

Role Of Government Schemes in Promoting Entrepreneurship – A Study

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Abstract: *This study examines the role of government schemes in promoting entrepreneurship in India, with a special focus on awareness, accessibility, financial support, and skill development among potential and existing entrepreneurs. Entrepreneurship plays a vital role in economic growth, employment generation, and social development, especially in developing countries like India. The Government of India has introduced several initiatives such as Startup India, PMEGP, MUDRA Yojana, Stand-Up India, and Skill India to encourage entrepreneurial activities.*

The research is based on a quantitative approach using a structured questionnaire, with a sample size of 104 respondents consisting of students, entrepreneurs, and job holders. The study is conducted in Amravati district. The study analyzes respondents' perceptions regarding the effectiveness of government schemes in encouraging business creation, providing financial assistance, and enhancing entrepreneurial skills.

The findings reveal that a majority of respondents have a positive perception of government schemes, with many acknowledging their role in supporting business growth and reducing unemployment. However, a significant proportion of respondents remain neutral, indicating gaps in awareness, accessibility, and practical exposure. The study also highlights that social media is a major source of information about schemes, while direct government communication remains limited.

The research concludes that government initiatives have a meaningful impact on entrepreneurship development, but there is a need to improve awareness, simplify procedures, enhance training programs, and strengthen implementation mechanisms to maximize their effectiveness.

Keywords: Entrepreneurship, Government Schemes, Financial Assistance, Skill Development, MSMEs, Women Entrepreneurship, Economic Development.

I. INTRODUCTION

1.1 Introduction

Entrepreneurship plays a crucial role in the economic and social development of a country, especially in a developing nation like India. It acts as a driving force for innovation, job creation, and overall economic growth. Entrepreneurs not only generate employment opportunities but also contribute to the development of industries, efficient utilization of resources, and balanced regional growth. In recent years, entrepreneurship has gained significant importance due to increasing unemployment and the need for self-reliance among youth and women.

The Government of India has taken several initiatives to promote entrepreneurship through various schemes and programs such as Startup India, PMEGP, MUDRA Yojana, Stand-Up India, and Skill India. These schemes aim to provide financial assistance, training, skill development, and a supportive ecosystem for new and existing entrepreneurs. Special emphasis has been given to women, rural populations, and marginalized groups to ensure inclusive growth.



Despite the availability of these schemes, many challenges still exist, such as lack of awareness, difficulties in accessing financial support, complex procedures, and infrastructural issues. These challenges often limit the effective utilization of government initiatives by potential entrepreneurs.

Therefore, this study focuses on analyzing the role of government schemes in promoting entrepreneurship, examining their effectiveness, and identifying the gaps in awareness, accessibility, and implementation. The study also aims to understand how these schemes influence entrepreneurial intention and business growth, particularly among youth and women.

1.2 Scope of the Study

The study focuses on analyzing the role of government schemes in promoting entrepreneurship in India. It covers the impact of financial assistance, training programs, and policy support provided by schemes such as Startup India, PMEGP, MUDRA Yojana, and Skill India. The research mainly considers respondents including students, entrepreneurs, and job holders to understand their awareness, perception, and utilization of these schemes.

The study also emphasizes women entrepreneurship, youth participation, and MSMEs in both rural and urban areas. It examines key factors such as awareness, accessibility, skill development, and digital support provided by the government. Additionally, the study identifies challenges faced by entrepreneurs and evaluates the effectiveness of government initiatives in encouraging business growth and reducing unemployment.

1.3 Research Problem

Although the Government of India has introduced various schemes to promote entrepreneurship, many individuals are still unable to fully benefit from these initiatives. There is a lack of awareness, limited accessibility, and complexity in procedures which restrict effective utilization of these schemes. Additionally, issues such as insufficient financial support, lack of training, and infrastructural challenges further affect entrepreneurial growth.

Therefore, the main problem of this study is to analyze whether government schemes are effectively promoting entrepreneurship and to identify the gaps in awareness, accessibility, and implementation among potential and existing entrepreneurs.

