



Atmanirbhar Bharat and the Role of Entrepreneurship in Economic Transformation

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Abstract:

The Government of India's vision of Atmanirbhar Bharat (Self-Reliant India) aims to position the country as a global economic power rooted in self-sufficiency, innovation, and indigenous entrepreneurship. This study examines how entrepreneurship acts as a catalyst for economic transformation under the Atmanirbhar Bharat framework. Using secondary data and a qualitative-analytical approach, the research explores the contribution of start-ups, micro, small, and medium enterprises (MSMEs) and government initiatives toward economic diversification, employment generation and technological advancement. The study finds that entrepreneurship plays a decisive role in accelerating India's transition from a consumption-driven to an innovation-driven economy. However, persistent challenges such as limited access to finance, inadequate rural infrastructure and skill gaps need targeted policy intervention. The paper concludes with practical suggestions for strengthening the entrepreneurial ecosystem, thus advancing the vision of a self-reliant India.

Keywords: *Atmanirbhar Bharat, Entrepreneurship, Economic Transformation, MSMEs, Innovation, Self-Reliance, India.*

Introduction:

The economic landscape of India has undergone a significant transformation since independence, but the push toward Atmanirbhar Bharat represents a paradigm shift from dependency on external sources to building internal capabilities. Launched in May 2020, the *Atmanirbhar Bharat Abhiyan* aims to enhance India's manufacturing potential, promote local industries and foster innovation-led entrepreneurship. The initiative seeks to reduce import dependency, increase domestic production and build a sustainable, self-sufficient economy.

Entrepreneurship is the backbone of this transformation. Entrepreneurs act as innovators, risk-takers and job creators who transform resources into economic value. In India, the expansion of start-ups, the growth of MSMEs and the infusion of digital technologies have been central to this transformation. Moreover, entrepreneurship promotes inclusivity by empowering women, rural populations and youth, thereby expanding economic participation.

However, despite numerous government initiatives such as Startup India, Make in India, Stand-Up India entrepreneurs face structural challenges including regulatory barriers, financing difficulties and

inadequate infrastructure. This paper examines how entrepreneurship contributes to India's economic transformation and self-reliance under the *Atmanirbhar Bharat* framework.

Objectives of the Study:

1. To study the conceptual foundation and goals of *Atmanirbhar Bharat* in promoting economic transformation.
2. To analyze the contribution of entrepreneurship to economic growth, employment and innovation in India.
3. To evaluate government policies and initiatives supporting entrepreneurship under the *Atmanirbhar Bharat* mission.
4. To identify major challenges and gaps faced by entrepreneurs in achieving self-reliance.
5. To propose strategies and policy recommendations for enhancing entrepreneurial development and economic transformation.

Review of Literature:

Entrepreneurship and economic development have been subjects of wide-ranging academic discourse.

Acs and Audretsch (2005) emphasize that entrepreneurship fosters innovation, competition, and economic dynamism. They argue that a higher rate of entrepreneurial activity correlates with greater technological advancement and productivity growth.

Naudé (2011) observes that entrepreneurship helps economies transition from low-productivity sectors like agriculture to high-value sectors such as manufacturing and services, leading to structural transformation.

Kumar (2021) specifically connects the *Atmanirbhar Bharat* mission with entrepreneurship, stating that the initiative has revived MSMEs and enhanced India's competitiveness through local innovation.

Rao and Singh (2022) highlight the rise of digital entrepreneurship, noting that the integration of digital platforms and fintech services has expanded market accessibility for small enterprises.

NITI Aayog (2023) reports that India's MSME sector accounts for nearly 30% of GDP and 45% of total exports, illustrating its crucial role in economic transformation.

While existing studies explore the general relationship between entrepreneurship and growth, few examine how entrepreneurship operates as the main engine of the *Atmanirbhar Bharat* vision. This research seeks to bridge that gap.

Research Gap:

There is substantial literature on entrepreneurship and its macroeconomic impact, but limited integrated analysis connects the concept of *Atmanirbhar Bharat* with entrepreneurial transformation. Existing studies often evaluate policies in isolation (e.g., Startup India or Make in India) rather than as components of a unified strategy for self-reliance. This research aims to provide a holistic understanding of entrepreneurship as a driver of economic transformation under the *Atmanirbhar Bharat* framework.

Research Methodology:

This study adopts a descriptive and analytical research design. It is based entirely on secondary data collected from government reports, academic journals, NITI Aayog publications, the Ministry of MSME and the Startup India portal. Data spanning

2016–2024 has been analyzed to assess entrepreneurship trends and policy outcomes. Tables, charts, and descriptive analysis are used to interpret data, while qualitative synthesis provides insights into structural and policy-level transformations.

Discussion:

1. Entrepreneurship Growth in India:

Entrepreneurship in India has witnessed exponential growth over the past decade. According to the Department for Promotion of Industry and Internal Trade (DPIIT), the number of recognized start-ups increased from 471 in 2016 to over 112,000 by 2024. This growth has been driven by favorable policies, technological innovation and increased access to venture funding.

