

**SPEECH OF SHRI PRANAB MUKHERJEE FOR  
THE SEMINAR ON “*TRANSFORMING INDIA’S  
BUSINESS LANDSCAPE: ROLE OF DISRUPTIVE  
INNOVATION AND ENTREPRENEURSHIP*”  
ORGANIZED BY SRI GURU GOBIND SINGH  
COLLEGE OF COMMERCE IN ASSOCIATION  
WITH DEPT. OF COMMERCE, DSE & PHD  
CHAMBERS OF COMMERCE AND INDUSTRY**

I am happy to be present here today for the Plenary Session of Vimarsh 2019, the 4th Biennial Convention on ***“Transforming India’s Business Landscape: Role of Disruptive Innovation and Entrepreneurship”***.

1. I applaud the efforts of Shri Guru Gobind Singh College of Commerce, the Department of Commerce of Delhi School of Economics and the

PHD Chamber of Commerce and Industry for choosing a very apt topic for the convention.

Dear Students, Ladies and Gentlemen,

2. The Indian Business landscape took an unprecedented transformative turn ever since the adoption of Liberalised Market reforms and Globalisation in 1991. Since then we have been on a definitive growth trajectory which witnessed a quantum leap from the Hindu Growth Rate of 3.5% to a record 10.26%<sup>1</sup> in the year 2010. During the past two decades we have maintained an average 7.16% growth rate, despite global slumps and at 7.6%<sup>2</sup>, we remain world's fastest growing major economy.

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<sup>1</sup> World Bank Data

[https://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG?end=2017&locations=IN&name\\_desc=false&start=1961&view=chart](https://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG?end=2017&locations=IN&name_desc=false&start=1961&view=chart)

<sup>2</sup> PIB, <http://pib.nic.in/newsite/PrintRelease.aspx?relid=186416>

3. However, there is much that concerns me. India today is at a critical juncture when we look at the development of the country through the lens of socio-economic development. As of January 2019, the unemployment rate rose to a 27 month high, standing at 7.05%, witnessing a drop of 1.09 crore jobs in the calendar year 2018, with 91.4 lakh jobs being lost in the rural areas. Out of the total labour force of 42 crore people, almost 4 crore are unemployed today.<sup>3</sup> We seem to have entered a phase that needs immediate redressal.

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<sup>3</sup> Source: **CMIE Database**

4. It is in this context that the Indian economy needs to create and generate employment to reap our 'demographic dividend'. In fifth bi-monthly monetary policy statement, 2018-19, Reserve Bank of India projected India's GDP growth for 2018-19 at 7.4 per cent. The question which arises to my mind is - Is this just jobless growth or do we have a substantial plan in place to supplement this growth with enough jobs? I believe, job creation and growth of economy must go hand-in-hand, otherwise our demographic dividend is bound to turn into a demographic disaster. The industrial growth is becoming more jobless in nature, even in emerging economies. In such a scenario, the Gandhian model of decentralized, distributed and diversified innovation-based enterprises is perhaps the best way forward to address the problems. Gandhiji had always wanted to blend modern science and technology with community knowledge and institutions. His message has become extremely relevant in today's context.

5. Entrepreneurship and innovation are the mainsprings of expanding modern economic system, and to avoid jobless growth, we must encourage and promote self-employment as a career option for the booming unemployed population we are faced with today. From Joseph Schumpeter's 'Theory of Innovation' and 'Creative Destruction', to the present day 'Startups', there has been a constant urge towards novelty and growth. Technological advancement further opens new frontiers in the domain of entrepreneurial and innovative actions. This is indispensable for structural change and growth in a knowledge-driven society. Observing the pattern of growth, one finds there still exists a large gap in the developed countries and the rest of the world as the former are known for innovation-oriented growth whereas emerging economies have just embarked on the track of post-industrialization.

6. India, as a society, is faced with this challenge of streamlining growth and job creation. To my mind, the first corrective step in this direction must be to institutionalize the culture of innovation and entrepreneurship, as a part of our socio-economic system. Innovation and entrepreneurship needs to be inclusive and focus on a variety of enterprises, such as young technology firms, upcoming manufacturing businesses and rural innovators.
7. I have always believed that Innovation can drive income growth, it can however reinforce social exclusion. Therefore, we must focus on "inclusive innovation" projects which are initiatives that directly serve the needs of lower-income and excluded groups. And these innovations will be successful only if it penetrates to the lowest strata of the society. These models of innovation must be

financially sustainable, and encourage the participation of the lower income groups.

