



## Bolstering Entrepreneurial Ecosystem in India: An Insight into Government Schemes

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### ABSTRACT

The entrepreneurial ecosystem in India has evolved into a robust framework that actively nurtures innovation, job creation, and economic growth. This paper examines the critical role of government interventions and schemes designed to bolster entrepreneurship, emphasizing the significance of institutional support, financial incentives, leadership, and targeted policies in fostering a conducive environment for enterprises to flourish. Key government initiatives such as the Prime Minister's Employment Generation Programme (PMEGP), Make in India, Pradhan Mantri MUDRA Yojana (PMMY), Skill India Mission, Digital India, Atal Innovation Mission, and Start-up India have collectively contributed to the expansion and formalization of micro, small, and medium enterprises (MSMEs) across both urban and rural landscapes. The analysis highlights how these flagship programs, coupled with focused interventions for marginalized groups, capacity building, and infrastructure development, promote inclusive growth and self-reliance among aspirant entrepreneurs. Furthermore, the study employs secondary data from government sources, reports, and academic literature to review the effectiveness of on-going schemes, elucidating how specific measures such as access to finance, skill training, market linkage, and digital empowerment etc. address persistent challenges faced by Indian start-ups and small businesses. The findings underscore a dynamic and multi-dimensional approach to entrepreneurial development, advocating for sustained policy support and adaptive strategies to strengthen India's competitive advantage in global markets.

**KEYWORDS:** Entrepreneurial Ecosystem, Entrepreneurship, Government Intervention, Entrepreneurship Development.

### I. INTRODUCTION

Entrepreneurial Ecosystem (EE) is a notable concept in present days in the domain of entrepreneurship. It provides a supporting platform

to reinforce the growth of enterprises. The ecosystem consists of some factors, individual and organizational, that are significant in leading a successful entrepreneur. An entrepreneurial ecosystem consists of elements that are necessary for successful entrepreneurship. Some elements are; support, finance, formal institutions, leadership, government policy and programs, culture, entrepreneurial talent and skills, human capital, infrastructure, etc. It is a holistic program and essential for boosting entrepreneurial growth. In this perspective, government policies and programs plays an active role in supporting entrepreneurship basically for small and micro enterprises. The Government policy plays a pivotal role in determining how the ecosystem for entrepreneurship will be structured. Government policy encourages entrepreneurs to start new ventures or expand existing ones. Entrepreneurship development in every economy heavily depends on the support of government policy ecosystem, which focuses on financial support, taxation, rules and regulations, and other related matters.

Andrew Van de Ven(1993) first explores four elements of the entrepreneurship ecosystem viz. institutional arrangements, public resource endowments, market demand of informed consumers, and proprietary business activities (Stam & Van de Ven, 2021). The most popular model highlighting different components of entrepreneurial ecosystem is Daniel J. Isenberg's model (2010). This model is divided into six domains that are culture, finance, institutional support, human capital, markets, and policies & leadership. It indicate twelve components including success stories, societal norms, financial capital, labour, educational institution, early customers, networks, leadership, government, infrastructure, support professions, and non-governmental institutions that comprise an entrepreneurial ecosystem (Stephens et al., 2022).

The policies and programs of the Government seeks to foster entrepreneurship by creating an appropriate environment for entrepreneurship, addressing fundamental issues that



start-ups face, such as access to capital, mentorship, and a supportive regulatory framework. Government has introduced several significant schemes to foster entrepreneurship and improve the nation's entrepreneurial ecosystem. The Government of India's schemes facilitating venture capital availability, creation of incubators, capacity building and skill development, market linkage, etc. all have contributed to the rapid expansion of entrepreneurship. The government's ongoing efforts to help start-ups and small enterprises are crucial for fostering innovation, job creation, and economic growth of country.

In this background, present paper makes a thematic review of the on-going schemes of the Government which creates a supportive ecosystem for entrepreneurial growth and expansion in India.

## II. CONCEPTUAL BACKGROUND

### *Entrepreneurship-*

Entrepreneurship can be described as the process of establishing an enterprise. Entrepreneurship is the individual's capacity to minimize the utilization of resources, basically land, labour, capital, technology, and other intangible factors and to put them into the process to get the maximum benefit from it. According to Joseph Schumpeter, "Entrepreneurship is an innovative function. It is a leadership rather than an ownership". According to Musselman and Jackson, "Entrepreneurship is the investing and risking of time, money and effort to start a business and make it successful". An entrepreneur plays a crucial role in economic development by driving innovation, creating jobs, and contributing to the overall wealth of society (Kumar, n.d.).

