



ENTREPRENEURIAL ECOSYSTEM OF INDIA: A STUDY ON FINANCIAL ACCESSIBILITY, GOVERNMENT SUPPORT MECHANISM AND DIGITAL INFRASTRUCTURE THROUGH SECONDARY DATA

Manjari Malviya

Master of Commerce, Banaras Hindu University, Varanasi, India
manjarimalviya10@gmail.com

Abstract

The entrepreneurial ecosystem plays a significant role in promoting economic development, employment generation, and business growth. The present study aims to assess India's entrepreneurial ecosystem by examining three major dimensions: financial accessibility, government support mechanisms, and digital infrastructure. The study adopts a descriptive research design based on secondary data collected from government websites, official reports, published studies, and other relevant sources. Financial accessibility has been examined through indicators such as loan sanctions and credit guarantees, while government support mechanisms are analysed through selected central government schemes, including the Pradhan Mantri Mudra Yojana (PMMY), Prime Minister's Employment Generation Programme (PMEGP), Startup Village Entrepreneurship Programme (SVEP), and other entrepreneurship-support initiatives. Digital infrastructure is assessed using indicators related to digital payments and the growth of the e-commerce market. The findings indicate an expansion in financial support mechanisms, continued government efforts to promote enterprise development, and growing digital opportunities for businesses. However, the available data do not establish whether these developments have directly improved entrepreneurial success or benefited all entrepreneurs equally. The study concludes that financial accessibility, government support, and digital infrastructure are complementary components of India's entrepreneurial ecosystem. Strengthening their accessibility, implementation, and effectiveness may contribute to more inclusive and sustainable entrepreneurial development.

Keywords: Entrepreneurial Ecosystem, Financial Accessibility, Government Support Mechanisms, Digital Infrastructure, Entrepreneurship.

JEL Classification: L26, G21, O33, O38.

INTRODUCTION

Entrepreneurship is the lifeblood of any economy as it plays an important role in economic growth by facilitating the creation of new business with which innovation and development comes hand in hand. Entrepreneurship has emerged as a critical driver of economic growth, innovation, and employment generation in emerging economies. Beyond its economic contributions, entrepreneurship is increasingly recognized as a mechanism for promoting inclusive development by expanding opportunities for marginalized populations and underserved region(Hanganakatti Shankrappa, 2026). Entrepreneurship can be defined as the identification of business-related opportunities through a process of using existing, new or a recombination of resources in an innovative and creative way(Ratten, 2023). Entrepreneur are the individual who cease an opportunity and make that opportunity a reality and take risk regarding the same. Isenberg (2010) defined entrepreneurial ecosystem as “a set of interconnected elements such as leadership, culture, capital, markets, human skills, and support that foster entrepreneurial development.”

Entrepreneurship is increasing and people are willing to participate in large extent but the risk of failure pulls them back which is why there is a need to give wings to these ideas with correct financial and legal support. Despite the growing entrepreneurial opportunity in India there is limited participation as they lack financial access, have little knowledge regarding the government support and Infrastructure Development which leads to a very important question whether the Indian Entrepreneurial Ecosystem is ready to support the emerging generation. (GEM, 2025) latest India assessment says around 1 in 8 adults overall were starting or running a business and it also indicate that approximately 10% of Indian adults aged 18-34 were engaged in some type of business. Youth entrepreneurship combines risk-taking, innovation, and the application of skills to generate economic activity, employment, and social value(Jyothsna, 2025). So, there is a need to channelize this energy into proper direction and give pace to their innovation as their individual efforts are not enough they need support from government, financial aids are required and proper digital infrastructure is essential. This can be done with the help of government support as Government bodies play a pivotal role in fostering a vibrant entrepreneurial ecosystem, especially in economies where entrepreneurial activities are at an early stage of development (Agalagurki Nagaraj *et al.*, 2025) and financial assistance as for a poor country with per-capita income at approximately \$ 1928 per annum in current dollars in 2020, India has deployed financial technologies on a surprisingly large scale(Panagariya, 2022). In the past government has brought up with many



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schemes regarding the same and loans are also easily available at affordable rates but the problem is that not everyone is aware of these schemes and not all have the knowledge as to how to avail these benefits and yes, the risk of failure is always there.

The Government requires to facilitate with exposure to information regarding schemes and ways to avail it. Proper incubation centres should be formed where people can give pace to their ideas which help them find out where there is any future for their idea without any financial burden.

In emerging economies such as India, government-led digital entrepreneurship initiatives and fintech-enabled funding mechanisms have improved entrepreneurial participation; however, concerns regarding institutional accessibility, financial confidence, and funding readiness continue to persist among young entrepreneurs (Kurniasari, Abd Hamid, et al., 2025; Sharma et al., 2026). Government in the recent years have worked on the digital platform which makes it easy for people to avail the facilities and make the tiresome process of filling forms and submitting on the counter with lengthy paperwork a swift easy process. After the Covid pandemic the access to internet facilities has taken a rapid turn in India, everything is now online from payment, online market, information to government services. E-commerce has also increased and now every business has a online presence and the trend of online shopping has increased as it is easy and less tiresome.

Incubators support the establishment of new ventures providing entrepreneurs with the environment and funding at the ideation stage and Accelerators operate in cohorts, admitting startups for a fixed period providing training, guidance, and space for peer interactions within the cohorts (Kaur *et al.*, 2024). Although previous studies have been done on government support, financial aids and digital infrastructure but limited attention has been given to the combined effect of all the three. The government schemes have been studied but impact and outcome of each scheme has been under worked. This raises the need to examine which form of government support and digital infrastructure are actually relevant for entrepreneurial participation. Therefore, the present study aims to assess the India's Entrepreneurial Ecosystem by analyzing government support mechanism, financial accessibility and digital infrastructure using secondary data. The research article is followed by a literature review and research gap in section 2 and 3. The proposed study objectives, methodology and finding were laid in section 4,5 and 6. Lastly the section is followed by conclusion, limitation and future scope.

LITERATURE REVIEW

Hanganakatti Shankrappa(2026) examines the relationship between Startup India, Digital Public Infrastructure, and inclusive development within India's entrepreneurial ecosystem. The study employs a Structured Thematic Literature Review (STLR) methodology with PRISM screening of various database. The review reveals that Startup India and DPI have significantly expanded entrepreneurial participation, improved formalization, and increased access to financial services. UPI and digital identity systems have emerged as foundational institutional infrastructures supporting enterprise creation and market participation. Agalagurki Nagaraj et al. (2025) paper presents a reflexive policy analysis of entrepreneurship policy, combining insights from scholarly thinking and an empirical examination of India's Startup India initiative. Organizational theory was used with latent Dirichlet model on state and central government schemes. The finding provides a useful foundation for assessing the readiness of India's entrepreneurial ecosystem in terms of financial accessibility, government support mechanism and digital infrastructure. Jyothsna (2025) synthesizes literature on entrepreneurship and innovation, analyses government initiatives and institutional roles, examines major constraints faced by young entrepreneurs, and presents three detailed case studies highlighting successful interventions and failure lessons. Mixed method approach was used on secondary data. Finding showed that India has established several initiatives to promote youth entrepreneurship however limited access to finance, inadequate entrepreneurship education, regulatory complexities, gender-related barriers, and gap in rural digital infrastructure continue to restrict entrepreneurial development. Panagariya (2022) paper examines the development of financial technology in India and analyze how digitalization has transformed financial infrastructure and promoted entrepreneurship. A descriptive and analytical study was done using government reports, RBI data and published literature. Study found that digital financial infrastructure has improved financial inclusion and created new opportunity for entrepreneurship in India. Kumari and Kumar (2026) aim to provide a comprehensive overview of EE research within the Indian context through a systematic literature review (SLR) using the TCCM (theory, context, characteristics, and methodology) framework. PRISM framework was used to study the articles from SCOPUS database. The findings highlight that Indian EE research is dominated by quantitative methods, extensively covers the technology and education sectors with resource-based view as leading theory. Purushottam et al. (2026) purpose of this literature review is to understand the early-stage financing avenues in the Indian IT start-up ecosystem. Literature review based on existing academic research and policy document was done. Finding showed that financial accessibility for Indian start-ups is limited because of complex procedures, collateral requirements, regional disparities and delays in government funding, despite the availability of various financial support mechanisms.



