10

Contemporary Entrepreneurial Framework Conditions in India

Chapter – 10

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10.1 Introduction

The GEM assesses the entrepreneurial context of economies worldwide through the Entrepreneurship Framework Conditions (EFCs). These key indicators, derived from over 25 years of GEM research and expertise, evaluate the environment that fosters or hinders entrepreneurship. The EFCs comprise nine major factors (as illustrated in Figure 10.1) that influence entrepreneurial opportunities, capacity and preferences. As these dimensions vary across regions and economies, contextual analysis is essential. Notably, many EFCs are directly influenced by government policies and priorities, reflecting their impact on entrepreneurship development. These dimensions are:

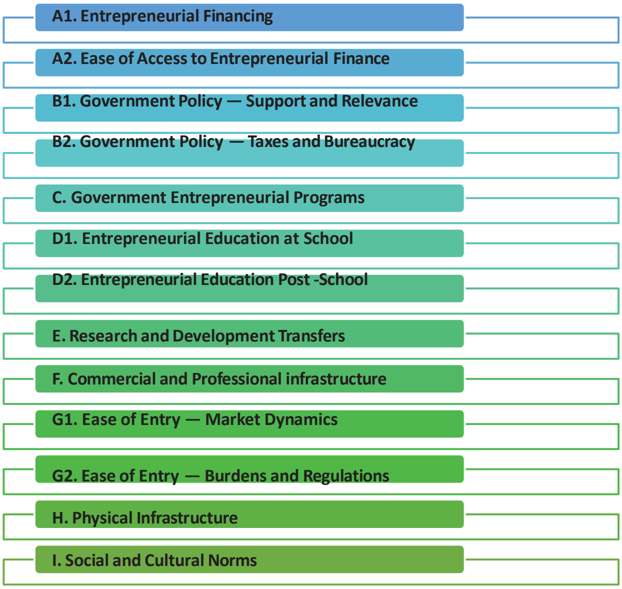

Figure 10.1 Entrepreneurial framework conditions

Source: *GEM India Survey 2024–25*

S. Shukla et al., *Global Entrepreneurship Monitor*,
https://doi.org/10.2991/978-94-6239-735-4_10

The GEM assesses EFCs by surveying national experts' perceptual judgements. In India, this survey is conducted among at least 72 experts, carefully selected and approved by the GEM India Team. Each expert evaluates several statements comprising the Framework Conditions using an 11-point Likert scale (0-10). They assess the truthfulness of each statement, ranging from "completely false" (0) to "neither true nor false" (5) to "completely true" (10).

10.2 Entrepreneurial Framework Conditions (EFCs) in India

The 2024–25 GEM study includes various Entrepreneurial Framework Conditions that help to understand the entrepreneurial ecosystem's condition of the country. The conditions of the Indian entrepreneurial framework are split into different classifications for a thorough examination. This creates a comprehensive list of eighteen factors, namely: (1) sufficiency of financing for entrepreneurs, (2) easiness of getting financing for entrepreneurs, (3) government concrete policies: support and relevance, (4) Government policies: taxes and bureaucracy, (5) Government entrepreneurial programs, (6) Entrepreneurial education at school level, (7) Entrepreneurial education at post-school level, (8) Research and Development transfers, (9) Commercial and Professional infrastructure access, (10) Ease of entry – market dynamics, (11) Ease of entry – burdens and regulations, (12) Physical infrastructures, (13) Cultural and social norms, (14) Women entrepreneurship and (15) Actions supporting the United Nations Sustainable Development Goals (SDGs).

The Entrepreneurial Framework Conditions (EFCs) in India are assessed on a scale of 0 to 10, where a midpoint score of 5.0 signifies adequacy. Figure 10.2 illustrates that national experts have evaluated all EFCs in India as excellent or superior, indicating a conducive environment for new and expanding enterprises in the nation.

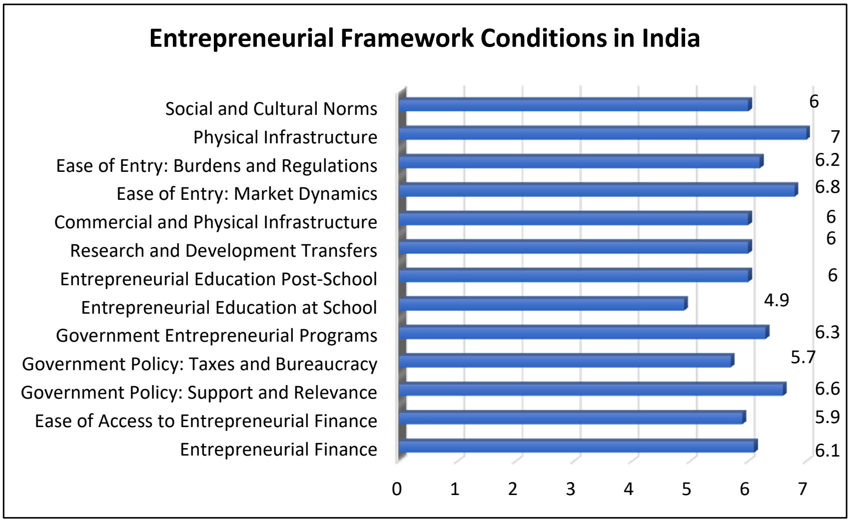

Figure 10.2 Entrepreneurial framework conditions in India

Source: *GEM India Survey 2024-25*

10.3 Entrepreneurship Framework Conditions: Comparison of Global Average

The average EFCs in India exceed the global average across all parameters. India has demonstrated proficiency in financial sufficiency, accessibility of finance, governmental policies, governmental programs, entrepreneurial education throughout primary, secondary and university levels, as well as in the transfer of research and development. The nation is implementing additional components to strengthen the entrepreneurship ecosystem. Access to general physical infrastructure and services, along with internal market dynamics represents the most advanced conditions in India.

Only three EFCs were rated as adequate or superior in all 13 low-income economies. As shown in Figure 10.3, in India, all EFCs received ratings of adequate or sufficient and demonstrates that India's score surpassed that of all participating low-income economies in 13 EFCs.