### *Entrepreneurial Ecosystem-*

In general, an entrepreneurial ecosystem is a concept. According to Prof. Colin Mason and Dr. Brown (2014); "a set of interconnected entrepreneurial actors, entrepreneurial organizations, institutions and entrepreneurial processes which formally and informally coalesce to connect, mediate and govern the performance within the local entrepreneurial environment" (Mason & Brown, 2014, pp. 3-6).

Stam and Spigel (2016) defined the entrepreneurship ecosystem as "a set of interdependent actors and factors coordinated in such a way that they enable productive entrepreneurship within a particular territory" (Stam & Spigel, 2016, pp. 1-3).

### *Micro, Small and Medium Enterprise (MSME)-*

According to the declaration of Union Budget 2025, MSMEs with investment up to 2.5 crore is classified

as microenterprise, investment upto 25 crore is classified as small enterprise and investment upto 125 crore is classified as medium enterprise.

### **Objectives**

The basic objective of the study is to understand different ongoing schemes of the Government for fostering the growth of entrepreneurship in India.

### **Research Methodology**

The study has used secondary data and information obtained from official websites of different central ministries, government reports, published articles, working papers, books, databases, etc.

### **Ongoing Government Schemes on Entrepreneurship**

Government of India has introduced several flagship schemes for promoting entrepreneurial ecosystem for development of different types of entrepreneurship in India. These government schemes not only provide support to large industries but also provide adequate support to small and micro enterprise situated both in rural and urban localities. Ministry of MSME, GOI has also launched a web portal Udyam Assist Platform (UAP) for registration of MSME including Informal Micro Enterprises (IME). To boost up the registration, the certificate of registration on UAP has been made mandatory for availing priority sector lending benefits. As on 15.01.25, an overall number of 5,84,45,359 MSMEs were registered in the UAP platform (Ministry of MSME, Udyam registration including Udyam Assist Platform, n.d.). Besides that, Department for Promotion of Industry and Internal Trade (DPIIT) under Ministry of Commerce and Industry, GoI is continuously trying to boost up entrepreneurial ecosystem for promotion of industrial progress of the nation by facilitating investment, acceleration of foreign direct investment and supporting balanced development of industries & trade.

For the purpose of present discussion we have categorised the central sector schemes into Flagship schemes and other schemes.

### **A. FLAGSHIP SCHEMES/PROGRAMMES**

#### **a) Prime Minister's Employment Generation Programme (PMEGP)**

The PMEGP, was introduced in August 2008 by merging Prime Minister Rojgar Yojana and the Rural Employment Generation Program. The main aim of this program was to create employment opportunities in both rural and urban areas through the establishment of micro-enterprises. Besides, the



scheme also seeks to provide continuous and sustainable employment to all segments of traditional and prospective artisans and unemployed youths to arrest migration in the country. At the national level, the scheme is implemented by the Khadi and Village Industries Commission (KVIC) and at state level, the scheme is implemented through State Khadi and Village Industries Boards (KVIBs), District Industries Centres (DICs), and banks. Anyone older than 18 years with at least class 8<sup>th</sup> passed can apply for the PMEGP in order to establish new enterprises. PMEGP subsidies for general category recipients is 25% of the project's overall cost for rural areas and 15% of the project's total cost for urban areas. In the special categories (SC, ST, OBC, minorities, women, ex-serviceman, transgender, persons with disabilities, North-Eastern region, aspirational districts, hill, and border areas, etc.) the project cost subsidy rate is 35% for rural areas and 25% for urban areas. Since its inception in 2008-09 and up to 31.03.2024, a margin money subsidy of Rs. 24,964 crores has been provided to 9.58 lakh micro-enterprises and provided estimated employment to about 78.24 Lakh persons (Ministry of MSMEs, schemes, PMEGP, n.d.). During the period from 2021-22 to 2025-26 an outlay of Rs.13,554.42 Crore has been allocated for PMEGP for supporting 4,00,000 projects(micro enterprise), which created about 30 lakh employment [MSME. (n.d.). Revised Guidelines].

