



## THE ROLE OF STAKEHOLDERS IN DEMOCRATIZING COLLEGE START UPS

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### **Abstract**

*Start-ups are slowly mushrooming in our conventional degree colleges which offer courses in Arts, Commerce & Science. but the speed and depth is akin to snail's pace. The campus start-ups needs to be encouraged and supported for the optimal utilization of our 'demographic dividend' and employment creation. Further, such start ups can help the country in achieving the ambitious goal of 'Make in India' and for achieving the optimum critical minimum efforts for smooth take-off.*

*The paper argues the need for inculcating innovativeness and creativity along with all the stakeholders in our campuses for sustaining our start ups. The accreditation process, research funding guidelines and the policy formulation are required to be reoriented for encouraging start-ups. Similarly, start-up friendly attitude has to be cultivated among teachers, parents and society. The linkages with the industry have to be strengthened by the educational institutions.*

*Key Words: Start -ups, Entrepreneurship, Demographic Dividend, Youth, Innovation, Creativity.*

### **Democratizing Entrepreneurship through College Start Ups**

Much before the Prime Minister Shri Narendra D Modi gave the clarion call -"Come, Make in India" to the global entrepreneurs, the winds of change were squalling over our college campuses with lingoies like 'start-ups', 'business ideas', 'incubation', 'angel funding', 'crowd funding', 'mentoring', 'business acceleration', 'venture capital', etc. becoming household expressions among the wired, looped, global polyphonic and technologically mollycoddled student community. The changes have percolated even to the conventional degree colleges that offer courses in Arts, Commerce and Science, but the speed and depth is akin to snail's pace. The swashbuckling of neophyte youth with campus start-ups needs to be encouraged and supported for achieving the optimum critical minimum efforts for smooth take-off.

The contemporary student population is brimming with fantastic ideas that can be parented, nurtured and moulded into mature business propositions which are innovative, socially inclusive and, many a times, reducing the daily chores and hardships. These innovations will get immediate market in India due to its skyrocketing middle class. McKinsey Global Institute in its 2007 report- "The Rise of Indian Consumer Market" estimated the middle class to be 583 million making a consumption of Rs. 70 trillion by 2025. It is with this in mind that the Prime Minister in his Madison Square Garden address on 27<sup>th</sup> October, 2014, predicted that our demographic dividend and demand will take India to new heights.

### **Demographic Challenge**

The population dynamics of the country is also witnessing radical changes with long term consequences. "An increase in the working age ratio can raise the rate of economic growth, and hence confer a "demographic dividend." People of working age are on average more productive than those outside this age group" (Aiyar and Mody, 2011). According to David Bloom who has coined the term 'demographic dividend', "many economies in East Asia in the 1980's and 1990's experienced significant growth that could be attributed to the demographic dividend, because educational, social, and government policies were in place to take advantage of the bulge generation's numbers and potential economic productivity".

According to Richard Dobbs of McKinsey, "The world's economic center of gravity has continued shifting from West to East, with China taking the center stage as a growth story. The baby boomers have begun retiring, and we now talk of a demographic drag, not a dividend, in much of the developed world and China".

"When one billion are offline, the world is robbed of ideas", was the comment made by the founder and CEO, Mr. Mark Zuckerberg, during his recent visit to India. Mr. Mark Zuckerberg in his statement was underlining the importance of business ideas and innovation that can emerge from young India if the connectivity is made a universal human right in the country.

The 'demographic dividend' and 'sweet spot' has ensured that 50% of our population is in the age group 15-25 years of age and 65% in the 15- 35 age cohort. In the new scenario, about 10 million jobs have to be created every year for the optimum deployment and utilization of the manpower. With the economy hovering at an annual growth of 5% per annum, it is a byzantine task to create the requisite employment opportunities. The slow growth of the economy will only lengthen the serpentine queues in the labour market.



### **Areas of Concern**

The primary and secondary sectors of our economy are not growing at a rate required to wipe out the long queue in the labour market. The growth of the service sector is also not very impressive. The global economic miasma has added new glitches in employment generation.

Recent studies have shown that the present day developed countries like China, Singapore, Hong Kong, etc. began to get de-industrialized at far lower levels of income. For example, China's manufacturing sector which is getting increasingly automated lost 16 million jobs during the period 1995-2002. The service sector has sky rocketed the growth in many present day developed regions of the world. Even though our service sector is the major contributor to GDP, its competitiveness is a matter of grave concern.

Creating employment opportunities on such a massive magnitude, the country requires a host of fast track reforms in governance, bureaucracy, labour, energy, banking, financial and environment laws, which is very hard to realize by walloped governments.

The lack of adequate skill formation reduces the employability among graduates backed by our degree manufacturing units. If viable opportunities and environment are not provided to tap their potential talents through start-ups, the resulting frustrations many raise ugly tentacles of political, social and civil turbulences in the economy. Campus start-ups are the only panacea available for a society faced with hostile socio-economic, political, legal and administrative fusillades.