FIGURE 10.3 Entrepreneurial framework conditions in India and Group C average

Source: *GEM India Survey 2024-25*

10.4 Entrepreneurship Financing in India: Financial Environment

Entrepreneurship financing refers to an entrepreneurial framework condition that includes the availability of financial resources to strengthen the country's entrepreneurial ecosystem on an annual basis. This comprises various funding sources, including micro-funding, IPO funding, venture capital funding, professional business angel funding, informal investor funding, debt funding, equity funding, and government subsidies for new and growing firms. From Figure 10.4 below, it has been found that the availability of government subsidy funding is the primary source of financial resources among the new entrepreneurs, indicating the effective implementation of Government initiatives to strengthen the entrepreneurial ecosystem in the country, compared to the previous year.

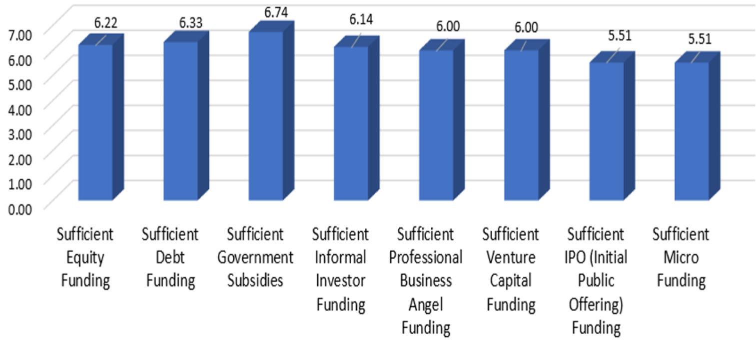

FIGURE 10.4 Financial environment

Source: *GEM India Survey 2024–25*

10.5 Easiness to Get Financing for Entrepreneurs

Ease of getting financing for entrepreneurs refers to the component of securing sufficient seed capital to cover start-up and early-stage expenses, thereby enhancing their business growth and innovation. According to Figure 10.5 below, experts have rated access to finance through investors, including both formal and informal sources, as seed capital, debt funding, and other monetary support services, as highly desirable. This indicates the ease of obtaining finances for budding entrepreneurs from various funding sources in the country to start new businesses.

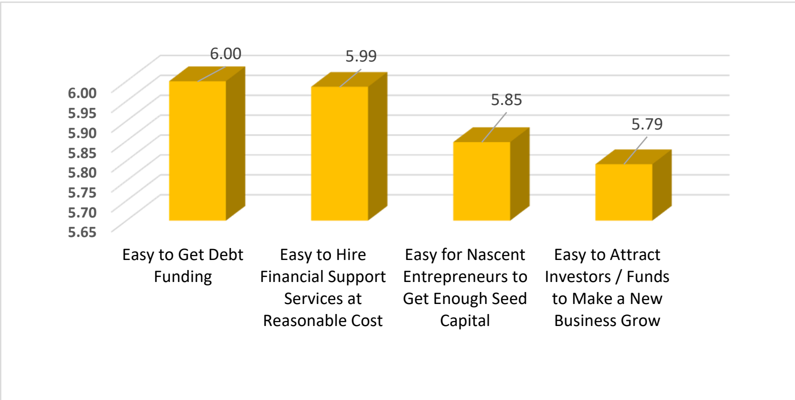

FIGURE 10.5 Easiness to get financing for entrepreneurs

Source: *GEM India Survey 2024–25*

10.6 Government Policy — Support and Relevance in India

Government policies, including support and relevance, refer to the initiatives undertaken by the government to promote economic growth and entrepreneurship within the country. This dimension is evaluated through three indicators. From Figure 10.6 below, it is evident that support for new businesses is a high-priority area for new and growing firms at the national level compared to the local level. Specific government policies, including public procurement, legislation, regulation, licensing, and taxation, favor new and growing firms, indicating the Central Government's efforts to promote entrepreneurship in the country.

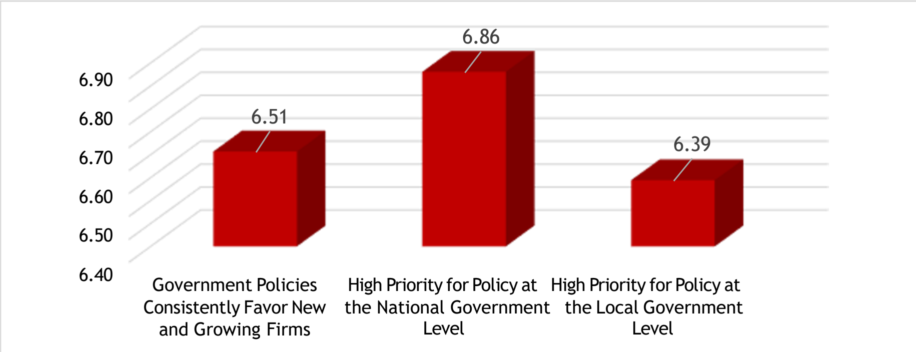

FIGURE 10.6 Government Policy: Support and Relevance in India

Source: *GEM India Survey 2024–25*

10.7 Government Policy — Taxes and Bureaucracy in India

Government Policy – Taxes and Bureaucracy in India refers to the rules and processes for imposing taxes and regulating the public finance needed to support new and growing firms. This dimension is evaluated through five indicators as shown in Figure 10.7. From Figure 10.7 below, it is evident that the Government has made significant efforts to simplify the registration process for new firms, thereby facilitating businesses at a lower cost. However, there remains scope for improvement in liberalizing policies related to taxation and bureaucracy to strengthen investment and expansion among new and growing business firms.