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Khari et al. (2026) examines the challenges faced by young entrepreneurs (aged 17–22) in accessing seed funding in India, with a particular focus on the role of government support, financial readiness, and structural constraints. Primary data was collected with the help of snowball sampling of young entrepreneurs which was analyzed using SEM. Results indicate that young entrepreneurs face significant difficulties in accessing seed funding from formal financial institutions. Government support and entrepreneurial ability positively influence access to finance, while financial readiness significantly reduces perceived funding barriers. Access to finance has a strong positive effect on entrepreneurial intention, whereas funding barriers negatively impact entrepreneurial intention. Kaur et al. (2024) evaluated the Fintech entrepreneurial ecosystem in India using a novel firm-level dataset of Indian Fintech startups. Ordinary least squares and propensity score matching methods were employed for this study. Findings suggest a significant signaling effect from social capital factors: incubator or accelerator support. Bhattacharyya and Subrahmanya (2024) examined the factors influencing digital startups access to venture capital financing in India using signaling theory. Hechman's two-stage sample selection model was used on digital startups. The finding showed that founders educated at premier institutions, affiliation with incubators or accelerators and digitally enabled business models had a higher likelihood of receiving VC funding. Sharma, Das and Singh (2023) examines the cause-and-effect relationship between entrepreneurship ecosystem and financial inclusion across countries. The regression coefficients of selected independent variables were estimated through robust empirical models. The result showed that entrepreneurship ecosystem and financial inclusion are complementary to each other. Gupta and Singh (2026) investigates how access to finance and the investment climate affect SME performance. Data was taken from the World Bank Enterprise Survey (2022) and two-stage least squares (2SLS) method was used. Findings suggest that access to formal working capital finance positively affects firm performance, whereas access to formal fixed-asset finance negatively affects it. Nigam, Benetti and Johan (2020) investigated the impact of traditional quality signals, networking signals and digital signals on the access to venture capital financing. SPSS software was used with SEM on startup data which included both active and failed startups. Finding show that networking and digital signals positively impact access to financing, traditional human capital signals do not have any significant impact on the process.

Loganathan and Bala Subrahmanya (2025) aims to understand the role and effectiveness of Government support for the promotion of Technology Based Incubators in India. Logistic regression analysis was done on secondary data on government support. Result showed Government support for the promotion of TBIs has led to significant infrastructure development, with a preference for university-based incubators. Nikaido, Pais and Sarma (2015) investigated enterprise level factors affecting access to formal credit for small enterprises in India. A Probit Sample selection model was employed on unit level data on unorganised manufacturing enterprises from the National Sample Survey (NSS). Finding showed that firm size and firms' registration with a formal agency have a significantly positive impact on the probability of receiving formal credit. Balasundaram et al. (2025) aims to examine the impact of India's Unified Payments Interface (UPI) on rural financial inclusion and economic growth. Difference in differences approach was used on data from villages to assess causal effects on financial and economic outcomes. The finding showed that higher UPI usage lead to increase in rural financial inclusion and economic growth. Zhang, van Gorp and Kievit (2023) developed a conceptual model to explain the impact of digital technology on national entrepreneurship and the interactions between digital technology and other ecosystem elements. Hypotheses was tested by using unbalanced panel data of countries. Results show that the level of digital technology is positively associated with the output of national entrepreneurial ecosystems. Garg, Gupta and Mallick (2025) examined whether improved access to bank increases entrepreneurship by gender and whether credit uptake explains this relationship. Sample was taken from village on which Difference in Differences method was used. Finding showed that proximity to bank branches increases entrepreneurship by gender, partly through greater access to finance.

Johri et al. (2024) aims to identify the determinants of digital financial inclusion (DFI) and its role in micro enterprises' ease of doing business. ANOVA and Logistic Regression analysis on the World Bank's Enterprises Survey of Micro Firms (ESM). Findings revealed that digital financial inclusion helps to face obstacles in business regulation and handle market externalities and access to the internet, education, and owner experience are instrumental in digital financial inclusion among micro-enterprises. Safi et al. (2025) discusses the role of government programs in encouraging and maintaining youth-led startups throughout the nation. Secondary data was taken from government sides and qualitative and descriptive analytical tools are used. Finding showed government initiatives like 'Startup India' have played a pivotal role in nurturing youth entrepreneurship. Mujahid, Mubarik and Naghavi (2019) objective was to prioritize the various dimensions of an entrepreneurial ecosystem (EES) and propose a framework for developing it. Data was collected from experts using a bi-polar questionnaire and three-fold approach was used. Results of pairwise comparisons reveal that human resource development possessed the highest weight, followed by finance, support, and industrial relationship. Markets emerged as the least important dimension. Kumar and Shobana (2026) studied the role of government schemes and policies in promoting entrepreneurship in India. Data was extracted from many government schemes and their impact was seen. The result showed that Government schemes and policies had a great impact on the entrepreneurship in India.



Chopra, Sidana and Arora (2026) assessed the contribution of digital public infrastructure (DPI) to financial inclusion in India and identify its economic and demographic determinants. Annual secondary data was taken on which Autoregressive Distributed Lag (ARDL) model, Fully modified ordinary least squares and Principal Component Analysis (PCA) was used. Finding showed that Aadhaar and UPI positively influence and unemployment negatively affect financial inclusion.

Research Gap

Earlier studies on entrepreneurship in India have examined various aspects of financial accessibility, government support mechanisms and digital infrastructure. However, these dimensions have often been examined individually, limiting a comprehensive understanding of their role in India's entrepreneurial ecosystem. Furthermore, the availability of comprehensive, consistent and year-wise data on government schemes and entrepreneurial development remains limited, making it difficult to assess trends across different programmes. There is also scope for broader assessment of how financial assistance, government initiative and digital development collectively contribute to entrepreneurial opportunities. The growing use of digital payment and e-commerce also highlight the need to examine digital infrastructure as a component of the entrepreneurial ecosystem alongside traditional financial and institutional support. Therefore, the present study attempts to address this gap by examining these three dimensions through secondary data on entrepreneurial ecosystem.

Research Objective

1. To determine the impact of Financial Accessibility on Entrepreneurial Ecosystem.
2. To examine the influence of Government Support Mechanism on Entrepreneurial Ecosystem.
3. To ascertain the relevance of Digital Infrastructure on Entrepreneurial Ecosystem.

