chandigarh, for example by Gillard Electronics, Competent Group Foundation, Altruist Technologies. Gray Cell Technology Exports has done a lot of CSR work for which it has won awards. Dell, in partnership with Learning Links Foundation has launched a cloud-based learning initiative. Infosys has undertaken CSR in medical awareness and social skill development for children. SPAN, an IT Nordic firm also has CSR initiatives in the city.<sup>10</sup>



## 4.8. The Ecosystem: Connecting the Dots

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### 4.8.1. Ecosystem Summary

The level of education in Chandigarh is high and there are several good higher education institutions in and around the area (e.g. ISB Mohali, Punjab University, PEC) and many more institutions are coming up.

The Chandigarh and Punjab governments are setting up support infrastructure in the form of financing schemes and incubators in and around Chandigarh. These incubators have taken a long time to establish themselves and do still not provide a full set of services.

Local networks working with conventional start-ups and entrepreneurs include TiE, NEN and CII's youth initiative Young Indians. There have been new initiatives like Startup Weekend and Startup Pirates that have discussed conventional entrepreneurship. With the existing ecosystem, startup networks and booming education sector, there is great potential for the future.

## 4.8.2. SWOT

### STRENGTHS

Existing motivated industry bodies  
State provides IT and agro incubation facilities  
Initiatives taken to start platforms like Startup Weekend

### WEAKNESSES

No specific networks for social enterprises  
Access to finance is difficult  
No vibrant civil society movement  
No social enterprise heroes

Use college e-cells to promote social entrepreneurship  
Use existing platforms to promote entrepreneurship  
Work with industry bodies and local companies to support social enterprises through mentoring

Lack of initiatives from government.

### OPPORTUNITIES

### THREATS



## Endnotes

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<sup>1</sup>Source: Directorate of Economics & Statistics of respective State Governments and Central Statistics Organisation

<sup>2</sup>Source: Census of India 2011: <http://censusindia.gov.in/>

<sup>3</sup>Source NSDC: <http://www.nsdcindia.org/knowledge-bank/index.aspx>

<sup>4</sup>The breakdown of engineering and manufacturing units for different kinds of products and sectors in Mohali, makes it difficult to estimate which subsections add up to the engineering units given in Panchkula.

<sup>5</sup>Source: local investor interview

<sup>6</sup>National Service Scheme by Ministry of Youth Affairs and Sports: <http://nss.nic.in/objectives.asp>

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## Appendix: Interviews and Sources

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### Interviews

Guneet Sethi, Gilard Electronics  
Animesh Agarwal, AIESEC  
Anish Joel, My Earth Store  
Munish Jauhar, Grey Cell Technology Exports, TIE, CII  
Kanchuki Sarma, ISB Mohali  
Varun Kashyap, Let's Endorse, Startup Pirates  
Sukhmeet Singh, ISB Mohali  
Nandini Hiriannah, Morpheus  
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## 5

# GUWAHATI Regional Social Enterprise Ecosystem

## 5.1. Overview

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Being the commercial hub and one of the important cities in the north east region of India, Guwahati is seeing emerging industries like multi-brand retail and IT in addition to its traditional sectors like handloom, tourism and tea production. It also houses the regional chapters of national industry bodies like FICCI. However, it has a limited local manufacturing industry, with many of the goods and raw materials (apart from tea) being imported from other states.

Guwahati can nevertheless boast of high education levels and the presence of various educational institutes of national repute in addition to the several state university affiliated colleges. In addition to mainstream higher education institutions, there are a number of skill development initiatives driven by government schemes.

There is civil society activity in livelihoods promotion as well as state-sponsored micro-entrepreneurship programmes, particularly in the handicrafts and handloom sector. Despite the presence of higher education institutions and civil society, there is limited social entrepreneurship in the area to date. However, with the increasing focus towards local entrepreneurship development through government, and activities, even though limited to social enterprise enablers, this has the potential to change.



## 5.2. Local Economy

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The GDP of Assam in 2012-2013 was INR 1,435.67 billion (at current prices) or 1.52% of national GDP.<sup>1</sup> With a growing handloom and tourism industry, Guwahati is one of the top contributors to the state's income. Falling in the Kamrup Metropolitan district, the city houses the district administrative headquarters. For the purpose of this regional ecosystem report, two districts are included: Kamrup Metropolitan and Kamrup Rural.

Kamrup Metropolitan district has a population of 1.25 million with a literacy rate of 89%. Kamrup rural, meanwhile, has a population of 1.5 million and a literacy rate of 76%.<sup>2</sup> The metropolitan areas have grown rapidly in the last decade compared to the rural areas, reflecting the rising migrant population to its urban centers.

Between 2011 and 2021, Kamrup rural is expected to see the majority of its workforce demand-supply gap in its handloom sector (67%), while predicted demand for labour in construction is 12%. In Kamrup Metropolitan, handloom has large future workforce needs at 31%, while workforce demand of the IT industry stands at 21%. Lastly, motor repairs and tourism are other sectors that will employ substantial share of its workforce at 13% and 11% respectively.<sup>3</sup>



## 5.3. Entrepreneurship

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The Micro, Small & Medium Enterprises Development Institute (MSME-DI) in Guwahati was established under the Ministry of Micro, Small and Medium Enterprises. It assists entrepreneurs in various ways including managerial and technical support, skill development, and assistance to navigate the legal environment through linkages with state government functionaries. Guwahati for long has been an ancillary unit producer for big automotives as well as a producer of electronics and manufacturing.

**Table 5.1. MSME Data**

	GUWAHATI
No. MSME Registered (State)	34,327
No. of Employees in MSMEs (State)	178,054
No. MSME (District)	9,439
No. of Employees in MSMEs (District) <sup>4</sup>	32,583
Investment in MSMEs (District) (INR)	15,218,800,000

Source: MSME District Industrial Profiles, Ministry of MSME, GOI.

Since the area is rich with natural resources, agro-based industries constitute 11% of the total number of MSMEs and employ 15% of the workforce among MSMEs. Engineering Units seem to be investment heavy with lesser returns in terms of jobs. Almost 50% of MSME investment in the region has gone towards setting up these engineering units, but they employ only 14% of the MSME workforce.

**Table 5.2. MSME Data, Largest Sectors**

	UNITS (%)	INVESTMENT (%)	EMPLOYMENT (%)
Agro-based	11	9	15
Mineral-based	2	18	8
Metal-based (steel fabrication.)	7	1	12
Repairing and servicing	23	N/A	6
Engineering Units	6	19	14

Source: MSME District Industrial Profiles, Ministry of MSME, GOI.

There are many international and national NGOs operating in Assam, for example in creating livelihoods. There are some not-for-profits that are transitioning to hybrid models, but most of the organisations involved in social work follow the traditional NGO model.

**Table 5.3. NGO Examples**

NAME	SECTOR	DESCRIPTION
Drishtee	Livelihoods, Services	Hybrid NGO/Social Enterprise creating value chains for sustainable communities.
Mushroom Development Foundation	Livelihoods	Supports small-scale farmers to cultivate, produce and market mushrooms as a livelihood opportunity.
Shishu Sarothi	Disaster, Disability	Rehabilitation of disabled children.
Centre for Microfinance & Livelihood (CML)	Livelihoods, Capacity Building	Creation of network platforms and training for NGOs.
Akshaypatra Foundation	Children development	Meals for underprivileged children.

**Table 5.4. Social Enterprise Examples**

NAME	SECTOR	DESCRIPTION
Impulse Social Enterprises	Livelihoods	Creation of livelihoods opportunities, research and consulting
Maitri	Livelihoods	Skilling and placement of domestic workers
Elrhino	Stationery	Paper products made out of elephant and rhinoceros dung
Grameen Sahara	Livelihoods	Sustainable livelihoods for the poor in rural, semi-urban and urban areas



## 5.4. Support

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Guwahati has an undeveloped support system for entrepreneurs. Access to finance, support services, mentors is reported to be extremely difficult. There are no network platforms for social entrepreneurs, however there are sector specific conferences targeted at non-profits.

### 5.4.1. Financial Support

There are no private funds from Assam that invest in social enterprises. The World Bank's Development Market Place 2014 is focussed on the northeastern region. For first generation entrepreneurs, bank loan coverage is difficult. They can seek coverage through government-sponsored schemes and directed lending. Elrhino, for instance, has managed to access the Prime Minister's Employment Guarantee scheme in Assam.

However, an ex-bank official notes that knowledge of government schemes is very poor among this target group. Banks also feel that many entrepreneurs come for a loan without financial understanding of running an enterprise. Counselling camps, mentoring by ex-bank officials, successful entrepreneurs are suggested as ways to help entrepreneurs who seek loans.

A number of donors and foundations work in and around Guwahati, primarily in livelihoods promotion including NID, Foundation of Social Transformation, and UNICEF. There is also a trace of activities by social enterprise enablers in the region. Maitri, for instance was a runner up in an Ennovent Power to Empower competition, which has helped it in gaining national recognition while accessing funds. Additionally, Fuzion Handicrafts won money from Mahindra Spark and IIM-A initially to sustain itself.<sup>5</sup>

**Table 5.5. Financial Support**

FINANCIAL SUPPORT	EXAMPLES
Locally based investors and Angels	None
Other Funds invested locally	WB's Development Market Place
Bank: ease of access to loans	Access through conventional banking is difficult

### 5.4.2. Non-Financial Support

It is difficult to get access to mentorship and allied services for both conventional and social enterprises. There are some incubation facilities like IIE such as mentoring and training facilities for entrepreneurs in the jewellery sector. Additionally, IIT-Guwahati which has set up an e-cell and an incubator, primarily focussing on technology-based startups, while SELCO Incubation incubates renewable energy social enterprises by conducting workshops.

**Table 5.6. Non-Financial Support**

NON-FINANCIAL SUPPORT	EXAMPLES
Incubators/Accelerator	SELCO, IIT-Guwahati, IIE
Support Services & Mentoring	BYST
Business Plan Competitions	

However one of the key challenges reported was finding senior management in the new social enterprises as well as the conventional NGO sector primarily due to lack of competitive pay packages.



## 5.5. Skills and Research

While the basic literacy level of the area is high it also has a number of higher education institutions and skill development initiatives. Through state and central government emphasis on skilling and job creation, there are a large number of skills courses by Nasscom Assessment of Competence (NAC), Indian Technical Institute (ITI), Entrepreneurship Development Institute (EDI), the Micro, Small and Medium Enterprises Development Institute (MSME), National Small Industries Corporation (NISC) Incubation Centre for Small Enterprise Establishment, Indian Institute of Entrepreneurship (IIE) and NEHHDC.

**Table 5.7. Higher Education Institutions**

MANAGEMENT/DESIGN/ SOCIAL WORK	ENGINEERING	AGRICULTURAL	MEDICAL/PHARMA
<ul style="list-style-type: none"> <li>•Girijananda Chowdhury Institute of Management and Technology</li> <li>•IIM and NIIT</li> <li>•Tata Institute of Social Sciences</li> </ul>	<ul style="list-style-type: none"> <li>•Assam Engineering College</li> <li>•NETES Institute of Technology and Science</li> <li>•Royal School of Engineering and Technology</li> <li>•Assam Don Bosco University</li> <li>•IIT-Guwahati</li> </ul>	<ul style="list-style-type: none"> <li>•Assam Agricultural University</li> </ul>	<ul style="list-style-type: none"> <li>•Gauhati Medical College</li> <li>•National Institute of Pharmaceutical Education and Research</li> </ul>

In addition to institutions offering technical skills in engineering, agriculture, medicine, and pharmacy, there are a number of colleges affiliated to the Gauhati University that offer various degree courses in arts, social sciences, architecture and law. Besides, it also has the Institute for Hotel Management (IHM), Guwahati catering to its tourism sector.

**Table 5.8. Higher Education and Social Enterprise**

TYPE	EXAMPLES
HE Institutions with a social enterprise course	TISS Masters in Social Work- SE focus
HE institutions with other social enterprise activity	TISS-Guwahati
Entrepreneurship courses	TISS-G Guwahati, IIT-G

There are a number of good universities in and around Guwahati, including TISS, IIT-G and Gauhati University. IIT-G is the most prominent university offering entrepreneurship courses, and it hosts

an Entrepreneurship Summit. It also has an EDC that has INR 3.5 million set aside for technology incubation.

TISS offers social entrepreneurship courses within its masters and Assam University has a UGC funded Masters in Social Work. Don Bosco also offers courses in Social Work. Despite the presence of these institutions, there did not seem to be any research activity surrounding the social enterprise sector in the region.



## 5.6. Communication and Collaboration

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The BYST chapter in Guwahati is very active and is structured as a PPP with CII-G and Employment Generation Mission, Government of Assam with a view to create entrepreneurs. Additionally, CII-Guwahati holds events on entrepreneurship. Moreover, the Centre for Microfinance & Livelihood (CML), is one of the pioneers in creating buyer-seller meets, NGO collaborations in the North East. It has also been helping NGOs in self-assessment, transitions to hybrid models etc. However, lack of effective network platforms was noted as one of the primary challenges facing entrepreneurs. Besides, it is difficult to collaborate or even seek information, due to either inaccessibility or unavailability of databases. Some organisations have reported that many NGOs work along ethnic identities thus collaboration becomes problematic.



## 5.7. Role of Government (and other Enablers)

### 5.7.1. Government Policy and Programmes

The Government focus is primarily on skills, vocational training and creating jobs. Schemes for entrepreneurship fit within that remit, which tends towards micro-entrepreneurship. These include Scheme for North East Handlooms and Handicrafts (SNEHH) by NEDFI<sup>6</sup> and NABARD's financing schemes for rural entrepreneurship. Additionally, government agencies like KVIC, KVIB, Employment Generation Mission, and Govt. of Assam have schemes for livelihoods. Rashtriya Grameen Vikas Nidhi,<sup>7</sup> based out of Guwahati, is a government initiative to provide funding for micro-credit related projects or for small-scale handicrafts.

