



SCHEMES AND STRATEGIES FOR PROMOTING ENTREPRENEURSHIP IN INDIA

T. VIJAYARAGAVAN

Assistant Professor, PG & Research Dept. of Commerce

Sri S.Ramasamy Naidu Memorial College, Sattur – 626 203.

(Affiliated to Madurai Kamaraj University, Madurai), Tamilnadu, India

E-mail: vijayaragavan@srmcollege.ac.in

Received: September 04, 2024, **Accepted:** September 21, 2024, **Online Published:** October 10, 2024

ABSTRACT

The Indian economy relies on entrepreneurs to drive economic growth, create jobs, and foster innovation. Entrepreneurs contribute to increased productivity, wealth generation, and improved living standards, thus significantly impacting the nation's economic progress. In the face of government limitations in generating sufficient employment opportunities, the private sector and startups fill the gap by creating new jobs across diverse sectors. Entrepreneurs offer attractive incentives, such as competitive salaries and opportunities in specialized industries, drawing in a broad range of job seekers.

As a developing nation, India is rapidly emerging as an entrepreneurial hub, where entrepreneurship is seen as a vital driver of progress and a key national asset. The formation of new business ventures fosters the development of new markets, generates wealth, and addresses critical national priorities like job creation and income growth. Additionally, entrepreneurs serve as catalysts for social change, improving the quality of life for citizens through innovative business models. This article explores various initiatives that promote entrepreneurship in India and their role in bolstering the country's economic and social development.

Keywords: Entrepreneurship, Economic growth, Job creation, Innovation, Social change, startups, quality of life.

Introduction

The essence of entrepreneurship involves exploration and embracing risk, and it is a crucial element for a country's ability to thrive in a constantly evolving and fiercely competitive global economy. By 2030, India is expected to have a workforce of 1.04 billion individuals, and the Indian government has been emphasizing entrepreneurship through initiatives like Make in India and Startup India. However, these initiatives may not yield the desired impact if the working population lacks entrepreneurial skills and aspirations. Therefore, an urgent need is to prepare India's population for entrepreneurship. It is undeniable that innovation and entrepreneurship significantly contribute to economic advancement. Startups have emerged as powerful drivers of economic progress. India has always been known for its entrepreneurial spirit. Even today, young men and women seek better opportunities elsewhere to contribute to India's development. They are willing to take risks and devise groundbreaking solutions to persistent challenges. Entrepreneurs play a crucial role in driving economic growth. They act as catalysts in the process of industrialization and economic advancement.

Entrepreneurs are the primary drivers of job creation in India. Startups and small businesses generate employment opportunities across various sectors, contributing to reducing unemployment rates and enhancing economic growth. A diverse entrepreneurial ecosystem enhances the economy's resilience to external shocks and economic downturns. It fosters adaptability and agility, enabling businesses to pivot in response to changing market conditions. Entrepreneurship drives India's economic development, playing a crucial role in job creation, innovation, wealth generation, and regional development. Encouraging and supporting entrepreneurship through policies and initiatives is essential for unlocking India's full economic potential. A vibrant entrepreneurial ecosystem attracts foreign investment and encourages trade partnerships. Indian startups and businesses increasingly attract foreign investment, boosting economic development and global competitiveness. Encouraging and supporting entrepreneurship through policies and initiatives is essential for unlocking India's full economic potential. This paper highlights the promotion of entrepreneurship in India through various schemes.

Schemes to Promote Entrepreneurship in India

The Government of India has implemented several schemes and initiatives to promote entrepreneurship across various sectors and segments of society. These schemes provide aspiring entrepreneurs with financial support, skill development, mentorship, and infrastructure.



- **Startup India:** Startup India is a government initiative to foster entrepreneurship and promote startup ventures in the country. It offers various benefits to startups, including tax exemptions, self-certification compliance, and easier access to funding through the Startup India Seed Fund Scheme. Startup India also provides mentorship, networking opportunities, and access to resources through Startup India Hubs and other support mechanisms.
- **Pradhan Mantri Mudra Yojana (PMMY):** PMMY aims to provide financial assistance to micro-enterprises, including small businesses, artisans, and entrepreneurs, through loans from Micro Units Development and Refinance Agency (MUDRA) partner institutions.
- The scheme offers three categories of loans: Shishu (up to ₹50,000), Kishore (₹50,001 to ₹5 lakh), and Tarun (₹5 lakh to ₹10 lakh), catering to the diverse financing needs of entrepreneurs.
- **Stand-Up India:** Stand-Up India aims to promote entrepreneurship among women. The scheme provides financial assistance, handholding support, and entrepreneurial training to eligible beneficiaries to start and grow their businesses.
- **Pradhan Mantri Employment Generation Programme (PMEGP):** The PMEGP is designed to create self-employment opportunities in the non-farm sector by providing a credit-linked subsidy scheme to establish micro-enterprises. Financial support is offered under PMEGP to either start new micro-enterprises or expand existing ones through bank loans and government subsidies.
- **National Rural Livelihoods Mission (NRLM):** The NRLM, or Aajeevika, aims to reduce poverty and encourage entrepreneurship in rural households by granting them access to financial services, skill development training, and livelihood opportunities. The mission supports the formation of Self-Help Groups (SHGs) and assists them in obtaining credit, developing enterprise skills, and establishing micro-enterprises.
- **Skill India Mission:** Skill India Mission aims to enhance India's workforce's employability and entrepreneurial capabilities by providing skill development training in various sectors through the Pradhan Mantri Kaushal Vikas Yojana (PMKVY) and other skill development schemes. The mission focuses on creating a skilled workforce capable of meeting the demands of emerging industries and supporting entrepreneurship and self-employment ventures.
- **Technology Business Incubators (TBIs) and Atal Incubation Centers (AICs):** The government supports the establishment and operation of TBIs and AICs to

nurture innovative startups and entrepreneurs by providing infrastructure, mentorship, networking, and access to funding and market linkages.