Research Methodology

The study employs secondary data based descriptive-analytical approach, trend analysis with comparative evaluation to assess the impact of Government support, financial accessibility and digital infrastructure from 2015-2026 in India. The data has been extracted from government websites, ministry reports, published research papers, annual reports and other reliable sources. Financial accessibility is analysed using indicators such as loan sanctions and credit guarantees, while government support mechanisms are examined through selected central government schemes, considering available information on fund allocation, expenditure, enterprises supported and estimated employment generation. Digital infrastructure is assessed using indicators related to digital payment systems, particularly the Unified Payments Interface (UPI) and the growth of the e-commerce market. The study analysis available quantitative data across different financial years to identify trends, patterns and developments in selected dimensions. The collected data are presented in tables and interpreted using descriptive analysis to understand their contribution to India's entrepreneurial ecosystem.

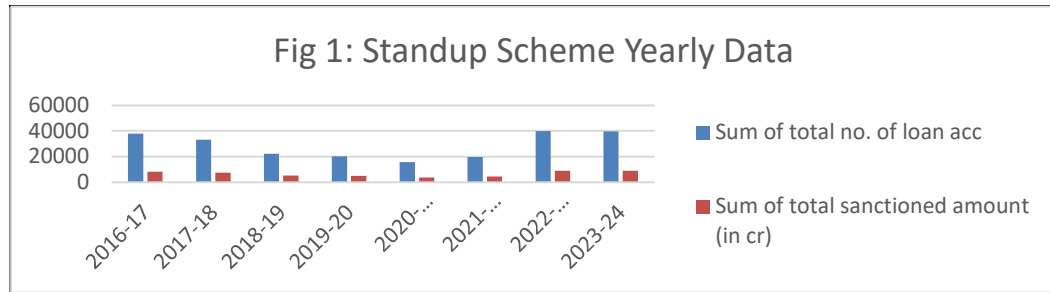
Analysis and Discussion

1. **Stand-up India-** It works for financing SC/ST and/or Women Entrepreneurs by facilitating bank loans for setting up a greenfield project enterprise in manufacturing, services, trading sector and activities allied to agriculture.

Table 1: total amount of loan sanctioned and loan account created (2016-24)

Row Labels	Sum of total no. of loan account	Sum of total sanctioned amount (in cr)
2016-17	37878	8114.06
2017-18	33043	7325.32
2018-19	22222	5221.78
2019-20	20256	4845.15
2020-21	15617	3781.2
2021-22	19752	4501.33
2022-23	39895	8942.55
2023-24	39609	8889.65
Grand Total	228272	51621.04

Source- Standup India (2016-24)



The number of loan accounts and amount decreased firstly but then after 2021 the amount and account has been increased. This decline could possibly be due to COVID-19 Pandemic. Later the inclined trend reveals government recognition and enhanced support which showed that government recognized and increased its support for promotion of entrepreneurship.

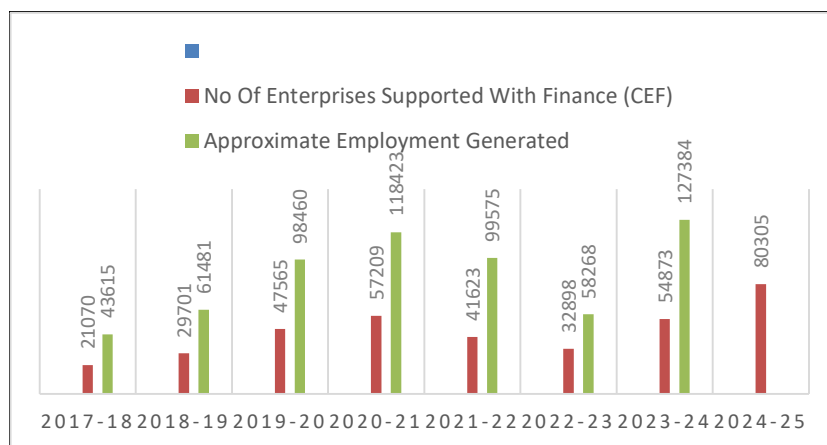
2. **Startup Village Entrepreneurship Programme (SVEP)-** It supports non-farm enterprises through training, finance, mentoring and community-led institutional support.

Table 2: Number of enterprises supported and employment generated (2017-25)

SVEP (Start-up Village Entrepreneurship Programme)	No Of Enterprises Supported With Finance (CEF)	Approximate Employment Generated
2017-18	21070	43615
2018-19	29701	61481
2019-20	47565	98460
2020-21	57209	118423
2021-22	41623	99575
2022-23	32898	58268
2023-24	54873	127384
2024-25	80305	

Source- sansad.in(2025)

Fig2: Startup Village Entrepreneurship Programme (2017-25)





With the help of SVEP government has supported enterprises with finance and helped in employment generation which has led to more than 6L employment generation by 2024. The finance support has not been same throughout the time but the support has been consistently provided.

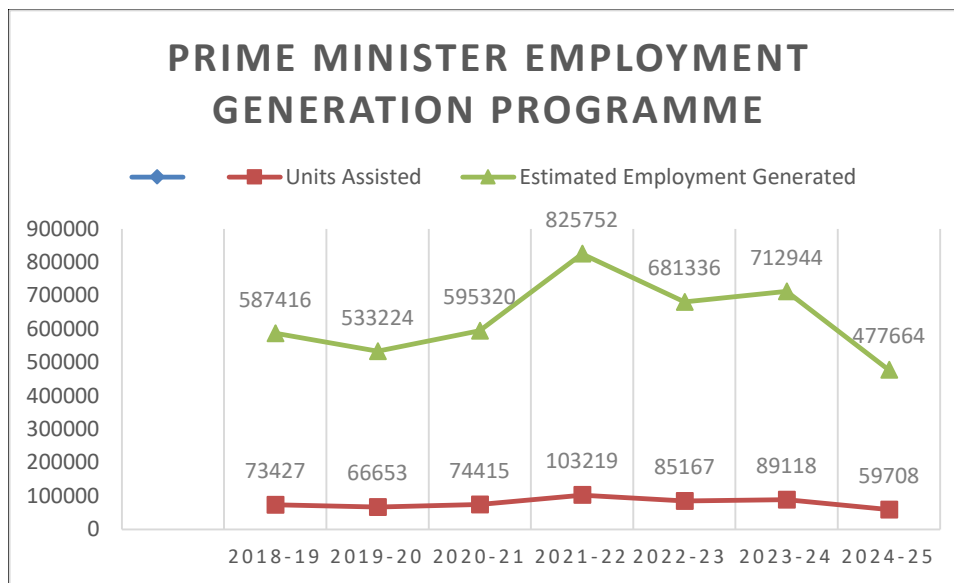
3. **Prime Minister Employment Generation Programme(PMEGP)**- It empowers aspiring entrepreneurs to establish micro enterprises in the non-farm sector. By fostering innovation, building sustainable livelihoods and creating widespread employment opportunities.

