



Evaluating the Economic Impact of Entrepreneurship Development Initiatives

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Abstract

Entrepreneurship has become a key force driving innovation, job creation, and economic progress globally. This research study aim is to investigate the various economic effects of entrepreneurship development programs in India and demonstrate their vital significance as drivers of long-term, sustainable economic growth. With the aim of assess the economic impact, this study employs a descriptive research approach and qualitative analysis of secondary data. The study focuses into how programs to promote entrepreneurship affect GDP, employment, and gender equality. The study reveals that entrepreneurship is the key engine of employment generation, through women focused programs like Stand-up India, TREAD, and Mahila Samridhi Yojana, entrepreneurship development programs are effective mechanisms for reducing gender disparity, and The MSMEs sector makes up around 30% of India's total GDP. This study explores the ways in which entrepreneurship development initiatives support India's economic change towards the Viksit Bharat@2047 vision. It will be essential to integrate emerging technologies, prioritize sustainable practices, and emphasize inclusive growth for optimizing the influence of entrepreneurial development initiatives.

Keyword: Entrepreneurship, Entrepreneurship development, Employment generation, Economic development, Gender equality, MSME sector, GDP growth.

Introduction

India is a developing nation and emerging economy prevailing with the highest population in the world where a high unemployment rate is prevalent. Countries like India which have diverse populations have numerous opportunities for entrepreneurs to meet the demand of a sizable consumer base. India ranks 68th out of 137 countries in the Global Entrepreneurship Development Index with 28.4 GEI. For developing the economy, Entrepreneurship plays a critical role in achieving the goal of Viksit Bharat@2047. As said by PM Modi, Entrepreneurs are **growth ambassadors** of the Country. The Entrepreneurship ecosystem promotes innovation, which benefits the entire economy by

advancing technology and social capital. India has the largest youth population in the world with entrepreneurial potential and a lot of opportunities to tap the potential.

India currently has the third largest startup ecosystem globally and is expanding. The Indian startup ecosystem has steadily evolved in the past few years through an increasing number of angels, VC funds, incubators, and accelerators, as well as support from government initiatives such as Digital India, Startup India.

Entrepreneurship is the ability to create and build something from practically nothing. Fundamentally, a human creative activity, it is finding personal energy by initiating, building and achieving an enterprise or organization rather than by just watching, analysing or describing one. It requires the ability to take calculated risk and reduce the chance of failure. Entrepreneurship has emerged as a vital driver of economic growth, job creation, and innovation worldwide. According to the Schumpeterian view, the entrepreneurial process constitutes one of the key factors in the economic development of a region. Entrepreneurial skills can be nurtured and developed through targeted education, training programs, mentorship, and experiential learning. The multidimensional process of entrepreneurship development entails improving people's abilities, competencies, and knowledge to launch and successfully run new businesses venture. Realizing the value of entrepreneurship in the economy, governments have implemented in place a number of financial and non-financial policies and initiatives to support businesses and promote entrepreneurship. Entrepreneurial development programs offer a range of services, such as training, mentorship, incentives, and subsidies, to help entrepreneurs overcome obstacles in running their businesses. These initiatives support inclusive growth, social innovation, and eco-friendly practices. This Paper examines and highlights how these entrepreneurial development strategies contribute to the economic development of the nation.

Literature Review

Adelekan, et al. (2018), in his paper, Impact of Entrepreneurship Development Programme on Economic Development of Lagos State, Nigeria, show that entrepreneurship development initiatives have a profound impact on the economic development of Lagos State, Nigeria. The study found a significant relationship between these strategies and job creation, indicating that well-structured EDPs contribute to reducing unemployment rates and enhancing economic stability. Their findings support the assertion that entrepreneurship serves as a critical tool for national development, capacity to transforming socio-economic landscapes through innovation and employment generation.

Dr. R. Jayanthi, (2019), The study highlights the necessity of ongoing assistance and legislative initiatives to promote innovation and growth in the private sector. Despite obstacles including inadequate technology adoption, restricted access to financing, and cultural differences, India's entrepreneurship potential appears bright. The study also highlights the need of assisting female entrepreneurs and promotes improved networking, education, and skill development so as to foster a robust entrepreneurial ecosystem.