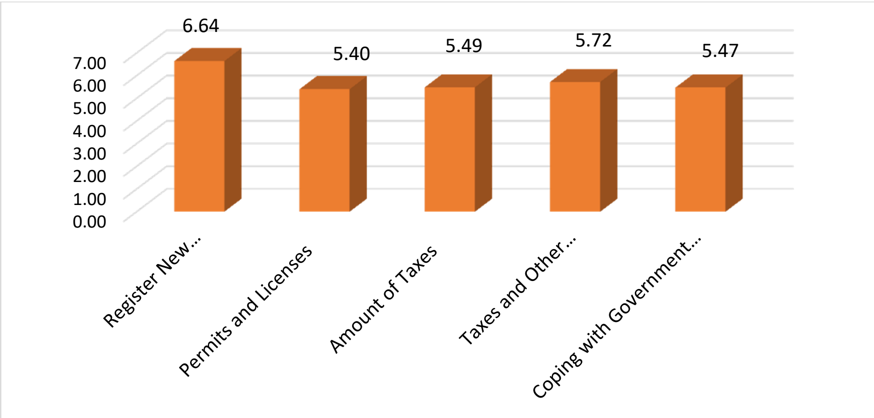

Figure 10.7 Government policy—taxes and bureaucracy

Source: *GEM India Survey 2024-25*

10.8 Government Entrepreneurial Programs in India

Government Entrepreneurial Programs refer to the systematic policies implemented by the Government to equip aspiring entrepreneurs with the skills, knowledge and resources to initiate new ventures thereby strengthening the entrepreneurial environment in the country. Various entrepreneurial programs, including support from government agencies, science parks, and business incubators, have been initiated by the Government. From Figure 10.8 below, it has been found that the effectiveness of government programs in terms of providing relevant skills and accessibility to entrepreneurs in initiating new ventures is inadequate compared to other indicators in this dimension. Indicators such as the availability of business incubators and the number of government programs to support new and growing firms are highly rated by experts.

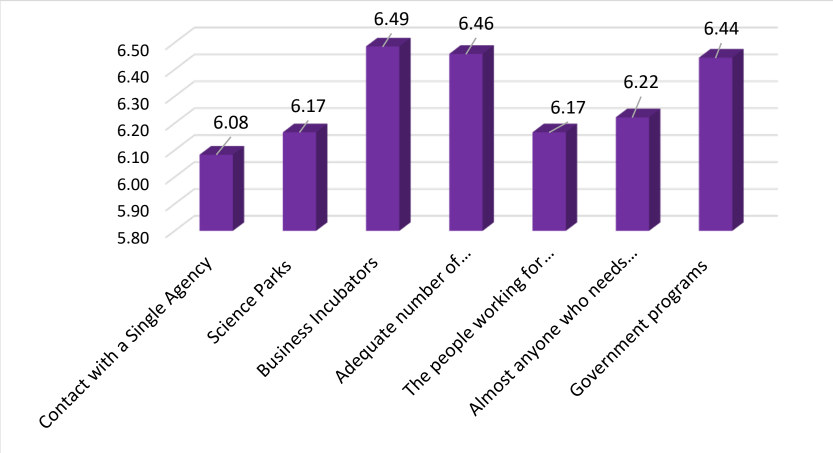

FIGURE 10.8 Government entrepreneurial programs

Source: *GEM India Survey 2024–25*

10.9 Education – Primary and Secondary

Entrepreneurship education plays a vital role in shaping entrepreneurial aspirations and intentions among students in the country. This dimension is divided into two categories of entrepreneurship education: the first is education at the school level (primary and secondary), while the second is on the post-school level (vocational centres, colleges, and business schools).

For entrepreneurship education at the primary and secondary levels, experts rate the role of primary and secondary education high in encouraging creativity, self-sufficiency, and personal initiative, compared to their roles in providing adequate instruction in market economic principles and entrepreneurship, as well as new firm creation, as shown in Figure 10.9 below. This score was rated lower by national experts compared to last year, suggesting the scope of improvement in the current practices of shaping entrepreneurial tendencies among students.

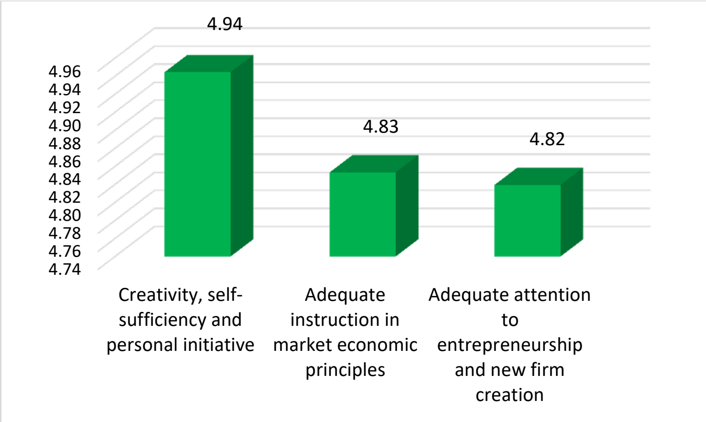

FIGURE 10.9 Education – Primary and Secondary

Source: *GEM India Survey 2024–25*

While experts rate the role of vocational centres and colleges in providing adequate preparation for starting up and growing new firms at the post-secondary level as high, they rate business schools in the country lower, as shown in Figure 10.10. This highlights the impact of the concerted efforts of the Indian Government to strengthen the entrepreneurial tendencies and awareness among the students.

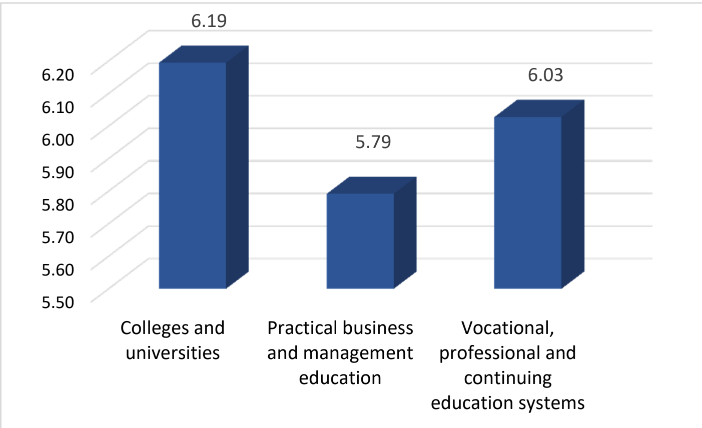

FIGURE 10.10 Education – Post Secondary Level

Source: *GEM India Survey 2024–25*

10.11 Research and Development Transfers in India

Research and Development Transfer refers to the process of converting knowledge and innovations into commercial opportunities for businesses to flourish and expand the growth of their ventures. This dimension is measured using six indicators as presented above in Figure 10.11. Findings indicate substantial support for creating world-class, technology-based ventures in the country. There also exists a significant role for government subsidies in enabling new business ventures to acquire new technologies and plan their business profiles and models. Encouragingly, all indicators received higher ratings, indicating growth and development.