1.4 Objective of the study

- To examine the importance of government programs in encouraging entrepreneurs in India
- To evaluate the level of awareness pertaining to Government Entrepreneurship Schemes among entrepreneurs.
- To examine the impact of financial schemes on business growth and startup creation.
- To study the role of training & skill Development Program in Encouraging Entrepreneurship.
- To Analyse the contribution of government schemes towards women and Rural Entrepreneurship.
- To Understand the role of digital & Technological Support Provided by the government.
- To Identify the challenges faced by entrepreneurs in accessing government schemes.
- To study the overall impact of government schemes on economic and social development

1.5 Statement of Hypothesis

Hypothesis 1

H₀ (Null Hypothesis): Government entrepreneurship schemes have no significant impact on business growth and startup creation in India.

H₁ (Alternative Hypothesis): Government entrepreneurship schemes have a significant impact on business growth and startup creation in India.

Hypothesis 2

H₀ (Null Hypothesis): There is no significant relationship between awareness of government schemes and entrepreneurial development.



H₁ (Alternative Hypothesis): There is a significant relationship between awareness of government schemes and entrepreneurial development.

II. REVIEW OF LITERATURE

2.1 Review of Literature

Okpa & Olugu (2014) emphasize entrepreneurship as a key driver of economic growth and employment, highlighting the importance of government support and funding. Abhyankar (2014) states that India needs better coordination in its entrepreneurial ecosystem to convert innovation into business success. Klapper & Léger-Jarniou (2006) found that entrepreneurship education increases students' intention to start businesses, especially through structured and practical learning methods. Klapper & Tegtmeier (2010) highlight that innovative teaching methods improve practical entrepreneurial knowledge. Borredon et al. (2011) explain that experiential learning improves deep understanding. Penaluna & Penaluna (2009) stress creativity as an important part of entrepreneurship education. Robinson & Blenker (2014) state that modern teaching methods strengthen entrepreneurial thinking. Barnard, Pittz & Vanevenhoven (2019) highlight that structured courses improve learning outcomes. Onjewu, Haddoud & Nowiński (2021) found that training and workshops increase entrepreneurial intentions. Galvao, Ferreira & Marques (2017) state that entrepreneurship education supports regional development through collaboration among institutions.

Recent studies (2022–2026) show that government schemes like Startup India, PMEGP, Mudra Yojana, and Stand-Up India play an important role in promoting entrepreneurship by improving access to finance and encouraging self-employment. Studies from 2022–2023 highlight easier digital access to schemes, while 2024 research points out challenges like awareness and procedural delays. In 2025, skill development and incubation support are emphasized, and 2026 findings show that digital governance and AI tools are improving transparency and increasing entrepreneurial participation.

2.2 Research Gap and Relevance

Despite the presence of various government schemes and existing research on entrepreneurship in India, there are still several gaps that need to be addressed. Most studies have focused mainly on economic outcomes, while limited attention has been given to the combined impact of financial assistance, training programs, and technological support on entrepreneurship development. Additionally, there is a lack of region-specific studies, especially in rural and semi-urban areas, where awareness and accessibility of schemes remain low. Previous research has also not sufficiently explored the challenges faced by women and marginalized groups, such as social barriers, lack of financial literacy, and infrastructural issues. Furthermore, the recent impact of digital platforms and post-COVID changes on entrepreneurship has not been adequately examined. This study aims to bridge these gaps by providing a comprehensive analysis of government schemes and their practical impact.

2.3 Relevance of the Study

The present study is highly relevant as it focuses on understanding the effectiveness of government schemes in promoting entrepreneurship in India. It helps in analyzing how these schemes contribute to economic development, employment generation, and self-reliance among individuals. The study is particularly important for women, youth, and marginalized groups, as it highlights their participation and challenges in entrepreneurship. It also provides insights into the level of awareness, accessibility, and utilization of government initiatives. The findings of the study will be useful for policymakers, educational institutions, and financial organizations to improve existing schemes and make them more effective. Moreover, it will guide potential entrepreneurs by providing information about opportunities, benefits, and practical challenges associated with government support programs.



III. RESEARCH METHODOLOGY

3.1 Research Design

The present study adopts a descriptive and analytical research design to examine the role of government schemes in promoting entrepreneurship in India. The descriptive aspect helps in understanding the current level of awareness, accessibility, and utilization of various government schemes among respondents. The analytical aspect focuses on evaluating the effectiveness of these schemes in terms of financial assistance, training, and skill development.

The study is quantitative in nature, as it is based on numerical data collected through a structured questionnaire. A cross-sectional design is used, where data is collected at a single point of time from respondents including students, entrepreneurs, and job holders. This approach helps in capturing the present perception and impact of government schemes on entrepreneurship.