### **Encouraging Start-ups in Campus**

For a long time, the lack of entrepreneurial skill has been the main charge sheet put forward by academic community for India not emerging as the production hub of the world. The amoebic germination of start-ups is an expression of the incredible entrepreneurial skills available on our campuses. Somehow, the entrepreneurship skills did not receive the required patronage and the environment is not conducive in the non-professional educational institutions around the country. Sprouting, mentoring and brewing start-ups on the campuses can be a cure-all for crafting a new class of techno savvy campus entrepreneurs. The growth of entrepreneurs can help the country to prolifically utilize our demographic dividend at a time when our economic growth rates are not very impressive.

### **Role of Stakeholders**

The trillion dollar question is: "Are our campuses ready for such radical changes to provide a pleasant environment for the adroit handling of cantankerous issues and dissonance arising in making the start-ups workable and sustainable"? The stakeholders have not yet begun to appreciate the mesmerising potential of successful start-ups due to lack of awareness and risk aversion. The non-professional institutions of higher education should imbibe the prospective advantages of college start-ups and provide a helping hand for its blooming.

The colleges, its administrators, faculty members, regulators and policy makers, students' parents, society and the captains of industry should usher a total revolution to enliven our campuses brimming with intellectual capital and a breeding ground for flourishing start-ups. Training programmes and workshops needs to be arranged for the stake-holders in order to green signal and to provide a red-carpet welcome for campus start-ups. Every stake-holder has to play an optimistic role for making the 'start-up' a desirable and regular phenomenon in our campuses so as to achieve our dream of 'make in India' an immediate reality.

Mastery over soft skills is very vital for the success of every start-up. The universities and colleges can integrate soft skill training in the day to day curriculum. Empowering the students with soft skill can have wide ramifications for future endeavours including success in their personal life.

### **Incubation and Research Centres**

The state governments in collaboration with the central government, the industry and academic institutions, should set up incubation centres in every nook and corner of the country for facilitating young start-ups. The government should put the establishment of incubation centres under the mission mode approach. The manpower required for the incubation centres also needs to be trained in collaboration with the private sector and technical institutions. The states can also think of setting up their own Research Triangular Parks similar to the one in North Carolina, for acting as corridors for world class research and incubation of start-ups based on it.



The department of higher education in every state should prepare and release a set of policy guidelines for supporting the emergence of start-ups in colleges. At least 3 to 5% of higher education budget has to be exclusively allocated as seed-money for start-up research and incubation in our campuses. The department of higher education in collaboration with the industries department should set up start-up villages for research, incubation and mentoring of new ideas from campus. The department can also institute annual awards for colleges nurturing the best start-ups. Colleges should also become eligible for annual special findings the basis of how business ideas are patterned into profit making start-ups.

The colleges can partnership with the CEO's of the industry for identifying areas for research and for mentoring nascent ideas of the students for converging into successful start-ups.

The seeds of business idea and plan, start-ups, research, etc. should be embedded in the minds of the students from the school level itself. Competitions and workshops needs to be designed for identifying and crystallizing their business propositions.

### **Inculcating Innovativeness and Creativity**

Many a times the faculty members in colleges are too busy with completing the university prescribed syllabi. In this process they fail to identify, appreciate and sustain the creative innovators in their classes. The college along with their faculty has to develop mechanisms to identify students with novel ideas. The mode of teaching, evaluation and research which is presently followed in the educational system should change. Rote - memorizing should be replaced by creativity and innovation. The syllabi should be urgently re-cast for encouraging originality, creativity, scientific-temper, positive attitude and risk-taking behaviours in our students.

'If the faculty is familiarized about the importance of start-ups and its nitty-gritty, students can be supported to innovate, think out of the box and to take risks resulting in new start-ups. Inorder to provide an industry orientation, every faculty may be given an opportunity to interact for a period of three to five weeks.

Mr Satya Nadella, CEO of Microsoft during his maiden visit to India and while addressing the Microsoft Talent India 2014 conference spoke about "how multi-disciplinary approach is going the shape and change what you will do and create". Campus start-ups provide the best breeding ground for the amoebic growth of the multi-disciplinary approach.

Every year, atleast three faculty mentors of successful start-ups from every college can be given fellowships for their contributions. The financial resources for the fellowship can be taken care by the respective chamber of commerce and by other trade associations. Hence the need of the hour is the resuscitation of creativity and innovations back in our campuses.

### **Policy Guidelines from Regulators**

The Ministry of Human Resource Development (MHRD), University Grants Commission (UGC), Universities and other regulators should acknowledge the importance of encouraging start-ups in the colleges under their network. Necessary policy guidelines need to be worked out by the regulators for considering successful start-up by a student equivalent to certain number of credit which they should earn for securing his/ her degree.

Similarly, students with successful start-ups on the basis of objective and measurable outcomes should be given minimum attendance for two or three semesters as incentive.