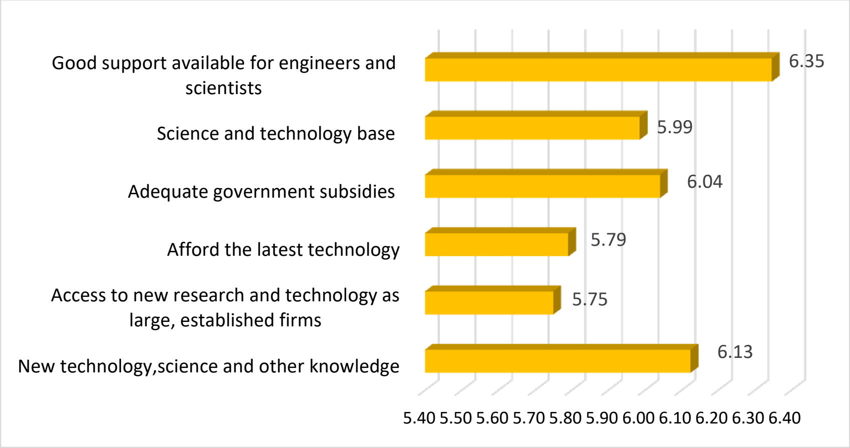

Figure 10.11 Research and development transfers

Source: *GEM India Survey 2024–25*

10.12 Commercial and Professional Infrastructure in India

The commercial and professional infrastructure refers to the services that enable businesses to support themselves using various physical and digital environments, as well as other essential services, to facilitate smooth operations and promote business growth and expansion. This dimension is evaluated using six indicators by the experts, as depicted in Figure 10.12 below. Findings indicate that the provision of cloud computing services, banking services (including checking/transaction accounts, foreign exchange transactions, and letters of credit), and the availability of subcontractors, suppliers, and consultants are instrumental in supporting new and growing ventures to thrive in their businesses.

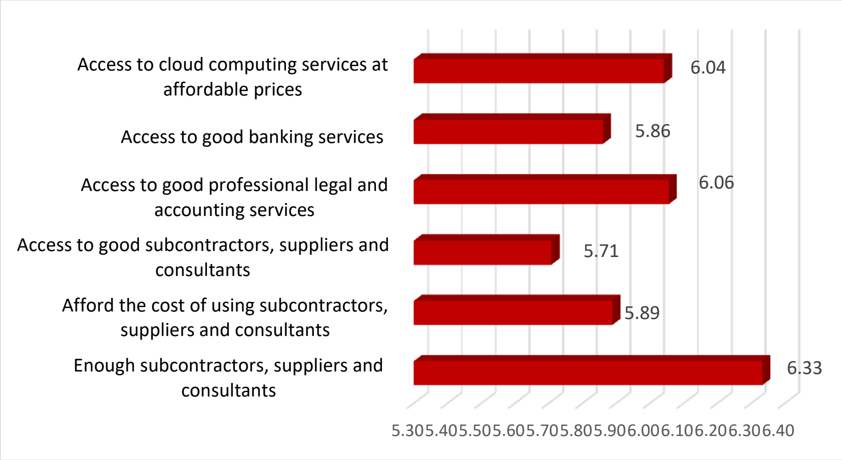

Figure 10.12 Commercial and professional infrastructure

Source: *GEM India Survey 2024–25*

10.13 Ease of Entry — Market Dynamics in India

The ease of entry dimension refers to the regulatory environment facilitating the smooth operation of business ventures in India. It is bifurcated into its two major components – Market Dynamics and Burdens and Regulations. Market dynamics refer to the various driving forces including government policies, technological advancements and consumer behavior that shape the entrepreneurial ecosystem within a country. As observed in Figure 10.13 below, experts rated both dimensions of market dynamics highly, assessing the degree of market change specifically in markets for consumer goods and services as well as in markets for business-to-business goods and services. This change in both components of market dynamics represents a significant impact in encouraging an innovative and competitive entrepreneurial landscape in the country, while also attracting the higher investment needed to achieve sustainable growth in business ventures.

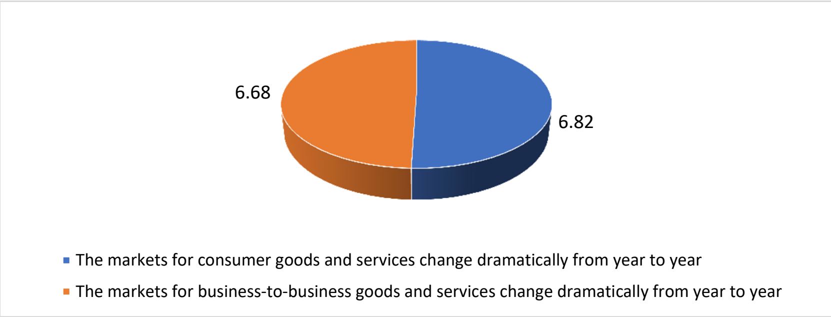

Figure 10.13 Ease of entry—Market dynamics

Source: *GEM India Survey 2024–25*

10.14 Ease of Entry — Burdens and Regulations in India

Market burdens and regulations, the second component of the ease of entry dimension indicate the structural difficulties that impact the entry and growth of new enterprises in the country. This component is evaluated by experts through four indicators, as presented in Figure 10.14 below. The findings indicate that India performs well in helping new and growing firms easily enter new markets with less regulatory burdens and streamlined business compliance processes. At the same time, there is scope for improvement in making anti-trust legislation more effective and efficient in facilitating the entry of new and growing firms into the market. It has been further found that new and growing firms face obstacles, including being unfairly blocked by established businesses that require more attention to implement policies and provisions that help them grow and enter the market.