The research also relies on both primary data (collected through survey) and secondary data (government reports, research papers, and official websites). This design ensures systematic analysis, reliability of data, and meaningful interpretation of results to achieve the research objectives.

3.2 Data Sources and Tools of Data Collection

Primary Data

Primary data for the study is collected directly from respondents such as students, entrepreneurs, and job holders. A structured questionnaire with close-ended questions is used as the main tool for data collection. This helps in gathering first-hand information regarding the awareness, perception, and utilization of government schemes related to entrepreneurship.

The primary data is reliable and specific to the objectives of the study.

Secondary Data

Secondary data is collected from various existing sources such as government reports, official websites, research papers, journals, and books. This data provides background information about government schemes, policies, and previous research related to entrepreneurship. It helps in building a theoretical foundation and supports the analysis of the study.

3.3 Sampling Design

Sample Unit

The sample unit of the study consists of individuals who are either entrepreneurs or have an interest in entrepreneurship. It includes students, job holders, and small business owners who are aware of or eligible for government schemes. These respondents are selected to understand their perception, awareness, and experience regarding government initiatives. The sample unit helps in collecting relevant and practical insights related to entrepreneurship development.

Sample Size

The sample size of the study consists of 104 respondents selected for data collection. The sample includes students, entrepreneurs/business owners, job holders, individuals looking for jobs, homemakers, and a professional accountant to ensure diverse and reliable responses. Among the total respondents, 54 (52%) are students, 19 (18%) are entrepreneurs/business owners, 21 (20%) are job holders, 8 (8%) are looking for jobs, 1 (1%) is a homemaker, and 1 (1%) is a professional accountant. This distribution shows that the majority of respondents are students, followed by job holders and entrepreneurs, which helps in understanding different perspectives across various employment categories.

Secondary Data

Secondary data for the study is collected from various existing sources such as government reports, official websites, research papers, journals, and books. It helps in understanding the background of government schemes, policies, and previous research related to entrepreneurship. This data supports the study by providing theoretical and contextual



information. The study is conducted in Amravati district, and data is collected from two selected talukas, Anjangaon Surji and Dariyapur.

3.4 Tools Proposed to be Used for Data Analysis

1. Percentage Analysis

This method is used to convert data into percentages for easy understanding and comparison. It helps in analyzing the proportion of responses given by respondents.

2. Tabulation

Data is arranged in tables in a systematic manner. It helps in organizing large data and makes it easy to analyze and interpret.

3. Graphical Representation

Charts and graphs such as bar graphs and pie charts are used to present data visually.

It helps in better understanding and quick interpretation of results.

4. Chi-Square Test

This statistical test is used to examine the relationship between variables and to test the hypothesis. It helps in determining whether the results are significant or not.

3.5 Methods of Data Analysis

The data collected for the study is analyzed using simple and appropriate statistical methods. Percentage analysis is used to understand the distribution and proportion of responses. The data is systematically arranged through tabulation to make it easy to interpret. Graphical tools such as charts and graphs are used for clear visual presentation of data. Additionally, the Chi-square test is applied to test the hypothesis and examine the relationship between variables. These methods help in drawing meaningful conclusions from the study.

IV. DATA ANALYSIS AND INTERPRETATION

4.1 DATA ANALYSIS AND RESULTS

This section presents the analysis of primary data collected from entrepreneurs, students, and job Holder to examine the role of government entrepreneurship schemes in India. The data was analyzed using descriptive statistics and percentage-based interpretation to understand awareness, effectiveness, accessibility, and overall impact of government schemes.

4.1 Awareness of Government Schemes

Table 4.1: Awareness of Government Entrepreneurship Schemes

Particulars	Observation
Awareness of schemes (Startup India, PMEGP, MUDRA, SHE Mart)	High
Source of awareness	Social media, friends/relatives, newspapers
Unaware respondents	Very few

Interpretation:

The majority of respondents are aware of government entrepreneurship schemes. Social media and personal contacts are the most common sources of awareness.



4.2 Role of Government Schemes in Promoting Entrepreneurship

Table 4.2: Role of Schemes in Entrepreneurship Promotion

Particulars	Observation
Schemes encourage entrepreneurship	Majority agree
Youth motivation to start business	Positive response
Importance of government support	High

Interpretation:

Respondents agree that government schemes play a significant role in encouraging entrepreneurship, especially among youth.

