



To Study the Impact of Government Schemes (Start-up India, Stand –up India, Atmanirbhar Bharat)

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Abstract:

Government schemes such as Start-up India, Stand-up India, and Atmanirbhar Bharat have been launched with the vision of fostering entrepreneurship, promoting innovation, and enhancing self-reliance in India's economic landscape. These initiatives aim to empower diverse groups, including youth, women, and marginalized communities, by providing financial support, skill development, and an enabling ecosystem for business growth. The study examines the impact of these schemes on employment generation, innovation, and socio-economic development. It highlights the role of Start-up India in nurturing innovation-driven enterprises, Stand-up India in advancing inclusive entrepreneurship, and Atmanirbhar Bharat in strengthening domestic industries and reducing dependency on imports. By analysing their effectiveness, challenges, and long-term potential, this research seeks to evaluate how such government interventions contribute to building a resilient, competitive, and self-reliant Indian economy.

A start-up is a business or enterprise founded by an entrepreneur to develop, refine, and validate a scalable business model. While entrepreneurship covers all newly established firms, including self-employment and businesses with no plans for growth, start-ups specifically aim to expand beyond sole founder ownership. Start-up India is the Indian government's primary initiative to nurture entrepreneurship and foster innovation. Launched on January 16, 2016, by Prime Minister Narendra Modi, this program supports start-ups through various measures, including bank financing. It aims to stimulate entrepreneurship, drive economic growth, and create employment opportunities across India, reaching Tier 1, 2, and 3 cities, as well as semi-urban and rural areas. The initiative also seeks to promote entrepreneurship among marginalized communities, including SC/ST and women. In addition, services while simultaneously generating employment opportunities.

The research identifies essential criteria for eligibility, emphasizing the importance of innovation and technology-driven solutions. The paper concludes with recommendations for improving the accessibility and effectiveness of the Start-up India initiatives, suggesting that addressing these challenges is crucial for sustaining growth and maximizing the impact of start-ups on India's economy.

This paper assesses the impact of three flagship Indian government initiatives — **Start-up India, Stand-Up India, and Atmanirbhar Bharat** — on entrepreneurship, firm creation, access to finance, and early-stage survival between 2016–2024. Using a mixed-methods design (policy analysis, secondary time-series & cross-sectional data, and proposed primary surveys/interviews), it asks whether these programmes measurably increased start-up formation, broadened participation (women / SC/ST entrepreneurs), and improved financing outcomes. The

paper provides testable hypotheses, an empirical strategy (difference-in-differences, interrupted time series, firm-level panel regressions), a literature review, findings from official statistics and independent evaluations, discussion of mechanisms and limitations, and policy recommendations.

Keywords: *Start-Up India, Entrepreneurship, Innovation, Government Initiatives, Economic Growth, Employment Generation, Financial Support, Seed Fund Scheme, Fund Of Funds For Start-Ups, Atal Innovation Mission.*

Introduction:

Since 2016, the Government of India has launched several schemes intended to catalyse entrepreneurship and make India “self-reliant.” **Start-up India** (2016) aims to nurture innovation and reduce regulatory friction for start-ups; **Stand-Up India** (2016) focuses on facilitating bank loans to women and SC/ST entrepreneurs for greenfield enterprises; and **Atmanirbhar Bharat** (2020) is a broad pandemic-era programme combining stimulus, credit lines, and supply-side incentives (including Production Linked Incentives) to boost domestic production and resilience.

Research Objectives:

1. Quantify changes in start-up formation and recognition (DPIIT), firm survival, and employment associated with Start-up India.
2. Measure the effect of Stand-Up India on access to bank credit and entrepreneurship among women and SC/ST groups.
3. Examine how Atmanirbhar Bharat’s instruments (credit drives, PLIs, procurement nudges) changed investment, production, and linkages between start-ups/MSMEs and domestic manufacturing chains.
4. Identify which subgroups (women, SC/ST, sectoral clusters, regions) benefited most or were left behind.

5. Provide policy recommendations to improve targeting and impact evaluation.

Key Research Questions & Hypotheses:

RQ1: Did Start-up India increase the rate of new start-up formation and recognized innovation firms?

H1: DPIIT recognition and new firm registrations increased significantly in the post-2016 period compared with pre-2016 trends.

RQ2: Did Stand-Up India improve credit access for women and SC/ST entrepreneurs and increase Greenfield enterprise creation?

