

Chapter 2

Academic Entrepreneurship in Emerging Economy Context

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ABSTRACT

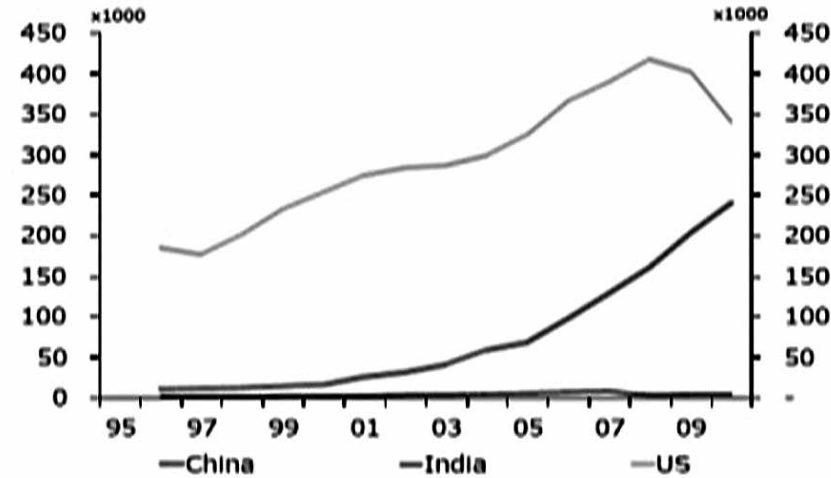
Entrepreneurship fosters economic development of a country. This appears more crucial and absolute necessity in emerging country context. The efforts have been laid for entrepreneurship development with the collaboration of academic institutions and industries. These collaborations try to transform academic based research into commercialized products to develop a knowledge based society. Government has also initiated numerous projects to support this effort. This chapter presents an overview of the whole scenario along with its challenges, prospects and future development in emerging country context. The theme has been elaborated with a case study on IIT Kharagpur, India.

INTRODUCTION

Entrepreneurship is the process of creating something new with value by devoting the necessary time and effort, assuming the accompanying financial and social risks, and receiving the resulting rewards. The entrepreneurial function implies the discovery, assessment and exploitation of opportunities, in other words, new products, services or production processes; new strategies and organizational forms and new markets for products which did not previously exist (Shane & Venkataraman, 2000). In emerging country context the entrepreneurial opportunity is an unexpected and as yet unvalued economic opportunity. A major transformation and reorganization of world order is taking place. The transformation is led by emerging nations like China and India which is leading to a restructuring in the dynamics of the geopolitical and economic equilibrium. This is led by a strong emphasis on trade and economic development which has seen a rapid surge due to a growth of manufacturing sector in China and service sector in India. The trend is more so similar in other BRICS emerging nations which are also jostling for space in a new world order fastened by the stagnancy of the developed economies in the Europe, US

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Figure 1. Number of patents
(Source: WIPO, 2011).



Source: WIPO, 2011

and pacific. The alignment of the needs for swifter and sustainable, deeper and all-inclusive economic growth has led to a change in perspective with more emphasis being put on promoting entrepreneurship. This has gradually led to growing emphasis on innovation and entrepreneurship considered a prerequisite for optimum growth and development of a nation (See Figure 1).

Universities throughout the World are seen as the hub for entrepreneurial growth, knowledge and innovation. Universities play a vital role in the economic growth of the country. From the beginning of the civilization, HEIs have actively participated in knowledge creation, economic and intellectual growth. Model universities and the monastic schools which existed in medieval ages have been replicated mostly to form the modern universities. These universities have rapidly advanced and transformed themselves to take a projecting role in all aspects of life. 28 new universities were created in the 15th century, with another 18 added between 1500 and 1625. It is believed by experts, that in European universities, a tremendous amount of growth, productivity and innovative research took place during the period from 1400 to 1800 AD also referred as the age of awakening or the Renaissance. Many other researchers feel that cathedral/monastic schools and universities were a continuation of the interest in learning promoted by monasteries. Toward the end of the Middle Ages in Europe, it is estimated that there was a close to a 500% increase in the number of universities during that period. The popularity of these institutions of higher learning in Europe was borne of the fact that they were being looked by rulers and city governments as a means to satisfy a European thirst for knowledge, and the belief that society would benefit from the expertise generated from these institutions.

There is a sharp difference to the basic reason that emerging countries are trying to bring entrepreneurship education in the higher education institutions (HEIs). Emerging country perspective offers a substantive context to perceive uncertainty by the small and big and start-up firms. The entrepreneurial and start-up firms are exposed to these uncertainties more critically than bigger ones due to lack of resources, expertise, and information sources. Emerging economies in general follows a rapid growth utilizing economic liberalization as a primary engine for growth (Li et al., 2013). Emerging countries are

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