#### b) Make in India

On September 25, 2014, the DPIIT officially launched the 'Make in India' program to transform India into a worldwide manufacturing hub. Key objectives of the Make in India campaign are promoting manufacturing, simplicity of conducting business, sectorial focus, infrastructural development, skill development, etc. "Ease of doing business" was recognized by the Make in India initiative as a critical component in fostering entrepreneurship. The campaign "Zero Defect Zero Effect" was introduced in the scheme for producing products without defects and ecological effects. As a thrust of this scheme FDI inflow was raised to \$70.95 Bn in FY 2023-24 from \$45.14 Bn in FY 2014-15 in India. (10 Years of Make in India, PIB). Major initiatives taken under the scheme are - Production linked Incentive schemes (PLI), PM GatiShakti, Semiconductor Ecosystem Development, National Logistics Policy, Industrialization and Urbanization, Startup India, Tax Reforms and Unified Payments Interface. Presently Make in India 2.0 focuses on 27 industries

(15 manufacturing sectors and 12 services sectors) in different departments of the ministry.

#### c) Pradhan Mantri MUDRA Yojana (PMMY)

The PMMY was introduced on April 8, 2015, by the Ministry of Finance, GoI, to provide loans as much as 10 lakhs to non-corporate, non-farm small/micro-enterprises. The goal of PMMY is to make loans more accessible to small firms, which are essential to India's economic development and job creation. The program encourages entrepreneurship and innovation by supporting the development of micro and small enterprises. The beneficiaries of the mudra loan are classified into four categories, 'Shishu', 'Kishore', 'Tarun' and Tarun Plus. Sishu or infant can get loans up to Rs. 50,000, Kishore or adolescent can get loans above Rs. 50,000 and up to Rs. 5,00,000, Tarun or young can get loans above Rs. 5,00,000 and upto10,00,000 and Tarun Plus are eligible for loans above Rs. 10 Lakhs and upto 20 lakhs. Since its inception in 2015-16 and up to 2023-24, the government has sanctioned 667,77,013 nos. of loans with sanctioned loan amount of Rs.5,41,012.86 crore (PMMY, GOI).

#### d) Skill India

Skill India or the National Skills Development Mission was launched by Prime Minister Narendra Modi on 15<sup>th</sup> July, 2015 as a foundation of Aatmanirbhar Bharat. National Skills Development Corporation of India, Ministry for Skill Development and Entrepreneurship (MSDE), who controlled and managed the scheme. The aim is to overcome the skill gap in the nation and encourage self-reliance by offering over 40 crores (400 million) young people by 2023 with market-related training.

Various initiatives under this campaign are:

- *National Policy for Skill Development and Entrepreneurship, 2015*: The ultimate goal is to improve India's entire ecosystem for skill development. Workers can prepare to handle the demands of the labor market that is changing quickly and that inclusive growth is promoted.
- *Pradhan Mantri Kaushal Vikas Yojana (PMKVY)*: PMKVY aims to support and foster the nation's skill development by offering short-term, free skill training courses and rewarding participation with cash to youth for obtaining skill certification. According to the annual report 2022-23 of MSDE, a sum of 1,51,25,040 people were trained under PMKVY. (MSDE, Annual Report 2022-23)



- *Pradhan Mantri Kaushal Kendra (PMKK)*: The “Skill India Mission”, has started state-of-the-art, visible and aspirational model training centres, referred as “Pradhan Mantri Kaushal Kendra”, in each district, covering all parliamentary constituencies (PCs) of India. As of 31st December 2022, 818 PMKKs have been allocated covering 707 districts. Out of the 818 allocated PMKKs, 721 PMKKs have been established. (MSDE, Annual Report 2022-23)
- *Skill Hub Initiative (SHI)*: Integrated Skilling through Skill Hubs: The ‘Skill Hub Initiative’ under the PMKVY 3.0 scheme has been designed to provide skill development and vocational training facilities to the students from class 6th to 8th, class 9th to 12<sup>th</sup>, school dropouts, and out-of-education persons.

#### e) Digital India

The Digital India initiative launched on July 1, 2015, by the Ministry of Electronics and Information Technology to create a knowledge economy and society that is technology enabled. Digital India implements entrepreneurship by providing digital technologies, skill development and training, and entrepreneurial education for the entrepreneurial ecosystem. The nine pillars of Digital India are: - broadband highways, e-governance (reforming government through technologies), electronics manufacturing, universal access to phones, e-Kranti (electronic delivery of services), IT for jobs, public internet access program, information for all, and early harvest program. Various government services presently provided through online has enhanced accountability and transparency along with saving of time of beneficiaries. The National Scholarship Portal, MyGov.in, UMANG (Unified Mobile Application for New-age Governance), BharatNet, e-education, e-health, digital locker, e-shopping, and others are some of the new digital services.