Table 1: Growth of Start-ups in India (2016–2024)

Year	Number of Registered Start-ups	Percentage Growth
2016	471	-
2018	8,900	1789%
2020	34,000	282%
2022	77,000	126%
2024	112,000	45%

Source: Startup India Portal, 2024

The data clearly illustrates exponential growth in start-up registrations over the eight-year period (2016–2024). The early years saw explosive growth rates as government policies - such as Startup India, Make in India and later *Atmanirbhar Bharat* - encouraged innovation, digitalization, and job creation.

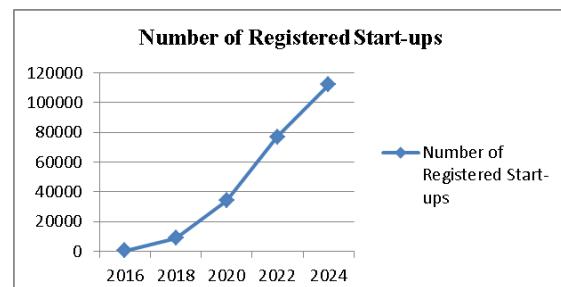
Post 2020, the *Atmanirbhar Bharat Abhiyan* acted as a major catalyst for entrepreneurship by promoting localized production, import substitution, and innovation-based enterprises. The rise in registered start-ups reflects India's transition toward a self-reliant, innovation-driven economy, reducing dependence on foreign products and boosting domestic employment.

The table demonstrates India's entrepreneurial transformation within less than a decade, moving from a nascent start-up culture in 2016 to becoming one of the

world's leading start-up ecosystems by 2024 a key milestone in achieving the *Atmanirbhar Bharat* vision.

The surge in start-ups demonstrates the government's success in fostering an entrepreneurial culture. Post-2020, the *Atmanirbhar Bharat* stimulus packages encouraged localized production, import substitution and innovation-based enterprises.

Graph 1: Growth of Start-ups in India (2016–2024)



Source: Startup India Portal, 2024

Graph 1 illustrates the remarkable expansion of registered start-ups in India between 2016 and 2024. The number of recognized start-ups has grown from a modest 471 in 2016 to nearly 112,000 by 2024, reflecting a steady and exponential upward trajectory. This rapid increase highlights the transformation of India's entrepreneurial landscape over less than a decade. This continuous upward trend

underscores the effectiveness of government initiatives under Atmanirbhar Bharat, which emphasize self-reliance, localized production, and innovation-led growth.

2. Sectoral Distribution and Economic Diversification:

Entrepreneurial activity in India spans multiple sectors, from IT and manufacturing to agriculture and renewable energy.

Table 2: Sectoral Distribution of Start-ups in India (2024)

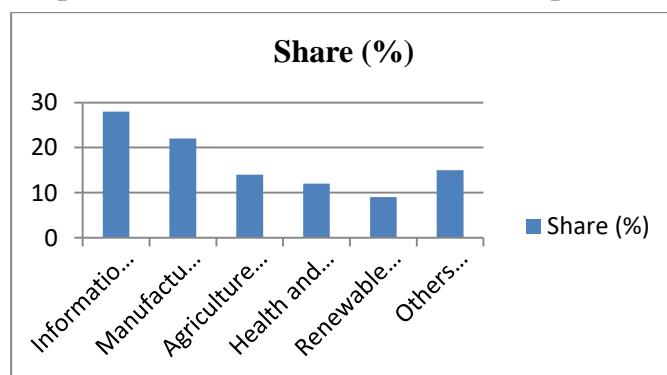
Sector	Share (%)
Information Technology and Digital Services	28
Manufacturing and Engineering	22
Agriculture and Food Processing	14
Health and Biotechnology	12
Renewable Energy	09
Others (Education, Finance, Retail)	15

Source: DPIIT Report, 2024

This sectoral spread indicates a balanced diversification of entrepreneurial ventures, reducing over-dependence on a

few industries and fostering resilience against global supply chain disruptions.

Graph 2: Sectoral Distribution of Start-ups in India (2024)



Source: DPIIT Report, 2024

The graph clearly shows that entrepreneurship in India has grown exponentially between 2016 and 2024. This surge underscores the success of government initiatives that encourage self-reliance, innovation and economic transformation. The continued increase in start-up

registrations demonstrates strong entrepreneurial confidence and marks a crucial step toward achieving the vision of a self-reliant and globally competitive India under the Atmanirbhar Bharat mission.

3. Role of MSMEs in Economic Transformation:

Micro, Small, and Medium Enterprises (MSMEs) are the cornerstone of India's self-reliance strategy. They contribute significantly to GDP, exports, and employment generation.

MSMEs account for 30% of India's GDP.

- They employ over 120 million people across rural and urban areas.
- They contribute 45% of total exports and play a major role in rural industrialization.
- Government programs like PMEGP, MUDRA Yojana, and Credit Guarantee Fund Scheme for Micro and Small Enterprises (CGTMSE) have strengthened the financial base of MSMEs.