**Table 5.9. State MSME and Entrepreneurship Policies<sup>8</sup>**

POLICY EXAMPLES
Assam Financial Corporation- Credit to MSMEs
Industrial Policy of Assam 2008
IT Policy 2009
Assam State Rural Livelihood Development
North-East Industrial and Investment Promotion Policy (NEIPP), 2007
Rashtriya Grameen Vikas Nidhi

NEDFI also has central schemes for promoting entrepreneurship. NEDFI has a Business Facilitation Centre (BFC) model where experienced mentors will provide handholding support to potential entrepreneurs who attended the BFC. The Government has also created an Investment Cell that will act as a single point source for investors seeking information and assistance in the various sectors of investment in the state and help them to establish units.

### 5.7.2. Industry Bodies

Local industry bodies and exchanges include Guwahati Stock Exchange, North East Chamber of Commerce, and Kamrup Chamber of Commerce. Being one of the largest cities in the region, Guwahati houses the office of the North East Chapter of FICCI and hosts many events organized by CII.

### 5.7.3. CSR Initiatives

Oil India plans to tie up with the Assam government to start a cooperative dairy business called Kamdhenu - along the lines of Gujarat's successful 'Amul' model to provide milk in Assam. Amway

Opportunity Foundation, the corporate social responsibility (CSR) arm of Amway India Enterprises Pvt. Ltd created a project for underprivileged children called Project Sunrise in 2009. ITA and its branches undertake activities around tea estates like financial assistance, building schools, stadiums etc. DS Group started a safe water drinking initiative in Kamrup in 2012. Numaligarh Refinery distributed aids and appliances to differently abled people as a part of its CSR in 2014. ONGC-NSTFDC had a CSR project aimed at economically empowering the women tribal handloom artisans in Assam. McLeod Tea Estate focuses on health, education, and community development in its CSR initiatives. Airtel has supported theatre and cultural activities in the Northeast. Many of the Tata Group of companies have a strong presence in the area like Tata Tubes, Tata Capital, Tata Motors and Tata Steel which could serve as a potential for developing CSR activities in the area.<sup>9</sup>



## 5.8. The Ecosystem: Connecting the Dots

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### 5.8.1. Ecosystem Summary

There is a focus on entrepreneurship development through education institutions like IIT-G. However, there is limited to no activity or emphasis that would encourage social innovation through students. Securing human resource, especially for the key management positions is stated as a challenge by local social entrepreneurs. There seems to be an absence of any linkage between the higher education institutions as well as the local industry and entrepreneurs.

Government schemes in the area are primarily focussed towards livelihood generation and skill development. There is no initiative to develop incubation centers or financing schemes for local entrepreneurs at present. Despite the fact that securing finance is a challenge, initiatives for local entrepreneurs like financial counselling camps and mentoring by ex-bank officials/financiers/investors are missing.

Apart from finance and human resource, there is also a nonexistence of local network platforms for entrepreneurs as well as limited presence of local chapters of national level networks. Many Guwahati-based entrepreneurs have won national level business plan competitions. However, business plan competitions outside of the IIT-G that would engage the local youth and initiatives like Startup Weekend are yet to be seen in the city.

## 5.8.2. SWOT

### STRENGTHS

Presence of premier education institutions  
High levels of literacy

### WEAKNESSES

No network platforms for social enterprise  
Low awareness of social entrepreneurship  
Access to finance is difficult  
No organised mentoring, support services

Use college e-cells to promote social entrepreneurship  
Use new network platforms to promote entrepreneurship  
Build on World Bank's Development Market Place support programme

Lack of alternative sectors/ industries  
Lack of government support for social enterprises

### OPPORTUNITIES

### THREATS



## Endnotes

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<sup>1</sup>Source: Directorate of Economics & Statistics of respective State Governments and Central Statistics Organisation

<sup>2</sup>Source: Census of India 2011: <http://censusindia.gov.in/>

<sup>3</sup>Source NSDC: <http://www.nsdcindia.org/knowledge-bank/index.aspx>

<sup>4</sup>The MSME District Industrial Profile for Guwahati combines the two districts of Kamrup Rural and Kamrup Metropolitan as one, so district MSME figures are for the two combined.

<sup>5</sup>Source: websites of respective investors and social enterprises; interviews with local stakeholders.

<sup>6</sup><http://www.nedfi.com>

<sup>7</sup><http://www.rgvnindia.org/>

<sup>8</sup><http://www.nedfi.com>; <http://assamgovt.nic.in>; [http://msme.gov.in/Chapter%2011-Eng\\_200708.pdf](http://msme.gov.in/Chapter%2011-Eng_200708.pdf); [http://www.investinassam.com/central\\_government.html](http://www.investinassam.com/central_government.html); [http://www.asrlms.in/implementation\\_plan.php](http://www.asrlms.in/implementation_plan.php); <http://www.gmcportal.in>

<sup>9</sup>[http://articles.economictimes.indiatimes.com/2013-07-02/news/40329100\\_1\\_dairy-business-upper-assam-amul](http://articles.economictimes.indiatimes.com/2013-07-02/news/40329100_1_dairy-business-upper-assam-amul); <http://www.assamtimes.org/node/2693>; <http://www.indiatea.org/csr.php>;

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## Appendix: Interviews and Sources

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### Interviews

Meghali, TISS Guwahati  
Dr. Sanjay Barbora, TISS Guwahati  
Samhita Barooah, TISS Guwahati  
Nazebull Ansari, IIT-G EDC  
Ankit Singh IIT-G EDC  
Pinto Sharma, IIE  
Mrinal Gohain, ActionAid  
Subhash Sarma, CRDI  
Lalmuanzuala Chinzah, GIZ  
Parag Konwar, Drishtee  
Nimisha Kotoky, Centre for Microfinance & Livelihood  
Mukit, Fuzion Handicrafts  
Nisha Bora, Elrhino  
Gitali Thakur, Maitri  
Ravikanth Rao, SELCO  
Tilak Das, ex SBI  
Saswati Barman, Shishu Sarothi

### Workshop

Unconvention-Local in Bhopal (20 participants)

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Assam State Rural Livelihoods Mission Society website

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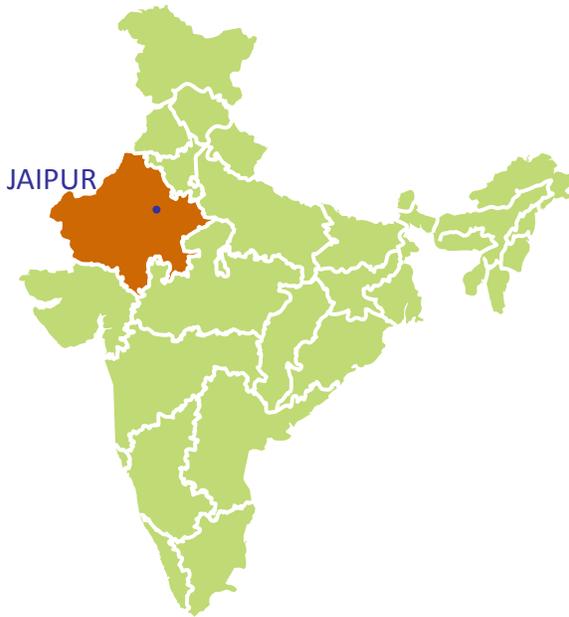
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# 6

## JAIPUR Regional Social Enterprise Ecosystem

### 6.1. OVERVIEW

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Jaipur, in the Western Indian state of Rajasthan, is a traditional business hub with strong entrepreneurship culture, existing associations, plenty of colleges all wanting or already teaching entrepreneurship and new startup network and government funded startup incubator

Traditionally a hub of business, Jaipur has a number of business associations. An active FICCI chapter promotes and holds fairs for minerals, tourism, textiles and handicrafts. However, this industry activity has not translated into a widespread buzz about unconventional/social enterprise. There is a fairly recent Startup Saturday chapter which started off with wide participation. CII- Young Indians and TiE are other platforms for mostly conventional start-ups to network with each

other and get mentorship. Rajasthan has a strong NGO culture, and more recently has seen a number of social enterprises emerge.

In Jaipur a number of colleges are taking up entrepreneurship development and teaching, and NEN is very active locally. Jaipuria has an entrepreneurship course and Arch Academy is working on design and consultancy in the handicraft sector while encouraging entrepreneurship. However, many cite the lack of serious young entrepreneurs caused by the placement race that takes the best minds to the metros. But with Jaipur's growing support systems, accepting entrepreneurial culture and a strong government, things are looking up.



## 6.2. LOCAL ECONOMY

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Jaipur is the capital and the largest city of the state of Rajasthan. In 2012/2013 Rajasthan had a GDP of INR 4,167.55 billion (at current prices), or 4.4% of the national GDP. <sup>1</sup>

Jaipur city is made up of Jaipur district, which has a population of 6.6 million and a literacy rate of 76%. <sup>2</sup>

Jaipur is a traditional hub for trade and many of the main local industries are export oriented and, going by the number of units, in the area of cotton and leather manufacturing, as well as miscellaneous manufacturing. Mineral and metal-based activities are also important.

Future skilled employment needs are projected to arise mainly in industries such as tourism, mining and metal (including stone quarrying), banking, and leather goods manufacturing. <sup>3</sup>



## 6.3. ENTREPRENEURSHIP

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Jaipur has a vibrant micro, small and medium enterprise (MSME) environment with a lot of small firms. The region is traditionally a hub for trading, for example, in cotton, handicraft and jewellery, and entrepreneurship is culturally accepted. A lot of what is manufactured and sold in Jaipur, however, is export oriented, and much of the manufacturing therefore is geared towards exports.

**TABLE 6.1. MSME Data**

	JAIPUR
No. MSME Registered (State)	968,000
No. of Employees in MSMEs (State)	1,842,000
No. MSME (District)	23,566
No. of Employees in MSMEs (District)	162,274
Investment in MSMEs (District) (INR)	20,021,992,000

Source: MSME District Industrial Profiles, Ministry of MSME, GOI.

Major MSME sectors include cotton and leather-based industries, 16% and 15% of MSME units, respectively, and 16%, respectively 7% of employment opportunities. Miscellaneous manufacturing industries are also notable, counting 15% of the units and 10% of MSME employment.

**TABLE 6.2. MSME Data, Largest Sectors**

	UNITS (%)	INVESTMENT (%)	EMPLOYMENT (%)
Cotton-based	16.4	7.1	16.2
Leather-based	14.6	2.4	7.4
Rubber, plastic, petro-based	7.7	16.3	10.1
Mineral-Based	10.8	13.4	11.3
Metal-Based	9.2	19.5	13.2
Miscellaneous Manufacturing Industries	14.7	6	10.2

Source: MSME District Industrial Profiles, Ministry of MSME, GOI.

Besides the traditional MSMEs involved in trade, there is an emerging startup scene in Jaipur, particularly in ICT. At the same time, Jaipur and Rajasthan more broadly, is a significant hub for NGOs. The majority of the NGOs are focussed on provision of basic services, such as health and education, as well as livelihoods.

**TABLE 6.3. NGO Examples**

NAME	SECTOR	DESCRIPTION
Jaipur Foot	Health	Provide prosthetic limbs
Barefoot College	Education	Basic services and solutions to rural communities

Given the strong startup and MSME environment together with a vibrant NGO space, it comes as no surprise that social enterprises have emerged strongly in recent years. Many of the current social enterprises are connected to retail or sale in different ways, such as online retailer Green N Good, and Frontier Markets which is a last mile distributor and service provide of renewable energy products. There are also social enterprises involved in handicrafts and working with artisans, such as Jaipur Rugs (which also has a non-profit Jaipur Rugs Foundation that skills training for sustainable livelihoods within the carpet value chain).

**TABLE 6.4. Social Enterprise Examples**

NAME	SECTOR	DESCRIPTION
Green N Good	Retails	Online store selling organic products
Frontier Markets	Retail/Renewable energy	Last mile distribution an maintenance services for renewable energy products
Living Green	Agriculture	Rooftop gardens and vegetables
Jaipur Rugs	Handicraft	Sale of rugs

Social entrepreneurs agree that there is a strong emerging social enterprise sector in Jaipur. However, they point to the challenge of accessing support - both financial and non-financial in and around Jaipur.



## 6.4. SUPPORT

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Jaipur, and more broadly, Rajasthan, has both financial and non-financial support for startup entrepreneurs. However, there is less specialised social enterprise support available.

### 6.4.1. Financial Support

Conventional equity investments are available through the Rajasthan Angel Investor Network and the Rajasthan Venture Capital Fund. However, the Rajasthan Angel Investor Network (RAIN) has invested in an organic farming company and is looking at good ideas with social impact as well.

While there are no impact investors based in Jaipur, a number of indian impact investors such as Seed Fund, GBF and Aavishkaar have invested in ventures in the areas. For instance, GBF invested in Jaipur Rugs - USD 1 million in 2012, Aavishkaar Fund invested in INR 2.2 million Rangсутra in 2007. Oxigen Services invested in United Village for an undisclosed amount, Seedfund invested in Frontier Markets, and USAID gave a USD 1 million grant to Gram Power to work in Rajasthan and Uttar Pradesh.<sup>4</sup> Banks lend to conventional MSMEs but do not have specialised programs for social enterprises.<sup>5</sup>

**TABLE 6.5 Financial Support**

TYPE	EXAMPLES
Locally based investors and angels	Conventional finance: Rajasthan Angel Investor Network (RAIN); Rajasthan Venture Capital Fund. No impact investors.
Other funds investing locally	Seedfund, Aavishkaar
Banks: ease of access to loans	There are no known banks that lend to social enterprises

Access to finance is commonly brought up by social enterprises as an impediment. While social entrepreneurs say that angels and VCs are too demanding, representatives from the Rajasthani investment community say that many young entrepreneurs expect funding for new ideas that have not been fully researched or developed into well thought through ventures.