Table 3: The number of unit assisted and employment generated (2018-25)

PMEGP	Units Assisted	Estimated Employment Generated
2018-19	73427	587416
2019-20	66653	533224
2020-21	74415	595320
2021-22	103219	825752
2022-23	85167	681336
2023-24	89118	712944
2024-25	59708	477664

Source- sansad.in (2025)

Fig 3: Unit assisted and employment generated under PMEGP (2018-2025)



Source- sansad.in (2025)

With the help of PMEGP government has assisted many units and provided employment to a widespread youth. The data shows that the assistance has been reduced but the support is been consistently provided.

4. **Entrepreneurial and Skill Development Programme(ESDP)**- This scheme helps in motivating young persons to consider self-employment or entrepreneurship as one of the career options.

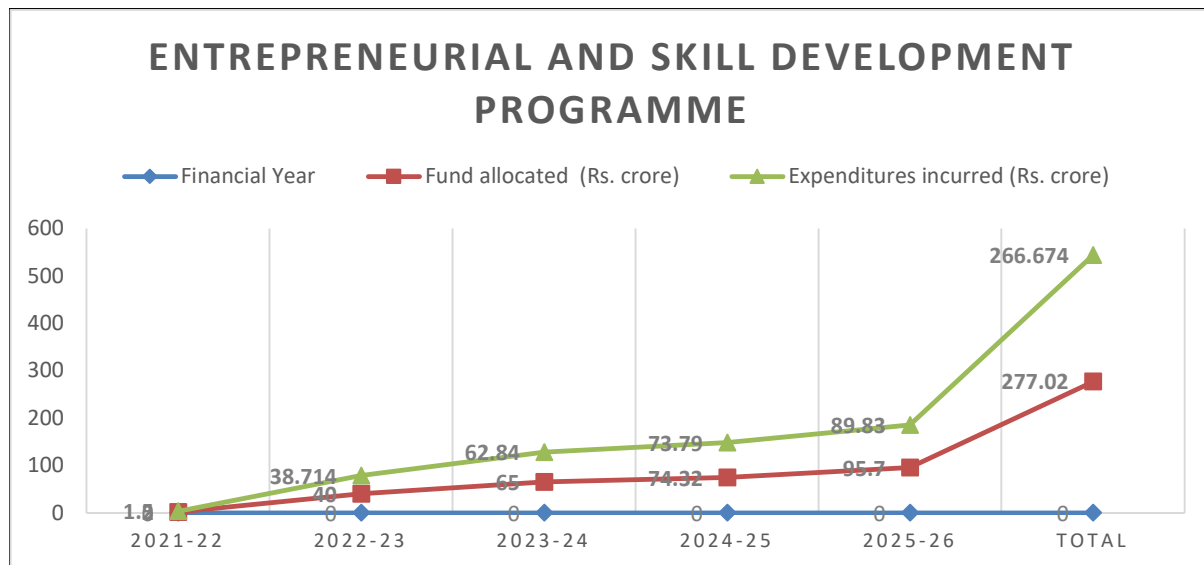


Table 4: Fund allocation and expenditure incurred under ESDP (2021-26)

Financial Year	Fund allocated (Rs. crore)	Expenditures incurred (Rs. crore)
2021-22	2	1.5
2022-23	40	38.714
2023-24	65	62.84
2024-25	74.32	73.79
2025-26	95.7	89.83
Total	277.02	266.674

Source- msme.gov.in (2021-26)

Fig 4: Fund allocated and expenditure incurred under ESDP



ESDP data indicate an increase in government financial commitment to entrepreneurship and skill development accompanied by a high reported expenditure-to-allocation ratio which shows high government commitment.

- Gen-Next Support for Innovative Startups (GENESIS)-** It aims to boost the startup ecosystem in tier 2-3 cities by providing funding and incubators to critically support Pilot/Investment, early-stage and deep-tech startups.

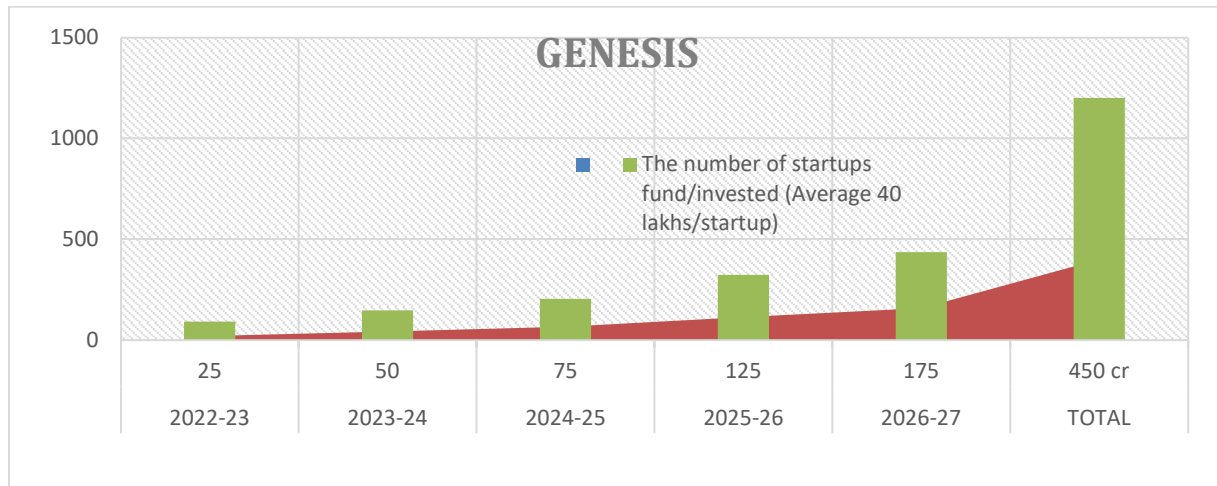


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GENESIS	Pilot/Investment Fund And Management	Pilot/Investment Fund/Early Stage and deep-tech Startup support	The number of startups fund/invested (Average 40 lakhs/startup)
2022-23	25	20.366	91
2023-24	50	42.976	147
2024-25	75	65.536	204
2025-26	125	113.056	323
2026-27	175	158.066	435
TOTAL	450 cr	400	1200