4.3 Financial Support Impact

Table 4.3: Financial Assistance Effectiveness

Particulars	Observation
Financial support helps business growth	High agreement
Loan/subsidy usefulness	Important factor
Benefited respondents	Moderate

Interpretation:

Financial assistance is the most important factor in entrepreneurship development. However, only a limited number of respondents have fully benefited from schemes.

4.4 Training and Skill Development

Table 4.4: Effectiveness of Training Programs

Particulars	Observation
Training improves skills and confidence	High
Entrepreneurship knowledge improvement	Positive
Skill development support	Moderate to high

Interpretation:

Training and skill development programs help improve confidence and entrepreneurial skills among respondents.



4.5 Accessibility of Government Schemes

Table 4.5: Ease of Access to Schemes

Particulars	Observation
Easy application process	Moderate
Difficult application process	Present among many respondents
Documentation issues	Common challenge

Interpretation:

Although schemes are available, many respondents face difficulties in application and documentation processes.

4.6 Overall Impact on Economy and Society

Table 4.6: Overall Impact of Government Schemes

Particulars	Observation
Reduction in unemployment	Positive impact
Improvement in local economy	Moderate to high
Motivation for future entrepreneurship	Strong

Interpretation:

Government schemes positively contribute to economic and social development by encouraging entrepreneurship and reducing unemployment.

4.7 HYPOTHESIS TESTING

H_0 : Government entrepreneurship schemes do not significantly promote entrepreneurship in India.

H_1 : Government entrepreneurship schemes significantly promote entrepreneurship in India.

Result:

Based on data analysis, majority respondents agree that schemes encourage entrepreneurship and provide financial and skill support.

Table 4.7: Hypothesis Result

Hypothesis	Result
H_0	Rejected
H_1	Accepted



Conclusion:

Government entrepreneurship schemes have a significant positive impact on entrepreneurship development in India.

FINAL CONCLUSION OF ANALYSIS

The analysis shows that government entrepreneurship schemes play an important role in promoting entrepreneurship in India. Awareness is high among respondents, and financial support and training programs are the strongest contributing factors.

However, challenges such as complex documentation, application difficulties, and limited successful benefit distribution still exist. Improvement in accessibility and awareness programs can further strengthen the impact of these schemes.

V. CONCLUSION

The study concludes that government schemes play a significant role in promoting entrepreneurship in India. The findings indicate that a majority of respondents have a positive perception towards government initiatives, as they help in encouraging business establishment and supporting entrepreneurial growth. A high level of awareness about these schemes is observed, which further contributes to their effectiveness.

However, despite the availability and benefits of these schemes, certain challenges such as lack of complete awareness, complex procedures, and limited accessibility still exist. These issues restrict the full utilization of government initiatives by potential entrepreneurs.

Overall, the study confirms that government schemes have a meaningful impact on entrepreneurship development, especially among youth and women. With improved awareness, simplified processes, and better implementation, these schemes can contribute more effectively towards economic growth, employment generation, and self-reliance.

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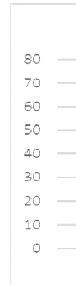


Option	No Of responses	Percentage
Startup India	49	47.10
SHE Mart	28	26.90
PMEGP	26	25
Khadi Gram Udyog	1	1
Total	104	100.00



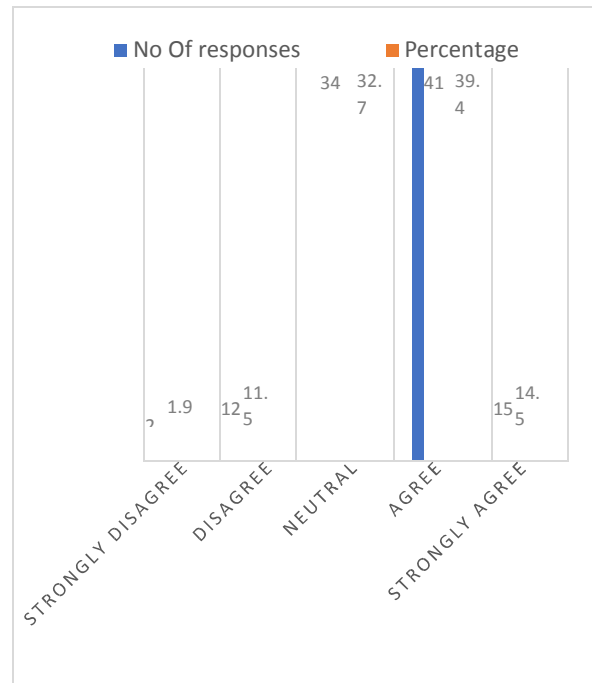
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Option	No Of responses	Percentage
Yes	72	69.20
No	32	30.80
Total	104	100.00



