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 general 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 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 23% this time,” he said.

Pankaj Bharti, assistant professor at EDII and co-author 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.