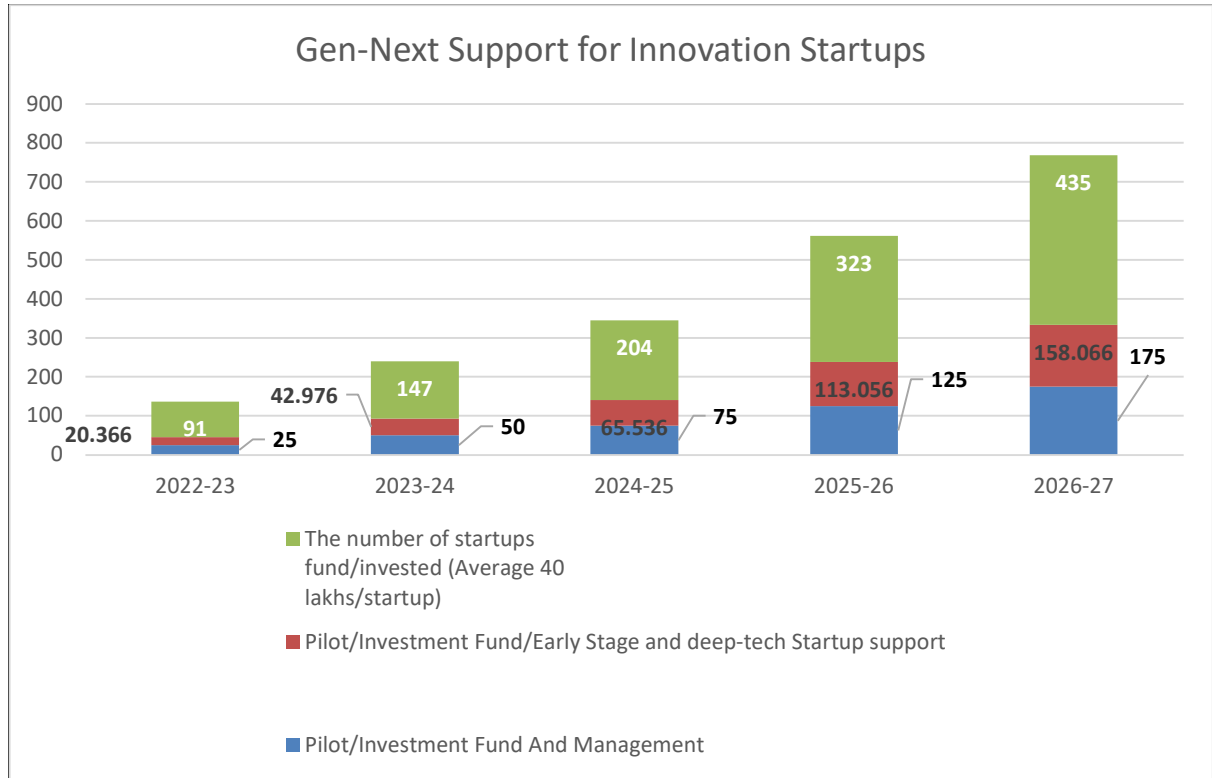
Table 5: the number of startups supported and early-stage fund provided (2022-27)



Source- GENESIS Official Site (2026)



Fig 5: Present number of start-ups funded and early-stage startup supported



GENESIS scheme has consistently provided support from the time the scheme has come to action till now and has increasingly financed many startups and is helping the individual who want to start their own startups.

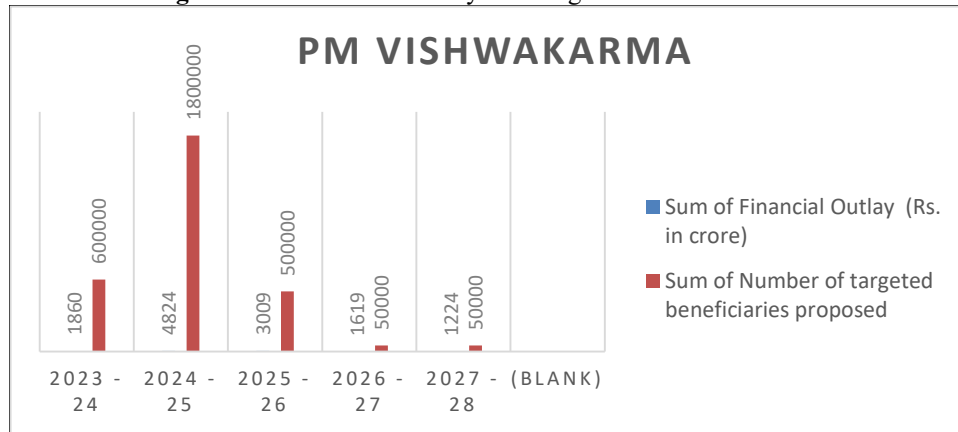
- PM Vishwakarma-** It provide end-to-end holistic support to the artisans and craftspeople in scaling up of their conventional products and services.

Table 6: financial outlay and targeted beneficiaries proposed under PM Vishwakarma (2023-28)

Years	Sum of Financial Outlay (Rs. in crore)	Sum of Number of targeted beneficiaries proposed
2023 -24	1860	600000
2024 -25	4824	1800000
2025 -26	3009	500000
2026 -27	1619	50000
2027 -28	1224	50000
Grand Total	12536	3000000



Fig. 6: Total Financial Outlay and Targeted beneficiaries under PM VISHWAKARMA SCHEME



Source- PM Vishwakarma Official Site (2026)

PM Vishwakarma scheme has helped many artisans and craftsmen by providing financial needs to many beneficiaries and the government is continuously providing the finance as per the need which is helping artisans and craftsmen grow and showcase their talent on different platforms.

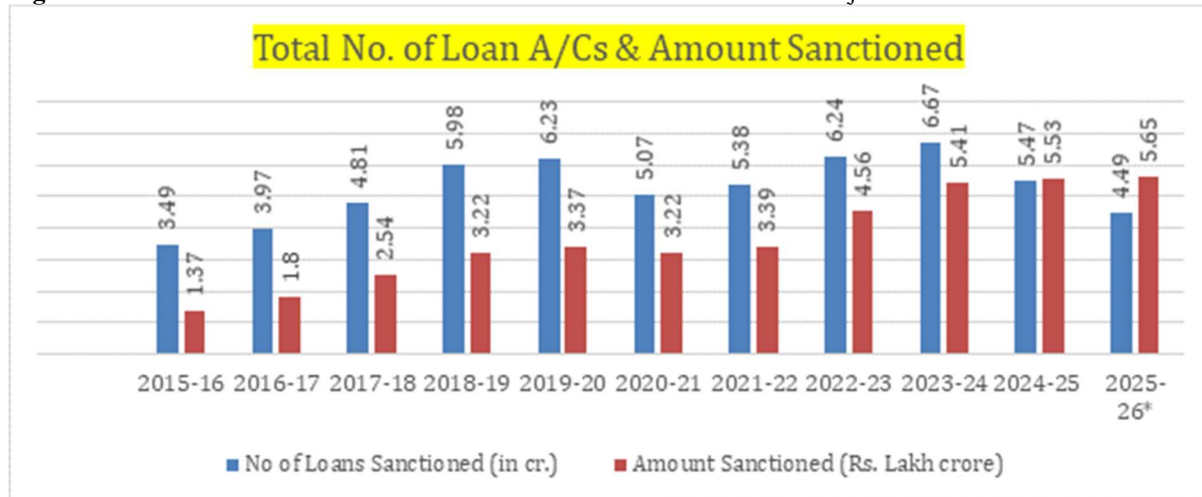
- Pradhan Mantri MUDRA Yojana (PMMY)**- It facilitates micro credit/loan up to 20 lakhs to income generating micro enterprises engaged in the non-farm sector in manufacturing, trading or service sectors including activities allied to agriculture such as dairy, poultry etc.

Table 7: Loan account and amount sanctioned under PMMY (2015-26)

Financial Year	No. of loan account(in cr.)	Amt sanctioned(in lakh cr.)
2015-16	3.49	1.37
2016-17	3.97	1.8
2017-18	4.81	2.54
2018-19	5.98	3.22
2019-20	6.23	3.37
2020-21	5.07	3.22
2021-22	5.38	3.39
2022-23	6.24	4.56
2023-24	6.67	5.41
2024-25	5.47	5.53
2025-26	4.49	5.65
Total	57.79	40.07



Fig. 7: Loan account and amount sanctioned under Pradhan Mantri Mudra Yojana



Source-

Press release from Ministry of Finance (2026)

PMMY scheme has been serving micro enterprises from the last 11 years and has successfully worked regarding the same and provided financial assistance. It can be seen that the amount been sanctioned has been increased with time which shows that government keeps track of the needs with time.