Shetty, et al. (2021), in their article, Impact of entrepreneurship development programmes on economic aspects of trainees: Evidence from training centres in India, found that EDPs have a significant overall effect on trainees' financial well-being. By using a robust methodology that includes multi-stage and proportionate sampling and employed both Kruskal-Wallis and one-sample t-tests to analyze the impact of EDPs on economic indicators such as income levels, business growth, and savings behavior. The study underscores the need for curriculum design and delivery methodologies to be improved and emphasizes the necessity of training interventions in regions with moderate or low outcomes.

Rietveld and Patel (2022), in his article, Gender inequality and the entrepreneurial gender gap: Evidence from 97 countries (2006–2017), provide compelling empirical evidence on how gender inequality influences the entrepreneurial activity across 97 countries over a twelve-year period. Using data related to Gender Gap Index taken from the Global Entrepreneurship Monitor (GEM) and the World Economic Forum, the authors investigate how structural gender inequalities impact male and female engagement in total early-stage entrepreneurial activity (TEA). Research shows that the gender difference in TEA narrows considerably in nations with greater gender equality, particularly when it comes to

opportunity-driven entrepreneurship. The results also highlight the significance of policy measures that target socio-political systems that impede female involvement in addition to legal and economic obstacles.

Adenutsi (2023), in their study titled Entrepreneurship, job creation, income empowerment and poverty reduction in low-income economies, offers a comprehensive analysis of the multifaceted role entrepreneurship plays in creating jobs, income empowerment, and poverty reduction. The study articulates a theoretical model showing how entrepreneurship can break the “vicious cycle of poverty” by facilitating increased income, higher consumption, capital accumulation, and investment. Using panel data from 30 low-income countries between 2014 and 2020, the study finds that business density, a proxy for entrepreneurial activity, is positively associated with real per capita income and negatively correlated with poverty indicators. The study also supports the claim that entrepreneurship correlates with positive macroeconomic outcomes.

Borah and Bhowal (2023), investigating the multifaceted drivers and impacts of entrepreneurship, alongside policy measures that influence entrepreneurial outcomes. studies have affirmed the positive relationship between entrepreneurship and economic indicators such as employment and productivity. The study involves a systematic review of existing literature and data from government and institutional sources, providing a holistic view of entrepreneurship’s economic impact. Their findings demonstrating how entrepreneurial activity contributes substantially to GDP growth and employment generation.

Objectives

- To examine the impact of Entrepreneurial activities on employment generation.
- To analysis the relationship of entrepreneurship development and GDP growth.
- To explore the entrepreneurial program contribution to reduction in Gender inequality.

Methodology

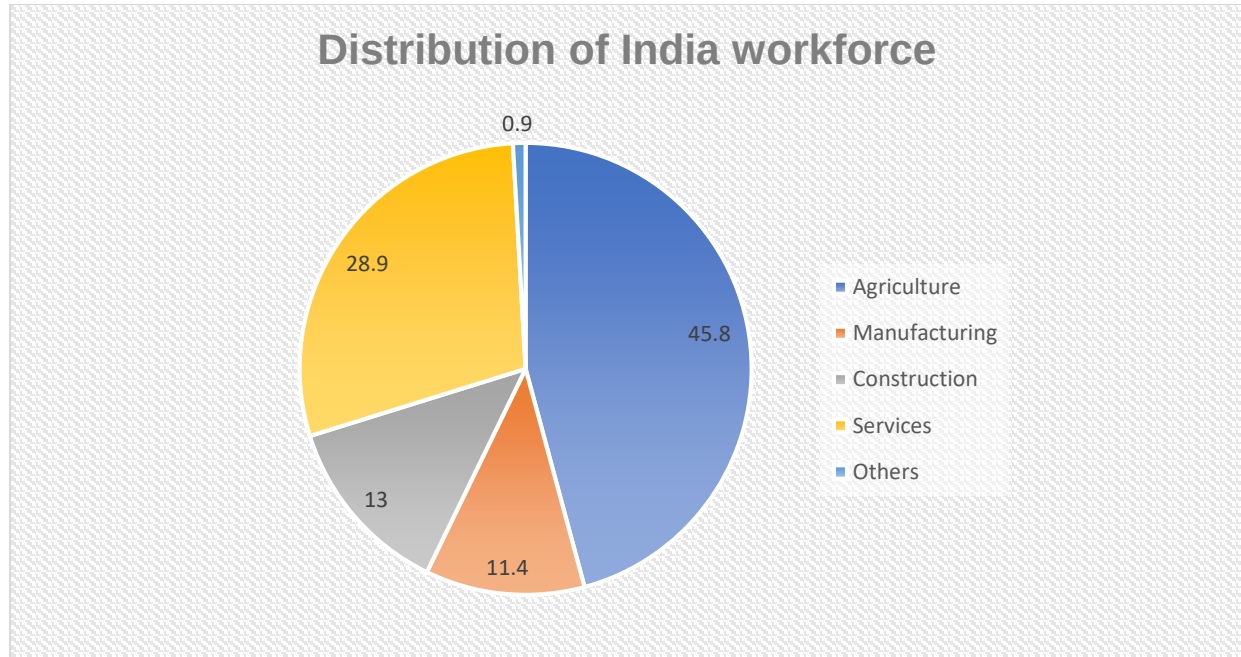
This study adopts a descriptive research design utilizing a qualitative approach to analyse the economic impact of entrepreneurship development initiatives. This approach aims to give a comprehensive overview of how entrepreneurship initiatives affect economic outcomes including GDP, employment creation, and women's economic participation. The study relies exclusively on secondary data, which is collected from various existing sources like Government report, published articles, academic journal, books etc. The research systematically analyses the existing literature and interprets the data to identify trends, patterns, and relationships.