4. Government Initiatives for Promoting Entrepreneurship:

Under the *Atmanirbhar Bharat* mission, the government launched several initiatives to promote entrepreneurship:

- Startup India (2016): Tax exemptions, funding support, and incubation networks.
- Make in India: Encouraging domestic manufacturing and FDI inflows.
- Digital India: Expanding digital infrastructure and e-governance.
- Skill India: Enhancing employability and entrepreneurship skills.
- Stand-Up India: Supporting women and SC/ST entrepreneurs.

These schemes collectively aim to create a self-sustaining entrepreneurial ecosystem by linking finance, technology, and human capital.

5. Challenges Facing Indian Entrepreneurs:

Despite significant progress, several structural and operational challenges remain:

1. Access to Finance: Many start-ups and MSMEs struggle to secure affordable credit, especially in rural areas.
2. Regulatory Complexity: Bureaucratic hurdles and compliance burdens often deter small entrepreneurs.
3. Infrastructure Deficits: Limited logistics, transport, and power infrastructure hinder industrial productivity.
4. Skill Gaps: The mismatch between educational output and industry demand restricts innovation.
5. Digital Divide: Rural entrepreneurs face technological and connectivity barriers.
6. Global Competitiveness: Indian enterprises need to improve quality, branding, and export capabilities to compete internationally.

Addressing these challenges is crucial for realizing the vision of a truly self-reliant India.

Findings of the Study:

1. Entrepreneurship as a Catalyst for Growth: Entrepreneurship has emerged as a major driver of India's GDP growth and job creation, especially in post-pandemic recovery.
2. MSME Sector Vitality: MSMEs remain central to *Atmanirbhar Bharat*'s success, contributing to regional development, rural employment, and export growth.
3. Government Policy Effectiveness: Programs like Startup India and MUDRA Yojana have effectively

democratized entrepreneurship by supporting youth and marginalized groups.

4. Technology and Digitalization: The rise of fintech, e-commerce, and digital innovation has made entrepreneurship more inclusive and efficient.
5. Employment Generation: Start-ups and MSMEs have collectively created millions of jobs, reducing dependency on public sector employment.
6. Economic Diversification: Entrepreneurship has fostered diversification across sectors, reducing India's dependence on traditional industries.
7. Persistent Gaps: Despite progress, financing barriers, regulatory constraints, and infrastructural limitations remain major obstacles to entrepreneurship-led self-reliance.
8. Gender and Regional Disparities: Women and rural entrepreneurs continue to face systemic challenges such as lack of awareness, capital access, and mentorship.
9. Innovation Deficit: Although India has become a global innovation hub, many small enterprises still lack R&D capacity and global market linkages.

Suggestions:

To strengthen entrepreneurship as the engine of *Atmanirbhar Bharat*, the following measures are recommended:

1. **Strengthen Financial Access:** Expand credit guarantee schemes and establish regional venture capital funds targeting rural entrepreneurs and women-led businesses. Encourage digital lending platforms under RBI

regulation for transparent credit delivery.

2. **Enhance Entrepreneurship Education:** Introduce entrepreneurship and innovation courses at school and university levels. Institutions should establish *Entrepreneurship Development Cells (EDCs)* and incubators to nurture student-led ventures.
3. **Promote Women and Rural Entrepreneurship:** Provide targeted subsidies, mentorship programs, and self-help group linkages to enhance women's participation in the entrepreneurial ecosystem. Encourage rural innovation hubs to integrate local resources with market needs.
4. **Foster Innovation and Research Collaboration:** Strengthen university–industry partnerships for product development and commercialization. Incentivize R&D investment through tax rebates and public–private partnerships.
5. **Regulatory Simplification:** Create a single-window digital platform for business registration, taxation, and compliance. Simplify labour and environmental regulations to encourage formalization of enterprises.
6. **Expand Digital Infrastructure:** Ensure universal broadband connectivity and digital literacy programs to empower rural entrepreneurs to participate in e-commerce and digital finance.
7. **Encourage Green and Sustainable Entrepreneurship:** Promote renewable energy start-ups and circular economy ventures that align

with global sustainability goals while supporting *Atmanirbhar Bharat's* environmental commitments.

8. **Global Market Integration:** Support Indian entrepreneurs in accessing export markets through export facilitation centres, trade fairs, and international collaboration networks.
9. **Monitoring and Evaluation:** Develop a national dashboard to continuously assess entrepreneurship outcomes, policy performance, and regional disparities to ensure evidence-based policymaking.

Conclusion:

Entrepreneurship is not merely a pathway to self-employment; it is the foundation of India's economic transformation. The *Atmanirbhar Bharat* initiative has successfully revitalized the entrepreneurial spirit by focusing on innovation, inclusivity, and resilience. Entrepreneurs, through their creative dynamism, are turning local challenges into global opportunities.

However, to sustain this momentum, India must create an enabling ecosystem that addresses financing, infrastructure, and policy gaps. Self-reliance should not be interpreted as isolation but as the capacity to compete globally through indigenous strength. With continued policy support, technological adoption, and inclusive participation, entrepreneurship can truly lead India toward its goal of being a self-reliant, innovation-driven global economic power.

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