- Credit Guarantee Fund Trust for Micro and Small Enterprises (CGSTMSE)**- It was launched to strengthen credit delivery system and to facilitate flow of credit to the MSE sector.

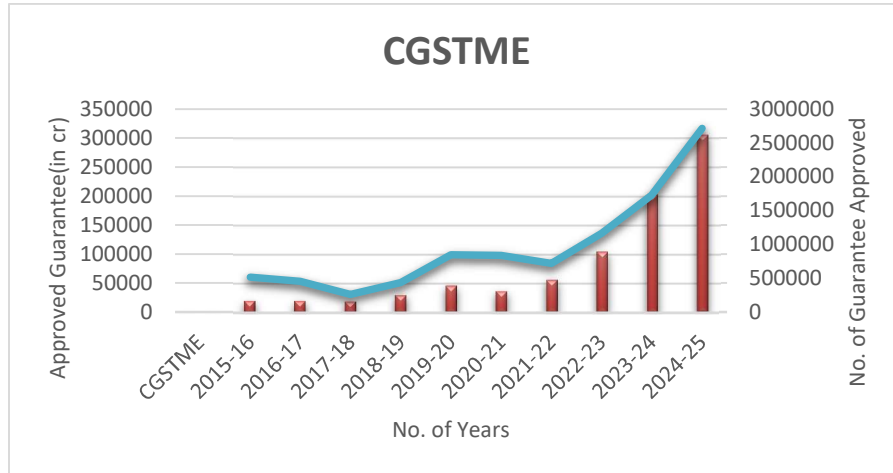
Table 8: The approved fund Guarantee and number of guarantees under CGSTMSE (2015-25)

CGSTMSE	Approved Guarantee(cr.)	No. of Guarantee Approved
2015-16	19949	513978
2016-17	19931	452127
2017-18	19066	263195
2018-19	30168	435520
2019-20	45851	846650
2020-21	36899	835592
2021-22	56172	717020
2022-23	104781	1165786
2023-24	202807.3	1724073
2024-25	305506.8	2715275

Source- Financial report of CGSTMSE (2015-25)



Fig 8: shows the graphic presentation of number and approved guarantees

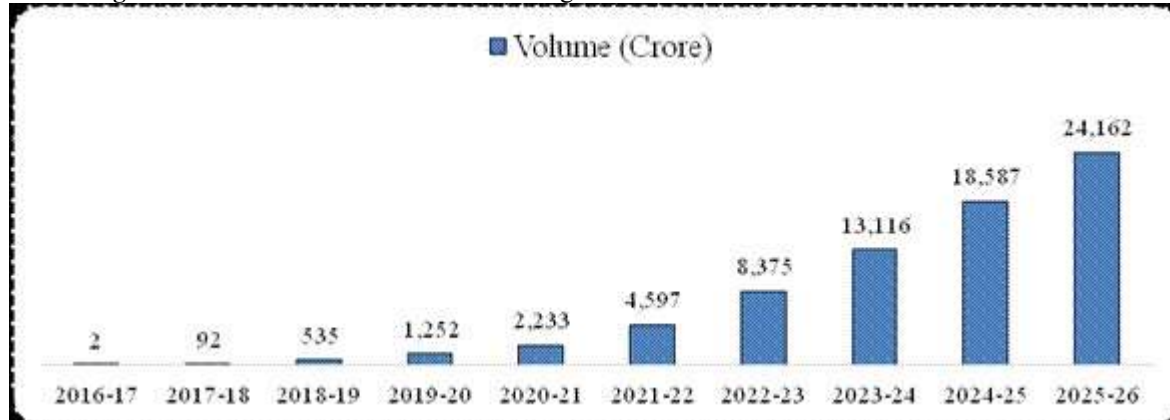


The data shows that with time the guarantee approved are increasing which shows that the needs are been catered as per the requirement and government is willing to support MSME with the credit guarantee scheme.

- Unified Payment Interface (UPI)-** It enables businesses to receive digital payments from customers, transfer funds and conduct transactions without relying exclusively on cash.

Source- UPI Official website

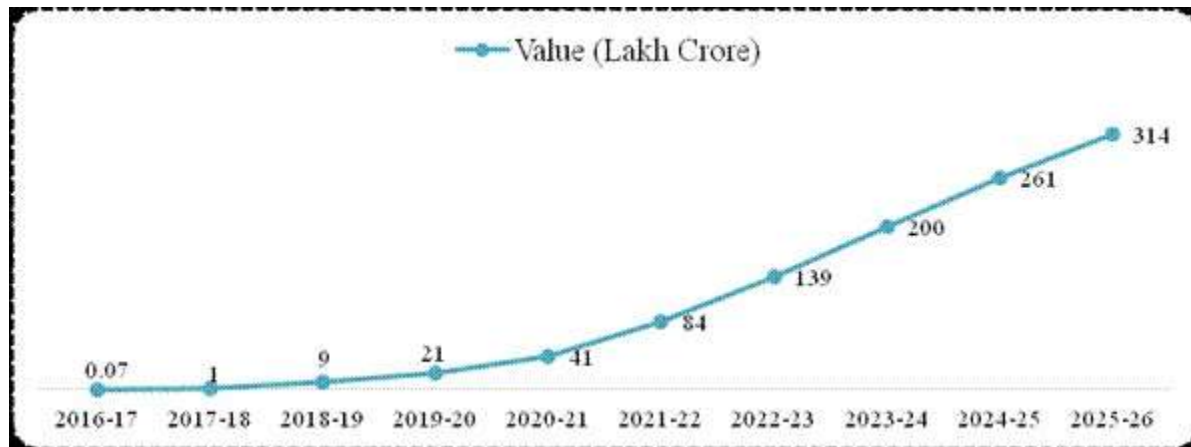
Fig 9: shows the annual transaction volume growth



Source- Ministry of Finance, UPI report (2026)



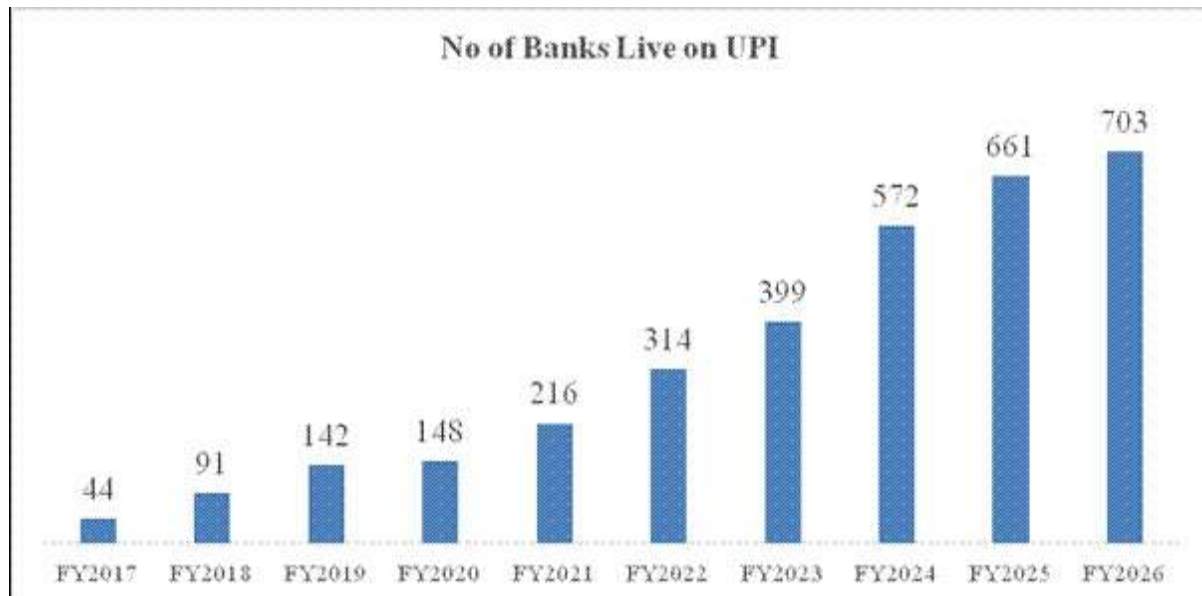
Fig10: shows the annual transaction on value growth