### 6.4.2. Non-Financial Support

Rajasthan State Industrial Development and Investment Corporation (RIICO) started Startup Oasis, an incubator, in August 2013, with the help of Indian Institute of Management (IIM) - Ahmedabad. The Jaipur-based incubator, which supports both conventional and social startups, offers office space together with mentoring and non-financial support. The team is planning to host an ideas competition in the future, focussed especially on Rajasthan. Startup Oasis offers shared office space along with non-financial support.

### 6.6. Non-Financial Support

NON- FINANCIAL SUPPORT	EXAMPLES
Incubators/Accelerators	Startup Oasis, GIAN
Support Services & Mentoring	RAIN, Startup Oasis, Informal through social networks
Business Plan Competitions	Startup Oasis and Rajasthan Financial Corporation. Many colleges host competitions, e.g. Jaipuria Institute of Management and SKIIT. No social enterprise competitions.

The Grassroots Innovation Augmentation Network-North (GIAN) has been operating out of the city since 2002. The society was set up by the National Innovation Foundation to discover, support and commercialise grassroots innovation from rural areas.

There is no formal mentoring available, other than through GIAN and Startup Oasis, though informally the RAIN connects entrepreneurs to mentors in the network.

Business Plan competitions are popular among the colleges in the city, and have also been organised by the Rajasthan Financial Corporation.



## 6.5. SKILLS AND RESEARCH

Jaipur is an education hub in Western India, with more than 250 colleges (259 colleges and 11 technical universities, according to the MSME data used in this report) in and around the district. It also has at least 62 ITI's and 3 polytechnics. Well-respected higher education institutions include Malaviya National Institute of Technology, Jaipur, the LNM Institute of Information Technology, Jaipur, Jaipur National University, Swami Keshvanand Institute of Technology, Management and Gramothan, Poornima College of Engineering, Jaipur Engineering College and Research Centre, Manipal, Jaipur ICG, University, for engineering. Swami Keshvanand Institute of Technology Management and Gramothan (SKIT), Jaipuria Institute of Management and Technology, ARCH Academy, Podar Institute of Management, University of Rajasthan, ARYA (Engineering & Management) are some well known management and design colleges. Well reputed medical and pharmaceutical institutes include Mahatma Gandhi National Institute of Medical Sciences, SMS Medical College and Hospital, Jaipur Dental College, NIMS (Medical). Rajasthan Agricultural Research Institute and National Institute of Agricultural Marketing are agricultural institutes based out of Rajasthan.

In Jaipur entrepreneurship courses and e-cells are becoming increasingly popular among these colleges. Part of this change is driven by National Entrepreneurship Network (NEN), which is active in the city, for example organising workshops for faculty on how to teach entrepreneurship, and visiting colleges to encourage them to start e-cells and entrepreneurship courses.

However, there are no higher education institutions teaching social enterprise courses. Nevertheless, institutes like Jaipuria have an entrepreneurship course and a student club in entrepreneurship as well as a student club for social work. Another example, Arch Academy, is working on design and consultancy in the handicraft sector through both student projects and faculty assignments. The institution encourages students to start their own organisations. The Banasthali University is also in the process of setting up a dedicated 'women entrepreneurship cell'.

### 6.7. Higher Education and Social Enterprise

TYPE	EXAMPLES
HE Institutions with a social enterprise course	None
HE institutions with other social enterprise activity	Jaipuria and SKIIT, for example, have students associations for social work; Arch Academy students work with rural artisans for sustainable livelihoods.
Entrepreneurship courses	Many of the colleges in Jaipur have e-cells and teach entrepreneurship.

Overall, though, in spite of e-cells, students prefer to find a placement rather than start an enterprise, and being active in the e-cell is often something that students do to put on their CV.

There was no evidence of social enterprise research being undertaken at the institutions in the region.



## 6.6. COMMUNICATION AND COLLABORATION

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There are no social enterprise networks or regular events taking place in Jaipur. However, Startup Saturday, which started in 2013, has been successful in attracting a large number of young entrepreneurs to its gatherings. Two other platforms that are used for networking, knowledge exchange and seeking out mentoring are CII-Young Indians and TiE.

In addition, the NEN is active among the higher education institutions to create entrepreneurship courses, and while doing this, has been gathering faculty from different colleges together.

There are no co-working spaces apart from what Startup Oasis offers. The concepts of co-working and collective problem solving through peers are quite new to the entrepreneurial culture of Rajasthan that is otherwise dominated by the spirit of trade secrecy and competition.



## 6.7. ROLE OF GOVERNMENT (AND OTHER ENABLERS)

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### 6.7.1. Government Policy and Programmes

Rajasthan does not have any specific social enterprise policies or programmes in place, nor does the State Innovation Council appear to be very active at present. The state government is in the process of bringing it under the Planning Department.

However, the State is active in supporting startups and entrepreneurship, as is evident by the fact that RIICO<sup>6</sup> set up Startup Oasis together with IIM-A. Further, the state supports venture capital through the Rajasthan Venture Capital Fund, which again was set up by RIICO in collaboration with SIDBI.

National schemes for the MSME sector are used across Rajasthan. In addition, the State government's MSME schemes, including an MSME Policy Package from 2008, and cluster schemes focus primarily on traditional trade.<sup>7</sup>

### 6.8. State MSME and Entrepreneurship Policies <sup>8</sup>

POLICY EXAMPLES
Policy Package for MSMEs, 2008
MSME Assistance Scheme 2008
Single Clearance Window
Rajasthan Investment Industrial Policy, 2010
Policy for Promotion of Agro-Processing and Agri-Business, 2010

## 6.7.2. Industry Bodies

FICCI appears to be particularly active in promoting entrepreneurship, by holding fairs in prominent MSME sectors such as tourism, textiles and handicraft. In addition, FICCI and Rajasthan State Handloom Development Corporation organise training of women by master craftsmen. However, this industry activity has not translated into knowledge of or interest in social enterprise. In addition, CII is active in the state, primarily through supporting SMEs and providing technical skilling. At times, it also organises seminars and conferences on the themes of skill development and social entrepreneurship.

There are no other non-governmental enablers such as development finance institutions active in social enterprise in Rajasthan.

## 6.7.3. CSR Initiatives

The prevalent focus of CSR is investment in traditional CSR/NGO initiatives such as hospitals, schools and meals, especially in villages and districts where companies are located, or where it originated. KEC International Ltd. has worked with schoolchildren in Jaipur through its Akshar programme. As a partner, Mahindra & Mahindra worked on the Mid Day Meal scheme in Jaipur. BOSCH has focussed on girl education as well as clean drinking water facilities. ICICI Bank aims to provide skill development vocational training through a centre in Jaipur. DOW India and FIAT have worked with Jaipur Foot providing technology expertise and sponsorship respectively. Shivank Group has pledged funding for education of its workers. Trimurty Builders promote sustainable practices as well as sports education. Mahima Group focussed on educational initiatives. ARG Group has established an old age retirement home as a part of its CSR Initiative. Jaipur Rugs Foundation has spearheaded many initiatives like alternative education and health camps. <sup>9</sup>



## 6.8. THE ECOSYSTEM: CONNECTING THE DOTS

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### 6.8.1. Ecosystem Summary

Jaipur may not have a fully developed social enterprise ecosystem like the ones we see in India's major metros. But the region has many of the fundamental blocks for social enterprise ecosystems. For example, there is an entrepreneurial culture and thriving MSME's even though many of them are in traditional industries and focussed on manufacturing. There is also a lot of NGO activity, and that together with the emerging startup buzz in and around the city, is likely contributing to the number of new social enterprises that have emerged in recent years. In addition, Jaipur is a four-hour drive from Delhi, and has a large number of foreign and domestic tourists visiting every year, suggesting good links to both international and domestic markets beyond the region.

Support, however, is very limited for social enterprises, with Startup Oasis being the only incubator and provider of non-financial support, as well as links to finance. However, again, signs are promising, in that there is already an angel network (RAIN), and a VC fund focussed on Rajasthan specifically. Further, it is the RIICO, the state investment board that is funding Startup Oasis, so there is a clear

focus from the State Government on encouraging and enabling entrepreneurship in the State.

This is visible in the work of FICCI too, which is actively supporting entrepreneurs, and network platforms such as Startup Saturday for startups, and TiE for both entrepreneurs and investors. While most efforts to start social enterprises, and support them, are currently individual efforts, there are opportunities here to create an ecosystem that collaborates and works together.

## 6.8.2. SWOT

### STRENGTHS

- Entrepreneurial culture and acceptance of entrepreneurship
- Education hub with interest in entrepreneurship
- Existing incubator, angel network and VC
- Existing social enterprises
- Existing links with international markets
- Proximity to Delhi

### WEAKNESSES

- No impact investing
- No networks for social enterprises
- Apparent limited collaboration between social enterprises

- Expand entrepreneurship interest at colleges into social entrepreneurship
- Provide early-stage impact investing to complement existing support
- Create awareness among students
- Develop a policy framework and roadmap for social entrepreneurship

- Too much focus on traditional industries, neglecting emerging social enterprises
- Individual efforts such as Startup Saturday stops
- Policy disinterest in social enterprise

### OPPORTUNITIES

### THREATS



## Endnotes

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<sup>1</sup>Source: Directorate of Economics & Statistics of respective State Governments and Central Statistics Organisation

<sup>2</sup>Source: Census of India 2011: <http://censusindia.gov.in/>

<sup>3</sup>Source NSDC: <http://www.nsdcindia.org/knowledge-bank/index.aspx>. The report for Rajasthan did not provide percentages, instead reporting only sectors with more or less future employment needs.

<sup>4</sup>Source: websites of respective investors and social enterprises; interviews with local stakeholders.

<sup>5</sup>Based on interviews with local stakeholders.

<sup>6</sup><http://www.riico.co.in/>;

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# 7

## LUCKNOW Regional Social Enterprise Ecosystem

### 7.1. OVERVIEW

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Lucknow, in Uttar Pradesh is a small city famous for its handicrafts and embroidery. Neighbouring Kanpur has a reputation as being more entrepreneurial, but Lucknow does have a number of entrepreneurs working across sectors.

The lack of support systems is an impediment for entrepreneurial growth in Lucknow. There are efforts being made by a recent Bootstraps Startups Weekend, as well as TiE and CII. If sustained, these initiatives could help new startups in mentorship and know-how.

The government is not very active in promoting entrepreneurship. It's schemes and policies are difficult to access and knowledge about them is not widespread. NABARD and Samridhi Fund, however, have offices in the

city, which could be points where entrepreneurs could access finance.

Lucknow has an extensive not-for-profit sector, which works across sectors. Interested individuals mostly contribute by working in and donating to this sector; social enterprise is not as well-recognised a concept.

A nascent ecosystem, Lucknow's entrepreneurial ecosystem is currently fuelled by motivated individuals in the private sector, who seek to influence the student community, aspiring entrepreneurs and government bodies.



## 7.2. LOCAL ECONOMY

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Lucknow is the capital city of the state of Uttar Pradesh. The GDP of Uttar Pradesh in 2012/13 was INR 7,697.29 billion (at current prices), or 8.14% of the national GDP.<sup>1</sup>

Lucknow District has a population of 4.59 million and a literacy rate of 77%, while Kanpur has a population of 4.58 million and a literacy rate of 80%. The third district in this region, Unnao, has a population of 3.1 million and a literacy rate of 66%.<sup>2</sup>

Lucknow is primarily an administrative headquarter as the seat of the state government, and has had limited industry. However, now, there is increasing activity in the ICT and manufacturing sectors.

Future skilled employment needs are projected to arise mainly in organised retail, IT and IT Enabled services for Lucknow and Kanpur (Urban) regions. Unnao district has forecasted requirements in the building and construction industry as well as education and skill development.<sup>3</sup>



## 7.3. ENTREPRENEURSHIP

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Historically not a trading business or trading centre, Lucknow, has a nascent entrepreneurial ecosystem.

**TABLE 7.1. MSME Data**

	LUCKNOW	KANPUR	UNNAO
No. MSME Registered (State)	2,421,000		
No. of Employees in MSMEs (State)	5,930,000		
No. MSME (District)	8,836	16,675	5,240
No. of Employees in MSMEs (District)	45,977	74,980	22,088
Investment in MSMEs (District) (INR)	3,362,540,000	8,967,100,000	819,600,000
Source: MSME District Industrial Profiles, Ministry of MSME, GOI.			

In Lucknow, major clusters include ready-made garments and embroidery 43%, and repairing and servicing 33% of units (while they include 47% and 35% of investments, respectively). In Kanpur, the maximum share of investments are into the ready-made garments and embroidery (20%) and paper products (15%), but the maximum share of employment is in the leather Industry (18%).

**TABLE 7.2. MSME Data, Largest Sectors**

	LUCKNOW			KANPUR			UNNAO		
	Units (%)	Investment (%)	Employment (%)	Units (%)	Investment (%)	Employment (%)	Units (%)	Investment (%)	Employment (%)
Ready-made garments & embroidery	43	47	43	11.8	19.6	7.2	6.2	3.2	6.4
Leather-based	0	0	0	14.6	7.4	17.9	11.3	23.9	16.5
Agro-based	3	3	5	6	3.3	4	16.2	12.8	16.4
Repairing and servicing	33	35	33	19.1	2.4	11.5	20.4	13.4	11.5

Source: MSME District Industrial Profiles, Ministry of MSME, GOI.

Unnao has a more evenly distributed MSME sector, with leather-based and agro-based enterprises generating maximum share of employment, 17% and 16% respectively. In all 3 districts, repairing & servicing sector employs at least 10%. An 'IT City' is proposed and approved by the government as part of a drive proposing 40 IT/ITeS parks, two biotech zones and a knowledge park.

Furthermore, there is a small emerging technology startup scene in Lucknow.

There is low awareness of social enterprise and most of the activity is in the not-for-profit sector. Lucknow has many NGO's focussed on areas like education and provision of basic amenities.

