CoPAR Contemporary Public Administration Review

Department of Public Administration
Parahyangan Catholic University
Ciumbuleuit 94, Bandung 40141, Indonesia
copar@unpar.ac.id

Startups and Entrepreneurship Programme: Self-Employment and Economic Empowerment in India

Gurwinder Kaur
Department of Public Administration, Panjab University, Chandigarh, India
Correspondence Author E-mail: gsehgal300@gmail.com

Keywords:
Employment;
Entrepreneurship;
Policy;
Startups.

Abstract

The objective of this paper is to analyse startups and entrepreneurship programmes in India. There is an essential requirement to strengthen abilities in areas marked by actual skill gaps since self-employment provides a potential pathway to addressing unemployment. Entrepreneurship has a significant role in economic progress, and its creation of jobs is a common accolade for its practitioners. Self-employment offers a chance to overcome unemployment and poverty. The recent economic recession has led to a substantial surge in self-employment and business start-ups in many modernised economies, as people displaced sought to leverage their skills or pursue new opportunities. The small, independently owned businesses have a positive impact on the social, environmental, and economic development of the state and country. The Government of India launched a variety of initiatives to support businesses and startups. This article suggests a framework that outlines the use of innovation by policymakers in decision-making to promote innovation, startup entrepreneurship, and economic growth.

Kata kunci:
Ketenagakerjaan;
Kewirausahaan;
Kebijakan;
Startups.

Abstrak

Artikel ini bermaksud menganalisis startup dan program startup dan kewirausahaan di India. Terdapat kebutuhan mendesak untuk memperkuat kemampuan di bidang-bidang yang mengalami kesenjangan keterampilan nyata, padahal kewirausahaan memiliki potensi dalam mengatasi pengangguran. Wirausaha memainkan peran penting dalam kemajuan ekonomi, dan penciptaan lapangan kerja sering diakui sebagai prestasi bagi para praktisi yang menawarkan kesempatan untuk mengatasi pengangguran dan kemiskinan. Resesi ekonomi baru-baru ini telah menstimulasi lonjakan signifikan dalam kewirausahaan dan usaha baru di banyak ekonomi modern, karena orang-orang yang menganggur berusaha memanfaatkan keterampilan mereka atau mengejar peluang baru. Usaha kecil yang dimiliki secara mandiri memiliki dampak positif pada perkembangan sosial, lingkungan, dan ekonomi wilayah dan negara. Pemerintah India meluncurkan berbagai inisiatif untuk mendukung usaha dan startup. Artikel ini menawarkan kerangka kerja dalam menggambarkan penggunaan inovasi oleh pembuat kebijakan dalam pengambilan keputusan untuk mempromosikan inovasi, kewirausahaan startup, dan pertumbuhan ekonomi.

Submitted on 1 July 2025; revisions on 13 August 2025; online publication on 29 August 2025

1. Introduction

The concept of entrepreneurship, which serves as the primary catalyst for the birth and development of economic businesses, has been established (Manimala, 2002). Economic growth is significantly aided by entrepreneurial activity, and entrepreneurs are often hailed for generating employment (Acs et al., 2016). All self-employed persons were also included, as they were considered entrepreneurs "in their own labour," as the great merchants (Ribeiro-Soriano & Galindo-Martin, 2012). The inventive process of developing new products, technologies, and organisational structures depends heavily on entrepreneurs. Additionally, they can put their ambitions and personal traits into practice.

The goal of entrepreneurship policy is to promote and encourage individuals to start their own businesses by providing them with the necessary tools and resources to succeed. According to Tsai and Kuo (2011), the government needs to lower obstacles to enter the business sector, offer chances for new ventures, and encourage investment and engagement from entrepreneurs (Tsai & Kuo, 2011).

There is a significant link between innovation and entrepreneurship (Hitt et al., 2001). Theories of entrepreneurship view entrepreneurship as a crucial component of startups, arguing that most of them are founded on one or more entrepreneurial traits or concepts (Hitt et al., 2001). Therefore, the principles of entrepreneurship may play a key role in startup strategy planning. Several characteristics, including the resource-based approach, human capital, social capital, organisational learning, and creative cognition, are linked in the framework of entrepreneurship theory and entrepreneurial approaches (Mazdeh et al., 2011).

Startups are businesses formed to test business models based on innovative ideas (Salamzadeh & Kesim, 2017). New or early-stage businesses are referred to as startups (Spiegel et al., 2016). Each stage can be monitored using precise milestones and criteria, and there are several sorts of startups. Every kind uniquely progresses through the developmental phases, and learning is a key component of development for startups. More learning should raise the chances of success, as entrepreneurs who continuously acquire knowledge and adapt are better positioned to navigate challenges and seize opportunities (Marmer et al., 2011).

Decision-makers often fall into a perilous fallacy when they assume that simply increasing the number of startup enterprises will automatically resolve structural economic problems. Despite this flawed assumption, startup enterprises are seen by some as a panacea that can revitalise struggling economies, foster innovation, produce employment opportunities, and perform various other economic miracles (Shane, 2009). "The entrepreneur is the single most important

player in a modern economy," (Lazear, 2005, p. 649). In order to help people start enterprises, governments in many countries are also implementing policies to stimulate new enterprises and foster innovation. This was seen in the Government of the United States of America (through the Small Business Administration and related agencies) offer them tax breaks, loans, subsidies, transfer payments, and exemptions from specific regulations. Small companies are essential to our workforce. Thus, it makes sense for small businesses to be the mainstay of an economic strategy that promotes growth.