#### f) Atal Innovation Mission (AIM)

Atal Innovation Mission (AIM) is a flagship program launched in 2016 under NITY Aayog, Government of India. The mission’s primary objective is to develop an ecosystem for innovation and promotion of entrepreneurship at schools, universities, research institutions, and industries across India. Some key programs under AIM are:

- *Atal Tinkering Labs (ATLs)*: The primary goal of Atal Tinkering Labs is to promote

innovation among students from class 6 to class 12. This program provides modern technologies such as 3D printers, the Internet of Things (IoT), prototype tools, and many more. It creates an innovative mindset among students. Government of India offers a Rs. 20,000 grant for each ATL. AIM has established 10,000 ATLs in schools across 722 districts and more than 1.1 crore students are engaged in ATLs to date in India (Atal Innovation Mission, ATL, GOI).

- *Atal Incubation Centres (AIC)*: AIM creates accelerators (AICs) to support and develop start-ups into sustainable businesses. It also strongly supports women-led incubators and entrepreneurial start-ups. It offers access to capital, infrastructure, and mentorship, with grants of up to ₹10 crores available for new incubators. Till February 5, 2025, 69 incubation centres and more than 32,000 jobs have been created under this program. (Atal Innovation Mission, AIC, GOI)
- *Atal Community Innovation Centres (ACIC)*: These institutes provide funds of up to ₹2.5 crores to assist community-driven projects with goals of fostering creativity in disadvantaged areas such as aspirational districts, tribal, mountainous, and coastal areas. Till 2024, 14 Atal Community Innovation Centres have been set up. (Atal Innovation Mission, ACIC, GOI)

Since June, 2024, Atal Innovation Mission launched two new initiatives the ‘AIM – ICDK Water Challenge 4.0’ and the fifth edition of ‘Innovations for You’ handbook-aimed at fostering innovation and sustainability in SDG Entrepreneurs of India. The Atal Innovation Mission (AIM), NITI Aayog, announced ‘ATL Tinkerpreneur 2024’- a flagship summer boot camp under AIM’s Atal Tinkering Labs program (Atal Innovation Mission, PIB).

#### g) Start-up India

The Start-up India is a flagship initiative launched on 16<sup>th</sup> January 2016 by the Government of India to foster innovation, and economic growth by building an entrepreneurship ecosystem. The Start-up India scheme has three pillars - providing funding support and incentives to the various start-ups of the country, industry-academia partnership and incubation, and



simplification and handholding. Some features of this scheme are: (Startup India, Schemes and Policies, GoI)

- Among 36 nos. of States and Union Territories 31 nos. have a dedicated Startup Policy.
- 27 of these Startup Policies were developed after launch of Start-up India initiative in 2016.
- There is at least one DPIIT-recognized start-up present in each of the 36 States and Union Territories.
- 653 Districts host at least one DPIIT-recognized start-up.

#### **h) Start-Up India Seed Fund Scheme (SISFS):**

The DPIIT has introduced the SISFS on April 19, 2021, with an outlay of 945 crore. The program's objective is to give entrepreneurs financial support for product trials, market-entry, proof of concept, prototype development, and commercialization. A start-up may be eligible for a grant of up to ₹20 lakhs for fulfilment of objectives of the scheme. Investments of up to 50 lakhs can be made through convertible debentures, debt, or debt-linked instruments for market entry, commercialization, or scaling up. 198 incubators have been chosen as of December 31, 2023, with total approved funding of Rs 802.98 crore.

#### **i) Deendayal Antyodaya Yojana-National Rural Livelihood Mission(DAY-NRLM)**

The mission mode scheme NRLM was launched by the Ministry of Rural Development, in July 2010, by renaming SGSY. This program was formally launched on 3<sup>rd</sup> June 2011 at Banswada, Rajasthan. The goal of this program is to eradicate poverty among rural households by enabling them with self-employment and skilled-wage opportunities and besides, to improve their livelihoods through a sustainable approach. NRLM was renamed as Deendayal Antyodaya Yojana-National Rural Livelihood Mission (DAY-NRLM) or, "AJEEVIKA" effective from March 29, 2016. DAY-NRLM has several important features, including:

- *Universal Social Mobilization:* The goal of NRLM is to ensure that at least one person (preferably a woman) from the rural household, is enrolled in Self-Help Group (SHG). The main focus is on vulnerable sections of society, SC/ST, minorities, and persons with disabilities.
- *Promotions of Institution:* The promotion of strengthening the SHGs institution and their

federation helps in empowering the rural poor.