Discussion

Entrepreneurial activities and employment generation

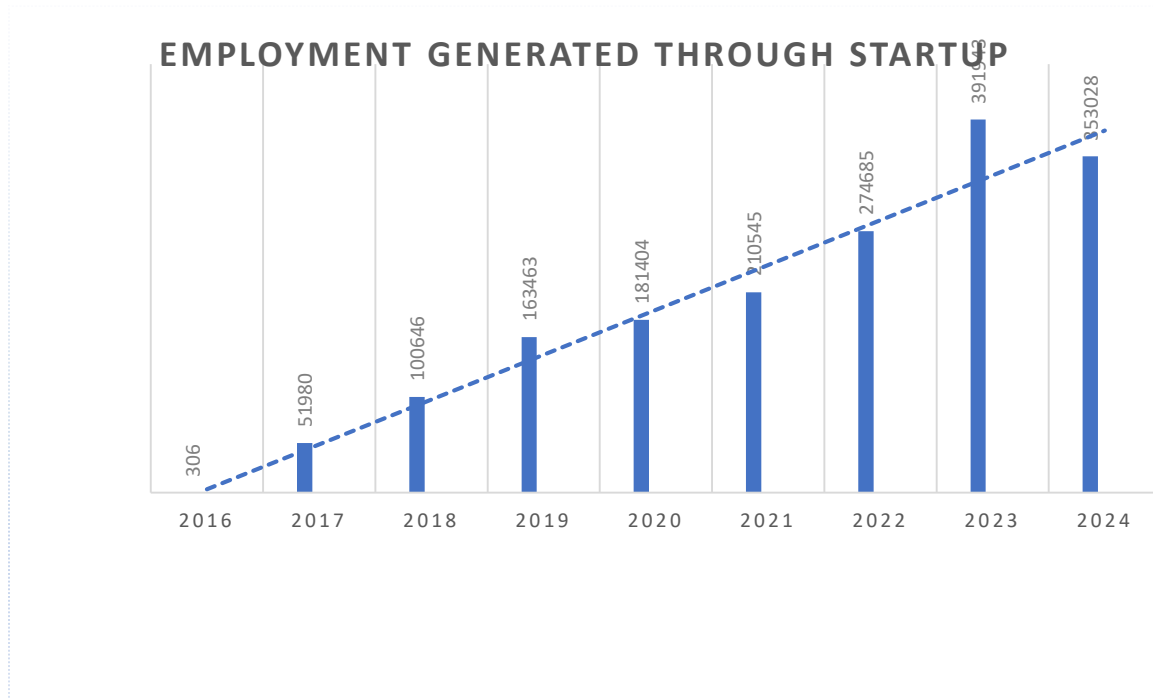
As stated by UNFPA's State of the World Population Report 2023, India now has 145 crore people, surpassing China as the country of largest population in the world. A large population indicates the country is facing numerous challenges. For a country like India, unemployment is a serious problem. One of the main challenges to economic growth and development is unemployment. Unemployment is a roadblock of nation’s development. India also benefits from having the highest youth population, which is a major opportunity for Entrepreneurship to solve the problem since it is the largest driver of innovation, workforce, talent, and future leaders. By generating jobs through the establishment of new businesses or the growth of already-existing ones, entrepreneurship development helps to reduce poverty.