This raises the question: "What is policy in an entrepreneurial economy?" The old business policy that attempted to limit the corporation is not the same as the entrepreneurship policy. There is a new wave of policy emerging that centres on knowledge generation and commercialisation. The policy also differs from those of small companies, which aim to address the cost disadvantage that small businesses face due to economies of scale. Entrepreneurship policy, on the other hand, is far more comprehensive. Policies aimed at directly influencing the degree of entrepreneurship in a nation or area, along with the effects of such activity on society, are collectively referred to as entrepreneurship policy (Lundstrom & Stevenson, 2005). As highlighted by Hà (2025), this is evident in the entrepreneurial ecosystem frameworks of South Korea, Thailand, and Vietnam, which employ distinctive classification and support mechanisms for startups and MSMEs, shaping the number and vitality of startups.

Good governance is a precondition for supporting and stimulating entrepreneurship, which has a favourable impact on economic growth. Entrepreneurship is a valuable tool that policymakers can utilise to stimulate economic growth. As such, they are concerned about implementing appropriate public policies that will encourage economic agents to engage in entrepreneurial activity. Because of this, numerous public policy initiatives have been introduced in numerous countries with the belief that they will help to, directly and indirectly, increase entrepreneurship and economic growth (Ribeiro-Soriano & Galindo-Martin, 2012).

Against this background, the purpose of this study is to assess the role that startups and entrepreneurial programmes play in fostering self-employment and promoting economic empowerment in India. The analysis emphasizes how entrepreneurship policies and institutional support contribute to addressing structural challenges such as unemployment and poverty. By exploring these dynamics, the study seeks to highlight the importance of startups not only as economic drivers but also as instruments for social progress. Ultimately, this

research underlines the relevance of entrepreneurship as a foundation for sustainable economic growth in India.

2. Literature Review

What factors influence self-employment in the economy? Economists and policymakers are quite interested in this question. Self-employment acts as an avenue for wealth generation and innovation (Parker, 1996). Innovation and entrepreneurship are now seen as key drivers of economic development for any nation (Kumar & Sharma, 2023). Entrepreneurship is often closely linked with innovation, as entrepreneurs are the ones who create new products, introduce innovative materials, and build fresh organizational models. The most widely accepted view of entrepreneurship centres on the generation of new economic opportunities and the launch of innovative concepts in the market.

The growth and development policies of the Indian government at all levels promote self-employment and entrepreneurship (Ahluwalia, 2002). Self-employment is an opportunity to overcome unemployment and poverty (Ahluwalia, 2005). The recent economic recession has caused a substantial surge in self-employment and business startups in many modernised economies, as people displaced sought to leverage their abilities or pursue new possibilities (Daniel & Chadwick, 2016). Many start businesses at home or at related properties such as garages and garden offices, which allows them to test their business idea while keeping affordable start-up and operating costs (Mason et al., 2011; Daniel et al., 2014). A recurring issue of interest in the field of business start-up procedures is figuring out how individual variations in self-efficacy affect certain subgroups, such as male and female entrepreneurs (Scherer et al., 1989).

"...entrepreneurial self-efficacy involves individuals' beliefs regarding their capabilities to attain goals and control positive and negative cognitions that an entrepreneur has during the process of starting up a business." (Drnovšek et al., 2008).

Self-efficacy for entrepreneurs has two components: goal beliefs (task/outcome) and control beliefs (positive/negative) that occur in the framework of business startup practices (Drnovsek et al., 2008). The amount of work, the stage of operation, and the type of business (production or service-oriented, capital-intensive, or labour-intensive) all influence an entrepreneur's need for additional human resources. In the Indian context, individual, family, and regional factors influence individuals' ability to transition to self-employment or raise money to start a business venture (Monsen et al., 2012). It is important to investigate people's self-employment practices because, strictly speaking, "entrepreneurship operates at the individual level," a perspective emphasized by Acs and Armington (2004)

argue that entrepreneurship requires certain abilities and additional resources, it is fundamentally about people's actions.

Policy Framework for Startups and Entrepreneurship in India

The Government of India has launched initiatives to foster entrepreneurship. The entrepreneurship growth engine has been fuelled by a few government programmes and projects, including Digital India, Made in India, Startup India, and Skill India. India is the third-largest and fastest-growing startup ecosystem (Mukul & Saini, 2020), currently undergoing a startup revolution and establishing itself as the world's leading startup ecosystem. Several ministries and departments in India have introduced schemes to support startups with financial aid, infrastructure, and regulatory assistance.