- *Training, Capacity, and Skill Development:* This mission provides training, capacity, and skill development through rural self-employment institutes (RSETIs), innovations, infrastructure, and market support to the rural poor and enhancing their livelihoods.
- *Revolving Fund (RF) and Community Investment Fund (CIF):* NRLM provides Revolving Fund to SHGs of Rs. 10000-15000. This program also provides a Community Investment Fund as a seed capital. This financial assistance is very helpful for the sustainability and growth of their enterprises.

According to official record of NRLM, it has been implemented in 34 states and UTs, covering 745 districts, as on 01.04.2025. More than 10 crore rural poor households turned into 91.75 lakhs Self-Help Groups (SHGs) in India. Under this mission, a total of 730836 villages, 271882 Gram panchayats, 7617 blocks, are covered in India. For the promotion of SHGs, the NRLM developed 1.72 crore village organizations and 1.50 crore community resource persons across India. A total of Rs 841690.6 (in lakh) revolving fund disbursed and Rs. 2802020 (in lakh) community investment fund disbursed across India (NRLM, Dashboard, Ministry of Rural Development).

Under the flagship program of DAY-NRLM, two initiatives were undertaken viz. Start-Up Village Entrepreneurship Program (SVEP) and Aajeevika Grameen Express Yojana (AGEY). The two schemes of NRLM are discussed below.

- *Start-Up Village Entrepreneurship Program (SVEP):* SVEP, a sub-scheme under DAY-NRLM, is an innovative idea to promote sustainable livelihoods and self-employment opportunities among marginalized sections of rural society i.e. women, SC, ST, and rural artisans. Basic objective of the program is to help members of SHGs or their family members to establish small enterprises in the non-farm sector. The Block Development Office serves as primary SVEP implementation unit through Community Resource Person-Entrepreneurship Promotion (CRP-EP). The program offers skill-based training, financial assistance, and other support for the promotion of individual and group entrepreneurship. From 2015 to 2019, the program is expected to support 1.82 lakh



businesses in 125 resource blocks throughout 24 states and generate employment for 3.78 lakh rural poor people. As of 30<sup>th</sup> June 2023, throughout India 241287 enterprises were supported for business development by SVEP, which generated 499464 no of employment (Ministry of Rural Development, GOI, Implementation of SVEP).

- **Aajeevika Grameen Express Yojana (AGEY):** In the fiscal year 2016-17, the Aajeevika Grameen Express Yojana was introduced with the goal of enhancing the DAY-NRLM program. The goal of this initiative is to raise living standards for SHG members in rural areas, especially in underdeveloped areas, by facilitating their involvement in public transport services. The mission of AGEY is to connect remote communities to markets, medical facilities, and educational institutions by offering affordable, accessible, and community-managed transportation services. The program is funded by the Community Investment Fund (CIF), which enables Community-Based Organizations (CBOs) to lease or lend interest-free money to SHG members for the purchase of automobiles. To buy a car, SHG members are eligible for loans up to Rs. 6.50 lakhs, which must be paid back over a maximum period of six years. Alternatively, CBOs can lease the car to SHG members after financing the purchase. A monthly lease rental is paid by the members, while certain operating expenses are covered by the CBO. Initially, the program was put into place in 250 blocks around India, with up to 6 vehicles designated for transportation services per block. Recently, the Government has approved AGEY's implementation for 52 Blocks in 8 States (Tamil Nadu, Maharashtra, Telangana, Uttarakhand, Andhra Pradesh, Jharkhand, and West Bengal) with a total budget of Rs.16.06 Cr, of which central contribution is Rs. 10.16 Cr (Aajeevika Grameen Express Yojana, PIB, MoRD, GOI).

#### j) Stand-up India:

Prime Minister Narendra Modi launched the "Stand-up India" scheme on 5<sup>th</sup> April 2016 to support entrepreneurship among women and SC, ST. The Stand-Up India scheme aims to provide bank loans between 10 lakhs to 1 Crore to promote

entrepreneurship among marginalized groups. Each bank branch provides a loan to at least one borrower from SC or ST and one female borrower for starting their enterprise in manufacturing, services, Agri-allied activities, or trading sectors. Eligible criteria for the scheme are SC/ST and women entrepreneurs must be above 18 years of age, the loan is available only for green field projects which mean the first-time venture in manufacturing, services, and trading sectors.