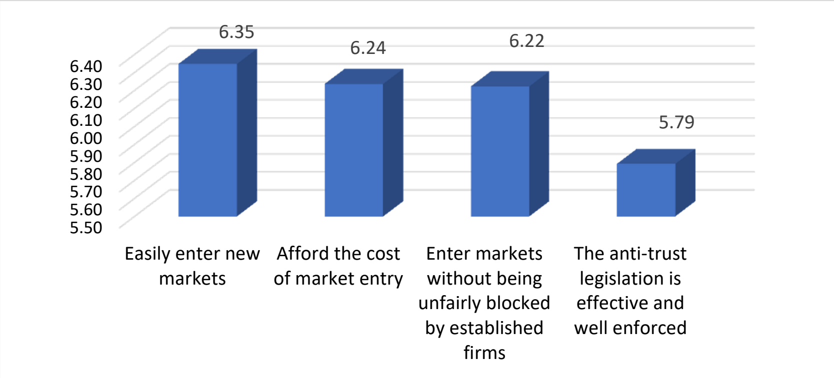

FIGURE 10.14 Ease of entry—Burdens and Regulations in India

Source: *GEM India Survey 2024–25*

10.15 Physical Infrastructure in India

Physical infrastructure refers to the tangible structures and essential services that entrepreneurs need to function effectively in their day-to-day business activities. This framework condition assesses the ease of access to physical resources by entrepreneurs including physical spaces, various utilities, access to communication facilities and physical infrastructure. From Figure 10.15 below, it has been found that India scores high on all the indicators of physical infrastructure condition, with the highest score on the factor of access to communication (telephone, internet), followed by access to utilities (gas, water, electricity, and sewer), along with smooth road transportation. These factors underscore the importance of an efficient operating environment for business growth, sustainability, innovation, and investments that support entrepreneurial growth in the country.

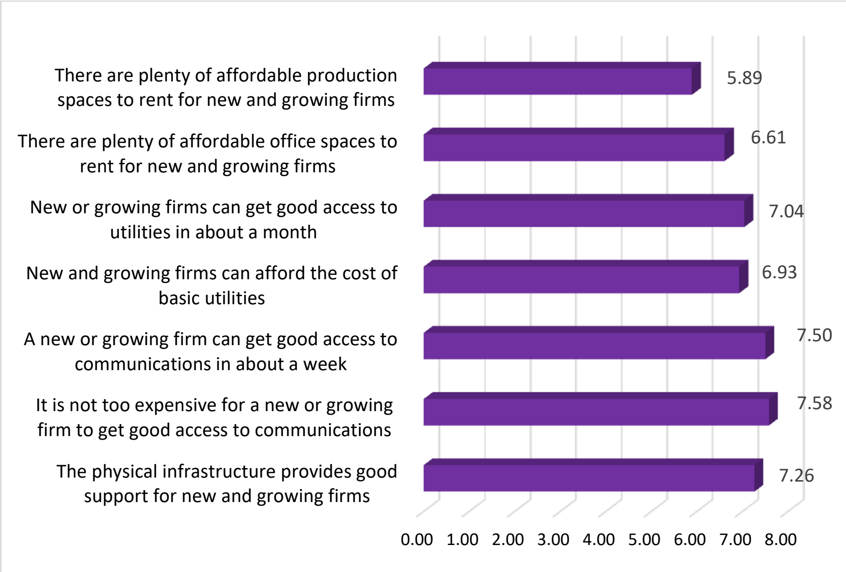

Figure 10.15 Physical infrastructure

Source: *GEM India Survey 2024–25*

10.16 Cultural, Social Norms, and Society Support in India

The cultural, social norms and societal support framework in India refers to the various cultural and societal practices that shape the fundamental entrepreneurial competencies, fostering risk- taking, creativity, innovation in business methodologies and the creation of personal wealth among individuals. The analysis of this framework condition is conducted through five indicators, including success achieved through personal efforts, self-sufficiency, autonomy, personal initiative, risk-taking, creativity, and innovativeness. From Figure 10.16, it has been found that India scores high on all the indicators of this condition, with the highest scores on the dimension of cultural encouragement through personal efforts, creativity and innovativeness. These factors underscore the importance of cultural and social factors in fostering the entrepreneurial spirit in the country creating a fertile ground for entrepreneurial ventures to thrive and emerge.

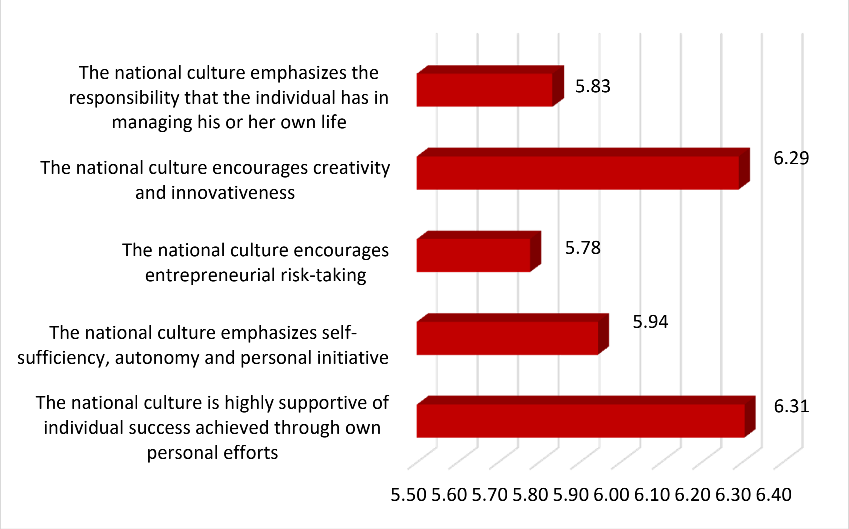

FIGURE 10.16 Cultural, Social Norms and Society Support

Source: *GEM India Survey 2024–25*

10.17 Women Entrepreneurship in India: Enablers

The Global Entrepreneurship Monitor (GEM) research for 2023–24 examines women's entrepreneurship investigating the variables that promote and obstruct women's entrepreneurial activities. This research seeks to offer significant insights into the ecosystem that underpins women entrepreneurs thereby guiding policies and actions that foster gender equality and empowerment in entrepreneurship.

