



INDIA-EU TALENT MOBILITY: ENTREPRENEURSHIP

INTRODUCTION

Sector Overview: The start-up ecosystem has grown tremendously in India between 2014-19, with an **annual growth rate of 12-15%**¹. The **number of start-ups has crossed 9000** and the number of unicorns (start-ups valued at 1 billion US\$) has grown to 24. According to the latest report of the National Association of Software and Services Companies (NASSCOM), **Indian start-ups raised 4.4 billion US\$ in 2019** and are **active in over 20 sectors** including health, education, and hospitality services. **21% of Indian start-ups are reported to focus on foreign markets** along with a **14% increase in global start-ups building products from India**.



India's rank in the Global Innovation Index of the World Intellectual Property Organisation (WIPO) improved from 81 in 2015 to 52 in 2019². In 2019, Estonia ranked **24**, Belgium, **23**, France, **16**, Germany, **9** and Sweden, **2**. India has also **improved its Ease of Doing Business Score, moving from rank 130 to 63 between 2016 and 2020**³. Within the EU, the 2020 ranking puts France at **32**, Germany at **22**, Estonia at **18**, Sweden at **10**, and Denmark at **4**. According to the European Commission's 2018 report on Science, Research and Innovation Performance of the EU, it remains a powerhouse of research, accounting for **25% of global public R&D investment** and **1/3 of all high quality scientific publications**,

1. NASSCOM, 2019: Indian Tech Start-up Ecosystem
2. Global Innovation Index, 2019.
3. Doing Business Report 2020: World Bank



Local Partner



Implementing Partner



Implementing Partner



Mobility Overview: Mobility in this sector is expected to grow in the coming decades. The 2011 European Agenda for the Integration of Third Country Nationals **emphasises the importance of capitalising on the entrepreneurial tendencies of migrant communities**⁴ and the EU has issued a number of **directives easing high skill immigration between 2010-2018 (refer below)**. The **India-EU Common Agenda on Migration and Mobility (CAMM)**, under the priority of promoting regular migration, includes **facilitation of the mobility of highly skilled migrants and business persons (a.v & a.ix)** by making the regulatory regime more efficient, especially visa grants. However, **lack of necessary start-up funding** and **institutional hurdles** such as **proving relevance to the local economy** and **restrictions on field of operation** continue to be **hurdles for immigrant entrepreneurs** in many EU countries, according to the IOM World Migration Report of 2015⁵.

The **EU India Incubators and Accelerators Network** of 2018 facilitates match-making between incubators and innovators and aims to kickstart a self-sustaining ecosystem of innovation and partnerships.

The **Innowide** program under **Horizon 2020** aims to facilitate the ambitions of European Small and Medium Enterprises (SMEs) looking to explore international markets in developing countries such as India.

Some of these challenges have been successfully countered through recent policy dialogue. **EU Member States (MS) such as Germany, Italy, France, Spain, and Belgium all have dedicated start-up/entrepreneurship visas.** While required investment ranges from 45,000-250,000 euros, countries such as Germany and France require applicants to submit business plans, while **Belgium offers a fast-tracked citizenship to applicants** who start a Belgian company under this visa. Italy has a dual process whereby candidates can apply directly or via a registered incubator. There is a need to **co-ordinate future policy visions to better facilitate this kind of mobility between India and the EU.** Building on the lessons of existing operational initiatives and based on the emerging trends in the world economy, the **Seminar on Talent Mobility** under the **India-EU CAMM** was an opportunity to discuss prevalent issues and exchange industry best practices to further facilitate mobility of businesspeople including entrepreneurs.

4. European Commission, 2011.

5. International Organisation for Migration: World Migration Report 2015

KEY INSIGHTS

- The **complicated nature of visa regulations and bureaucracy around migration** in both India and the EU countries inhibits mobility. This includes **longer application process, additional checks, and steep financial viability requirements in India, and local hiring quotas, mandatory office spaces, and revenue caps in the EU.**
- Existing **information asymmetries** need to be addressed through **knowledge transfer, mentoring, ambassador programs, joint ventures, co-founder matchmaking, and transfer of real time overseas user data.**
- **Growth of hubs in Tier II and III cities** needs policy attention and is the way forward for expansion in this sector. Providing **support in the early stages of the start-up** is also important for long term growth.



Estonia's policies for foreign start-ups include **access to e-residency** and extensive **post-entry assimilation measures.**

Since 2017, India has been at the forefront of successful start-up applications to Estonia.

The German Indian Start-Up Exchange Program (GINSEP) has a network of ambassadors and facilitates **access to both national markets** for start-ups through **information, capacity building, and B2B networking opportunities.**



RECOMMENDATIONS FOR THE FUTURE

POLICY ENVIRONMENT AND CHANGE

Facilitation of a **level playing field** for all start-ups in India irrespective of origin country.

Formulation of a **global entrepreneurship policy** in India, with a speedy intellectual property structure, a **simplified taxation process** and **tax incentives**.

Soft landing and **hand-holding services** that address technological, financial, and cultural issues for Indian entrepreneurs in the EU.

More **financial options** including access to foreign investors for Indian start-ups.

Strengthening of **industry engagement** through **creation of regulatory bodies** to facilitate **smooth mobility of entrepreneurs and validation in new markets**.



INFORMATION

Provisions for a **repository of reports** related to start-ups collated from various governmental sources.

Better information on initiatives and programs from the various EU MS for Indian entrepreneurs.



VISA PROCESSES

Simplification of visa procedures and longer duration for initial visas to be granted.

Introduction of a **new start-up visa** specifically to facilitate foreign entrepreneurs in India.