More than 63 thousand crores of loan amounts were received from about 2.6 lakh applicants. Approximately over 58320.11 crore loan amounts were sanctioned among 258106 lakh applicants. Among the applicants, there are 1.8 lakh women, SC, ST till date (Stand up India, GOI).

## B. OTHER SCHEMES

### I. SCHEMES OF THE MINISTRY OF MSME

a) **Scheme of Fund for Regeneration of Traditional Industries (SFURTI):** SFURTI a cluster based scheme was launched in 2005 by the MSME and again revamped on 1<sup>st</sup> August 2014. This primary goal of the scheme is recognition of traditional industries by transforming rural artisans into self-governing entrepreneurs. The ultimate goal of SFURTI is to enable sustainable lives for artisans by boosting traditional industries through competitive cluster organization, infrastructure support, skill enhancement, and improved market access.

Some key objectives of this scheme are:

- To develop a cluster of traditional industries in India.
- To build traditional industries more competitive, market-driven, profitable, and productive.
- To provide sustainable employment opportunity for traditional industry artisans and rural entrepreneurs.
- To enhance cluster governance with active participation of stakeholders.
- To build up traditional and innovative talents, better technology, sophisticated processes, market information, and new forms of public-private partnerships.

Under the Scheme of SFURTI, 513 clusters were approved with government grant worth Rs. 1335 crore which benefited around 3.03 lakh artisans till December 2023. 87 of these clusters are approved in the north-eastern region (Ministry of MSME, Annual Report 2023-24).

### b) ASPIRE (A Scheme for Promotion of Innovation, Rural Industries and



**Entrepreneurship):** ASPIRE was launched on 16 March; 2015 by the Ministry of MSME, GoI. The main aim of this scheme is to enhance entrepreneurship and innovation and reduce unemployment in the rural areas. Some key objectives of this scheme are: (i) Job creation and unemployment reduction, (ii) Promotion of entrepreneurial culture in India and (iii) Encouraging innovation to boost the MSME sector's competitiveness. Till 31.03.2024, the program approved 109 Livelihood Business Incubators (LBI) and 22 Technology Business Incubators (TBI) in India, of them 77 LBI and 14 TBI are now in operation. A sum of 1,01,012 beneficiaries who received training in 77 functional LBI, of which 18044 trainees became self-employed and 12,381 trainees got employed in the agro-rural sector. Additionally, 451 micro-enterprises was supported and established under ASPIRE scheme. (Ministry of MSME, Annual Report 2023-24).

**c) Entrepreneurship and Skill Development Program (ESDP):** The Ministry of MSME, GoI launched ESDP. The program has been active for several years but the program was modified in 2019 to promote entrepreneurship among different segments of the population, particularly marginalized groups like women, people with physical disabilities, and SC/ST. The basic objectives of this program are:

- To encourage young people to think about self-employment or entrepreneurship as a profession.
- To raise awareness of the entrepreneurial culture.
- To encourage new enterprises and existing MSMEs by fostering entrepreneurial culture throughout the nation.
- To impart technical and business skills to the target group to think and act like an entrepreneur.
- To improve the target group's technical and vocational abilities.
- To educate/train people in an entrepreneurial culture.
- To encourage young people to think about self-employment or entrepreneurship as a profession.

Under the ESDP, 11,35,753 lakh people have received training through 24,947 programs, and Rs. 15684,74,971 was spent for entrepreneurship and talent improvement since 2019 (Entrepreneurship and Skill Development Program, GOI).

**d) Micro and Small Enterprises Cluster Development Programme (MSE-CDP):** The Ministry of MSME implemented the MSE-CDP for clusters development. Strengthening competitiveness and productivity of MSEs is the main goal of the scheme through providing financial support in the form of grants from the GoI for the construction of new industrial areas, estates, and flatted factory complexes, as well as for the creation of Common Facility Centres (CFC) at the current clusters.

**e) Raising and Accelerating MSME Performance (RAMP) Scheme:** RAMP is a central sector initiative backed by the World Bank aimed at intended to increase MSME's market accessibility, finance, and technology upgradation by enhancing the outreach of existing MSME schemes. The total project cost of RAMP from FY 2022-23 to 2026-27 is Rs. 6062.45 Cr, of which support from the World Bank is Rs.3750 Cr. (Ministry of MSME, Annual report 2023-24).