Table 1. Government of India's Key Initiatives for a Vibrant Startup Ecosystem

Timeline	Startups Programme	Aims
2009	Invest India	Creation of an investment promotion and facilitation agency
2009	India Stack and UiD	Digital push for cashless, paperless, consent-based scalable architecture to support the Aadhaar – Universal Identification project
2013	SEBI's Alternative Investment Fund	New norms for angel investors, who provide funding to companies in their initial stages.
2014	Make in India	Flagship initiative of the Government of India (GoI) aimed at making the country a "global design and manufacturing" destination
2015	Digital India	Flagship program of the GoI aimed at expanding e-governance to promote inclusive growth and transform India into a "digitally empowered society and knowledge economy
2016	Skill India initiative	A vocational training and certification program aimed at giving 400 million youth the opportunity for a better livelihood by 2022
2016	Startup India Initiative	Flagship initiative of the GoI to catalyse the startup culture and build an ecosystem for innovation and entrepreneurship
2016	Startup India Online Portal	367,171 registered startups, 26,374 recognized startups, 221 I tax exemptions, and 264 were funded by SIDBI FFS (as of 31 December 2019)
2016	Atal Incubation Centres (AICs) under Atal Innovation Mission (AIM)	A total of 31 AICs have received funding of INR 1.4 billion (approximately $20.39 million), with INR 576.8 million ($8.12 million) already disbursed.
2016	SIDBI "Fund of Funds for Startups (FFS)"	INR 100 billion corpus (approximately $1.4 billion), contributing to the Alternative Investment funds (AIFs) for investing in startups

2016	Bharat Interface for Money (BHIM) and United Payment Interface	Mobile payment app developed by the National Payments Corporation on the United Payments Interface to allow seamless and verified payments
2019	Technology Incubation and Development of Entrepreneurs (TIDE) 2.0	Meity-sponsored program to promote socially relevant tech entrepreneurship through incubators engaged in supporting ICT startups using emerging technologies (IoT, AI, blockchain, etc.)

Source: (David et al., 2020)

The Startup India Initiative, launched on January 16, 2016, is dedicated to empowering entrepreneurs and building a robust startup ecosystem. Its goal is to shift India's narrative from being a nation of job seekers to one of job creators. In terms of public policy, the Indian government offers startups a range of administrative assistance programmes and tax benefits. The Startup India initiative aims to build information infrastructures, ease startup rules, streamline administrative processes, bolster funding and tax incentives, and assist in the creation of industry-academic programmes. These measures have begun to show tangible results, particularly in employment and entrepreneurship. The number of jobs or entrepreneurs that startups supported increased significantly between 2022 and 2024. The number of startups receiving support increased from 26,596 in 2022 to 34,842 in 2023, and then surged to 140,803 by 2024, nearly quadrupling from the previous year. This quick rise highlights the growing impact of startups on employment and entrepreneurship.

Subsequent evaluations have highlighted the employment implications. A 2023 empirical analysis reveals that Department for Promotion of Industry and Internal Trade (DPIIT)-recognised startups drove rapid employment growth from 2017 to 2022, with job creation peaking in later years. However, the findings caution against overinterpretation due to the possibility of reporting artefacts and inconsistent definitions of employment (Sharma, 2023). Several scholars discuss the heterogeneity of startup outcomes. For instance, Biswas (2021) uses World Bank Enterprise Survey data to demonstrate that firms with female ownership exhibit significantly higher innovation rates in India, especially when they have access to internal funding and operate in lower-crime regions. This suggests that women entrepreneurs, though underrepresented (less than 1% of Indian working-age women are entrepreneurs), could be key drivers of innovative growth if structural barriers are removed (Biswas, 2021; Times of India, 2025).

3. Methods

This study relies exclusively on secondary data to examine the influence of entrepreneurship and startup initiatives in India. To ensure validity, the analysis

draws on credible and widely recognized sources that provide reliable information. One of the primary references is Inc42 India, a startup media and intelligence platform known for its industry-focused assessments and detailed, data-driven insights. In addition, publications from the Department for Promotion of Industry and Internal Trade (DPIIT), including the Startup India dashboard and related registries, are used to evaluate the coverage of policies and to trace the recognition of startups across different periods.

Further sources are drawn from official communications and statistical records issued by government bodies. The Press Information Bureau (PIB) plays a key role by publishing verified press releases that regularly update information on entrepreneurial and startup-related schemes. These releases serve as an important resource for tracking government initiatives in real time. Alongside this, the Ministry of Micro, Small & Medium Enterprises (MSMEs) provides annual reports and statistical summaries that highlight employment levels, sectoral contributions, and the overall effectiveness of implemented programs. Together, these sources form the foundation of the study's methodological framework.

This approach works effectively because the data sources used are widely recognized for their reliability. Each source contributes to the overall credibility of the study, with Inc42 acknowledged for its comprehensive industry reporting, while the Department for Promotion of Industry and Internal Trade (DPIIT) and the Press Information Bureau (PIB) are trusted government institutions. The MSMEs adds further strength by providing official statistics that highlight employment trends and economic contributions. The combination of these sources ensures that the evidence supporting the analysis is both trustworthy and authoritative.

The methodology is also strengthened through its transparency and clear focus. By directly identifying all sources, the study enhances the rigour of its approach and allows the findings to be independently verified. This openness supports the integrity of the research process and reduces the possibility of ambiguity. At the same time, the use of diverse and structured references ensures that the conclusions are grounded in robust and multifaceted evidence, making the results both credible and actionable.