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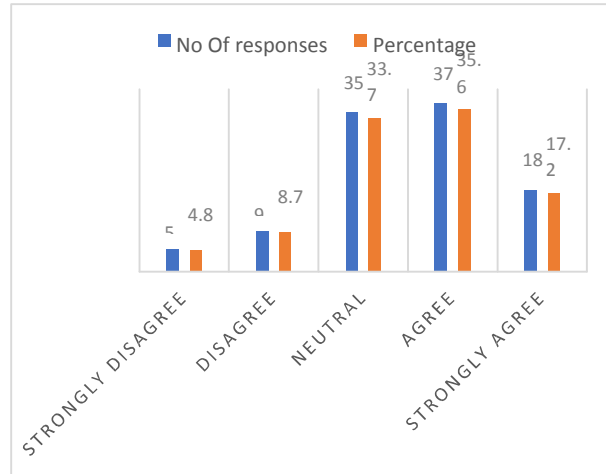
Option	No responses	Percentage
Strongly Disagree	2	1.90
Disagree	12	11.50
Neutral	34	32.70
Agree	41	39.40
Strongly agree	15	14.50
Total	104	100.00



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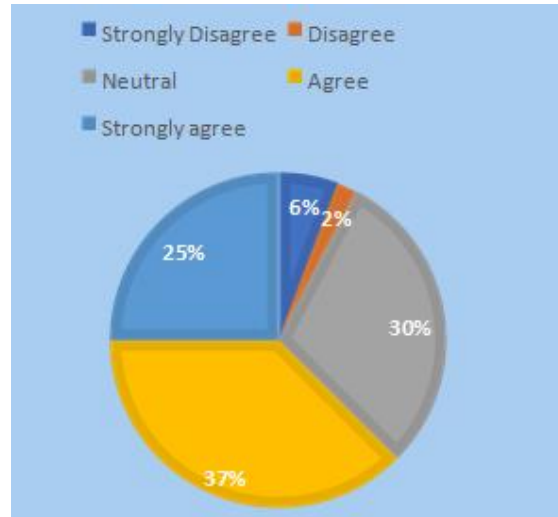


Option	No Of responses	Percentage
Strongly Disagree	5	4.80
Disagree	9	8.70
Neutral	35	33.70
Agree	37	35.60
Strongly agree	18	17.20
Total	104	100.00



5)

Option	No Of responses	Percentage
Strongly Disagree	6	5.80
Disagree	2	1.90
Neutral	31	29.80
Agree	39	37.50
Strongly agree	26	25.00
Total	104	100.00



Hypothesis

Hypothesis Testing Using Chi-Square Test

Hypothesis 1

H₀ (Null Hypothesis):

Government entrepreneurship schemes have no significant impact on business growth and startup creation in India.

H₁ (Alternative Hypothesis):

Government entrepreneurship schemes have a significant impact on business growth and startup creation in India.

Test Used:

Chi-Square Test of Independence

Reason for Selection

The data collected is categorical in nature (Likert scale responses, Yes/No, and impact levels). Therefore, the Chi-square test is appropriate to examine the relationship between government support and business growth.