Source- Ministry of Finance, UPI report (2026)

These volume and value growth data is the total increase in the transaction and does not specifically show entrepreneurial transactions but it can be concluded that there is an increase in entrepreneur usage of UPI as total population includes everyone and so the entrepreneurs.

Fig 11: shows the number of banks live on UPI

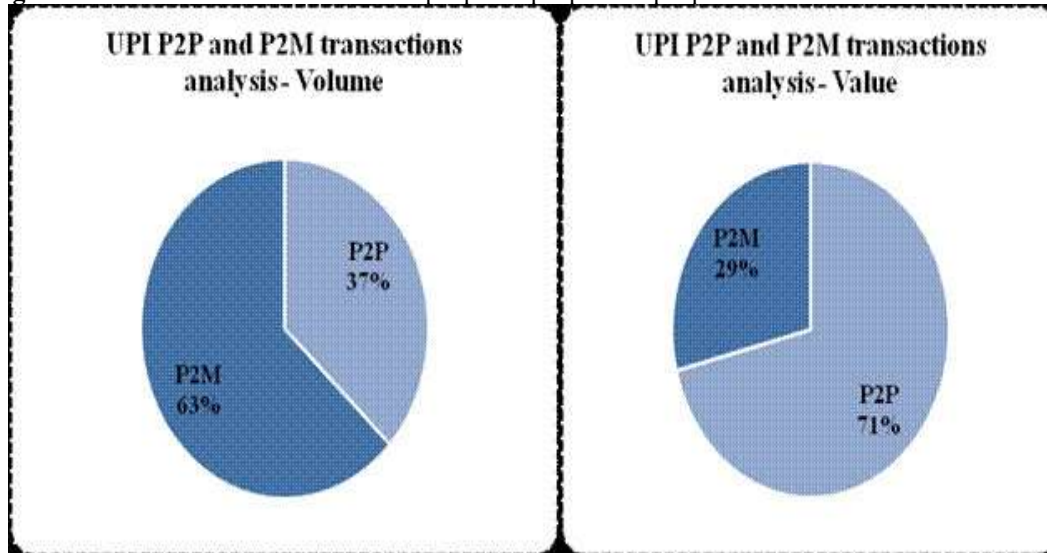


Source- Ministry of Finance, UPI report (2026)

This data shows the increased digitalization of banks in India with the help of which entrepreneurs can get easy services of bank online without visiting their branches and this aids them in getting easy loans and doing multiple transaction easily.



Fig 12: shows UPI transactions between people to people and people to merchants.



Source- Ministry of Finance, UPI report (2026)

Person-to-merchant (P2M) transactions account for 63% of total transaction volume, reflecting UPI's extensive use for high-frequency, low-value retail payments. In contrast, person-to-person (P2P) transactions dominate transaction value, contributing 71%, indicating their use for higher-ticket transfers between individuals. This contrast underscores UPI's dual role as a mass retail payments platform and a trusted channel for larger-value fund transfers.

- E-Commerce-** It is the business of buying and selling things over the Internet. It has facilitated many businesses and helped them in reaching diverse and scattered consumer easily.

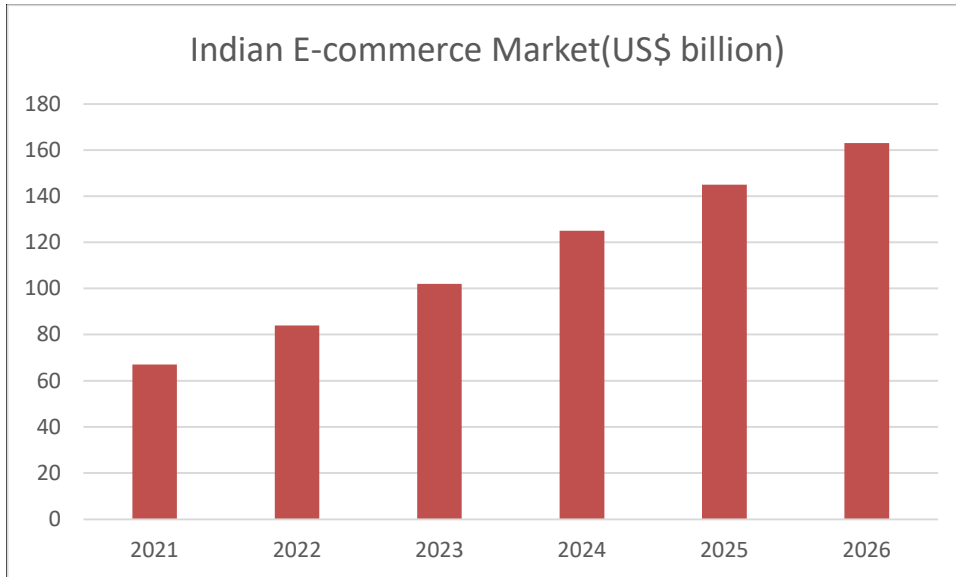
Table 9: Increase in market size under E-commerce (2021-26)

E-Commerce	Market Size(in US\$ billion)
2021	67
2022	84
2023	102
2024	125
2025	145
2026	163Forecasted

Source- Indian Brand Equity Foundation report (2025)



Fig 13: shows the increase in E-commerce Market in India



The data shows that e-commerce business has increased from just 67b\$ in 2021 to 163b\$ in 2026 which shows the expansion of India's e-commerce market which create opportunities for entrepreneurs to reach customers through digital channels.

Research Finding

1. Financial Accessibility and the Entrepreneurial Ecosystem

The study finds that government-backed financial support mechanisms have played an important role in facilitating access to finance for entrepreneurs and micro, small and medium enterprises (MSMEs) in India. The data on the Pradhan Mantri Mudra Yojana (PMMY) indicate a substantial expansion in the amount of loans sanctioned over the study period. Loan sanctions increased from ₹1.37 lakh crore in 2015–16 to ₹5.65 lakh crore in 2025–26, according to the data compiled for this study. Similarly, the Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) recorded an increase in approved guarantees from approximately ₹19,949 crore in 2015–16 to ₹3,05,506.8 crore in 2024–25. These trends indicate an expansion in the scale of institutional support available to micro and small enterprises.