**TABLE 7.3. NGO Examples**

NAME	SECTOR	DESCRIPTION
Sanatkada	Handicrafts	NGO which trains artisans on crafts.
Make A Difference, MAD Lucknow	Childcare/Edu	Works with children in shelters and orphanages
Ehsaas	Rehabilitation, Education	Supports run away children
KL Garg Memorial Trust	Human Welfare	Martyr family help, scholarship, Rehabilitation
FINISH Society	Sanitation and Health	Rural Water and Sanitation project under this NGO consortium
The Khushi Foundation	Education, Nutrition, Health	Provides amenities to disadvantaged people
Sarthak Foundation	Education	Provides education for poor children

Many NGOs in UP have worked with NABARD as project facilitators in areas like Farmers Technology transfer, Financial Inclusion, Tribal Development, Watershed, Farm Innovation, Rural Innovation, and micro credit.

**TABLE 7.4. Social Enterprise Examples**

NAME	SECTOR	DESCRIPTION
InMotion	Education, health and finance	Help rickshaw drivers access health, education, finance
Naturetech Infrastructure	Renewable Energy	Clean energy services for villagers (e.g. solar home systems)
Saudaagar	Livelihoods, Disability	Works with Disabled persons in Rural areas
Mera Gao Paoer	Renewable Energy	Solar Panels
SEvamob	Health	Healthcare, insurance and advisory
Azadi	Menstrual Health	Making Menstruation a non issue

Social enterprises work across a range of sectors. For example, Mera Gao Power and Naturetech Infrastructure work in renewable energy, Sevamob and Azadi work in health, and InMotion is a social enterprise which works on education, health and finance for auto rickshaw drivers, using advertisements to sustain themselves. Lastly, Saudaagar works with people with disabilities in rural areas and provides livelihood through its shops in villages.



## 7.4. SUPPORT

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Lucknow has an undeveloped support system for entrepreneurs. Access to finance, support services, mentors is difficult as of now. Most business is done through personal referrals, as there is no hub.

### 7.4.1. Financial Support

SIDBI's Samridhi Fund has an office in Lucknow. NABARD too has an office in Lucknow but works primarily in rural Lucknow/UP and does not have any project in the city. NABARD supports activities like dairy, poultry, stitching, tailoring, food processing, agarbatti rolling, handicrafts, Chikankari, mobile repairs, computers, service sector activities etc. Entrepreneur's state that there is low awareness of these bodies and that NABARD schemes do not target relevant entrepreneurial talent. NABARD advertises through different media channels but entrepreneurs have found their advertising infrequent.

There are no state-based private investors, but a number of investments have been made by impact investors based elsewhere. For example, Aavishkaar invested in G.V. Meditech in 2010. Furthermore, Utkarsh Micro Finance Pvt. Ltd. has raised INR 450 million from investors such as Aavishkaar Goodwell, IFC and Norwegian\_Microfinance. Lastly, Acumen has invested in Drishtee Development & Communication Limited.<sup>4</sup>

**TABLE 7.5. Financial Support**

FINANCIAL SUPPORT	EXAMPLES
Locally based investors and Angels	Samriddhi Fund, NABARD (with offices locally)
Other Funds investing locally	Aavishkaar, Acumen Fund
Bank: ease of access to loans	Access through conventional banking is difficult

### 7.4.2. Non-Financial Support

It is difficult to get access to mentorship and related services for both conventional and social enterprises. Entrepreneurs say that they have been able to find services through their networks at TiE and CII. Jaipuria Institute of Management-Lucknow is working with TiE, Bootstrap Weekends and Villgro to provide a common dashboard for startups to develop a healthy startup ecosystem in the city.<sup>5</sup>

**TABLE 7.6. Non-Financial Support**

NON-FINANCIAL SUPPORT	EXAMPLES
Incubators/Accelerators	
Support Services & Mentoring	TiE, CII, Bootstraps Weekend
Business Plan Competitions	Yajana, IIM-L

NGO Development and Management services is an organisation that has chartered accountants and lawyers to assist NGOs with advise in reporting and proposal writing.



## 7.5. SKILLS AND RESEARCH

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According to MSME data, Lucknow has at least 55 colleges and one technical university.

Some prominent national educational institutions include Jaipuria Institute of Management, IIM-Lucknow, NIT and NIFT, with IIT Kanpur nearby.

Well reputed engineering colleges include BBD University, Babu Banarasidas National Institute of Technology & Management, Lucknow, Azad Institute of Engineering & Technology, Institute of Engineering & Technology and Uttar Pradesh Technical University. Kings Medical College is considered to be one of the best medical colleges in north India, followed by Era's Lucknow Medical College, Hind Institute of Medical Sciences, Sanjay Gandhi Postgraduate Institute of Medical Sciences, Lucknow, Integral Institute of Medical Sciences and Chhatrapati Shahuji Maharaj Medical University. ND Agriculture University, Central Institute of Medicinal and Aromatic Plants (CIMAP), Central Institute

for Subtropical Horticulture (CISH), Indian Institute of Sugarcane Research (IISR), Babasaheb Bhimrao Ambedkar University are some institutes offering agricultural courses.

Skilling courses are offered by EDI, Innovation and Entrepreneurship Development Centre (Kanpur), MSME and ITI.

Many colleges teach entrepreneurship and have set up e-cells. Jaipuria Lucknow, for instance, has a thriving e-cell - Centre for Entrepreneurship. Furthermore, IIM-L has social entrepreneurship electives, as well as a post-graduate course in Sustainable Management.

Ambedkar University - The university has recently started an MBA course in Rural Management for 2 years where the eligibility criterion is NGO work experience of 2 years. The students who usually apply come from commerce or science background and their main aim is to get jobs at Rural Development Banks or NREGA positions.

**TABLE 7.7. Higher Education and Social Enterprise**

TYPE	EXAMPLES
HE Institutions with a social enterprise course	IIM-L
HE institutions with other social enterprise activity	IIM-L
Entrepreneurship courses	IIM- L: Post-Graduate Programme In Sustainable Management, Social Entrepreneurship Electives

Skilling courses: EDI, Innovation and Entrepreneurship Development Centre (Kanpur), MSME, ITI, EDI.

There was no evidence of social enterprise research being undertaken at the institutions in the region.



## 7.6. COMMUNICATION AND COLLABORATION

A new chapter of Bootstrap Weekend is a meeting point for entrepreneurs in the city. It meets every month; organizers are trying to pitch social enterprise at these events. They discuss and share know-how and are also trying to create a mentor network.

TiE Lucknow promotes entrepreneurship and has interest in social enterprise as well. CII is a fairly young chapter in Lucknow.

College e-cells have not done much in the way to promote entrepreneurship and there are no platforms for young students to collaborate on. NEN is not active in Lucknow. A National Social Entrepreneurship Forum happened once at IIM- L.



## 7.7. ROLE OF GOVERNMENT (AND OTHER ENABLERS)

### 7.7.1. Government Policy and Programmes

The State government has not prioritised innovation and entrepreneurship. There is an MSME Department but there are no new policy programmes especially for startups or social enterprises. The entrepreneurship focus is on micro-entrepreneurs. Entrepreneurs felt that the State Industrial Policy is not helpful to them in Lucknow. They report difficulty in the working of the Single Window Scheme and the UP Financial Corporation. MSME schemes are reportedly difficult to access, especially for first generation entrepreneurs.

The Government of Uttar Pradesh has launched 'NiveshMitra', a web-based online facility for entrepreneurs desirous of setting up an enterprise in UP.<sup>6</sup>

UdyogBandhu, a Govt. Agency for Investment Promotion, of the State Government of Uttar Pradesh implements this initiative. The agency is dedicated to facilitate investment in industrial and service sectors, as well as to improve the environment in which to start and grow industries.

Small Scale Industries & Export Promotion Department is tasked with providing service to industry in UP, such as platforms for information sharing, training of entrepreneurs, organising fairs and quality support to artisans.

The Industrial Policy, 2012,<sup>7</sup> describes the formation of MSME clusters and development of infrastructure facilities for them. It has provisions for easy access to State and Central schemes, including direct market mechanisms for the handicrafts sector. Artisans are supposed to be given an advance amount proportionate to their goods produced so that they do not face working capital scarcity. However, it is unclear to what extent schemes are being implemented.

Additional policy schemes set up to promote entrepreneurship and industry include:<sup>8</sup>

- Interest Free Loan under Industrial Investment Promotion Scheme 2003 (Industrial Development Department) to provide liquidity. It however only looks at investment in assets, and expects units to require a minimum of INR 50 million capital investments.
- Exemption from Mandi Fee (Agricultural Marketing & Export Department) - for new Food Processing Units with Investment in Plant and Machinery of INR 100 million or more.
- Exemption from VAT to manufacturer exporters

**TABLE 7.8. State MSME and Entrepreneurship Policies<sup>9</sup>**

POLICY EXAMPLES
NiveshMitra- online facility
Fiscal Incentives in UP
NABARD Schemes
Industrial Policy 2012

However, these schemes are not relevant for start-ups with limited cash flow, sales and assets. The state government's Mukhyamantrikaushal VikasYojna is a programme for entrepreneurship and livelihood development. Besides this, the Khadi and Village Industries Commission also helps entrepreneurship development.

NABARD has loan schemes for first generation entrepreneurs who they support through NGO/voluntary organisations. NABARD gives grant support to develop SC/ST minorities into micro-entrepreneurs. NABARD has been implementing livelihood development as well as women empowerment programme through Self Help Groups, Micro enterprise development programme, joint liability group programme. (However, this is a national programme, being implemented through the regional NABARD office).

### 7.7.2. Industry Bodies

TiE Lucknow and CII are recently inaugurated bodies in Lucknow. CII has held some events for social awareness. The main project that CII is undertaking currently in Lucknow is to install mobile towers in non-electrified villages. CII is also working closely with the government on industrial policy and advocacy related to formation leather and plaster cluster groups.

### 7.7.3. CSR Initiatives

Examples of CSR include: Eldeco ensures crèche and meal facilities for its labour's children. Hindustan Aeronautics Limited in Lucknow organised a mega health camp in 2012. Tata Motors has a wet waste treatment facility at its canteen in Lucknow. Yash Papers aims to reduce its carbon footprint and use sustainable raw material. Lastly, Sahara has rehabilitation, cremation, beautification facilities and initiatives in Lucknow.<sup>10</sup>



## 7.8. THE ECOSYSTEM: CONNECTING THE DOTS

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### 7.8.1. Ecosystem Summary

Lucknow's new network platforms are serving to be points of convergence for conventional enterprises, with inroad discussion into social enterprise. Founding members of Bootstrap Startup Weekends are keen to promote social enterprise, but are primarily looking at knowledge sharing and collaboration. TiE and CII are spearheading discussions about entrepreneurship in their own capacity, and are turning into platforms where entrepreneurs can inquire about support services.

The lack of incubation facilities is stark, however nearby IIT-Kanpur has an incubator. Colleges in Lucknow haven't ventured into entrepreneurship promotion in a big way at all. Given the number of well reputed engineering and medical colleges, if interested, these colleges can have functional e-cells which could collaborate with existing network platforms to spread entrepreneurship.

Social entrepreneurship is on the backseat in this nascent entrepreneurial ecosystem. IIM-L has a few social enterprise electives and courses and there is a Department of Social Work at Lucknow University-

these are small introductions to the concept. However, Lucknow has some social enterprises which are working with artisans, handicrafts etc. As the support ecosystem for conventional entrepreneurship grows, these social enterprises will benefit as well.

### 7.8.1. SWOT

#### STRENGTHS

- History of social intervention
- Interventions using existing knowledge base in handicrafts
- Motivated group of entrepreneurs

#### WEAKNESSES

- No specific networks for social enterprises
- Low awareness of social entrepreneurship
- Access to Finance is difficult
- No local support organisations

- Use college e-cells to promote social entrepreneurship
- Use new network platforms to promote entrepreneurship

- Policy disinterest in entrepreneurship
- Lack of knowledge sharing about know-how, schemes

#### OPPORTUNITIES

#### THREATS



## Endnotes

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<sup>1</sup>Source: Directorate of Economics & Statistics of respective State Governments and Central Statistics Organisation

<sup>2</sup>Source: Census of India 2011: <http://censusindia.gov.in/>

<sup>3</sup>Source NSDC: <http://www.nsdcindia.org/knowledge-bank/index.aspx>. The report for Uttar Pradesh did not provide percentages, instead reporting only sectors with more or less future employment needs.

<sup>4</sup>Source: websites of respective investors and social enterprises; interviews with local stakeholders.

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## Appendix: Interviews and Sources

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### Interviews

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## 8

# PATNA Regional Social Enterprise Ecosystem

## 8.1. Overview

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The Bihar government has made innovation and entrepreneurship a priority. The Bihar Innovation Forum, hosted for the second time, is a product of Jeevika (BRLPS) and the State Innovation Council's sustained efforts. Sponsored by the World Bank, it looks to work with innovations across Bihar, even helping develop those that did not win at the Forum earlier this year.

Apart from BIF, there are not many forums for young entrepreneurs to network and collaborate. Though the city has a PHD Chamber of Commerce and Industry, the Bihar Industries Association; these are geared towards established businessmen. The founder of E- finance, Abhishek Tiwari, has started a business hotline along with his friends to help Bihari aspirants with common business problems. This group of friends is working towards a Bihar Entrepreneurship Summit as well.

There is a rising awareness of entrepreneurship in the youth but support services are hard to find. The lack of successful college level incubators may be another challenge in reaching out to the young demographic. BI and IIT-P have conventional business competitions but none of them have substantial mentorship or post-competition support. Institute of Entrepreneurship Development and MSME run vocational and training programmes, however these produce skilled labour rather than aspiring entrepreneurs.

Battling high land prices and electricity problems, an entrepreneur faces many issues. Many have tried and returned to the metros. But examples like FarmsnFarmers and Green leaves Pvt. Ltd show the will amongst those who stayed.



