Startups with Open Innovation: Accelerating Technological Change and Food Value Chain Flows in India

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ABSTRACT

Entrepreneurial new firms can bring in radical innovations better with a risk-taking approach startups have been proliferating in all sectors of the economy including agriculture in developing countries in recent years. This paper harnesses a large database of start-ups in India and examines the nature of innovations of the start-ups employing open innovation framework. Several types of startups have come up in the last decade that are filling the gaps in the food value chains in infrastructure deficit regions of the country and introducing innovations by mobilising 8 billion USD investments. This fast-expanding knowledge flows have brought several innovations that could not be imagined just a few years back. Significantly, open innovation has taken root in Indian agriculture with the rise of startups and this has several positive implications. Open innovation is required at the present stage as Indian agriculture is in transition and moving towards a higher level of technologies with better and faster linkages among various food chain actors. There are concerns that need to be addressed about this innovation, bypassing the smallholders, as companies can only plan for their own innovations and marketing. The government needs to develop a policy framework to create the necessary enabling environment for the development of the startup ecosystem and to internalise and mainstream this open innovation into agricultural development strategies keeping the twin goals of growth and equity.

Keywords: Startups, Technological Change, Food Value Chain, Innovation

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