4. Results and Discussion

The delivery of public services is increasingly facilitated through strategic partnerships with the private and third sectors, reflecting a shift in governance approaches (Nicholls, 2006). Entrepreneurship is a dynamic systemic phenomenon that depends on effective coordination among specialised actors within the

ecosystem (Noda & Bower, 1996). Governments are increasingly adopting entrepreneurial approaches, as evidenced by the widespread legitimisation of privatisation and the global outsourcing of functions in recent years (Engel et al., 2006). In 1991, India embarked on a journey of economic liberalisation, introducing new policies focused on fiscal, structural, and industrial reforms. A key aspect of these reforms was the dismantling of outdated industrial licensing policies and the quota system, which had previously restricted market entry. By removing these barriers, the government aimed to boost private investment and create greater entrepreneurial chances, and foster a more dynamic environment (Ahluwalia, 2005). The Startup India 2016 initiative aims to promote innovation and create a strong startup ecosystem that drives entrepreneurship, economic growth, and job creation across the country. Similarly, the Make in India campaign, over the course of a decade, led to the establishment of a new startup every hour, showcasing the rapid growth and dynamic spirit of entrepreneurship in India. The government's vision to achieve a $5 trillion economy revolves around promoting inclusive growth, advancing the digital economy, and supporting fintech and technology-driven development. Prime Minister Shri Narendra Modi stated that, "India is the fastest-growing major economy in the world, despite global economic challenges" (Livemint, 2023).

The Ministry of MSMEs is widely recognised as an engine of economic growth for supporting equitable development. Similarly, in India, MSMEs have made significant contributions to the country's economic growth and export promotion. The Ministry of MSMEs has released a comprehensive list of suggestions for fostering the growth of startups in India, including streamlining laws and regulations, making infrastructure easily accessible, and bolstering the startup ecosystem with venture capital funds and angel investors, among other measures. Over the past fifty years, the MSMEs sector of the Indian economy has become one of the most dynamic and lively sectors. Encouraging entrepreneurship and creating numerous job opportunities at relatively modest capital costs makes a substantial contribution to the nation's economy and social development, second only to agriculture. The government has implemented several initiatives, including continuous programs, to ensure MSMEs have adequate financial access and a smooth lending process.

The Government of India has introduced several programmes to support entrepreneurship and self-employment through credit and funding mechanisms. The Prime Minister's Employment Generation Programme (PMEGP) serves as a credit-linked subsidy scheme designed to promote self-employment opportunities. Similarly, the Pradhan Mantri Mudra Yojana, a government schemed aimed at supporting micro and small enterprises, offers loans of up to Rs. 10 lakhs

(equivalent to one thousand Indian rupees) for non-corporate and non-farm micro or small enterprises. In addition, the credit delivery system has been reinforced to enable easier access to funds for the MSMEs sector, particularly through loans of up to Rs. 5 lakhs that do not require collateral or third-party guarantees.

Alongside these measures, further efforts have been made to strengthen the financial capacity of small businesses. An equity infusion of Rs. 50,000 crores has been provided through the Self-Reliant India (SRI) fund. In the aftermath of the COVID-19 pandemic, the MSMEs sector was highlighted as a crucial element within the Atmanirbhar Bharat Abhiyaan, reflecting its vital role in nation-building. Under this package, MSMEs received significant financial support and were given priority in the implementation of economic recovery policies. Complementing these initiatives, the Trade Receivable Discounting System (TReDS) was developed to facilitate MSMEs in financing their trade receivables from corporations, government departments, and public sector undertakings through electronic financiers.

The contributions of the MSMEs sector to India's economy are reflected in official statistics. According to data from the Ministry of Statistics & Programme Implementation, the share of MSMEs in India's Gross Value Added to GDP was 30.5 percent in 2019–20, 27.2 percent in 2020–21, and 29.2 percent in 2021–22. During the same period, MSMEs accounted for 36.6 percent, 36.9 percent, and 36.2 percent of total manufacturing output. At present, there are 7.9 million registered enterprises in the MSME sector, which collectively contribute 33 percent to the nation's GDP and employ more than 120 million individuals across sectors and regions. The sector's importance is further underscored by its role in advancing India to the position of the world's fifth-largest economy. The continued expansion of credit to small businesses in rural areas is considered essential for achieving the country's goal of becoming a $30 trillion economy by 2047.

Job Creation and Self Employment

To encourage economic growth in the post-liberalisation and reform era, the national and state governments of India are working to implement policies that support growth and development, focusing on self-employment and entrepreneurship (Ahluwalia, 2002, 2005). Self-employment, which accounts for half of India's entire workforce, has been the primary driver of recent new job growth (Chandrasekhar & Ghosh, 2007). The Government's sustained efforts under the Startup India initiative led to an increase in the number of recognized companies to 140,803 as of June 30th, 2024. According to reports, the well-known companies have directly created more than 15.5 lakh employment (Press Information Bureau, 2024; Salamzadeh & Kesim, 2017). There are recognized

startups in every state and Union Territory (UT) in the country. The number of DPIIT-recognized startups per State or UT and the number of direct jobs generated by these startups, specifically over the last five years (2019 to 2023). As of June 30, 2024, the number of direct jobs (self-reported) produced by DPIIT-recognized startups is listed below by year:

Table 2. Number of Direct Jobs Created by DPIIT Recognised Startups

Year	Number of Direct Jobs Created
2016	306
2017	51,980
2018	100,646
2019	163,463
2020	181,404
2021	210,545
2022	274,685
2023	391,943
2024	178,316
Total	**1,553,288**