## 8.2. Local Economy

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Patna is the state capital and largest city of Bihar. The state has seen major improvements in economic growth, poverty alleviation and the security situation in the past decade, and that includes major changes in Patna. Bihar now has a state GDP of INR 3,086.4 billion in 2012/13 (at current prices), or 3.26% of the national GDP.<sup>1</sup>

The population of Patna city and district is 5.84 million, and the literacy rate is 71% (though the literacy rate in surrounding rural areas of Bihar is considerably lower at 44%).<sup>2</sup>

While Bihar produces a great deal of raw material, with agriculture being particularly important, and Patna being an agricultural trading centre. However, there is a lack of manufacturing in the state, and much of the production of that raw material happens outside of the state. Patna therefore has a limited manufacturing base compared to other major cities.

There was no data on future work needs for Patna.



## 8.3. Entrepreneurship

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Small but growing local industries include agro-food processing, with education and health as upcoming sectors.

While raw material is produced in Bihar, much of the manufacturing and finishing takes place in other states.

**Table 8.1. MSME Data**

	PATNA
No. MSME Registered (State)	7,98,000
No. of Employees in MSMEs (State)	1,745,000
No. MSME (District)	12,231
No. of Employees in MSMEs (District)	42,494
Investment in MSMEs (District) (INR)	25,239,305,000

Source: MSME District Industrial Profiles, Ministry of MSME, GOI.

The largest MSME industries are agro-based 19%, wood and wood-based furniture 9.1%, leather 6.3%, metal-based (steel fabrications) 11.1%, and repairs/ servicing: 12.9%. Agro-based and repairing and servicing sectors have the largest number of micro and small enterprises.

**Table 8.2. MSME Data, Largest Sectors**

	UNITS (%)	INVESTMENT (%)	EMPLOYMENT (%)
Agro-based	18.8	19.7	18.3
Leather-based	6.3	0.7	3.7
Wood/ Wood-based furniture	9.1	3.3	7.5
Repairing and servicing	12.9	7.7	16.1
Metal-based (steel fabrication)	11.1	8.1	10.7
Source: MSME District Industrial Profiles, Ministry of MSME, GOI.			

Many NGOs based in and around Patna, work primarily with the rural poor, including improving livelihoods and access to health and education.

**Table 8.3. NGO Examples**

NAME	SECTOR	DESCRIPTION
Sristi Foundation	Livelihoods	Promote livelihoods and development through use of technology
Integrated Development Foundation	Empowerment – economic and social	Development of rural communities
NIDAN	Livelihoods	Empower informal workers and their children
Sulabh International	Sanitation	Provision of toilets

There is a rising awareness of entrepreneurship in the youth but support services are hard to find. Some prominent social enterprises: FarmsnFarmers, Greenleaves Pvt.Ltd. Saija Finance, and Husk Power Systems.

**Table 8.4. Social Enterprise Examples**

NAME	SECTOR	DESCRIPTION
FarmsnFarmers	Agriculture	Provide agriculture solutions to farmers
Green Leaf Energy	Agriculture/Energy	Sustainable income and energy through plantation
Saija Finance	Financial Inclusion	Finance for low-income populations
Husk Power Systems	Renewable energy	Off-grid renewable energy solutions
Kaushalya Foundation	Agriculture/Livelihoods	Create livelihoods in agriculture and food business

There is a rising awareness of entrepreneurship in the youth but support services are hard to find. Some prominent social enterprises: FarmsnFarmers, Greenleaves Pvt.Ltd. Saija Finance, and Husk Power Systems.



## 8.4. Support

### 8.4.1. Financial Support

There are no investors, conventional venture capitalists or impact investors, based in the state. Nor is there a state-based angel network. SIDBI's Samridhi Fund has a remit to do impact investing in Bihar, as did the World Bank's Development Market Place in 2013.

Accion and Pragati Fund invested in Saija Finance by 2012.<sup>3</sup> Husk Power Systems have received a number of investments, including from Bamboo Finance, Acumen Fund, LGT Venture Philanthropy, Draper Fisher Jurvetson, Cisco, Oasis Fund and the Shell Foundation.<sup>4</sup>

**Table 8.5. Financial Support**

TYPE	EXAMPLES
Locally based investors and angels	There are no local VCs
Other funds investing locally	SIDBI's Samridhi Fund, World Bank's Development Market Place 2013, Accion, Pragati India Fund, Acumen Fund, LGT Venture Philanthropy, Shell Foundation, IFC, CISIO, Bamboo Finance
Banks: ease of access to loans	There are no known banks that lend to social enterprises

Access to finance remains an impediment to entrepreneurship in Patna. Entrepreneurs complain that bank finance is difficult without collateral backing, often leaving those with strong internal finance as contenders in this field. Other than a few examples, including those mentioned above, angels and VC's are not on the entrepreneurial horizon in Patna.

### 8.4.2. Non-Financial Support

IIT-Patna and Chandragupt Institute of Management Patna (CIMP) are in the process of starting incubators. However, there are no other incubators and no specialised social enterprise support beyond what the government initiative Jeevika offers. Laghu Udyog Bharti provides support for small enterprises and traders in Patna, such as accessing government schemes, applying for bank loans and other regulatory matters.

**Table 8.6. Non-Financial Support**

NON-FINANCIAL SUPPORT	EXAMPLES
Incubators/Accelerators	IIT-Patna and CIMP in process of setting up incubators
Support Services & Mentoring	Informal primarily. Also through Jeevika.
Business Plan Competitions	BIF hosts a major yearly business plan; IIT-Patna

The major inclusive business competition is the Bihar Innovation Forum. Additionally, IIT-Patna organises a business plan competition for students. Lastly, eFinance provides facilitation of finance for entrepreneurs and firms.



## 8.5. Skills and Research

According to the MSME data used in this report, Patna has at least 25 colleges and one technical university. Some well-respected national institutes in Patna include IIT Patna, National Institute of Technology (NIT) and Birla Institute of Technology (BIT). Other well-reputed engineering colleges are Bharat Institute of Engineering and Technology, RP Sharma Institute of Technology, Patna Maulana Azad College of Engineering & Technology and Bihar College of Engineering. Good management colleges include Chandragupt Institute of Management Patna and Indian Institute of Business Management – Patna. Patna Medical College Hospital, Patna, Indira Gandhi Institute of Medical Sciences and Nalanda Medical College Hospital are some top medical colleges. In the agriculture field, Bihar Agriculture College, Bhagalpur, Tirhut College of Agriculture, Muzaffarpur, Rajendra Agriculture University, Pusa are some colleges in Bihar.

The lack of successful college level incubators may be another challenge in reaching out to the young demographic. BI and IIT-P have conventional business competitions but none of them offer substantial mentorship or post competition support. IED and MSME run vocational and training programmes, however these produce skilled labour rather than aspiring entrepreneurs.

There are no higher education social enterprise courses. However, several colleges have e-cells including NIT, BIT, CIMP and IIT Patna, and entrepreneurship-related fests: BIT has Technika, NIT hosts Corona, and IIT-P runs Anwasha.

BIT conducts various programs on “Entrepreneurship Development” with mandates from “Government of Bihar & Department of Science & technology-GOI”, throughout the year. Rajendra Agriculture University conducts initiatives for “Entrepreneurship Development” in Dairy and other related fields.

**Table 8.7. Higher Education and Social Enterprise**

TYPE	EXAMPLES
HE Institutions with a social enterprise course	None
HE institutions with other social enterprise activity	None currently running social enterprise initiatives, but CIMP starting an incubator including a social angle.
Entrepreneurship courses	E-cells at NIT, BIT, CIMP and IIT-Patna

Additionally, the MSME Department and the Institute for Entrepreneurship Development (IED) sponsor and conduct vocational entrepreneurship courses.



## 8.6. Communication and Collaboration

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Apart from BIF, there are not many forums for young entrepreneurs to network and collaborate. Though the city has a PHD Chamber of Commerce, the Bihar Industries Association; these are geared towards established businessmen. The founder of eFinance, Abhishek Singh, has established the Bihar Entrepreneurship Association in collaboration with the Department of Industries, Government of Bihar. Through this association they conduct a quarterly Bihar Entrepreneurship Summit.

Networks include local chapters of National Entrepreneurship Network, Bihar Business Online, and PHD Chamber.

Further, Bihar Industries Association runs various initiatives under the ambit of “Entrepreneurship Development” across Bihar, essentially promoting entrepreneurship through successful entrepreneurs. Bihar Chambers of Commerce, primarily, supports more established firms.

In terms of media interest, local newspapers write regularly on events such as those by Jeevika, especially since it has been personally supported by the Chief Minister. Additionally, Icon Communication is a Patna-based communications organisation that runs a low-cost rural newspaper for villagers by villagers, which reports on local news, particularly concerning low-income consumers.



## 8.7. Role of Government (and other Enablers)

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### 8.7.1. Government Policy and Programmes

The state government has made innovation and entrepreneurship for development a priority. The State Innovation Council is active and has set up the Bihar Innovation Forum together with Jeevika (BRLPS),<sup>5</sup> sponsored by the World Bank. The Forum hosts a business plan competition and Jeevika funds and mentors new micro and small social entrepreneurs. The state government has lending schemes for MSMEs.

**Table 8.8. State MSME and Entrepreneurship Policies<sup>6</sup>**

<b>POLICY EXAMPLES FOR SOCIAL ENTERPRISE</b>
Jeevika (community-based institutional platform) and BRLPS
Samvardhan
<b>POLICY EXAMPLES FOR ENTERPRISES AND MSMEs:</b>
Bihar Industrial Incentives Policy – 2011
Pre-production Incentives
Stamp Duty and Registration Fees
Bihar Knowledge Center

### **8.7.2. Industry Bodies**

Industry bodies include PHD Chamber, Bihar Industries Association and Bihar Chambers of Commerce.

### **8.7.3. CSR Initiatives**

The prevalent focus of CSR is investment in traditional CSR/NGO initiatives such as hospitals, schools and meals, especially in villages and districts where companies are located, or where it originated. NTPC has installed high mast lights in various locations in Bihar. Through its Golden Jubilee Fund, LIC has conducted some activities in Bihar. Amway played a role in the Re-establishment of Shri Radha Banke Bihari Hospital in Vrindavan. Bill & Melinda Gates Foundation have formed a partnership with the government of Bihar called Ananya. They aim to work with the private sector and community organizations in several health-related areas. Lafarge conducted “Lafarge For People”- flood relief programme. NIIT Technologies upgraded a school in North Bihar. INDIAN OIL has identified sites for developing tourist friendly facilities in Vaishali, Bihar. HPCL Biofuels Ltd. has donated ambulances, and donated computers to schools as its CSR initiative.<sup>7</sup>



## 8.8. The Ecosystem: Connecting the Dots

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### 8.8.1. Ecosystem Summary

Patna does not have any incubators or impact investors, but through the yearly government promoted Jeevika and Bihar Innovation Forum, social enterprise is being encouraged and highlighted. In addition, there are many impact investors with a mandate to invest in Bihar, as one of the poorer states in India. There are currently not many high quality education institutions in Patna, but among those that are there, there is an increased focus on entrepreneurship, e-cells and setting up incubators.

### 8.8.2. SWOT

#### STRENGTHS

The state government prioritises social innovation and entrepreneurship

The state government has set up active State Innovation Council and Jeevika

A lot of funds as well as interest from donors for social entrepreneurship in Bihar

Existing social enterprise heroes to inspire and learn from

#### WEAKNESSES

Limited human capital and relatively few education institutions of good quality

No incubator (apart from Jeevika's support activities)

A relatively weak entrepreneurship, small businesses and manufacturing base

Expand entrepreneurship interest at colleges into social entrepreneurship

Work with huge migrant population to create social enterprises

Build on Jeevika and BIF to expand support ecosystem

Migration causing brain drain

Change in state government policy priorities

#### OPPORTUNITIES

#### THREATS



## Endnotes

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<sup>1</sup>Source: Directorate of Economics & Statistics of respective State Governments and Central Statistics Organisation

<sup>2</sup>Source: Census of India 2011: <http://censusindia.gov.in/>

<sup>3</sup>Source: Saija Finance.

<sup>4</sup>Source: <http://www.huskpowersystems.com/>

<sup>5</sup><http://brlp.in/>

<sup>6</sup><http://brlp.in/>; <http://www.udyogmitrabihar.com>; <http://gov.bih.nic.in/>

<sup>7</sup>Websites of: LIC, Amway India Entreprises, Bill and Melinda Gates Foundation, Bihar Tubes Ltd, Lafarge India Pvt Ltd, the world's largest cement manufacturer, Indian Oil, NIIT Technologies, HPCL Biofuels Limited. Interviews with local stakeholders.

## Appendix: Interviews and Sources

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### Interviews

Anil Karna, MSME Patna  
Anupam Srivastav, Pratibandh  
V MukundDas, Chandragupt Institute of Management Patna  
Pankaj Kumar, Dharma Life  
Abhishek Singh, Efinance  
Ankit Kumar, Greenleaves Pvt. Ltd.  
Manoj Sinha, Husk Power Systems  
Manoj K. Verma, Integrated Development Foundation  
Sanjiv Roy, Institute of Entrepreneurship Development (IED)  
AK Thakur, Avinash Chandra Ojha, Sristi Foundation  
Manish Kumar, FarmsnFarmers  
Rabindra Singh, Laghu Udyog Bharati  
Mukesh, Jeevika  
Ratnish Verma, Nidan  
Sunil Kumar, PHD Chamber of Commerce and Industry  
Mr Mishra, Bihar Industry Association  
Rashmi Sinha, Saija Finance  
Sailesh Thakur, Dept. of Industries Bihar  
Ajeet Kumar, SAVE Gaya  
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## 9

# PUNE Regional Social Enterprise Ecosystem

## 9.1. Overview



Pune, a city with a 5% area share in Maharashtra, is an emerging startup hub with a focus on technology. Pune, for long, has been an ancillary unit producer for big automotives as well as a producer of electronics and manufacturing. Called the Oxford of the East, Pune is now cashing on its huge youth dividend, as a large number of micro and medium businesses are being setup.