H2: Loans sanctioned under Stand-Up India led to higher rates of Greenfield enterprise starts among targeted groups and higher formalization rates.

RQ3: Did Atmanirbhar Bharat accelerate manufacturing linkages and provide demand for start-ups/MSMEs via PLIs and procurement?

H3: Firms in PLI-linked sectors or those benefiting from pandemic credit lines exhibit faster revenue recovery and higher capital expenditure post-2020 than comparable firms.

Literature Review (Selective & Recent):

- **Start-up India:** Policy summaries and factbooks show rapid growth in DPIIT-recognised startups; official factbooks report substantial increases

in recognized startups and job creation claims attributed to the programme's ecosystem interventions (incubators, tax benefits, regulatory easing).

- **Stand-Up India:** Government releases indicate large numbers of loans sanctioned to women and SC/ST entrepreneurs; independent summaries highlight progress but also stress challenges around credit absorption, default risk, and awareness.
- **Atmanirbhar Bharat:** Analyses emphasise its multi-instrument nature (fiscal measures, concessional credit, PLIs) and argue it strengthened supply-side capacity in targeted sectors, but that structural competitiveness depends on sustained reforms beyond incentives.

Conceptual Framework & Causal Pathways:

Three causal channels link the schemes to outcomes:

1. **Access & Finance channel:** Stand-Up India (and credit measures in Atmanirbhar Bharat) directly reduce financing constraints, enabling investment, start-up formation, and scale-up.
2. **Regulatory & Ecosystem channel:** Start-up India reduces entry costs (tax benefits, ease of winding up, incubator support) and stimulates market entry and innovation.
3. **Demand & Procurement channel:** Atmanirbhar Bharat's public procurement nudges, PLIs, and stimulus support domestic demand for products/services from start-

ups/MSMEs, enabling revenue recovery and growth.

Outcomes: new firm creation, survival, employment, revenues, exports, and formalization.

Data Sources & Descriptive Evidence:

- **Startup India / DPIIT:** DPIIT recognised startups count and factbook (DPIIT/Startup India factbook reports growth to ~159,157 recognised startups as of Jan 15, 2025). **Stand-Up India:** Government press releases and parliamentary replies indicate increasing loan sanctions and beneficiaries; PIB (Apr 2025) documents growth in sanctioned loan values and beneficiary counts for SC/ST and women entrepreneurs.
- **Atmanirbhar Bharat:** Press Information Bureau and PRS summaries list the ₹20 lakh crore package and subsequent PLI schemes and credit measures (concessional credit, MSME support).
- **Other datasets to use (recommended):** MCA-21 firm registrations, RBI/CMIE credit and firm-level panels (PROWEES), Ministry of Commerce export/import HS data, NSS/PLFS for employment, and state-level industrial statistics.

These official figures provide important descriptive baselines that any causal analysis should control for. (Caveat: official counts such as "DPIIT recognised startups" are administrative measures of recognition, which may not perfectly map to economically active startups.)

Methodology:**1. Research Design:**

A **mixed-methods** approach combining:

- **Quantitative Causal Inference:**
 - *Difference-in-Differences (DiD)* comparing treated groups (e.g., DPIIT-recognised startups; Stand-Up India loan recipients; PLI sectors) and appropriate controls before/after scheme rollouts.
 - *Interrupted Time Series (ITS)* for aggregate outcomes (registration rates, credit flows) around policy dates (2016 for Start-up/Stand-Up; 2020 for Atmanirbhar).
 - *Firm-level panel regressions* (if data like PROWESS or CMIE P-row available) to estimate effect of receiving credit/recognition on revenues, employment and survival, using propensity score matching (PSM) to address selection.

- **Qualitative Methods:** semi-structured interviews with entrepreneurs (women / SC/ST), bank officials, incubator managers, and policy makers; case studies of successful and failed beneficiaries.

2. Identification & Threats to Causal Inference:

- **Selection bias:** beneficiaries (e.g., DPIIT recognition or loans) are not randomly chosen — use matching, instrumental variables (where valid instruments exist) or exploit eligibility cutoffs/time variation for identification.
- **Concurrent shocks:** the pandemic and global demand shocks coincide with Atmanirbhar measures — use

control groups unaffected by PLIs or other similar economies (where feasible) and control variables (GDP growth, PMI) to isolate policy effects.