Sources: (GoI Press Information Bureau, 2024)

During the early phase of 2016-2017, these startups generated only 306 jobs in 2016, which is a relatively small number. This figure increased to over 51,980 by 2017, suggesting that the startup environment was starting to grow. The period from 2018 to 2020 illustrates a consistent growth in the employment generation by Indian startups, with startups creating over 1 lakh (100,646) jobs in 2018, increasing further to over 1.6 lakh (163,463) in 2019 and then to roughly 1.8 lakh (181,404) in 2020. This consistent increase reflects the expanding size and impact of Indian startups. Highest employment startups created the most jobs between 2021 and 2023, with more than 2.1 lakh (210,000) employment were created in 2021; these increased to approximately 2.74 lakh (274,685) jobs in 2022 and nearly 3.91 lakh (391,943) jobs in 2023. This increase points to a robust startup environment with substantial job growth. However, in 2024, there were only about 1.78 lakh (178,316) new employment generated. Overall, over the last nine years, DPIIT-recognized startups have produced more than 15.5 lakh (1.55 million) jobs, highlighting the significant contribution of the startup sector to employment generation in India.

The Ministry of MSMEs, through the Khadi and Village Industries Commission (KVIC), is implementing the PMEGP to support entrepreneurs in starting new businesses in the non-farm sectors. It attempts to bring job opportunities to traditional craftspeople and young people without jobs in both rural and urban areas right to their doorstep. PMEGP performance over the last five years in terms of the number of units aided, margin money subsidies disbursed, and estimated jobs generated.

Table 3. The PMEGP's performance over the last five years in units supported, subsidy disbursed, and jobs generated is as follows

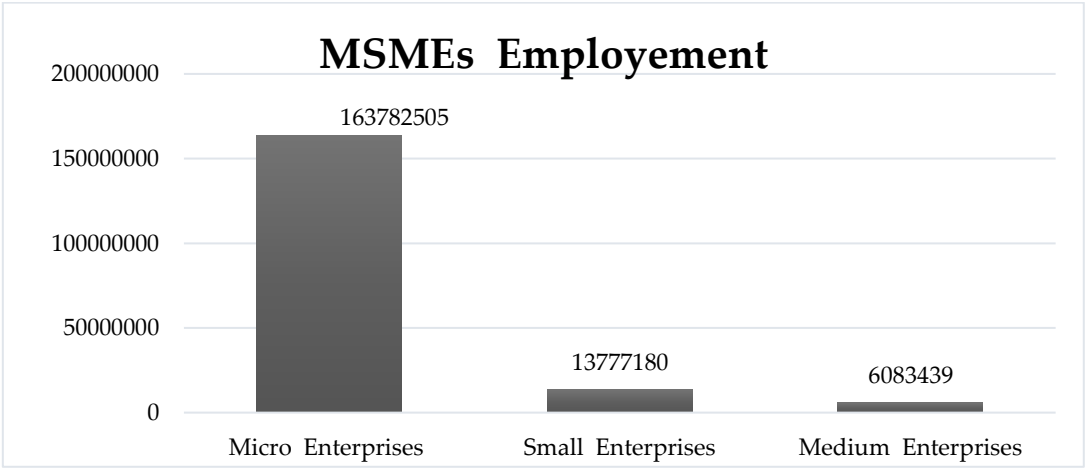
Year	No. of Units Assisted	MM Subsidy (Rs. Crore)	Estimated Employment Generated
FY19-20	66,653	1,950.82	5,33,224
FY20-21	74,15	2,188.80	5,95,320
FY21-22	1,03,219	2,977.66	8,25,752
FY22-23	85,167	2,722.17	6,81,336
FY23-24	89,118	3,093.88	7,12,944

(Source: GoI, 2024)

There was an overall increase in the number of units assisted and the MM subsidy across these years, with a peak in FY21-22. During the same period, the highest estimated employment was achieved in FY21-22, correlating with the highest subsidy provided. Following FY21-22, there was a slight reduction in units assisted and employment generated in FY22-23, but a subsequent increase in both aspects by FY23-24.

The Deendayal Antyodaya Yojana-National Rural Livelihood Mission (DAY-NRLM) includes the Startup Village Entrepreneurship Program (SVEP) as a sub-component. The goal of SVEP is to help rural entrepreneurs launch their own businesses. The quantity of businesses helped under the SVEP is estimated at 3,02,825 firms funded, which will produce about 626,848 jobs.

Figure 1: The distribution of employment in MSMEs as of March 31, 2024



(Source: GoI, 2024)

According to Figure 1, the employment distribution across different types of MSMEs highlights their role in job creation. In terms of the number of employees, micro enterprises account for the largest share at 16.4 million. The job creation in this category is significantly higher than in the other categories, emphasising its

significance in the MSMEs sector. Around 13.8 million people are employed by small businesses, making them the second-largest employer in the MSMEs sector. Meanwhile, medium enterprises employ around 6.1 million people, representing the smallest share of employment among the three categories.

Women Entrepreneurship

The socioeconomic change of any country is significantly influenced by the involvement of women in entrepreneurship. In addition to promoting women's economic empowerment, entrepreneurship raises women's social standing by granting them asset ownership and decision-making autonomy. Women's employment in developing nations is strongly correlated with entrepreneurship, as small and microbusinesses and self-employment both play a major role in job generation. The Women Entrepreneurship Platform (WEP) is a Government of India-backed program launched by the National Institution of Transforming India (NITI) Aayog in 2017 to foster a favourable environment for women's entrepreneurship in India.