Students should also have the facilities for practical exposure to learn about the different aspects of start-ups and its dynamics. The success stories of national and regional start-ups should be included in the syllabi.

The UGC and the universities should identify and publish in their web site a list of personalities who can function as mentors in different regions. This list should be updated on a continuous basis.

Every university and college should be mandated to establish start-up clubs for giving a critical big- push to new ideas and start-ups. Similarly toll-free help lines can be put in place for addressing the queries of students on pre and post start-up issues.

### **Accreditation**

The accreditation and re-accreditation process has become regular process both for professional and non-professional educational institutions. Accreditation agencies should ensure that the colleges become eligible for higher score under the



accreditation process only if sufficient successful start-ups are added to its credit. For example in the criteria titled research, consultancy and extension, 30% points can be assigned for successful campus start-ups.

### **Research Funding**

Ten percent of all research funding received by the colleges from different agencies should be earmarked for germinating and incubating start-ups. Similarly a certain proportion of funding for higher education under Rashtriya Uchcharat Shiksha Abhiyan (RUSA) can be allocated for conducted training on basics of start-ups, filtering of ideas and converting ideas into business propositions, for researching, kick-starting the business, incubation and mentoring.

Colleges can also create a corpus for providing seed capital for researching into the new ideas for campus start-ups. Similarly banking system can be roped in to finance campus start-ups at very competitive rates. Start-up details may be brought to the notice of domestic and foreign philanthropist for research funding.

### **Pay Commission**

The start-ups can usher a new revolution only with the support and blessings of the teaching faculty. Mentoring faculty has to put in lot of efforts to guide the idea of the student into a start-up. The new-pay commission should incorporate monetary incentives for mentor faculty. The next pay commission can think of making it mandatory for every faculty to nurture atleast one start-ups among their student's for promotions and higher pay scales.

### **Orientation of Parents and Society**

Many a times, parents of students from non-professional colleges are the biggest obstacle which dampens the start-up spirit of students. Parents, irrespective of their educational and socio-economic background do not subscribe to the idea of their child getting involved in a start-up. The risk aversion attitude of parents and society are serious bottlenecks for students to engage with start-ups. The Parent Teacher Association (PTA) can play a vital role in launching college start-up as a decent and economically viable alternative for public and private sector employment. The PTA needs to conduct workshops and seminars for empowering parents to become patrons of campus start-ups.

The parents and society needs to be brain washed for accepting risk-taking as an encouraging outcome and the start-up among students as a status symbol with demonstration effect. The educational institutions can also involve the successful alumni for motivating and sprouting campus start-ups.

### **Linkages with Industry**

The industry should come forward in a big way to encourage start-ups in colleges and academic institutions. Their expertise and resources needs to be made available for fostering and incubating start-ups. In order to avail the expertise available with the industry, the colleges should develop positive linkages. The relationship with the industry cannot be build overnight but only through systematic efforts over a period of time.

The section 135 of the new Act, 2013, stipulates that a company with a net worth of Rs.500/- crores or a turnover of Rs. 1000/- crores or net profit of Rs. 5/- crores or more for a financial year should allocate and utilize atleast 2% of its average net profit in the previous three years for corporate social responsibility (CSR) activities. The industry is looking for innovative programmes and schemes for making expenditure under CSR efforts. The industry considers CSR spending as an investment which will generate positive results both for the corporate sector and society at large. As a part of the CSR activities stipulated under the Company's Act-2013, industry will be too willing to guide, mentor and incubate campus start-ups to its ultimate success.

The industry along with the educational institutions should provide a forum for the students to discuss and understand the needs of the sector. This will empower the students to skim innovative ideas for their start-ups. At present there is a big gap and only a select few are privileged to get the industrial insights for rolling out their new start-ups. The situation of asymmetric information can be done away if there are regular interactions between industry and colleges

Some of the industries are magnanimously sharing their proficiency and providing a helping hand in laying strong foundations for start-ups in colleges. More industries need to join the band-wagon for supporting this cause as a part of their corporate social responsibility.

### **Concluding Remarks**

According to 2011 census, India has 24 crores of households. Our ambitious target can be to have at least one successful student start-up per household. This target can be easily achieved, if we can create congenial environment for converting



every campus in the country into a breeding ground for start-ups. Once we emerge as the cradle for sustainable campus start-ups, the value of goods and services produced and the employment generated in the country will skyrocket. The start-ups, with their various services will make the life of the citizens more convenient and enjoyable. The start-ups will add to the socio-economic empowerment and the well-being index of the region will experience an upward trend.

In order to achieve this lofty goal, all the campus start-up buccaneers need to put in place the entire phalanx of measures for making every college going child a student entrepreneur. Every college principal, faculty member, industrialist, parent, elected representatives, etc. should become the brand ambassadors of campus start-ups in the country. The central and state governments should adopt a mission mode approach to popularize the concept and to make the resulting start-ups successful and sustainable.

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