8. Entrepreneurs and Innovators play an important role in the socio-economic development of the country.

A successful business and an entrepreneur, not only bring new products and concepts to the market, improve market efficiency, but also add to job creation and enhancement of economic growth of the country. India will have to encourage creation of new SMEs focused on manufacturing, while spurring grassroots innovation and growth. Putting entrepreneurship, that is not only oriented for the profit of an individual, at the forefront of the economic agenda is, thus, the need of the hour.

9. Over the years technology has become disruptive and innovation has played a major role in technological breakthroughs via product, service

and process related innovations. Entrepreneurs and innovators of the present age are confronting these disruptive business and technological challenges at the national and global level. These encompass new digital technologies, smart products and services, digital business models, new materials, mass-individualism, changing societal structures, skill development, women activism, new modes of knowledge creation and storage, and economic volatility, etc. To harness the gains from changing business landscape, entrepreneurs and innovators have to explore and adapt to these disruptions proactively.



10. Digital disruption has triggered a dramatic transformation in entrepreneurial activity and innovation. It has dissolved the boundaries and shifted the agency of traditional entrepreneurship and innovation to modern processes and outcomes, never envisaged before. It has helped business organizations to reach new target segments and markets by creating new services and customer value propositions. This has acted as an external enabler promoting and nurturing the process of new venture creation. The role of technology, innovation and sound government policies can go a long way in ensuring survival and sustainability of startups.

11. It is here that I am of the view that a comprehensive policy framework must be put in place to not only encourage Innovation and Entrepreneurship, but also for an increased investment in such disruptive

technologies. I am confident that these policy interventions will give a new vibrancy to the Indian Business landscape.

12. The startups seem to have brought a revolutionary change in the model and way of doing business and future seems to be both bright and challenging in India. The successful startups have proved to be an important source of employment and economic growth for Indian economy. In this race of development, the women entrepreneurs have eminently come to the fore and carved out their space. The close relationship between women, economic development and gender equality has been realized by all nations. The emergence of women entrepreneurs, their empowerment and resultant contribution is quite evident in India.

13. Social and Green entrepreneurs have emerged as modern heroes who have taken up the challenges of resolving the conflict between social and financial goals, thus, tilting the unfavourable equilibrium to a favourable one.

14. The growing pro-innovation approach is a welcome step for an emerging economy like India. India has jumped 8 places from 44<sup>th</sup> to 36<sup>th</sup>, among the 50 economies as indicated in the 7<sup>th</sup> Annual IP Index Report of US Chamber of Commerce's Global Innovation Policy Centre. This leap from frugal to transformative innovation requires series of combined initiatives on the part of the government and public to enable significant risky long-term investments.

15. Sustainable development goals are big challenges faced by all the countries across the world that seek immediate attention of the policy makers. The government alone cannot meet the challenges of poverty, growing & ageing population, inadequate infrastructure, illiteracy and climate change. Through the medium of this stage, I call upon all state and non-state actors to become active participants of this process of growth and sustainable development.

16. Societies, as they evolve, always face challenges which they have to overcome using innovative and 'out-of-the-box' approaches. As I conclude, I would like to leave with you some thoughts on the challenges that we face today in creating a viable entrepreneurial ecosystem. You may, perhaps, like to deliberate on these:

- *The challenge of engaging young minds constructively and ensuring that growth is job-led and not jobless.*
- *The challenge of using Science and Technology to improve productivity and entrepreneurship leading to sustainable development.*
- *The challenge of inter-linking academia with industry and other stakeholders.*
- *The challenge of providing incubation, acceleration and public policy support for inclusive innovation.*
- *The challenge of reaching out to, and co-opting, in the developmental process those segments of society which have been traditionally excluded because of social, economic and spatial disadvantages.*

- *The challenge of creating new financial instruments for the entrepreneurial class, instruments which aid and enhance their risk taking capabilities.*
- *The challenge of evolving new institutional arrangements for harnessing the power of collaborative design and creation of solutions to cater to unmet social needs.*
- *The challenge of harnessing the traditional knowledge systems of our country as well as other developing countries where such knowledge still exists to create global public goods as well as IP protected products and services.*

Ladies and Gentlemen,

17. In the end, I wish you all the best for your interactions. I am sure more such fruitful

discussions, debates and interactions will help us in reaching at conclusive, focused and goal oriented recommendation.

**Thank You**

**Jai Hind.**