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60% ventures shut shop, 53% sprouted: GEM report

Parth Shastri
@timesgroup.com

Ahmedabad: The year 2020 was challenging for the businesses – but Global Entrepreneurship Monitor (GEM) report for 2020-21 highlighted that how Covid-19 changed the entire landscape for Indian entrepreneurs. For the start, the report said that about 60% of the respondents said that they knew someone who had shut their business during the period. But the silver lining is, 53% also said that they knew someone who had started afresh, giving only 7% dip in net ventures. Dr Sunil Shukla, director gene-

COVID IMPACT

ral of EDII and lead author of the report for India, said that the report encompassing 47 countries has both hits and misses.

“The overall sentiments – right from starting a new venture to nascent firms keeping afloat – went south. The reason was primarily fear induced by the lockdown. But it was also the time of quicker thinking and finding opportunities – many either pivoted their existing practices or found a new opportunity to cater to the emerging market,” he said, adding that the ventures looked inward and targeted local markets when international demand dried up.

The report, launched recently by Union minister Narayan Rane, also delved upon issues of gender factor, perceived opportunities, government support and household income. Amit Kumar Dwivedi, associate professor at EDII and co-author of

KEY FINDINGS

Adult Population Survey (APS) and National Expert Survey (NES)

82% of the surveyed said that there is a good opportunity to start a business

3rd rank for India in perceived opportunities among 47 countries

20.3% entrepreneurial intentions among those surveyed, down from 33.3% recorded in 2019-20

5.3% early-stage entrepreneurial activity compared to 15% in 2019-20

79% fall in women entrepreneurs in a year due to pandemic compared to 53% among men

5.9% of youths said that they were engaged in established business, down from 11.9% in 2019-20



44% of youths said that the pandemic has harmed their household income

10th rank for India among 47 countries in weathering challenges of the pandemic

6.4 score out of 10 for India in access to entrepreneurial finance, highest among countries

5.7 score out of 10 for India in government policy, 6th highest among countries

Impact of pandemic on entrepreneurial activities in India

Head	2019-20	2020-21	Diff. (-)
Nascent entrepreneurship rate (0-6 years)	9	3	66%
New entrepreneurship rate (up to 42 months)	6	2	61%
Total entrepreneurship activities	15	5	64%
Total entrepreneurship activities (male)	17	8	54%
Total entrepreneurship activities (female)	13	3	79%
Established business rate (more than 3.5 yrs)	12	6	51%

the report, said that compared to men, women entrepreneurs were hit harder. “Compared to 53% drop in activities for men, it was 79% if we compare the results of 2019-20 and 2020-21 survey. Moreover, compared to 35% who said that they intend to start up in next three years, the number dipped to 22% this time,” he said,

Pankaj Bharti, assistant professor at EDII and co-aut-

hor of the report, said that there are glimmers of hope, though. “The pandemic taught entrepreneurs to think fast, mobilize their resources to profitable and sustainable ventures and also look at various avenues to fund their dreams. The number of youths who felt that they possess the skills for a venture has kept increasing, this time reaching 82%,” he said.