There are many network platforms where existing and aspiring entrepreneurs converge to discuss and share knowledge. Pune Open Coffee Club is one platform which has both an online and offline presence. While CII, TIE and FICCI are platforms for more established business people; TIE Pune has recently started promoting social entrepreneurship. However, most platforms focus on conventional entrepreneurship such as MCCIA, Pune Startups, Net Impact, NEN and Startup Jobs.

Pune has a developing ecosystem of support services ranging from incubation to paid services. Venture Center in NCL, MITCON, Science and Technology Park are existing TBI's. However, there is more awareness of incubation in the ICT and patent space through these TBI's. Colleges are actively promoting incubation activities, through individual efforts and NEN support. Some new incubators are expected in SCMHRD, Pune College of Engineering, MITCONE and SIMS. TiE Pune also looks to incubate enterprises through its NURTURE initiative. Access to incubation and acceleration support is relatively easy as Mumbai is a few hours away, with enterprises being connected to incubators like UnLtd.

Pune houses many colleges ranging from engineering to medicine. Thus, it attracts students from all over the country. Pune's colleges are slowly promoting entrepreneurship for both its students and outsiders through incubation facilities. Given the number of like-minded professionals, it is relatively easier to find people to work on projects.

In a city populated with engineering colleges, technology and ICT startups are growing by the day, attracting investors from across India. Pune's support environment is growing slowly and steadily to keep in time with this boom.



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## 9.2. Local Economy

Pune is the second largest city of the state of Maharashtra. The Maharashtra state GDP in 2012-2013 was INR 13,726.44 billion (at current prices). The State contributes extensively to the national GDP at 14.51%.<sup>1</sup>

Pune district has a population of 9.43 million people, with an average literacy rate of 86%.<sup>2</sup>

Pune is an education, automotive and IT and electronic manufacturing hub, helped by its proximity to Mumbai.

The Hinjewadi area is known for the Rajiv Gandhi Infotech Park which houses many IT/ software companies like Infosys, Wipro, Satyam and Cognizant. The major clusters in Pune are: Garment Cluster in Pimpri, Auto Ancillary in Pimpri- Chinchwad, Engineering and Auto in Baramati, Electronic Cluster on Satara Road, Engineering and Allied in Bhosri and Agro-processing in Haveli.

According to data on future workforce requirements, the majority of future workforce requirements are predicted to be in the organised retail sector (28%), followed by the unorganised sector (18%), IT and related activities (15%), and building and construction (12%).<sup>3</sup>



## 9.3. Entrepreneurship

Pune for long has been an ancillary unit producer for big automotives as well as a producer of electronics and manufacturing. Automobile parts, machine tools, food products, electronic products, medicines are major exportable items in the medium scale industry in Pune according to the latest MSME report. Pune shows growing trends in the food processing and automobile industry, as well as in the service sector.

According to the MSME report, till July 2012 there were 19907 manufacturing and 1856 service micro enterprises. There were 5045 manufacturing and 773 service enterprises respectively.

**Table 9.1. MSME Data**

	PUNE
No. MSME Registered (State)	1,532,000
No. of Employees in MSMEs (State)	3,661,000
No. MSME (District)	43,758
No. of Employees in MSMEs (District)	185,021
Investment in MSMEs (District) (INR)	39,702,400,000

Source: MSME District Industrial Profiles, Ministry of MSME, GOI.

Among the MSMEs in Pune, rubber/plastic-based, metal-based, engineering units and agro-based/soda water industries constitute more than 65% of units, 70% of investments and 70% employment in Pune. The biggest MSME sectors are agro-based & soda water, rubber 15%, plastic & petro-based, 14.9%, metal-based (steel fabrications) 20% and engineering units 14%.

**Table 9.2. MSME Data, Largest Sectors**

	UNITS (%)	INVESTMENT (%)	EMPLOYMENT (%)
Agro-based & Soda Water	15.1	11.2	17.7
Metal-based (steel fabrication)	20	20.8	20.3
Rubber/Plastic/Petro-based	14.9	12.6	13.5
Repairing and servicing	6.1	2.2	4.1
Engineering Units	14.1	26.1	20.6
Source: MSME District Industrial Profiles, Ministry of MSME, GOI.			

Apart from MSMEs, the city is well-known for its technology-startups, which benefit from the proximity of Mumbai in accessing support and markets, as well as the many good quality higher education institutions based in the region.

Pune has an active civil society and NGO movement, with many homegrown NGOs working on Pune-centric issues. In the education sector, there are organisations like Teach for India and Lifelab. Lifelab aims to improve science skills in low-income schools through activity-based resources. Door Step School works on developing reading skills of children through its Project Grow with books. Equal Community Foundation is an action research programme that seeks to develop a scalable model for raising men to end violence against women in India.

There are organisations which work for the urban poor like Shelter Associates partners with the urban poor to work on community-managed slum rehabilitation housing amongst other projects. Institute of Health Management aims to improve the health status in urban slums through decentralised health delivery systems. KEM Hospital is the largest NGO hospital in the Pune District of Maharashtra State. CASP works with children in rural and urban India on issues like education and livelihoods. Similarly, Lend a Hand works on education and livelihood, and creation of employment and entrepreneurship opportunities for the rural youth, supplemented by micro loans and training.

### 9.3. NGO Examples

NAME	SECTOR	DESCRIPTION
Teach for India	Education	Total rehabilitation of speech and hearing-impaired persons
Lifelabs	Education	Empowers school educators to create self-sustainable activity-based learning platforms for students
Swach	Waste picking	Organized as a waste pickers cooperative which charges a nominal amount for its services
CASP	Livelihoods, Education	Urban and rural children are trained and provided education. Also has programmes for senior citizens

Pune has a sizeable number of social enterprises, though the social enterprise ecosystem is not as vibrant as those of conventional startups. Gangotree Eco Technologies Pvt. Ltd. has ventured from energy consultancy to biomass pellet production, in the process, giving livelihood to rural women SHG's through its model. It trains these SHG's in pellet production; GIZ has invested in one of its machines in a village. MCCIA has supported them in the mission of creating garbage-free Pune; they collect wet waste from Pune Municipal Corporation for their production. First Energy: Oorja, also works in the biomass energy space, presently looking more towards the commercial space and home cooking. It has plans of expanding to rural India in the future. Prominent social enterprises include: SSP, Bottom of Pyramid Energy and Environmental Innovations, First Energy, , Student's FUEL, 3S Shramik, Gram Oorja, Envirofit, Agneya. DripTech, Samagra and Caravan Craft.

Earthen Life, is a social enterprise which creates biogas through wet waste, while integrating waste pickers in its value chain. Ecoexist is an enterprise that creates eco-sensitive products through socially sensitive means. One example is their natural Holi colour grown by women framers, generating an additional source of income. Ecod seeks to create environmentally conscious advertising solutions for businesses.

Bottom of Pyramid Energy and Environmental Innovations (BOPEEI) is an enterprise incubated by Venture Center that won a USD 100,000 grant from World Bank to scale up in Chhattisgarh and Jharkhand. It is developing Jeevtronics, a prototype defibrillator through a BIRAC, DBT grant. SSP started out as a disaster rehabilitation centre in the early nineties. It now works under four main verticals across many districts in Maharashtra - microfinance, creation of clean energy product distribution and retail, entrepreneurial training and preventive health services.

**Table 9.4. Social Enterprise Examples**

NAME	SECTOR	DESCRIPTION
Bottom of Pyramid Energy and Environmental Innovations	Renewable Energy	Develops renewable energy and other technologies for the rural India
Swayam Shikshan Prayog (SSP)	Skill building, financial services	Skill-building, entrepreneurship, financial services, sustainable agriculture, nutrition health services, water and energy solutions
Driptech	Irrigation	Poverty alleviation through affordable, water efficient irrigation for small-plot farmers
Ecoad	Advertising	Ecofriendly advertising products
Saraplast 3s: Shramik	Sanitation	Portable restrooms made of recyclable material
First Energy: Oorja	Biomass Energy	Applies biomass and gasification technology to heating applications

Pune has many new micro businesses coming up like small eateries open by young individuals. Apart from that there are many companies in the travel space which range from tailor made experiences to adventure tourism such as Authentica Leisure and Finkick.



## 9.4. Support

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There is a lot of incubation support for startups in the ICT space in Pune. Through incubation channels, they are connected to a ready roster of service providers and mentors. Social enterprises are not widely supported by formal institutions and there is no hub as such, but they report having relatively easy access to service providers.

### 9.4.1. Financial Support

Although there are no local impact investors in Pune, it is relatively easy to access financial support in Pune, given its proximity to Mumbai. This is especially true for ICT startups. There is interest from investors across India. Many mentors and entrepreneurs state that with the right business plan, it's easy to access investors. TiE has recently started a new angel network. There is also a Pune Angel Network, though it does not appear to be very active, as well as a local chapter of the Indian Angel Network. Bank funding is difficult to access especially for startups.

Aavishkaar has invested USD 0.9 million in Saraplast in 2009. Suryoday Micro Finance Pvt Ltd (SMF)

has raised above USD 20 million from investors like Aavishkaar Goodwell, Lok Capital, IFC, Housing Development Finance Corporation (HDFC) Holdings and HDFC Life. Aavishkaar also invested USD 0.16 million in Craftsbridge India Private Limited. Driptech received USD 0.9 million as seed funding in 2010, from angels and LGT Venture Philanthropy. The venture additionally raised money through Khosla Impact Equity.<sup>4</sup>

**Table 9.5. Financial Support**

FINANCIAL SUPPORT	EXAMPLES
Locally based investors and Angels	TiE Angels, Pune Angels (not functional)
Other Funds invested locally	Aavishkaar, Lok Capital
Bank: ease of access to loans	Access through conventional banking (limited)

### 9.4.2. Non-Financial Support

Many colleges in Pune have started incubators that cater to both students and outsiders. Incubators like Venture Center and MITCON have lists of professionals who help their incubatees at reduced rates. Venture Center provides space for startup events. Additionally, Mumbai incubators, such as UnLtd India, include Pune in their Mumbai region. Upcoming Incubators include SCMHRD, Pune College of Engineering, SIMS and MITCOE.

**Table 9.6. Non-Financial Support**

NON-FINANCIAL SUPPORT	EXAMPLES
Incubators/Accelerators	Venture Center, MITCON, UnLtd, Science & Technology Park Maharashtra
Support Services & Mentoring	CII Young Indians, no organised networks outside incubators, support services such as Advantage Consulting, Pune Open Coffee Club
Business Plan Competitions	TiE, internal colleges

Abhinav Farmers Club was conceptualised by NABARD and set up in 2004. With members across Maharashtra, Madhya Pradesh, Gujarat and Uttar Pradesh, it helps farmers by cutting out the middlemen in the market process. Furthermore, SIDBI, together with GIZ, KfW and DfID have set up business development services<sup>5</sup> for producers of fruit and vegetables in and around Pune. The aim is to facilitate the flow of finance including credit to MSMEs as market development and access services. This has developed into a fruit and vegetable cluster.



## 9.5. Skills and Research

Pune is an education hub, and according to NSDC data, there are 266 general colleges, 321 institutes for technical education and 63 ITI's/ITC's. Well-respected higher education institutions include Symbiosis Institute of Business Management, Symbiosis Institute of Management Studies, Symbiosis Institute of Mass Communication and Indira Institute of Management. Pune is home to many engineering and medical colleges like College of Engineering, Pune, Indian Institute of Science Education and Research, Pune, International Institute of Information Technology, Symbiosis International University, Vishwakarma Institute of Technology, Sinhgad College of Engineering, Maharashtra Institute of Technology, Bharati Vidyapeeth Deemed University College of Engineering. Well-respected medical colleges include Armed Forces Medical College, BJ Medical College, Maharashtra Institute of Medical Education and Research, Smt Kashibai Navale Medical College I, Bharati Vidyapeeth University Medical College and Dr DY Patil Medical College Hospital and Research Centre.

There are no social enterprise courses taught at Higher Education institutions in Pune. Karve Institute of Social Service has an MSc in Social Works.

**Table 9.7. Higher Education and Social Enterprise**

TYPE	EXAMPLES
HE Institutions with a social enterprise course	None
HE institutions with other social enterprise activity	None
Entrepreneurship courses	Majority of colleges

E-cells and EDC's are present across colleges. There is a thrust in this direction due to AICTE/NBA mandate because of which they get higher ratings.

Skilling courses are offered by MSME, Maharashtra Centre For Entrepreneurship Development (MCED), Innovation and Entrepreneurship Development Centre (IEDC) and ITI. E-cells are present across colleges.

There was no evidence of social enterprise research being undertaken at the institutions in the region.



## 9.6. Communication and Collaboration

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Networks include TiE, BYST, StreeShakti (CII), Pune Open Coffee Club, Start-up Saturday, SME Joinup, Sparkpluggers, CSR Pune, NEN, MCCA and NASSCOM.

There are online portals such as Pune Startups, Pune Tech and Startup Jobs. The Practitioner Hub is an online hub for practitioners of inclusive business ventures to share experiences and grow. Some Pune-based enterprises have been active on the same.

POCC acts a place for collaboration between local and international participants on its web portal.



## 9.7. Role of Government (and other Enablers)

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### 9.7.1. Government Policy and Programmes

Pune does not have many specific benefits for social enterprise. The Maharashtra State Innovation Council has not made any particular changes for Pune. However, Pune, as a part of Maharashtra, comes under various government schemes and policies. These are targeted more towards trade and infrastructure rather than entrepreneurship development. However, enterprises in these sectors can access various subsidies provided, such as a 50% subsidy for participation in international trade fairs.<sup>6</sup>

**Table 9.8. State MSME and Entrepreneurship Policies<sup>7</sup>**

POLICY EXAMPLES
Industrial Policy Of Maharashtra 2013
Mumbai MSME DI- MSE-CDP Scheme
Maharashtra State Information Technology Policy 1998
Special Economic Zones In Maharashtra
Maharashtra Biotechnology Policy 2001
MSME Skill Development, Workshops, Marketing Assistance
Maharashtra State Khadi And Village Board Industries
Maharashtra Tourism Policy 2006
Maharashtra IT/ITES Policy-2009
State Biotech Policy 2001

### 9.7.2. Industry Bodies

TiE conducts many events; it has a NURTURE programme for short mentorship. Its members can access each other for mentorship. TiE also hosts a BPC which leads to international finals. It has recently started focussing on social entrepreneurship as per TiE Global's agreement with the Rockefeller Foundation. CII and FICCI focus on big industry more than startups.