Four items are developed to assess the enabling elements for women's entrepreneurship. It encompasses the accessibility and cost-effectiveness of adequate support services (e.g., childcare, home assistance, after-school programs, elder care) to enable women to sustain their company’s post-family initiation. It also seeks to ascertain whether policies are conducive to women's preference for entrepreneurship over employment in the public or private sector. An attempt was made to ascertain whether national culture promotes equal opportunities for women and men in pursuing self-employment or initiating new enterprises. Figure 10.17 illustrates that the Indian government has undertaken substantial initiatives to assist women entrepreneurs guaranteeing the presence of critical enablers. This indicates that ambitious women entrepreneurs possess access to essential resources and support aiding their endeavors to establish and expand their firms. The findings suggest a conducive ecosystem for women's entrepreneurship in India.

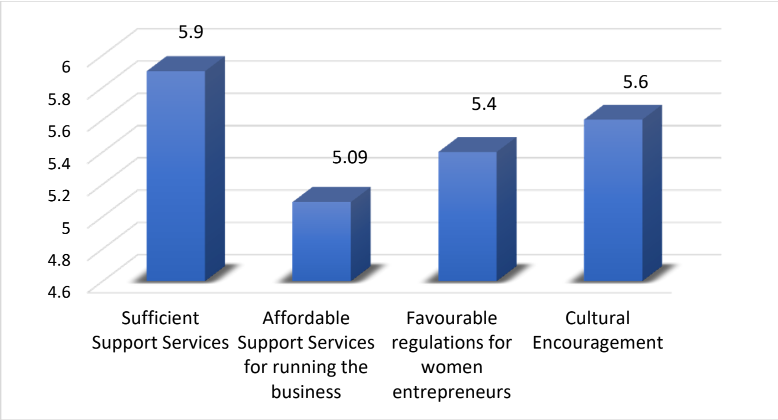

Figure 10.17 Enablers for Women Entrepreneurship

Source: *GEM India Survey 2024–25*

10.18 Women Entrepreneurship in India: Hindrances

The GEM research for 2023–24 highlights substantial obstacles to women's entrepreneurship particularly discriminatory behaviors that adversely impact female entrepreneurs. Four items were developed to assess the inhibitors for women's entrepreneurship. As shown in Figure 10.18, women entrepreneurs face discriminatory behaviours including restricted market access, disparities in public procurement opportunities and limited access to financial resources and seed funding. These discrepancies highlight areas that require greater focus and initiatives to ensure a genuinely inclusive and equitable entrepreneurial landscape.

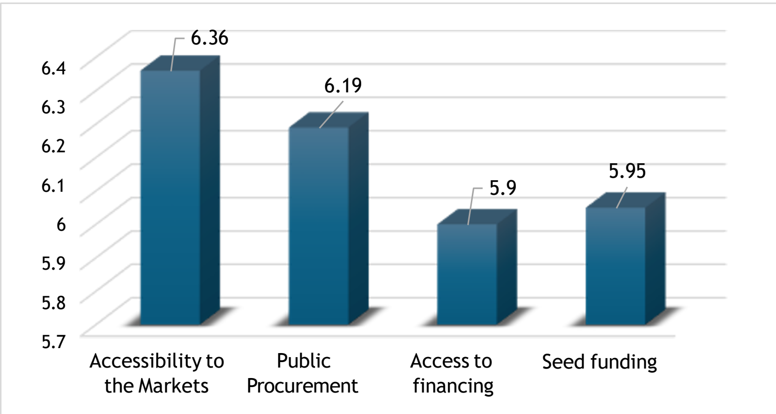

Figure 10.18 Hindrances for Women Entrepreneurship

Source: *GEM India Survey 2024–25*

10.19 Actions Supporting the United Nations Sustainable Development Goals (SDGs)

The United Nations recognizes entrepreneurship as a vital tool for achieving the Sustainable Development Goals (SDGs) outlined in the 2030 Agenda for Sustainable Development. This entails fostering more egalitarian, sustainable, balanced and high-caliber growth. In achieving this objective, the 2024–25 NES included inquiries regarding initiatives that strengthen the UN SDGs. This integration facilitates the evaluation of entrepreneurship's contribution to the advancement of the SDGs and the identification of areas for enhancement. India distinguishes itself among participating economies by achieving higher scores for initiatives that promote the UN SDGs. National analysts emphasized five key factors, including prioritizing social contribution over profit or wealth creation, visualizing environmental problems as potential opportunities, implementing environmentally conscious practices in business activities, integrating socially responsible principles into business operations, and cultural norms that encourage sustainable practices.

Other components, as illustrated in Figure 10.19 were adequate. The statistics indicate a positive correlation between income levels and framework condition ratings, suggesting that higher- income nations tend to have more effective support structures for sustainable enterprises. Other components, as illustrated in Figure 10.19, were adequate. The statistics indicate a positive correlation between income levels and framework condition ratings, suggesting that higher- income nations tend to have more effective support structures for sustainable enterprises.