**f) National SC, ST Hub:** The hub supports existing Scheduled Caste and Scheduled Tribe entrepreneurs and enterprises for technology upgradation and capacity building thereby enabling them to actively participate in the Public Procurement Policy for Micro and Small Enterprises of central government. Selected entrepreneurs are assisted with support and mentoring by industry experts, Central Public Sector enterprises, and incubators. As of 31<sup>st</sup> December 2024, total 1,36,670 numbers of ST/SC beneficiaries were assisted, and 43,675 SC/ST candidates were trained. During the FY 2023-24, Rs. 1721.62 were spent for procurement of products from 11,440 SC/CT owned MSEs (Ministry of MSME, National SC/ST Hub, GOI).

**g) PM VISHWAKARMA:** PM VISHWAKARMA is a centrally sponsored program under the Ministry of MSME. It offers comprehensive assistance to traditional craftspeople and artists in scaling up their traditional goods and services. The scheme is fully funded by the GoI with an investment of Rs. 13000 crores, The primary goals of the scheme are:

- To enable the recognition of artisans and craftspeople as Vishwakarma.
- To provide skill upgradation.
- To provide support for better and modern tools.
- To provide the beneficiaries easy access to collateral-free credit.
- To provide incentives for digital transactions.



- To offer a venue for brand promotion and market linkages.

As on 16.01.2025, total number of applications submitted 2,64,18,121 and total no. of registered beneficiaries under this scheme is 26,60,540 (PM Vishwakarma, Ministry of MSME).

**h) Credit Guarantee Trust Fund for Micro and Small Enterprises (CGTMSE):** The Ministry of MSME and the Small Industries Development Bank of India (SIDBI) jointly introduced the CGMSE in 2000, to provide collateral-free finance to the micro and small business. The eligible lending institutions of this scheme are scheduled commercial banks and select Regional Rural Banks, National Small Industries Corporation Ltd. (NSIC), North Eastern Development Finance Corporation Ltd. (NEDFC), and SIDBI. Initially there were five credit guarantee schemes operated by CGTMSE, of which one has been discontinued on March 2003. During FY 2022-23, for all credit guarantee Schemes, a total of 21,90,412 guarantees were approved for an amount of ₹1,06,474 crore. Cumulatively, as on March 31, 2023, a total of 1,10,83,693 accounts have been given guarantee approvals for ₹4,24,596 crore by CGTMSE under all the credit guarantee schemes (Credit Guarantee Trust Fund for Micro and Small Enterprises, Annual Report 2022-23).

## II. SCHEMES OF THE MINISTRY OF FOOD PROCESSING INDUSTRIES

**a) Pradhan Mantri Formalisation of Micro Food Processing Enterprises (PMFME) Scheme:** As a component of the Atmanirbhar Bharat Abhiyan, the centrally sponsored scheme PMFME, was launched in 2020, to uplift and formalize micro-enterprises by addressing their issues utilizing SHGs, FPOs, and cooperatives to their full potential. During the period from 2020–2021 to 2024–2025 an outlay of Rs. 10,000 crores was utilised for the programme. (MoFPI Lok Sabha Unstarred Question, No. 636) 2,00,000 nos. of micro food processing units receive direct credit-linked subsidies from the scheme. The Central and State Governments share the program's expenses in 60:40 ratio, the North Eastern and Himalayan States in 90:10 ratio, the UTs with legislature in 60:40 ratio, and the Central share for other UTs is 100%. The scheme adopts One District One Product (ODOP) to enable comprehensive socio-economic progress in all areas by choosing, branding, and promoting a minimum of one district specific product. The main four components of this program are- i) support to individuals and groups of micro-enterprises, ii)

support for branding and marketing; iii) institutional strengthening support and iv) establishment of a strong framework for project management.

**b) Production Linked Incentive Scheme for Food Processing Industry (PLISFPI):** The MoFPI approved PLISFPI, a Central Sector Scheme, for implementation during 2021-22 to 2026-27 with an outlay of Rs. 10,900 crore (MoFPI, GOI). The primary goal is to foster the growth of global food manufacturing champions, boost Indian food product brands, provide more off-farm work possibilities, and guarantee fair prices for farm produce and increase in farmer's income.

**c) Pradhan Mantri Kisan SAMPADA Yojana (PMKSY):** The PMKSY is a central sector umbrella scheme launched by the MoFPI with Rs. 4600 crore of funding till 31.03.2026 (MoFPI, GOI). This is basically a scheme for agro-marine processing and development of agro-processing clusters. The following schemes will be continued under PMKSY: Integrated Cold Chain and Value Addition Infrastructure, construction of Infrastructure for Agro-Processing Clusters, creation and/or expansion of food processing & preservation capacities, infrastructure for quality control and food safety, human resources and Institutions-R&D, and operation greens.

