

# Technology business incubators

## Opportunities and challenges for India

Anita Gupta and B.K. Jain

Technology-based enterprises are the prime movers of the knowledge-driven economy. Technology business incubators the world over are making significant contributions to the economic development of various nations. India holds a prominent place on the global map for its scientific and technological base, in terms of both infrastructure and manpower, and is now ushering in the era of technology business incubators. This paper analyzes the Indian scenario with a view to evolving appropriate strategies and models for the successful and systematic launch of an incubator programme in India.

### Introduction

The rapid pace of developments in science and the emergence of new areas of technology have given rise to a whole new class of knowledge-savvy entrepreneurs and knowledge-driven enterprises. These enterprises generate value-added employment and are now recognized as making critical contributions to the economic development of nations.

On the other hand, the process of globalization, the establishment of the World Trade Organization, stricter quality and environmental considerations, the imposition of trade barriers by developed countries, and the information technology (IT) revolution are adversely affecting the conventional and traditional competitive advantage of small and medium industries in developing countries.

In response, new institutional mechanisms are being evolved and developed around the world to catalyze the development and growth of technology-led enterprises. New and innovative financing mechanisms, such as venture capital and angel investors, are also increasingly meeting the financing requirements of knowledge-based startups. In the past four or five decades, mechanisms such as science parks, technology parks, innovation centres, "technopoles", technology business incubators and industrial parks have developed as institutional mechanisms for catalyzing the development and growth of technology- and knowledge-led enterprises. These mechanisms are also being seen as a means of strengthening interaction between academic and R&D institutions on the one hand and industry on the other.

**Dr. Anita Gupta**

*Senior Scientific Officer*

*E-mail: ag\_dst@yahoo.com*

**Dr. B.K. Jain**

*Director*

*Department of Science & Technology*

*Ministry of Science and Technology*

*Government of India*

*Technology Bhawan, New Mehrauli*

*Road, New Delhi-110016*

*E-mail: bhushankjain@yahoo.com*

*Fax: (+91-11) 6517186*