### 9.7.3. CSR Initiatives

TEexamples of CSR initiatives include Kirloskar Pneumatic Company focusses on health, education, and eco camps. Volkswagen India took the initiative to recharge a water resource in Khed, Pune and Thermax works on education. Maven Systems focusses on supporting NGOs in the educational field. Clover Infotech has supported and donated to causes of healthcare, education of crippled children. Forbes Marshall supports initiatives in healthcare, education and women empowerment amongst others. Cummins India offers scholarships to economically disadvantaged students and focusses on other areas like environment and energy. Tata Motors has worked on skill development in Pune by partnering with a driving school. Cognizant Foundation, the CSR arms of Cognizant Technology Solutions had given aid to NGOs around Maharashtra. Others with CSR foundations include Persistent Systems, Infosys, Natarajan Education Society and Praj Industries.<sup>8</sup>



## 9.8. The Ecosystem: Connecting the Dots

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### 9.8.1. Ecosystem Summary

With a fairly developed entrepreneurial ecosystem, Pune offers support services, incubation, and mentorship, but mostly for the ICT space. Social enterprises can access incubation benefits if they are in a related space and support services because of the ecosystem at large. However, there is no hub outside of incubators to access support and it is done through personal connections, but there is no dearth of qualified professionals.

An engaging conversation has started around entrepreneurship with a variety of online and offline network platforms catering to startups. This is supplemented by efforts from colleges, many of which have received NEN support in developing their own incubation facilities.

Access to finance from investors is relatively easy in Pune; an added benefit is its close proximity to Mumbai. Bank finance is not as easy to access, which entrepreneurs say is no different than other parts of India.

With a strong civil society movement and a fast growing startup space, Pune as a city offers many possibilities in the creation of social enterprise and hybrids. Efforts to start specific platforms for social enterprise are slowly growing and will hopefully gain momentum soon.

## 9.8.2. SWOT

### STRENGTHS

Increasing interest in entrepreneurship from educational institutions

Incubation for ICT

Higher education hub

Vibrant startup space

Many startup networks and meetups

### WEAKNESSES

No specific networks for social enterprises

Low awareness of social enterprise

No government policy or programme for social enterprise

Work with higher education to spread awareness of social entrepreneurship

Work with existing local network platforms and support ecosystem in Mumbai to create local branches for support of different kinds

Government inaction

### OPPORTUNITIES

### THREATS



## Endnotes

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<sup>1</sup>Source: Directorate of Economics & Statistics of respective State Governments and Central Statistics Organisation

<sup>2</sup>Source: Census of India 2011: <http://censusindia.gov.in/>

<sup>3</sup>Source NSDC: <http://www.nsdcindia.org/knowledge-bank/index.aspx>

<sup>4</sup>Source: websites of respective investors and social enterprises; interviews with local stakeholders.

<sup>5</sup><http://www.punebds.com/theproject.asp>

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Lieut Colonel A.V. Paranjape, CASP  
Shekhar Potnis, CSR Pune  
Dr. Yogesh Kulkarni, Vigyan Ashram  
Rohit Nayak, EcoAd  
Mahesh Yagnaraman, First Energy, Oorja  
Ketan Deshpande, FUEL  
Santosh Gondhalekar, Gangotree  
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Chandrashekhar Kulkarni, MITCON TBI  
NK Joshi, Ashden Awardee  
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### 10.1. OVERVIEW

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Thiruvananthapuram

Thiruvananthapuram, is the capital of Kerala, a state which boasts of high human development in India. Entrepreneurship development is more region-centric than city-centric in Kerala, with Kochi and Thiruvananthapuram having two major incubators - Startup Village and Technopark TBI respectively. Startup Village is the first PPP Incubator in India, started as an agreement between MobMe, DST and Technopark, funded by DST for the initial years. Even TiE works on a regional basis with inter-city collaborative efforts on programmes and awareness creation.

The striking aspect of the ecosystem in Kerala is the amount of government effort put into entrepreneurship development. The Kerala State Entrepreneur Development Mission (KSEDM) has allocated work to various nodal

agencies to push the cause for entrepreneurship. Kerala Financial Corporation, Technopark and Startup Village are government aided/partner organisations that are prominent in the sphere. Kerala government is notably ahead in terms of women empowerment through its Kudumbasaree model, which is present in virtually every block.

Kerala has network platforms and interactions specific to the incubators that mostly work with ICT. There are not many platforms for civil society and enterprises in other sectors to interact on. Kerala Startups along with Creative Rebel are emerging platforms which seek to promote interaction between all kinds of enterprises as well as spread social awareness.

The social enterprise activity is very limited; comparatively there is more NGO related activity. With high human welfare conditions, many argue that social enterprise isn't as pertinent for this state as others in India. However, there are many innovative entrepreneurial ventures coming up due to support from incubators and government schemes.



## 10.2. LOCAL ECONOMY

Kerala's GDP in 2012-2013 was INR 3,152.06 billion (at current prices), or 3.33% of the national GDP.<sup>1</sup> State literacy rate is evidently high at 94%, with even female literacy at 92%. Thiruvananthapuram district has a population of 3.3 million and a literacy rate of 93%.<sup>2</sup>

Among higher education institutes, medical institutes constitute 40% of the share in number of seats.<sup>3</sup> Kerala has traditionally had many businesses developed in the agrarian sector and recently so in tourism, with the 'God's Own Country' campaign.

Thiruvananthapuram has many opportunities in the government and public sector, being the state capital city. IT is a new and growing sector, along with higher education and food processing in Thiruvananthapuram. Across Kerala, tourism is a growing sector.

In terms of future workforce demands, communication (18%), building & construction (17%) and banking & financing (17%) are sectors with maximum shares of incremental demand predicted in workforce, for 2012-2022.<sup>4</sup>



## 10.3. ENTREPRENEURSHIP

There are about 12,231 registered MSMEs in Thiruvananthapuram.

**TABLE 10.1. MSME Data**

	THIRUVANANTHAPURAM
No. MSME Registered (State)	1,444,000
No. of Employees in MSMEs (State)	3,320,000
No. MSME (District)	12,231
No. of Employees in MSMEs (District)	42,494
Investment in MSMEs (District) (INR)	25,239,305,000

Source: MSME District Industrial Profiles, Ministry of MSME, GOI.

Of the MSMEs units, 23% are agro-based, 11.4% ready-made garments & embroidery and 13.6% engineering units. The largest sector of MSMEs is the agro-based industry with 10% of employees, together with engineering units (10.7% of employees) and readymade garments (9.3%). Lastly, it is noteworthy that a large number of MSMEs are classified as 'other', including over 40% of units and 60% of employment and investment in MSMEs.

**TABLE 10.2. MSME Data, Largest Sectors**

	UNITS (%)	INVESTMENTS (%)	EMPLOYMENT (%)
Ready-made garments & embroidery	11.4	8.1	9.3
Agro-based	22.7	7.2	10
Engineering Units	13.6	8.4	10.7
Source: MSME District Industrial Profiles, Ministry of MSME, GOI.			

Thiruvananthapuram has NGOs that are both national and homegrown. National Institute of Speech and Hearing (NISH) is a government-aided institute that works with, children and young adults with speech and hearing impairments, with initiatives ranging from education to rehabilitation and medical help. NISH has been very successful and recently began to offer degree programmes. Further, there are a number of non-profit organisations run by faith-based groups, for example working in education and health.

People’s Company, is a new NGO started by students from College of Engineering Trivandrum. With aid from the Government of Kerala they formed the Hornbill initiative to help weavers in distribution and marketing. Make a Difference is another NGO, which is branded in a way that attracts young students. Interestingly, there is a move towards sustainability. Thanal, a trust, operates a food store, Organic Bazar, as a social enterprise. It is increasingly sustainable. Innovation Experience is a social enterprise which started out as a not-for-profit but is now a for profit social enterprise.

**TABLE 10.3. NGO Examples**

NAME	SECTOR	DESCRIPTION
NISH	Physically challenged	Rehabilitation of speech and hearing-impaired persons
MAD	Youth Empowerment	Empowers children living in orphanages and street
People’s Company	Handloom	Revive distribution and marketing for the downtrodden weaver community

Social entrepreneurs are very few in Thiruvananthapuram and focussed in sectors such as clean energy, sanitation, waste, ecotourism and organic waste. Possible reasons for the limited existence of social enterprises include the relatively high standard of living and public services together with effective NGOs, leaving a limited gap for social enterprises to provide goods and services, as well as a limited history of entrepreneurship in and around the district. Social entrepreneurs have expressed the need for conventional incubators to support their work differently, given their objectives.

**TABLE 10.4. Social Enterprise Examples**

NAME	SECTOR	DESCRIPTION
Innovation Experience	Clean energy, waste, ecotourism	Technological development, social impact
Thanal- Organic Bazar	Organic Food	Producers and consumers together for efficient exchange of organic food
Eram Scientific Solutions	Sanitation	Self-cleaning Electronic e- toilets which use minimum electricity and man power



## 10.4. SUPPORT

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Kochi and Thiruvananthapuram are the focal points in terms of providing startup support. However, these are organised in self-contained incubators. Non-financial and financial support is neither very easy to access nor is it organised for enterprises operating outside these kind of institutions.

### 10.4.1. Financial Support

There is not much knowledge about social enterprises and funding for the same. However, there have been several investments in startups, especially in the IT sector. Innovation Experience got angel investment from College of Engineering Trivandrum and UST Global, General Atlantic partners invested in IBS Software Services, while ENFIN in Technopark received funding from CIIE-A. Bill & Melinda Gates Foundation gave a grant to Eram Scientific Solutions (Reinvent the Toilet Challenge)

Conventional equity investments have not been available in the state. However, Startup Village is set to launch an angel fund in July 2014, and have tried to attract NRK remittances. The SEBI approved fund, will start with an initial capital of INR 1 billion to invest in early stage startups between INR 0.25 million to INR 25 million. Technopark gives seed funding assistance through NSTEDB, TDB schemes. Incubatees can also access DSIR, TePP and NABRAD Rural Innovation Funding. There are no VC's in the state, however, more than 30 entrepreneurs in Startup Village have managed to raise INR 170 million of seed funding from various sources.<sup>6</sup>

Access to finance is improving through debt mechanisms operated by Kerala Financial Corporation (KFC), nominated Nodal Agency for the KSEDM by the GoK. Under its soft loan scheme, entrepreneurs can apply as individuals/part of teams limited to INR 2 million. Enterprises that use innovative or state-of-the-art technologies get a special interest rebate of up to 3%. Until now, 1200+ entrepreneurs have been sanctioned loans representing 500+ micro and small enterprises, including service sector industrial enterprises. Some commercial banks like Canara Bank and State Bank of Travancore have also financed some units under the scheme.<sup>7</sup>

**TABLE 10.5. Financial Support**

FINANCIAL SUPPORT	EXAMPLES
Locally based investors and Angels	No state VC's and Angels. New angel fund started in Startup Village
Other Funds invested locally	N/A
Bank: ease of access to loans	Access through banking is still tough; Canara Bank & State Bank of Travancore used KFC scheme

### 10.4.2. Non-Financial Support

Existing incubators in the state include Startup Village, NRI-TBI, Central Institute of Fisheries Technology (CIFT), and Technopark TBI. Startup Village is action oriented and gives funding to prototypes. It is broadly based across mobile-internet segment. Upcoming Incubators in Kerala are Technopark TePP, Pushpagiri Medical College, Mar Athanasios College for Advanced Studies and CUSAT.

Apart from non-financial support in incubators, there are no hubs for accessing support services; it is mostly done through financial connections. Enterprises have said that it is relatively easier to hire low-level management as opposed to mid and senior level.

**TABLE 10.6. Non-Financial Support**

NON-FINANCIAL SUPPORT	EXAMPLES
Incubators/Accelerators	Technopark-TBI, Startup Village, NRI-TBI, Central Institute of Fisheries Technology (CIFT)
Support Services & Mentoring	CII Young Indians, no organised networks outside incubators
Business Plan Competitions	None notable

Technopark, India's first electronic tech park hosts a variety of institutions ranging from an MSME incubator to National Centre for Innovation, Incubation and Entrepreneurship. It started with 100% GoK equity investment, and began incubation in 2002 before becoming a TBI in 2008. Technopark has a network of more than 320 homegrown and international companies in its campus. Its incubatees can access mentorship from individuals within the campus, support service at reduced rates and shared office space at nominal charges. It also has facilities like software certification, project facilitation for students and financial knowledge mentoring for incubates. It has also created virtual incubation centres across colleges and has programmes like the Technopreneur series and I am an Entrepreneur campaign, which seek to create IEDC's in colleges and entrepreneurial bent of mind in students respectively. In addition, the Kerala Industrial Infrastructure Development Corporation (KINFRA), has set up a number of sector-based industrial parks to enable entrepreneurship and MSME activity.



## 10.5. SKILLS AND RESEARCH

According to NSDC data, Thiruvananthapuram has nearly 100 educational institutions with 24 engineering, 34 arts, science and commerce, 14 management and 24 medical, pharmaceutical and paramedical colleges. Rajiv Gandhi Institute of Bio-technology is in the process of setting up a biotechnology incubator, Mar Baselius College of Engineering runs an entrepreneurial program supported by MIT. Sri Chitra Thirunal College of Engineering, Mohandas College of Engineering and College of Engineering Trivandrum have in-campus incubators.