Entrepreneurship has been considered as self-employment. Entrepreneurial enterprises generate more jobs beyond self-employment and generating more additional jobs than other new establishments. Entrepreneurship generates a wide range of employment options across industries. Entrepreneurship development can help address educated unemployment by giving people the tools and mindset they need to generate their own opportunities.



Source: Economic Survey 2023-24

As per the PLFS report 2022-23, India's workforce is nearly 56.5 crore. Nearly half of the population engaged in agriculture, especially rural women. India's working-age (15-59) population continues to grow. India needs to generate 78.51 lakh jobs annually to cater to the rising workforce. Our government can't fulfill the requirements of jobs in our country. To cater to the need, entrepreneurship plays a significant role. Various programs and schemes are launched to ignite entrepreneurial zeal to the young generation across diverse fields. DPIIT has launched Start-up India and Recognised over 1.5 lakh start-ups so far. Almost half of these startups are based in tier II and III cities while at least one women director present in 47% of total share of recognized Startups. India startup ecosystem ranks third in the world by nurturing startups across 670+ districts of our nation.



Direct job through DPIIT recognized Startup
Source: Ministry of Commerce and industry

As of Dec 31, 2024, the acknowledged startup had reported over 1,57,000 entities and over 17.28 lakh direct jobs since Startup India's inception. The creation of jobs in India has been transformed by Startup India, which operates in 57 sectors. The number of unicorns since their creation was borne out of it. The IT sector has created maximum jobs of almost 2.1 lakhs. Entrepreneurial program directly and indirectly affected employment by opening new startup and provide institutional support. It supports the culture of entrepreneurship and fosters economic expansion in the Indian ecosystem, both of which aid in the country's transition to a developed economy.

Entrepreneurship development and GDP Growth

An entrepreneurial spirit can raise a nation's GDP by improving output (goods and services), human capital (people), technological advancement (innovation), trade (exports), and the improvement of rural areas, among other things. By creating wealth, employment creation and increasing the competitiveness of already existing SMEs, entrepreneurship contributes to economic development. Nowadays, entrepreneurship is considered to be a key driver of economic growth. The entrepreneurial ecosystem that MSMEs promote has been a key factor in inclusive development, export, job creation, and long-term economic growth in both rural and urban areas. Micro, small, and medium-sized businesses now form the backbone of the Indian economy. They have an important factor in the nation's GDP and are crucial in encouraging entrepreneurship.

Quantitative Contribution to GDP

This industry has the ability to accomplish economic development objectives and has altered the economic landscape. The Economic Survey 2022 states that MSMEs' substantial GDP contribution to India demonstrates their exceptional economic relevance. After agriculture, the sector is one of the most important economic sectors, accounting for over 30% of the country's GDP. This significant contribution emphasizes how crucial micro, small, and medium-sized entrepreneurial ventures are to the nation's economic engine.

Year	Share of MSME GVA in All India GDP (in %)
2017-18	29.7
2018-19	30.5
2019-20	30.5
2020-21	27.3
2021-22	29.6
2022-23	30.1

Source: PIB Delhi,2024

Sector wise contribution of MSME

MSMEs play a multifaceted role in India's economy, driving growth across various sectors, each contributing uniquely to the MSME contribution to GDP. With their presence spanning manufacturing, services, and exports. In addition, these enterprises are not only an important energy for job creation and region development but also for economic diversification.

Manufacturing sector

The manufacturing sector within MSMEs alone accounts for 45% of total manufacturing output. The most of manufacturers are small and medium enterprises (MSMEs), they have the flexibility to adopt cost effective technologies and sustainable practices and have a significantly positive impact on manufacturing productivity and global competitiveness.

Exports

MSMEs are important to India in the international trade scenario. More than 40% of exports are accounted by the MSMEs. The agility and flexibility of MSMEs helps sectors such as textiles, handicrafts, pharmaceuticals, gems and jewellery. MSMEs are poised to enhance the share in export with a support by initiatives such as by India Exim Bank and the market specific policies. The contribution of MSME to GDP also increases exponentially facilitating the role of these entities in increasing foreign exchange reserves.

Service Sector

while the service sector contributes 33% to the overall MSME contribution. IT Solutions, Logistics, Tourism, Financial Services and Retailing are all provided by MSMEs. They play the role of the missing link between urban and rural economies and provide services customized to local needs. These statistics highlight how entrepreneurship through MSMEs creates a diversified economic base that strengthens India's position in both domestic and international markets.