India has 63 million MSMEs, with around 20 percent owned by women and 22 to 27 million employees. The Mastercard Index of Women Entrepreneurs rated India 57th out of 65 countries (MIWE, 2022). MIWE (2022) estimates that India may generate more than 30 million women-owned businesses and possibly 150–170 million employments by encouraging women to become more entrepreneurial. Women beneficiaries receive a higher subsidy under the PMEGP program. Since its inception in 2008-09 until March 31, 2024, the program has supported 310,780 female entrepreneurs' projects, promoting women's entrepreneurship and economic empowerment (GoI, 2024). The cumulative data on the number of women beneficiaries for the last five years (2018-19 to 2022-23) and current year up to March 31, 2024, is as follows:

Table 4. Micro Enterprises: Women Entrepreneurs under Prime Minister's Employment Generation Programme

Year	Women Entrepreneurs under PMEGP
2018-19	25,434
2019-20	24,720
2020-21	27,285
2021-22	39,156
2022-23	32,626
2023-24	36,806
Total	186,027

(Source: GoI, 2024)

According to Table 5, during the 2018–19 period, PMEGP provided support to 25,434 female entrepreneurs. The following year, 2019–20, saw a modest decline in this figure to 24,720. Although there are some little variations, this early stage exhibits comparatively stable support. The number of female entrepreneurs rose to 27,285 in 2020–21, indicating development despite pandemic-related obstacles. In 2021–2022, this growth accelerated dramatically, supporting 39,156 women entrepreneurs, the most within that time frame. The number of women entrepreneurs fell to 32,626 in 2022–2023 but increased to 36,806 in 2023–2024. This recovery demonstrates that PMEGP continues to work towards maintaining and expanding its support for women-led enterprises. The PMEGP has assisted a total of 186,027 female entrepreneurs over the past six years. This cumulative impact indicates how the programme promotes women's entrepreneurship, which in turn leads to job creation and economic empowerment.

The women own only 20.37 percent of them. The number of women-owned MSMEs varies by state. The percentage of women-led MSMEs is lowest in Sikkim (0.04 Percent) and highest in West Bengal (23.42 Percent). According to the survey's findings, the environment for women's entrepreneurship is comparatively more favourable in southern India. These five states rank among the top ten for the number of women-owned businesses. The states with the highest percentages are Tamil Nadu (10.37 Percent), Telangana (7.85 Percent), Karnataka (7.56 Percent), Andhra Pradesh (6.76 Percent), and Kerala (4 Percent).

The Ministry of MSMEs provides skill training to youths for paid employment and self-employment. They also provide skill-upgradation training to existing entrepreneurs and the workforce to improve their performance. These trainings are provided through a variety of schemes, including Tool Room & Technical Institutions (TR & IT), TCSP Assistance to Training Institutions (ATI), National SC/ST Hub, Khadi Gramodoyog Vikas Yojna, Coir Vikas Yojna - Skill Upgradation, and Mahila Coir Yojna. Furthermore, companies under the Ministry provide tailored demand-driven training courses based on industry requirements, as mentioned above. The following table shows the number of programmes run, participants trained, and trainees who found self-employment or wage employment between 2019-20 and 2023-24 under the ATI Scheme:

Table 5. The percentage of trainees from 2019 to 2024.

Year	Progress (in numbers)	Trainees (in numbers)	Achievement (Success Rate)				
			Wage Employed		Self Employed		Overall
			No.	%	No.	%	%
2020-21	53	1590	40	6.36	24	3.81	10.17
2020-21	77	2310	22	5.08	12	2.77	7.85

2021-22	74	2220	515	23.19	32	1.44	24.63
2022-23	64	1920	248	24.89	94	4.89	29.79
2023-24	40	1200	20	1.66	15	1.25	2.91

(Source: GoI, 2024)

Approximately 111 million people are employed in India's MSMEs sector, which accounts for 30 percent of the country's GDP (India Brand Equity Foundation (IBEF), 2021). Between 22 and 27 million people are employed by women-led MSMEs (Bain & Google, 2019). However, 95 percent of female entrepreneurs work with fewer than six people, with the majority running own-account or single-person businesses (or self-employed), and only 1.9 percent with six to ten employees.

The data clearly indicates that India's policy interventions, particularly the Startup India initiative, complemented by MSMEs support schemes, have yielded measurable gains in both the number of recognised startups and reported direct employment. The exponential jump in DPIIT-recognised startups, from 26,596 in 2022 to 140,803 in 2024, illustrates not only a rapid expansion in entrepreneurial activity but also the effect of systematic recognition and reporting mechanisms. However, this growth trajectory warrants nuanced interpretation. The sharp rise between 2023 and 2024 may partially reflect improved registration processes, enhanced awareness, and policy outreach rather than solely organic entrepreneurial growth.

From an employment perspective, the creation of over 15.53 lakh direct jobs between 2016 and mid-2024 is significant, with the 2021–2023 period marking peak job generation. This aligns with post-pandemic economic recovery and an influx of venture capital, especially in technology-driven sectors. Nevertheless, the 2024 decline in reported jobs is less than half of the 2023 figure and should be treated with caution, as the data is only for the first half of the year. Seasonal and reporting-cycle effects likely influence these figures, underscoring the need for annualised and verified employment metrics.