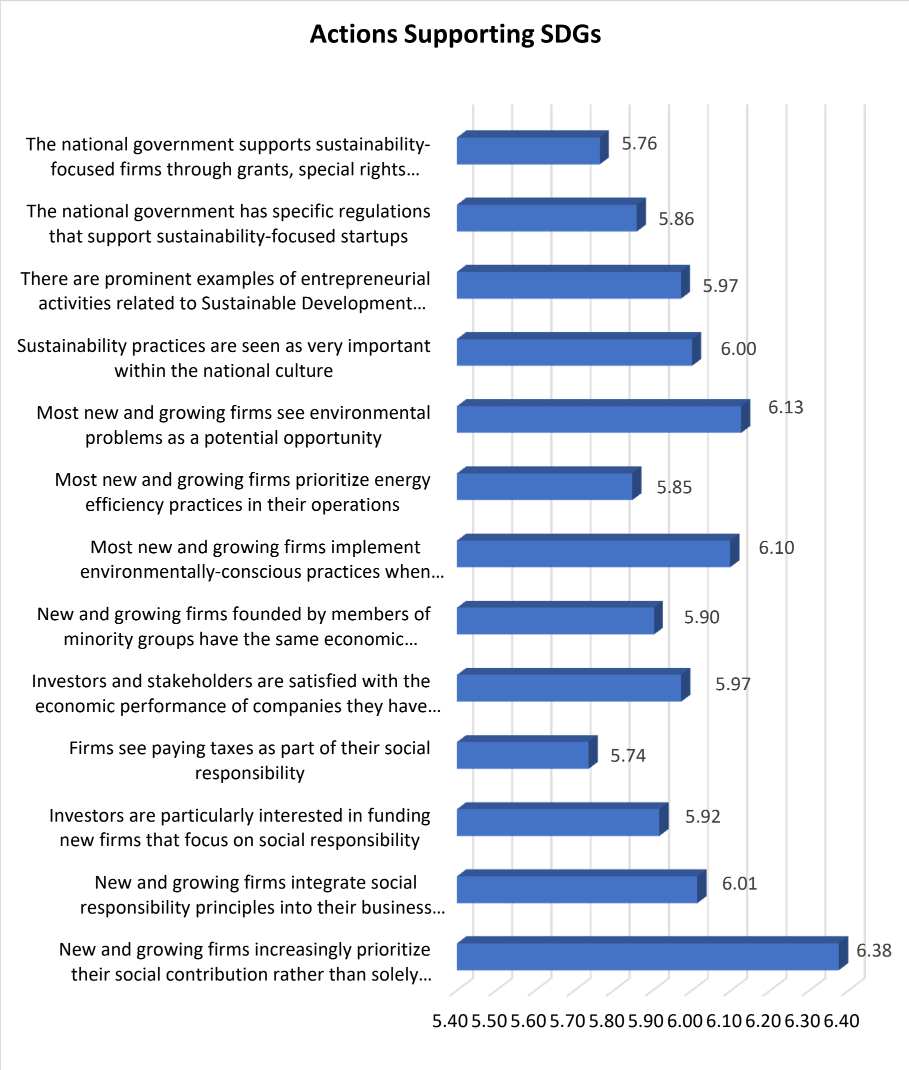

Figure 10.19 Actions supporting SDGs

Source: *GEM India Survey 2024–25*

10.20 The National Entrepreneurship Context Index (NECI)

GEM research indicated that economies have diverse strengths and weaknesses in Entrepreneurial Framework Conditions (EFCs). In 2021, GEM presented a singular metric denoting the quality of an economy's entrepreneurial ecosystem: The National Entrepreneurship Context Index (NECI). The NECI clarifies this scenario by adding the EFC scores of each economy to derive a NECI score for that economy. Economies with a higher EFC score are found to have a stronger entrepreneurial ecosystem compared to those with a lower EFC score. As observed in the Figure 10.20 below, the NECI rankings reveal a strong correlation between national income levels and the strength of the entrepreneurial context. Among the top 12 economies by NECI score, a majority belong to Level A categories including the United Arab Emirates (UAE), which leads globally with a score of 10.18. Taiwan, Saudi Arabia and Lithuania also feature prominently reflecting robust Entrepreneurial Framework Conditions (EFCs) that support innovation, business formation and growth. India, notably, ranks among the top performers with a NECI score of 6.1 placing it within the top five globally and marking a significant rise from its previous position. This upward trajectory highlights India's expanding entrepreneurial ecosystem and its policy emphasis on facilitating the development of startups and MSMEs. China with a score of 5.4, ranks 11th highlighting its continued investment in entrepreneurial infrastructure. Conversely, countries with limited EFCs—such as Bosnia & Herzegovina (3.4), Venezuela (3.5) and Belarus (3.5)—populate the bottom tier of the NECI index. These scores suggest systemic barriers to entrepreneurship, including regulatory constraints, limited access to finance, and weak institutional support. Overall, the NECI data reinforces the importance of enabling conditions—such as education, finance, governance, and infrastructure— in fostering sustainable entrepreneurial activity. High NECI scores are not only indicative of favorable business climates but also predictive of smoother transitions from nascent to established enterprises.