Year	% share of Export of MSME related products in All India Export
2018-19	49.75%
2019-20	49.35%
2020-21	45.03%
2021-22	43.59%
2022-23	45.73%
2023-24	45.79%

Source: PIB Delhi,2024

By employing almost 27.5 crore individuals, MSMS fosters the entrepreneurial ecosystem. The GDP contribution of MSME's appears to have a bright future. With a greater emphasis on digitalization, globalization, and innovation, MSMEs have the potential to significantly impact India's economy. According to forecasts, investments and reforms can contribute 40 percent of GDP by 2030 if they are done correctly. It will be essential to increasing their export potential, particularly in industries with high demand like IT services and renewable energy. Better access to capital, government assistance, and skill-development programs will all increase MSME's contribution to GDP. Supporting this industry would guarantee inclusive growth, which will benefit millions of Indians.

Entrepreneurial program and Reducing Gender Inequalities

Gender equality is a foundational pillar for national development and societal advancement. By emphasizing the importance of empowerment of women and girls, UN set a goal for global to achieve gender equality as Sustainable Development Goal 5. Gender inequality refers to unequal treatment and discrimination between men and women results in disparities in rights, responsibilities, and opportunities. In the domain of entrepreneurship, this inequality manifests in limited access to financial capital, business networks, education, and market opportunities for women.

Historically, the field of entrepreneurship has been male-dominated where women significantly underrepresented due to socio-cultural, economic, and institutional barriers. Entrepreneurship training and education have a prominent role in bridging these gaps by equipping women with the knowledge, skills, and motivation necessary for entrepreneurial success. These programs foster critical traits such as risk-taking, innovation, and resource coordination, which are essential for creating and sustaining enterprises.

Entrepreneurship by women has been identified as a key strategy for reaching SDG 5 on gender equality. To address the particular difficulties faced by female entrepreneurs, the government has launched a number of entrepreneurship development initiatives. These programs seek to increase women's access to resources and capital, foster their entrepreneurial aspirations, and increase their economic engagement. Programs that integrate women into entrepreneurial ecosystems challenge persistent gender stereotypes and societal norms by offering mentorship, funding, and policy assistance, thereby promoting social transformation in addition to economic gain. Various scheme introduced by government for uplift women entrepreneurs are following:

- **Stand-up India:** the Standup India Scheme was introduced on April 5, 2016, with the goal of fostering entrepreneurship at the grassroots level with an emphasis on job creation and economic development. The Stand-Up India program is intended to help women, SC, and ST entrepreneurs overcome the obstacles they encounter when starting their businesses, getting financing, and receiving additional assistance that they occasionally require to be successful. Therefore, the plan aims to establish an ecosystem that assists and maintains a conducive business environment for the target segments. All bank branches would be encouraged under the program to lend money to women, SC, and ST borrowers who are launching their own greenfield enterprises.
- **Trade Related Entrepreneurship assistance and development (TREAD):** The TREAD programme sought to economically empower such women does by providing trade specific training, information and counselling extension activities on trades, products, services etc. The overall scheme provided Market Development support, financial lending through NGO's who are also given Grant for professional development. This would be assistance to individual women for starting their own business for any non- farm activity. The government provides up to 30% of the project's total cost as per the estimation by lending organizations, with the remaining 70% being financed as financial assistance for women applicants.
- **Mahila Samridhi Yojana:** The Mahila Samridhi Yojana scheme is set up to help the women entrepreneurs who are coming from the backward or poor background. The strategy was started under the aegis of National Backward Classes Finance and Development Corporation (NBCFDC) of the Ministry of Social Justice and Empowerment.

The Corporation would be sponsoring the group training to numbers of about twenty women at a time in an appropriate craft activity. Training cost and stipend would be borne by the Corporation under this scheme. The financial assistance under the scheme can be provided taking into consideration the Project Cost, to the extent of 90% of the Project Cost subject to maximum ceiling limit of Rs.1. 25 lakhs.