The MSME sector's parallel role reinforces the importance of diversified entrepreneurial ecosystems. Initiatives such as the PMEGP, PMMY, and TReDS have supported millions of livelihoods at relatively low capital costs, particularly in rural and semi-urban areas. PMEGP's capacity to sustain women's entrepreneurship, evident in over 1.86 lakh female beneficiaries since 2018, demonstrates gender-targeted potential, yet the national figure that only 20.37% of MSMEs are women-owned highlights persistent structural gaps in access to finance, markets, and capacity-building. State-level disparities, with southern states outperforming others, also reveal geographic concentration that may hinder

equitable growth. Critically, much of the employment data is self-reported, raising concerns over accuracy, definitional consistency (headcount vs. Full-Time Equivalent (FTE); permanent vs. contractual roles), and survivorship bias. Without integrating administrative datasets such as Employees' Provident Fund Organisation (EPFO) and Employees' State Insurance Corporation (ESIC) enrolments and longitudinal tracking, it is difficult to distinguish between gross and net job creation or to assess job quality and persistence.

Furthermore, the aggregation of data masks sectoral differences; high-growth technology startups and necessity-driven microenterprises likely have vastly different impacts on productivity, wages, and skills development. The evidence also highlights the intersection between policy and entrepreneurial culture. The growth of digital infrastructure (e.g., Unified Payments Interface (UPI), India Stack) and ease-of-doing-business reforms have reduced entry barriers, but targeted interventions such as women-specific credit lines, rural incubators, and mentorship networks are essential to broaden inclusivity.

While India's startup and entrepreneurship programmes have undeniably contributed to job creation, economic empowerment, and innovation capacity, their long-term impact will depend on addressing data reliability issues, ensuring equitable geographic and gender participation, and shifting the focus from mere quantity of jobs to their quality, sustainability, and developmental value.

5. Conclusion

The trajectory of India's startup and entrepreneurship programmes demonstrates the transformative potential of coordinated policy action, institutional support, and private sector engagement in driving self-employment and economic empowerment. Government-led initiatives such as Startup India, PMEGP, PMMY, and the MSMEs development schemes have expanded the entrepreneurial base, fostered innovation, and generated millions of direct jobs across diverse sectors and geographies. The rise in DPIIT-recognised startups and reported employment creation between 2016 and 2023 illustrates how targeted incentives, digital infrastructure, and regulatory reforms can lower entry barriers and catalyse new ventures. However, the analysis also underscores critical challenges that must be addressed to sustain and deepen these gains. Employment figures, being largely self-reported, require integration with administrative datasets for validation, and more granular disaggregation by sector, gender, and region is essential for understanding distributional impacts. Persistent gender gaps, where only one-fifth of MSMEs are women-owned, and regional disparities highlight the need for more inclusive policy instruments, such as women-specific

credit facilities, rural incubation centres, and targeted skill development programmes.

Moving forward, the success of India's entrepreneurship-driven growth model will depend on shifting the policy emphasis from the quantity of startups and jobs created to the quality, sustainability, and socio-economic value of these enterprises. A robust monitoring and evaluation framework, backed by reliable data systems and strong public–private partnerships, will be vital to ensure that entrepreneurship remains a driver of equitable economic development, innovation capacity, and long-term prosperity.

References

Acs, Z. J., & Armington, C. (2004). Employment growth and entrepreneurial activity in cities. Regional Studies, 55(8), 911–927.

Acs, Z., Astebro, T., Audretsch, D. T., & Robinson, D. T. (2016). Public policy to promote entrepreneurship: a call to arms. Small business economics.

Ahluwalia, M. S. (2002). Economic reforms in India since 1991: Has gradualism worked? . Journal of Economic Perspectives, 16(3), 67–88. https://doi.org/10.1257/089533002760278721

Ahluwalia, M. S. (2005). India's economic reforms: An appraisal. Government of India: Papers of the Planning Commission of India.

Government of India (GoI). (2024). *Annual Report 2023-24*. Government of India Ministry of Micro, Small and Medium Enterprises.

Bain & Google. (2019). Powering the economy with her. Women entrepreneurship in India. Retrieved from https://www.bain.com/insights/powering-the-economy-with-her-womenentrepreneurship-inIndia/ (accessed 20 June 2021).

Biswas, S. (2021). She Innovates- Female owner and firm innovation in India. *arXiv (Cornell University)*. https://doi.org/10.48550/arXiv.2109.09515

Chandrasekhar, C. P., & Ghosh, J. (2007). Recent employment trends in India and China: An unfortunate convergence. Social Scientist, 35(11/12), 17–46.

Daniel, E.M., Di Domenico, M.L. & Sharma, S. (2014). Effectuation and home-based online business entrepreneurs. International Small Business Journal, 33(8), 798–823.

Daniel, E. M, & Ellis-Chadwick, F. (2016). Entrepreneurship and liminality: the case of self-storage-based businesses. International Journal of Entrepreneurial Behavior & Research, 22(3), 436–457.