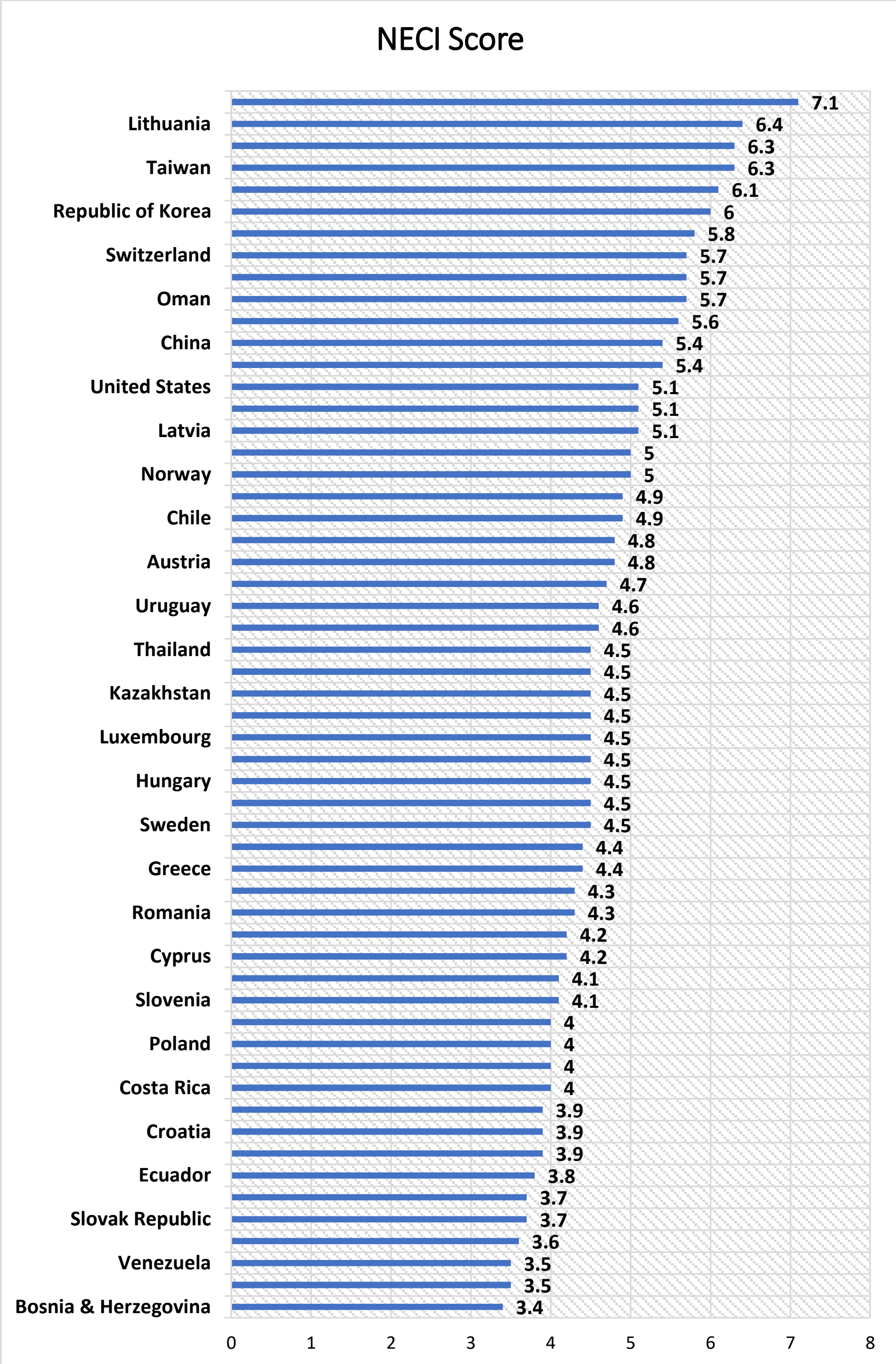

Figure 10.20 The national entrepreneurship context index

Source: *GEM Report 2024–25*

10.21 Fostering Factors to Strengthen Entrepreneurship in India

Experts have rated certain factors that strengthen the entrepreneurial activities in India. These factors include education and training, as well as government policies and various government factors, as shown in Figure 10.21. Several schemes and programmes have been launched by the government to strengthen the entrepreneurial ecosystem in the country and to promote youth in setting up their business ventures. The country has also adopted various capacity-building training programs to motivate budding entrepreneurs to gain knowledge about the entrepreneurial process and business venture creation. The Indian government has implemented a centralized redressal mechanism to facilitate the seamless flow of investment, hence creating additional chances for corporations to invest.

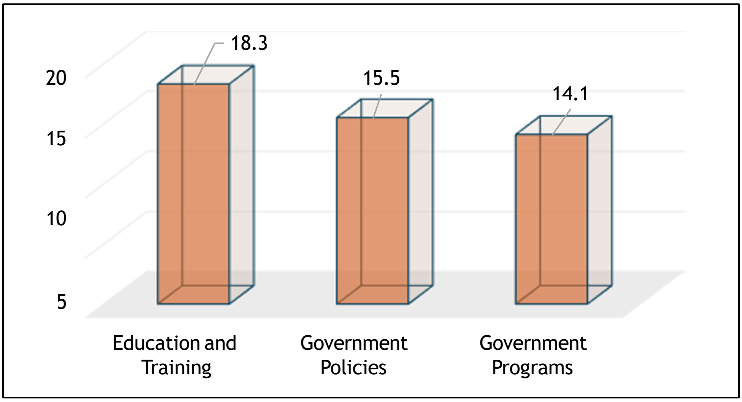

Figure 10.21 Fostering factors to strengthen entrepreneurship

Source: *GEM India Survey 2024–25*

10.22 Recommendations to Strengthen Entrepreneurship in India

The experts' primary recommendation is to offer education and training in entrepreneurship. Nearly half of the national experts (47.6%) found that education and training for entrepreneurship development are essential for maintaining a steady supply of entrepreneurs nationwide. Figure 10.22 indicates that cultural and social norms must be enhanced and systematically developed to establish a more favorable environment for enterprise creation and expansion. Therefore, the government should prioritize the establishment of robust educational opportunities and the enhancement of human resource infrastructure to foster the development of young entrepreneurs. Experts advised that the government provide favorable policies and financial assistance to facilitate the effective initiation and expansion of enterprises by both beginner and established entrepreneurs.

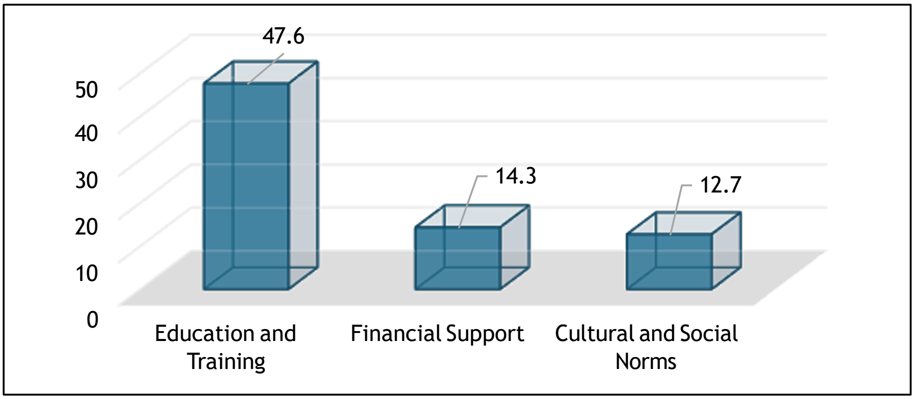

Figure 10.22 Recommendations to strengthen entrepreneurship

Source: *GEM India Survey 2024–25*

References:

Global Entrepreneurship Monitor. (2025). GEM India Survey 2024–25. GEM India.