- **Skill Upgradation and Mahila Coir Yojana:** The Skill Upgradation and Mahila Coir Yojana was introduced by the Ministry of Micro, Small & Medium Enterprises, Government of India. The programme includes two components (a) Skill Upgradation, (b) Mahila Coir Yojana. The scheme imparts training to train personnel in the cadres of Supervisors/Instructors/Artisans to fulfill the need of skilled manpower for the coir sector development. It gives a subsidy of 75% for coir yarn spinning ratts and for other machinery items, coir processing equipment etc under the Mahila Coir Yojana.
- **Women Entrepreneurship Platform:** WEP is a Government of India initiative by NITI Aayog to facilitate women impact entrepreneurial journeys in India. Specifically, it offers access to a) incubation and acceleration programs; b) entrepreneurship skilling and mentorship facilities; c) marketing support; d) financial and funding support; e) compliance and tax support; and f) community and networking.
- **Support to Training and Employment Program (STEP):** Support to Training and Employment Programme for Women was launched during 1986-87, as a central sector scheme and revised guidelines were issued in December 2014. The dual objectives of the program are to provide employability to the women and give skill that can make them self-employed/entrepreneurs. It is for women and girls aged 16 to above, and the funds provided to implementing agencies (such as organisations and NGOs).
- **Women Scientists Scheme:** The initiative is initiated by the Ministry of Science and Technology. This initiative is for women, who have taken a career break and desire to come back to work. The program is specially designed for 27–55 year old women. In this programme women scientists will be motivated to pursue R&D work on issues related to frontier areas of science & engineering, issues related to societal needs and post training, women candidates may also undergo pursuit of S&T based Internship for self-employment. For Indian citizens, the following three fellowship types with research funds are available:
 - o Women Scientist Scheme-A (WOS-A): Basic and Applied Science Research
 - o Women Scientist Scheme-B (WOS-B): Science and Technology Interventions for the Welfare of Society
 - o Women Scientist Scheme-C (WOS-C): Self-Employment Internship in Intellectual Property Rights (IPRs)
- Under WOS-A and WOS-B, this program will offer a research grant for a maximum of three years to a clearly specified project proposal. The applicant's fellowship as well as the cost of necessities travel, small equipment, and unforeseen expenses will be covered by this grant. There will be additional fees for institutional overhead.
- **Annapurna Scheme:** The Annapurna Scheme targets women entrepreneurs who wish to establish food-based ventures. Under this programme, loans up to Rs. 50,000 are made available to women for purchase of equipment and raw material. The initiative encourages a network of female food entrepreneurs in the food industry and contributed to sustainable economic growth and self-reliance.
- **Udyogini Scheme:** The Udyogini Scheme aims at women's empowerment and provides financial assistance to help women set up or enhance their units. Under the programme, the government offers loans to all eligible women entrepreneurs at lower interest rates than offered by private sector banks and other institutions. This program is also beneficial to a variety of sectors such as in rural areas and it offers loans at a subsidized rate. Poor women may benefit greatly from this plan.

Earlier, women are less likely than males to start their own business. However, more women are starting their own businesses, and patterns are changing daily. They broke stereotypes by pursuing careers in business, politics, medicine, finance, and other fields. By improving women's visibility in the economy, resolving differences in labour force participation, and assisting them in becoming financially independent, these programs help to lessen gender inequality. One effective way to alleviate gender disparity is through entrepreneurship initiatives. These initiatives promote the larger goals of gender empowerment, inclusive development, and sustainable economic growth by giving women the means and opportunities to participate in the economy.

Conclusion

This research paper has thoroughly investigated the multifaceted economic effects of entrepreneurship development programs in India, demonstrating their vital function as drivers of long-term, steady economic expansion. As per the data, entrepreneurial development programs are effective tools for tackling three core economic issues: gender disparity, weak GDP growth, and unemployment. According to this study, entrepreneurship is the main factor that creates jobs. MSMEs are the entrepreneurial backbone of the Indian economy, employing 27.5 crore people and making up 30% of the country's GDP. This study also shows that programs that promote entrepreneurship are useful tools for lowering gender disparity. The Government of Indian has been introduced numerous financial and non-financial programs and regulations that give women entrepreneurs the help they need to run their businesses to both small and large enterprises. Such policies' which facilitate the entrepreneurial activity has further accelerated the growth of India in the world economy. Furthermore, improving economic output, higher female labour force participation helps achieve SDG 5. Policymakers can take insights from the paper to create programs that provide a comprehensive approach to development. To maximize the economic benefit of entrepreneurship development programs, it will be essential to integrate emerging technologies, prioritize sustainable practices, and emphasize inclusive growth. There is a need for sustained funding and assistance for the growth of entrepreneurship related programs that foster entrepreneurship, which are crucial elements of India's path to becoming a developed nation by 2047.

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