Drnovsek, M., Wincent, J., & Cardon, M. S. (2008). Entrepreneurial self-efficacy and business start-up: developing a multi-dimensional definition. International Journal of Entrepreneurial Behaviour & Research, 16(4), 329-348.

Engel, E., Fischer, R. & Galetovic, A. (2006). Privatizing highways in the United States. Review of Industrial Organization, 27–53.

Hà, T. T. (2025). Comparison of Entrepreneurial Ecosystems of South Korea, Thailand and Vietnam. *Contemporary Public Administration Review*, *2*(2), 82-99.

Hitt, M. A., Ireland, R. D., Camp, S. M., & Sexton, D. L. (2001). Guest Editors' Introduction to the Special Issue Strategic Entrepreneurship: Entrepreneurial Strategies for Wealth Creation. Strategic Management Journal, 22(6/7), 479–491.

India Brand Equity Foundation (IBEF). (2021). MSME Sector – Imperative to Lift Indian Economy. Retrieved from https://www.ibef.org/blogs/msme-sector-imperative-to-lift-indian-economy

Jain, A. (2023, October 7). How Indian startups are contributing to India's $5 trillion economy goal? Explained. *Mint*. https://www.livemint.com/companies/start-ups/how-indian-startups-are-contributing-to-indias-5-trillion-economy-goal-explained-11696301742196.html

Kumar, H. & Sharma, G. (2023). Grassroots innovations and sustainable energy use in urban contexts: case studies from India. Journal of Science and Technology Policy Management, 14(3), 529–546.

Kumar, R., & Raj, T. (2020). Role of Entrepreneurship in Boosting Economic Growth and Employment in India. SEDME (Small Enterprises Development, Management & Extension Journal).

Lazear, E. M. (2005). Entrepreneurship. Journal of Labor Economics, 23(4), 649–68.

Lundstrom, A., & Stevenson, L. A. (2005). Entrepreneurship Policy: Theory and Practice. Boston: Springer.

Manimala, M. J. (2002). Entrepreneurial Policies and Strategies: The Innovator's Choice. Global Business Review.

Marmer, M., Herrmann, B. L., Dogrultan, E., Berman, R., Eesley, C., & Blank, S. (2011). Startup genome report extra: premature scaling. Startup Genome, 10, 1–56.

Mason, C. M., Carter, S., & Tagg, S. (2010). Invisible Businesses: The Characteristics of Home-based Businesses in the United Kingdom. *Regional Studies*, *45*(5), 625–639. https://doi.org/10.1080/00343401003614241

Mazdeh, K., Mazdeh, M., & Moradi, K. (2011). Strategic planning model for startups: a case study of Iranian packaging industry. Management Science Letters, 1(2), 157-166.

MIWE. (2022). The Mastercard Index of Women Entrepreneurs. https://www.mastercard.com/news/latin-america/en/newsroom/press-releases/pr-en/2022/march/2022-mastercard-index-of-women-entrepreneurs/

Monsen, E., Mahagaonkar, P., & Dienes, C. (2012). Entrepreneurship in India: the question of occupational transition. Small Business Economics, 39(2), 359–382.

Mukul, K., & Saini, G. (2020). Talent acquisition in startups in India: the role of social capital. Journal of Entrepreneurship in Emerging Economies, 13(5), 1235-1261.

Nicholls, A. (2006). Social entrepreneurship: New Models of sustainable social change. Oxford, UK: Oxford University Press.

Noda, T., & Joseph L, B. (1996). Strategy Making as Iterated Processes of Resource Allocation. Strategic Management Journal 17: 159 92 159-192.

Parker, S. C. (1996). A Time Series Model of Self-employment under Uncertainty. Economica, 63(251).

Press Information Bureau. (2024). Government initiatives to promote startups across the country: Role Startups in Economic Development. Ministry of Skill Development and Entrepreneurship. https://pib.gov.in/PressReleasePage.aspx?PRID=2038380

Ribeiro-Soriano, D., & Galindo-Martin, M. (2012). Government policies to support entrepreneurship. Entrepreneurship and Regional Development : An International Journal, 24(9-10), 861–864. doi:10.1080/08985626.2012.742322

Salamzadeh, A. & Kesim, H. K. (2017). The enterprising communities and startup ecosystem in Iran. Journal of Enterprising Communities: People and Places in the Global Economy, 11(4).

Scherer, R.F., Adams, J.S., Carley, S.S., & Wieber, F. A. (1989). Role model performance effects on development of entrepreneurial career – performance. Entrepreneurship Theory and Practice, Vol. 13 No. 3, pp. 53–71., 13(3), 53–71.

Shane, S. (2009). Why encouraging more people to become entrepreneurs is bad public policy. Small Business Economics, 33, 141–149.

Sharma, R. (2023). A study on employment opportunities: Startup India initiative. Journal of the Asiatic Society of Mumbai, XCVI(20), 179–195. , XCVI(20), 179–195.

Spiegel, O., Abbassi, P., Zylka, M. P., Schlagwein, D., Fischbach, K., & Schoder, D. (2016). Business model development, founders' social capital and the success of early stage internet startups: a mixed-method study. Information Systems Journal, 26.

Tsai, W. H., & Kuo, H. C. (2011). Entrepreneurship policy evaluation and decision analysis for SMEs. Expert Systems with Application, 39(7), 8343-8351.