India's Start-Up Growth

India's ascent to the world's third-largest startup ecosystem, lauded by Prime Minister Mr. Narendra Modi, is a pivotal step towards the nation's development by 2047. He addresses the Start-up Mahakumbh audience, highlighting the broadening scope of India's start-up culture, extending its reach beyond urban centers to smaller locales, indicative of a burgeoning trend among young entrepreneurs. With approximately 117,254 startups recognized by the Department for Promotion of Industry and Internal Trade (DPIIT) as of December 31, 2023, including 110 unicorns, these ventures have collectively generated over 1.24 million jobs, significantly bolstering the economy. Union Minister of Commerce & Industry, Consumer Affairs, Food & Public Distribution and Textiles, Mr. Piyush Goyal, echoed the sentiment, emphasizing the indispensable role of startups in nation-building. India's strides in Intellectual Property Rights (IPR) were also underscored, with over one lakh patents granted this year, half of which represent Indian innovations. The collaborative effort behind the Startup Mahakumbh, supported by entities such as Assocham, Nasscom, and the Indian Venture and Alternate Capital Association (IVCA), signifies the government's proactive approach to nurturing the startup ecosystem. Through initiatives like the Bharat Startup Ecosystem Registry and schemes like the Startup India Seed Fund Scheme (SISFS), with a budget of US\$ 113.6 million (Rs. 945 crore) over four years, startups receive comprehensive support aimed at fostering growth and innovation.

Conclusion

In today's world, it is crucial to acknowledge the significant contribution of entrepreneurship to societal development, extending beyond just economic growth. As the younger generation seeks more dynamic and creative roles, the increasing importance of small businesses and start-ups in shaping economies and career paths becomes more evident. Across the globe, there is a growing recognition of the value of promoting entrepreneurship and self-employment for sustainable economic development. Start-ups and micro, small, and medium enterprises (MSMEs) play a vital role in a country's economic growth by creating employment, reducing regional disparities, and enhancing living standards in various communities. Government schemes and initiatives are critical in promoting entrepreneurship, driving economic growth, fostering innovation, and creating employment opportunities across India. Governments and policymakers frequently implement supportive policies and initiatives to encourage entrepreneurial activity, stimulating economic growth and prosperity. India's significant improvement in the National



Entrepreneurship Context Index (NECI) report from the Global Entrepreneurship Monitor (GEM) is evident, with the country's latest score of 6.1 reflecting a steady increase in the overall entrepreneurial environment over the years.

References

- Banerjee, A., & Duflo, E. (2019). Good Economics for Hard Times: Better Answers to Our Biggest Problems. Public Affairs.
- Banupriya, S., & Uchimahali, P. (2024). A Study on the Problems Faced by Women Entrepreneurs in Tirunelveli. Journal of Inventive and Scientific Research Studies, Special Issue, 22-28.
- Department for Promotion of Industry and Internal Trade (DPIIT). (2023). Startup India Initiative Report. Government of India. <https://www.startupindia.gov.in>
- Global Entrepreneurship Monitor (GEM). (2023). National Entrepreneurship Context Index (NECI) Report. GEM Consortium. <https://www.gemconsortium.org/report>
- Kani, R. M., & Kumar, S. N. (2024). Operational Constraints Faced by Budding Entrepreneurs in South Tamil Nadu – 2023: An Empirical Study. Journal of Inventive and Scientific Research Studies, Special Issue, 84-94.
- Mahalakshmi, C. M., & Selvi, V. K. (2024). Empowering Rural Entrepreneurship Through Digital Literacy in Surrounding Villages of Sivakasi. Journal of Inventive and Scientific Research Studies, Special Issue, 29-36.
- Ministry of Skill Development and Entrepreneurship. (2022). Skill India Mission: Annual Report. Government of India. <https://skillindia.gov.in>
- Mudra, P. (2019). Financial Support for Micro-Entrepreneurs: An Analysis of The Pradhan Mantri Mudra Yojana (PMMY). Indian Journal of Commerce & Management Studies, 10(2), 45-54.
- National Institute for Transforming India (NITI Aayog). (2021). Encouraging Entrepreneurship: A Roadmap to Boost MSMEs In India. Government of India.
- Pachouri, A., & Sharma, S. (2016). Barriers to Innovation and Entrepreneurship in India. Asian Development Bank Economics Working Paper Series. <https://www.adb.org/publications/barriers-innovation-entrepreneurship-india>
- Press Information Bureau (PIB). (2023). India's Startup Ecosystem: A Roadmap to Becoming A Global Leader. Government of India. <https://pib.gov.in>
- Singh, M., & Kumar, V. (2017). Role of Government Initiatives In Promoting Entrepreneurship In India: A Study Of 'Make In India' And 'Startup India' Campaigns. Journal of Entrepreneurship and Innovation in Emerging Economies, 3(1), 1-10.
- World Bank. (2021). Boosting Entrepreneurship in Emerging Markets: Lessons from India's Startup Ecosystem. World Bank Group. <https://www.worldbank.org>