**TABLE 10.7. Higher Education Institutions**

MANAGEMENT/DESIGN/ SOCIAL WORK	ENGINEERING	AGRICULTURAL	MEDICAL/PHARMA
<ul style="list-style-type: none"> <li>•Institute of Management in Kerala</li> <li>•Centre for Development Studies</li> <li>•Centre for Management Development                             <ul style="list-style-type: none"> <li>•Institute of Hotel Management And Catering Technology</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>•PRS College of Engineering &amp; Technology (PRSCET)</li> <li>•College of Engineering Trivandrum(CET)</li> <li>•Government Engineering College</li> <li>•LBS Institute of Technology for Women                             <ul style="list-style-type: none"> <li>•Mohandas College of Engineering and Technology</li> </ul> </li> <li>•Sree Chitra Thirunal College of Engineering</li> <li>•Indian Institute of Space Science and Technology</li> <li>•Mar Baselius College of Engineering</li> </ul>	<ul style="list-style-type: none"> <li>•College of Agriculture                             <ul style="list-style-type: none"> <li>•Vellayani</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>•Trivandrum Medical College                             <ul style="list-style-type: none"> <li>•Shri Chithra Thirunal Institute of Medical Sciences</li> </ul> </li> </ul>

The National Centre for Incubation Innovation (NCIIE) in association with Entrepreneurship Development Institute of India (EDII) and Department of Science and Technology (DST), Government of India is conducting Faculty Development and Training Programmes for the Technical Institutions. The FDPs are conducted on a periodical basis either in house (in the college premises) or residential (in Technopark).

There are some skilling courses by EDII, Kerala State Industrial Training Department and MSME. Lastly, Kanthari. runs a social enterprise programme attracting participants from across the world.

**TABLE 10.8. Higher Education and Social Enterprise**

TYPE	EXAMPLE
HE Institutions with a social enterprise course	None
HE institutions with other social enterprise activity	None
Entrepreneurship courses	Basic curriculum, no particular initiative

There was no evidence of social enterprise research being undertaken at the institutions in the region. In terms of vocational training, NISH was started in 1997 as an institute for deaf children. In 2002, it branched into software development for students post Class 12. It also offers degree programmes in computer science and finance for students as well as capacity for professionals who work with the deaf.



## 10.6. COMMUNICATION AND COLLABORATION

Thiruvananthapuram does not have many network platforms dedicated to social enterprises, the ones that exist are for conventional enterprises. GTech is an entrepreneurial networking group based in Technopark TBI. Kerala Startups is a group that started on Facebook. It has now become more formal with three chapters in Thiruvananthapuram, Kochi, and Calicut. They have semi-formal meetings every two months.

In Thiruvananthapuram main startup activity revolves around Technopark. Additionally, CII-YI is fairly active for conventional enterprises. Creative Rebel is a programme started by students from College of Engineering Trivandrum and was funded by Government of Kerala- KDK, KSIDC. Apart from this initiative, there are not many student platforms.

Institute of Electrical and Electronics Engineers (IEEE), is an organisation that works on promoting humanitarian technologies and also encourages students indulging in such research. They held a Humanitarian Tech Conference in 2009 where they issued a Trivandrum Declaration on Humanitarian Technologies. Special Interest Group on Humanitarian Technology (SIGHT) is an IEEE venture that is strong in Thiruvananthapuram, which some engineering colleges have shown interest in. It has plans to engage in more outreach- it generally works with colleges that have IEEE chapters. Its Communication Society, held a competition for technology with mass utility and production capabilities.



## 10.7. ROLE OF GOVERNMENT (AND OTHER ENABLERS)

### 10.7.1. Government Policy and Programmes

Manufacturing is limited in Kerala. Kerala does not have any specific social enterprise policies or programmes in place, nor does the State Innovation Council appear to be very active at present. However, the State is active in supporting startups and entrepreneurship, as is evident by the fact that by the work done by its nodal agencies. One such agency is the Kerala Industrial Infrastructure Development Corporation (KINFRA), which invests in infrastructure, such as sector-based industrial parks, to enable entrepreneurship.<sup>8</sup> The state government's initiatives include:<sup>9</sup>

- Student Entrepreneurship Policy and Startup Tool Box scheme by Govt. Of Kerala
- INR 500 billion set aside for helping startups by Kerala govt.
- Kerala State Entrepreneur Development Mission (KSEDM) to inculcate entrepreneurship
- National Institute of Speech and Hearing (NISH), Kerala State Social Welfare Dep.
- Kinfra Film and Video Park (Infotainment Park, SEZ)
- Hornbill-Initiative between People's Company and Govt. Of Kerala
- Kerala Institute of Entrepreneurship Development
- KFC soft loan scheme
- KIDC gives INR 150 million for forming a cluster of a kind

**TABLE 10.9 State MSME and Entrepreneurship Policies<sup>10</sup>**

POLICY EXAMPLES
KSIDC Project Lending, Single Window Clearance, Equipment Purchase Loan
DIC Virtual Trading Centre
Kerala Sustainable Urban Development Project
Industrial and Commercial Policy 2011 ( check)
Kerala State Entrepreneur Development Mission (KSEDM)
Student Entrepreneurship Policy and Startup Tool Box scheme
IT Policy 2012

### 10.7.2. Industry Bodies

There are no other non-governmental enablers such as development finance institutions active in social enterprise in Kerala. TiE chapters work in collaboration across Kerala.

### 10.7.3. CSR Initiatives

Infosys has had a notebook distribution drive in 2009. UST Global has partnered with many NGOs like Abhaya, Athani, which work with women and children. English Indian Clay Ltd. has rainwater harvesting initiatives. HLL Lifecare Ltd. has many health-based interventions like improvement in sanitation, adolescent health. SunTec, a Thiruvananthapuram based group contributed to the Uttarakhand National Disaster. Terumo Penpol, as a part of its CSR, supports and conducts blood donation camps.<sup>11</sup>



## 10.8. THE ECOSYSTEM: CONNECTING THE DOTS

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### 10.8.1. Ecosystem Summary

Given the number of initiatives by the government to develop the startup ecosystem and high rates of literacy, there is a high potential for social entrepreneurship to develop here. Although, there is a substantial amount of NGO as well as entrepreneurship activity here, the focus is yet to be broadened to include social entrepreneurship.

The various stakeholders developing the ecosystem for entrepreneurs seem to be working in collaboration with each other on need basis. KFC, for instance, has no formal partners in the scheme but has taken the cooperation of all agencies managing incubation facilities like Technopark, Thiruvananthapuram and Startup Village, Kochi. Technopark together with the work of KINDRA, have been able to stimulate entrepreneurship and startups in the district.

With a population that is highly educate and aware of, and engaged in, social issues, there is potential for social enterprise to develop over the next few years.

## 10.8.1. SWOT

### STRENGTHS

Government focus on entrepreneurship and support  
Existing and upcoming incubators  
High literacy rate  
Well working civil society organisations  
Good education institutions

### WEAKNESSES

No specific networks for social enterprises  
Low awareness of social entrepreneurship

Expand entrepreneurship interest at colleges into social entrepreneurship  
Work with government to make social entrepreneurship a priority  
Technopark, Startup Village and TiE can broaden the remit to also work with social enterprises  
Remittances as a potential sources of financial investment

Lack of emphasis on social entrepreneurship in existing support system

### OPPORTUNITIES

### THREATS



## Endnotes

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<sup>1</sup>Source: Directorate of Economics & Statistics of respective State Governments and Central Statistics Organisation

<sup>2</sup>Source: Census of India 2011: <http://censusindia.gov.in/>

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<sup>5</sup>Based on interviews.

<sup>6</sup>Source: websites of respective investors and social enterprises; interviews with local stakeholders..

<sup>7</sup>Sources: interviews with local stakeholders.

<sup>8</sup>For more: <http://kinfra.org/>

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## Appendix: Interviews and Sources

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### Interviews

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Sanid MTP, Creative Rebel  
Ayyappan Asokan, Enfin  
Eram Scientific Solutions  
Sasi Pilacheri Meethal, IEEE  
Alexie Levene, Innovation Experience  
Jery Althaf, 3d printing  
Paul Kronenberg, Kanthari  
Robin Panicker, Kerala Startups  
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# CONCLUDING REMARKS

This report has outlined a number of indicators for nine regional social enterprise ecosystems across India. We have done this in order to improve our understanding of the regional variation in enabling environments and characteristics, including local strengths, weaknesses and gaps. As a lean first attempt at mapping regional indicators, many of the insights may not be new to local stakeholders. Our application of a common framework across regions, however, ideally highlights new information for all and provides greater insight into comparative strengths, weaknesses, and opportunities across regions.

Before discussing some gaps and ways to move forward, we recapitulate the key insights from this pilot study, which include:

### **Entrepreneurship: Emerging Startup Scenes Across India**

Pune is an obvious example, however, further afield, cities such as Lucknow, Bhubaneswar, Jaipur and Trivandrum are all reporting emerging startup scenes. Regions with active startup environments and active civil society also tend to see more social enterprise activity than other regions.

### **Financial and Non-Financial Support is Limited Outside India's Metros**

Support for social enterprises, and startups more generally, is very limited outside of India's major metros. However, support based in other cities is beginning to emerge. The two regions with the best access to incubation and mentoring services are Jaipur and Pune.

### **Higher Education: Plenty of Entrepreneurship Courses but Limited Social Enterprise Activity**

Across the regions, colleges are now incorporating entrepreneurship courses into curricula, and setting up e-cells. Universities particularly active in teaching social entrepreneurship in the nine regions include ISB-Mohali in Chandigarh, XIMB in Bhubaneswar and TISS in Guwahati. Additionally, IIM-Lucknow and IIFM in Bhopal undertake social enterprise related activities. However, research on social enterprise is very limited among universities in the regions studied, with XIMB in Bhubaneswar an exception.

### **Networks Are Local and Startup Focussed**

There are no national social enterprise networks active at a local level across India, but many regions have seen entrepreneurs starting their own networks, primarily for conventional startups, that social enterprises join too. In addition, startup networks such as TiE is used by conventional and social startups.

### **Government Policy is Limited but Increasingly Enabling Startups**

There is limited investment in social enterprise ecosystems and impact investment at a state level with the exception of two regions: Jaipur and Patna. In Patna, the Bihar Innovation Forum runs an annual business plan competitions for social enterprises. In Rajasthan, meanwhile, the state government, through RIICO, has invested in incubator Startup Oasis. Meanwhile, governments in Trivandrum and Bhubaneswar are investing in the conventional startup ecosystem through investment programmes and incubators.

## Context Matters

The report highlights that the needs are somewhat different across different regions. Location also matters - regions close to major metros which provide both a range of support, as well as potential markets, which entrepreneurs can rely on, which means that the local ecosystem can in a sense 'piggy-back' on bigger nearby ecosystems. Other regions are relatively more isolated and must build their own ecosystems, or find ways to link to more mature ecosystems in spite of great geographical distances.



Based on this report, it is evident that there is limited existing research on social enterprise and startup ecosystems outside of the main metros. There are therefore major opportunities to both broaden and deepen this study. Broaden would for example mean covering a larger number of regions than this very lean first attempt could do, perhaps in particular mapping ecosystems in low-income states to improve our understanding of how funding for startups and social enterprise can be most effectively be used.

The study can be deepened in many ways. One concern confirmed in this study, for example, is the lack of knowledge about startup activities outside of the major metros. We are seeing small emerging startup bubbles especially in the ICT sector, across a number of regions. However, there is no readily available information about these emerging entrepreneurs, or to them, about the kind of support accessible, about the kind of support entrepreneurs need, or the ways to build their businesses. Furthermore, it appears that there is a rapid growth in the number of incubators (and to a lesser extent accelerators) across the country's higher education institutions. However, these incubators often lack the support and expertise to establish best practice support for startups, whether social or not. There is a major opportunity for the future to learn more about these entrepreneurs and the best ways to incubate and accelerate startups, using existing facilities and institutions such as the higher education institutions.

Delving deeper into a specific region, and/or part of the ecosystem, such as the skills and education sector, requires larger research efforts, both quantitatively through surveys, and qualitatively by interviewing a larger number of stakeholders in the ecosystem.

Likewise, this research covered nine regions in India, and there is ample potential for replicating this study, while possibly adding dimensions to deepen the study, across many more regions in India.

Further, studying existing ecosystem stakeholders in more detail may throw up new lessons on best practice. Improving our understanding of how stakeholders network, collaborate and communicate will in turn help us understand how best to encourage collaboration, hopefully enabling innovation among startups. We may also want to consider the role of culture and how to more effectively break cultural barriers to entrepreneurship, especially to encourage entrepreneurship among the young, who are likely to face increasing competition for placements upon finishing university and vocational courses alike.

Likewise, while there is often a focus on entrepreneurship and on MSMEs, we need to emphasise the importance of innovation in successful MSMEs and startups. It is the innovating social entrepreneur, startup or MSME that is most likely to succeed in creating a new market and increasing growth, by

being able to change, and adapt to changes, challenges and new conditions. What, then, distinguishes innovating startups and MSMEs from non-innovating enterprises in these regions and how can finance and support be more effectively channelled to encourage and enable innovation?

Lastly, further focus on local strengths in business and industry and the extent to which local higher education and vocational training courses align with them would provide insights on how well industry and academia collaborate. We know that many universities and colleges now offer entrepreneurship courses. However, to what extent do these courses provide students with skills and support to start a business or work in a startup? Further, do industry, or industry bodies work with academic institutions to provide the sort of skilled manpower that is locally needed, and conversely, are higher education institutions open to working with industry, not only to place graduates, but to actively improve and align course content with needs of local industry?

This is an exciting time for social enterprises and startups across India because of the increased startup activity, increased focus on entrepreneurship and innovation more generally, and a government push for startup support across India, and away from the metros. As a next step, we will explore further regions, as well as go deeper into some of the regions we have already looked at in this report.



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