- **Measurement error:** administrative measures (recognition counts, sanctioned loan amounts) may misstate economic activity — triangulate with tax filings, employment registers where possible.

Proposed Primary Data Collection:

- **Surveys:** stratified sample of 1,000 firms (start-ups, MSMEs), oversampling women and SC/ST entrepreneurs, covering pre- and post-policy performance, financing, and barriers.
- **Interviews:** 40 in-depth interviews (bank branch managers, incubator heads, PLI beneficiaries, unsuccessful applicants).
- **Ethics:** informed consent, anonymization.

Secondary Data Analysis — Key Descriptive Findings:

1. **Start-up India growth:** DPIIT-recognised startups rose rapidly since inception; official counts report ~159,157 recognised startups by Jan 15, 2025 and large direct job creation claims (over 1.66 million direct jobs reported cumulatively). These numbers indicate a large and growing administrative ecosystem for startups
2. **Stand-Up India outreach:** Government releases show marked increases in loans sanctioned under Stand-Up India, with targeted

growth for SC/ST and women beneficiaries; press notes to Parliament (Feb 2025) and PIB (Apr 2025) document growth in accounts and sanctioned sums, demonstrating scale-up of the programme's financing reach.

3. Atmanirbhar Bharat measures:

The ₹20 lakh crore package combined credit lines (e.g., for MSMEs, farmers), procurement pushes, and PLIs to incentivize domestic production; PRS and PIB summaries outline wide sectoral targeting and multiple instruments introduced since 2020.

Hypothesis Testing Plan & Power Considerations:

- Power analysis:** compute the minimum detectable effect sizes for DiD and firm-level regressions using historical variances in sectoral GVA and firm revenues. Ensure sample sizes (e.g., >500 firms) to detect moderate treatment effects (Cohen's $d \approx 0.2\text{--}0.3$) with 80% power.
- Robustness checks:** placebo DiD (fake policy dates), event-study coefficients across multiple pre/post quarters, alternative control groups, and heterogeneous effects by firm size, state, gender status.

Discussion — Mechanisms, Heterogeneity & Limitations:

1. Mechanisms:

- Credit availability** reduces capital constraints enabling Greenfield projects (Stand-Up India; Atmanirbhar NPIs).

- Recognition & network effects** from Start-up India create signalling benefits (easier fundraising, incubator access).
- Demand push** through procurement and PLI incentives under Atmanirbhar Bharat can create buyer markets for start-ups/MSMEs.

2. Heterogeneity:

- Women and SC/ST entrepreneurs appear to have benefited in absolute terms from targeted credit, but gaps remain in scale and sectoral distribution (formal manufacturing vs. services). Regional variations exist—states with better banking penetration and incubator networks show stronger start-up outcomes.

3. Limitations:

- Administrative measures (recognition, sanctioned loans) may overstate economic success if not matched by disbursement, usage, or survival.
- Concurrent macro shocks (COVID recovery, global supply shifts) complicate attribution.
- Available official statistics often lack timely firm-level performance data; collaboration with RBI / CMIE / MCA is necessary for rigorous causal estimates.

Policy Recommendations:

- Rigorous Monitoring & Evaluation:** Institutionalize independent impact evaluations (randomized outreach pilots, RCTs for awareness campaigns) and publish regular evaluation reports.

2. **Focus on Disbursement & Aftercare:** For loan programmes, ensure sanctioned amounts are disbursed timely and complemented by business-development services (mentoring, market linkages).
3. **Targeted Capacity Building:** Provide gender- and caste-sensitive incubation, digitalization support, and cluster-level common facilities to translate financing into productivity.
4. **Link PLIs to Start-up Integration:** Create formal channels for startups to supply to PLI beneficiaries (market access, sub-contracting schemes).
5. **Data Transparency:** Publish disaggregated outcomes (by gender, social group, region) on dashboards to inform continuous policy improvement.

Conclusion:

Start-up India, Stand-Up India, and Atmanirbhar Bharat have collectively scaled up administrative support, financing, and demand incentives for entrepreneurship in India. Official statistics show large numbers of recognised startups and growing loan

sanctions targeted at disadvantaged groups, and programme instruments have plausibly improved the ecosystem for many firms. However, to claim causal success on firm survival, productivity, and long-run competitiveness requires firm-level causal analysis using the methods proposed here. Policymakers should prioritize rigorous evaluation, improved disbursement follow-through, and integration between demand-side incentives and start-up ecosystems.

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