The findings suggest that credit-based government interventions can help entrepreneurs obtain financial resources to establish and expand their businesses. However, the increase in sanctioned loans and approved guarantees does not, by itself, establish that every entrepreneur can access finance easily or that the support has resulted in business survival and growth. Therefore, financial accessibility appears to be improving in terms of the scale of support provided, although its actual effectiveness requires further assessment of loan accessibility, utilisation, repayment and business outcomes.

2. Government Support Mechanisms and Entrepreneurial Development

The analysis reveals that government support for entrepreneurship extends beyond financial assistance to include enterprise development, skill training, incubation and targeted assistance for specific groups. The Stand-Up India scheme recorded 2,28,272 loan accounts and a total sanctioned amount of ₹51,621.04 crore in the data presented for 2016–17 to 2023–24. The number of loan accounts increased considerably in 2022–23 compared with the preceding two financial years, indicating a recovery in scheme-level lending activity. The Prime Minister's Employment Generation Programme (PMEGP) supported 73,427 units in 2018–19, rising to 1,03,219 units in 2021–22. The estimated employment associated with supported units also increased during this period. Although the number of units assisted subsequently fluctuated, the programme continued to provide support through 2024–25. This suggests that government assistance can contribute to enterprise creation and employment generation, while year-to-year variations indicate that the scale of implementation is not uniform. The Startup Village Entrepreneurship Programme (SVEP) also demonstrated support for rural non-farm entrepreneurship. The number of enterprises supported with finance increased from 21,070 in 2017–18 to 80,305 in 2024–25, according



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to the figures compiled in the study. The Entrepreneurial and Skill Development Programme (ESDP) recorded an increase in annual fund allocation from ₹2 crore in 2021–22 to ₹95.7 crore in 2025–26. Reported expenditure was ₹89.83 crore in 2025–26. This indicates a substantial increase in financial commitment to entrepreneurship and skill development. GENESIS also shows a rising planned and reported scale of support for startups.

Overall, these findings indicate that the government has established multiple mechanisms to support different stages of entrepreneurial development and is bringing more and more policies for helping entrepreneur achieve their goals.

3. Digital Infrastructure and Entrepreneurial Opportunities

The findings indicate that digital infrastructure is an increasingly important component of India's entrepreneurial ecosystem. The UPI analysis presented in the study considers transaction volume, transaction value and the number of banks live on the platform. The expansion of digital payment infrastructure can make it easier for businesses to receive payments, transfer funds and conduct transactions without depending exclusively on cash or physical banking services. The study also presents evidence of expansion in India's e-commerce market. According to the figures compiled from the Indian Brand Equity Foundation (IBEF), the market increased from US\$67 billion in 2021 to US\$145 billion in 2025, with a figure of US\$163 billion for 2026. This trend indicates an expanding digital marketplace through which businesses can reach customers beyond their immediate geographical areas.

Taken together, the UPI and e-commerce findings suggest that digital infrastructure can facilitate business transactions and expand market access. Digital payments can support transaction convenience, while e-commerce can provide opportunities for enterprises to access wider customer markets. However, UPI transaction growth and overall e-commerce market expansion do not directly measure entrepreneurs' use of these facilities. The findings therefore demonstrate the growth of enabling digital infrastructure rather than proving its direct impact on individual enterprise performance.

Conclusion

The present study assessed India's entrepreneurial ecosystem by analysing three major dimensions: financial accessibility, government support mechanisms, and digital infrastructure through secondary data. The findings indicate that India has developed various mechanisms to facilitate entrepreneurship by providing financial assistance, promoting enterprise development, and expanding digital opportunities. However, the effectiveness of these mechanisms depends on their accessibility, implementation, and ability to support sustainable entrepreneurial development. The findings on financial accessibility reveal an expansion in the scale of financial assistance provided through government-backed schemes. The increase in loan sanctions under the Pradhan Mantri Mudra Yojana (PMMY) and approved guarantees under CGTMSE indicates the growing scale of financial support available to micro and small enterprises. However, the expansion of financial assistance does not necessarily establish that all entrepreneurs have equal access to credit or that the assistance results in long-term business growth. The analysis of government support mechanisms demonstrates that programmes such as PMEGP, SVEP, Stand-Up India, ESDP, GENESIS, and PM Vishwakarma support entrepreneurship through financial assistance, skill development, enterprise creation, and targeted support. The data on enterprises supported and estimated employment generation highlight the contribution of these programmes to entrepreneurial development.

The findings on digital infrastructure highlight the growing importance of digital payments and online marketplaces in India's entrepreneurial ecosystem. The expansion of UPI infrastructure and the growth of the e-commerce market indicate increasing opportunities for businesses to conduct transactions and reach customers through digital channels. Overall, the study indicates that financial accessibility, government support mechanisms, and digital infrastructure are complementary components of India's entrepreneurial ecosystem. Financial assistance provides resources for business activities, government programmes facilitate enterprise development, and digital platforms offer opportunities for transactions and market expansion. To strengthen this ecosystem further, greater awareness of government schemes, simpler application procedures, improved digital inclusion, and effective monitoring of entrepreneurial outcomes are necessary.

In conclusion, India has established a broad foundation for entrepreneurial development, but further efforts are required to ensure that the available financial, institutional, and digital support translates into sustainable enterprise growth and more inclusive entrepreneurial opportunities.



Research Limitation

The present study has certain limitations. First, it relies entirely on secondary data obtained from government websites, official reports, and published studies, without collecting primary data directly from entrepreneurs. Second, the study focuses on selected central government schemes and excludes state government schemes, limiting its coverage of regional entrepreneurial support. Third, industry-wise data on entrepreneurship are not sufficiently available to trace progress and development of individual industries separately. Fourth, generation-wise data, particularly for Gen Z, Millennials, and Gen Alpha, are limited; therefore, the study examines the broader entrepreneurial ecosystem rather than the experiences of specific generations. Fifth, the limited availability of complete and consistent year-wise data on government portals restricted the analysis of certain schemes and indicators. In addition, the study primarily examines financial assistance, government support mechanisms, and digital infrastructure using available indicators; these may not fully capture the overall entrepreneurial ecosystem or establish the direct impact of these factors on entrepreneurial success. Future research may address these limitations through industry-specific analysis, comparisons between central and state government schemes, generation-wise studies, and primary data collection from entrepreneurs.

Scope for future research

Future research may complement existing literature by examining the entrepreneurial ecosystem at the industry level to understand the specific challenges and opportunities faced by entrepreneurs in different sectors. Studies may further include both central and state government schemes to provide a more comprehensive understanding of government support for entrepreneurship. Primary data collection from entrepreneurs evaluating the actual financial accessibility, utilisation, and effectiveness of financial assistance, government support mechanisms, and digital infrastructure can be investigated. Generation-wise studies focusing on Gen Z, Millennials, and future generations may provide insights into their entrepreneurial participation, financing needs, and use of digital platforms. Future researcher may also examine the relationship between these three dimensions and entrepreneurial outcomes, such as business survival, growth, employment generation, and sustainability and check their impact on entrepreneurial ecosystem. Comparative studies across states, industries, and time periods may further help identify gaps in India's entrepreneurial ecosystem and suggest measures to strengthen it.

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