## III. SCHEMES OF KHADI & VILLAGE INDUSTRIES COMMISSION

**a) Honey Mission:** Honey Mission, a KVIC initiative, launched in 2017 promotes beekeeping and honey production to improve the rural lives. Under the mission, 20,518 beekeepers received 2,03,989 bee hives (boxes), up to 31.03.2024 (Ministry of MSME, Annual report 2023-24).

**b) Kumbhar Shashaktikaran Programme:** "Kumbhar Shashaktikaran Programme" launched by KVIC to uplift the rural pottery traditional artisan's livelihood by enhancing their income. Under the program, 30971 pottery artisans received 30971 electric pottery wheels up to 31-03-2024. During 2023-24 under the programme, 6151 pottery artisans received 6151 electric pottery wheels which benefited 24,604 pottery artisans. (Ministry of MSME, Annual report 2023-24).

**c) Modified Market Development Assistance (MMDA):** MMDA aims to increase Khadi production and sales through improving technology upgrades, innovative design, modernized sales strategies, and incentives for artisans and staff. Under MMDA total



disbursement during 2023-24 to khadi and polyvastra is Rs. 265.59 Crore for 1088 khadi institutions, which benefitted 1,49,045 artisans (Ministry of MSME, Annual report 2023-24).

**d) Interest Subsidy Eligibility Certificate (ISEC)**

**Scheme:** The ISCE scheme was launched in May 1977 by the GoI, to allow the khadi institutions to mobilize the fund from banking institution in order to bridge the gap between actual fund requirements of working capital and its availability from budgetary sources. This scheme is applicable to all registered khadi institutions for implementing khadi and polyvastra cloths. During 2023-24, 1088 khadi institutions received Rs. 265.59 crore under MMDA (Ministry of MSME, Annual report 2023-24).

**e) Work-shed Scheme for Khadi Artisans:**

KVIC launched Work-shed Scheme in 2008-09 for khadi artisans, belonging to BPL category. Main objective of this scheme is to spend more time in khadi activities with a congenial atmosphere for their sustainable earnings possessing their own work place. As of March 31, 202, 47612 nos. of khadi craftsmen had been benefitted from this program. The Work- shed program has also benefitted 87 khadi craftsmen during 2023-2024 (MSME, Annual report 2023-24).

**f) Strengthening of Infrastructure of Existing Weak Khadi Institutions and Assistance for Marketing Infrastructure:**

The aim of the scheme is to help struggling khadi institutions to improve their marketing and to create jobs by upgrading their sales outlets and developing better marketing infrastructure. Assistance up to Rs. 15 lakh is given under the initiative to strengthen the infrastructure of existing weak Khadi establishments and up to Rs. 25.00 Lakh is given for developing marketing infrastructure. During 2023-2024, 40 nos. of khadi establishments were strengthened under the program. In order to enhance its marketing infrastructure, 148 khadi establishment's sale shops were also refurbished during this time (Ministry of MSME, Annual report 2023-24).

**g) Scheme of Fund for Regeneration of Traditional Industries (SFURTI):**

In 2005, Ministry of MSME, GoI, introduced SFURTI to promote cluster development where KVIC is the nodal agency. It seeks to honour the ability, inventiveness, and hard labor of rural artisans to make the traditional industries more productive,

profitable and capable for generating sustainable employment for traditional industry of artisans so as to empower and transform them into dependent business owners. 12 clusters under KVIC became functional during 2023-24 (Ministry of MSME, Annual report 2023-24).

**h) Capacity Building:** KVIC offers several training programs in areas like food items, bakery products, ready-made clothing, beekeeping, agarbatti, candle making, motor repair, binding, soap and detergent production, and also organizing entrepreneurship awareness programmes through different training centres.

### III. CONCLUSION:

It can be concluded that India's entrepreneurial environment is distinguished by a culture that encourages innovation, growing investment, and strong government assistance. Government schemes are an integral part of developing a robust entrepreneurial ecosystem for boosting up entrepreneurship and self-employment. Various on-going schemes, focusing on entrepreneurship, of the government tries to make a holistic development of entrepreneurship and self-employment in India by promoting financial support, innovation, marketing support, brand promotion, targeted assistance, networking opportunities, training etc. The basic objectives of these schemes are to create a healthy entrepreneurial ecosystem for India where all types of entrepreneurship irrespective of size, whether rural or urban, can flourish to their full potentials.

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