Step 1: Data Classification

To simplify analysis, responses are grouped as follows:

Government Support (Independent Variable):

Agree / Strongly Agree → Positive

Neutral / Disagree → Negative

Business Growth (Dependent Variable):

Helped significantly / to some extent → Growth

No help / little help → No Growth

Step 2: Contingency Table

Government Support	Business Growth	No Growth	Total
Positive	70	15	85
Negative	10	9	19
Total	80	24	104

Step 3: Formula

$$\text{Chi-square } (\chi^2) = \sum [(O - E)^2 / E]$$

Where:

O = Observed frequency

E = Expected frequency

Step 4: Expected Frequency Calculation $E = (\text{Row Total} \times \text{Column Total}) / \text{Grand Total}$

Calculated Values:

$$E_1 = (85 \times 80) / 104 = 65.38$$

$$E_2 = (85 \times 24) / 104 = 19.62$$

$$E_3 = (19 \times 80) / 104 = 14.62$$

$$E_4 = (19 \times 24) / 104 = 4.38 \quad \text{Step 5: Chi-Square Calculation}$$

$$\chi^2 = [(70 - 65.38)^2 / 65.38] + [(15 - 19.62)^2 / 19.62] + [(10 - 14.62)^2 / 14.62] + [(9 - 4.38)^2 / 4.38] \chi^2 = 0.33 + 1.09 + 1.46 + 4.87 \chi^2 = 7.75$$

Step 6: Degree of Freedom

$$df = (r - 1) \times (c - 1) df = (2 - 1) \times (2 - 1) = 1$$

Step 7: Decision Rule



At 5% level of significance and $df = 1$, the critical value is **3.84**

Since:

Calculated Value (7.75) > Table Value (3.84)

Final Decision

Reject the Null Hypothesis (H_0)

Accept the Alternative Hypothesis (H_1)

Conclusion / Interpretation

The analysis reveals that government entrepreneurship schemes have a significant impact on business growth and startup creation in India. Government initiatives such as Startup India, PMEGP, and MUDRA provide financial assistance, encouragement, and support to entrepreneurs, thereby contributing to business expansion and economic development.

Hypothesis Testing (Hypothesis 2)

Statement of Hypothesis

H_0 (Null Hypothesis):

There is no significant relationship between awareness of government schemes and their utilization by entrepreneurs.

H_1 (Alternative Hypothesis):

There is a significant relationship between awareness of government schemes and their utilization by entrepreneurs.

Statistical Test Used

Chi-Square Test of Independence

Reason for Using Chi-Square Test

The data collected is categorical in nature, such as awareness (Yes/No) and utilization (Applied/Not Applied). Hence, the Chi-square test is appropriate to examine the relationship between awareness and utilization of government schemes.

Step 1: Data Classification

To apply the test, the responses are grouped as follows:

Awareness (Independent Variable):

Yes → Aware

No → Not Aware

Utilization (Dependent Variable):

Applied (Received benefits / Did not receive benefits) → Utilized

Never applied / Only aware → Not Utilized

Step 2: Contingency Table

Awareness	Utilized	Not Utilized	Total
Aware (Yes)	48	32	80
Not Aware (No)	6	18	24
Total	54	50	104

Step 3: Formula

Chi-square (χ^2) = $\sum [(O - E)^2 / E]$

Where:

O = Observed frequency

E = Expected frequency

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Step 4: Expected Frequency Calculation $E = (\text{Row Total} \times \text{Column Total}) / \text{Grand Total}$

Calculated Expected Values:

$$E_1 = (80 \times 54) / 104 = 41.54$$

$$E_2 = (80 \times 50) / 104 = 38.46$$

$$E_3 = (24 \times 54) / 104 = 12.46$$

$$\bullet \quad E_4 = (24 \times 50) / 104 = 11.54 \quad \text{Step 5: Chi-Square Calculation}$$

$$\chi^2 = [(48 - 41.54)^2 / 41.54] + [(32 - 38.46)^2 / 38.46] + [(6 - 12.46)^2 / 12.46] + [(18 - 11.54)^2 / 11.54] \chi^2 = 1.00 + 1.09 + 3.35 + 3.62 \chi^2 = 9.06$$

Step 6: Degree of Freedom

$$df = (r - 1) \times (c - 1) df = (2 - 1) \times (2 - 1) = 1$$

Step 7: Decision Rule

Level of significance = 5%

Critical value (df = 1) = **3.84**

Since: **Calculated Value (9.06) > Table Value (3.84)**

Final Decision

Reject the Null Hypothesis (H_0)

Accept the Alternative Hypothesis (H_1)

Conclusion / Interpretation

The Chi-square test reveals that there is a significant relationship between awareness of government schemes and their utilization among entrepreneurs. It indicates that entrepreneurs who are more aware of schemes are more likely to utilize them. Lack of awareness remains one of the major barriers to the effective implementation of government initiatives.

