SHORT ABSTRACT

This study is an empirical exploratory work on the institutional environment differences across the states of India and its relationship with the entrepreneurship measures (number of factories and number of MSMEs). The objective of the study is to present an overview of the institutional environment differences across the various Indian states in the context of entrepreneurship and examine their relationship and significance in the development of entrepreneurship in India. The study finds significant differences across the states in terms of the various indicators of the institutions and the institutional environment. These differences are seen among the states irrespective of geography and location of the state. Every region or states has its own strengths and weaknesses. The empirical evidences suggest that the differences in institutional quality scores can play a significant role in explaining the variations in the extent of entrepreneurial activities across the Indian states. On the basis of the empirical evidences it can be demonstrated that good qualities of the institutional variables collectively foster an entrepreneurial climate conducive for the entrepreneurship development which pushes the states with better institutional environment ahead of others in terms of the entrepreneurship.