

# NATIONAL ENTREPRENEURSHIP MISSION

Concept note



July 2022

# Foreword

India's entrepreneurial energy when fully unlocked, will help build its flourishing future. An ecosystem of Micro, Small, and Medium Enterprises (MSMEs) thriving across regional, demographic and sectoral boundaries can create millions of jobs while propelling the economy for faster, equitable growth. Given our mounting unemployment and dwindling labor force participation, the need to transform job seekers into job creators is more urgent than ever. We need to create 90 million non-farm jobs by 2030 to pursue our \$5 trillion economy goal, but the MSME landscape that we count on is crippled by its 'missing middle', marked by a paltry presence of enterprises that are equipped to grow from small to medium and medium to large. We should be able to fix the broken growth escalator to populate the missing middle while enabling millions of new entrepreneurs to enter the space starting their own business. Both could be addressed at scale through the National Entrepreneurship Mission (NEM) being proposed in detail in this Concept Note. It offers a set of recommendations developed jointly by an eminent NEM Steering Committee comprising leaders from various organisations working towards similar causes. Put together by GAME and McKinsey Centre for Social Impact in India, it also draws on the significant body of learnings and insights that GAME along with its alliance partners gathered over the last four years engaging extensively with the idea of mass entrepreneurship.

The challenges that plague the existing entrepreneurial ecosystem are wide-ranging, from lack of access to capital and onerous compliance processes to limited capabilities among entrepreneurs, and socio-cultural factors limiting women and youth entrepreneurs. Some of the examples are striking: 85% of MSMEs lack access to formal credit; A typical MSME factory must file for 23+ registrations and licenses, 750+ compliances, and 120+ filings each year.

The Government of India, as well as state governments have been undertaking several missions and initiatives to promote entrepreneurship while a number of private players and non-profits offer valuable point solutions. However, the efforts remain largely fragmented, causing a diminishing effect on the support available to entrepreneurs on the ground. This NEM Note points out that "a convergence of existing efforts and strong collaboration between the Centre, state governments and local authorities can help to reinvigorate the entrepreneurship landscape in India. Additionally, existing solutions implemented by private /social sector can be leveraged and scaled."

The Note provides a blueprint for potential steps that can address the existing issues impeding entrepreneurship, while proposing a phased implementation plan over a period of 7 years with key milestones identified.

# Preface

Entrepreneurs are the key to India's future. With the right mindset, entrepreneurial skills and infrastructure, they can play a crucial role in creating much-needed jobs and reviving growth. This report establishes the need for a **National Entrepreneurship Mission (NEM)** to promote entrepreneurship and reinvigorate the micro, small and medium enterprises (MSME) sector in particular. It offers a set of recommendations which have been shaped jointly by a NEM Steering Committee comprising of leaders from various organisations working towards similar causes.

The report looks at why helping develop successful entrepreneurs is vital for economic growth in India. It analyses the existing ecosystem across Centre, state, and district levels to assess the effectiveness of available resources and challenges that are constraining the system and entrepreneurs. The report provides a blueprint for potential steps that can address the existing issues. It also proposes a phased implementation plan over a period of 7 years. The recommendations are not exhaustive in terms of identifying all possible actions. Instead, they focus on improving existing mechanisms and introducing solutions that can address the challenges. The NEM, once formed, can consider using the blueprint as a starting point.

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2. Chetna Gala Sinha, Founder and Chairperson, Mann Deshi Bank
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This report also draws on the insights and pro bono contributions from McKinsey Centre for Social Impact in India. The results of their work provided us with fact-based analysis and evidence on which to base our conclusions and recommendations.



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# Executive Summary

India's labour force participation has shrunk between 2017 and 2022, from 46 percent to 40 percent<sup>1</sup>. Competition for jobs is intense with about two-thirds of the population between the ages of 15 and 64. It is estimated that by 2030, India will need to create 90 million nonfarm jobs<sup>2</sup> for its youth. These jobs could be created by growing what is now the “missing middle” of the MSME pyramid in India – enterprises that are growth-oriented, start out formal, and can grow to mid-size or large firms, capitalising on the many opportunities presented by the global economy. The inability of the numerous small firms to grow into mid-size ones and of some mid-size firms to become large, wealth-creating enterprises is, however, constraining new job creation and stalling India's economic growth. It is this growth of the small firms to mid-size firms creating new jobs and entry of many new enterprises that can spur ‘mass entrepreneurship’ in the country and solve the critical issue of jobs and growth.

Although the need to create new entrepreneurs and grow existing enterprises is urgent, we observe a range of problems that plague the existing entrepreneurial ecosystem and that need to be addressed. The challenges are wide-ranging, from lack of access to capital and onerous compliance processes to limited capabilities among entrepreneurs, family situations and personal safety limiting women entrepreneurs. Limited access to capital at a reasonable cost is a major deterrent with 85 percent of MSMEs lacking access to formal credit. The regulatory environment is also tough to navigate. A typical MSME factory must file for 23+ registrations and licenses, 750+ compliances, and 120+ filings each year<sup>3</sup>.

The Government of India, individual state governments and many private and social enterprises have been undertaking several missions and initiatives to promote a culture of entrepreneurship. For instance, the Atal Innovation Mission to develop new programmes and policies for fostering innovation; Pradhan Mantri MUDRA Yojana (PMMY) scheme to provide loans up to INR 10 lakh to the non-corporate, non-farm small/micro enterprises; New Entrepreneur cum Enterprise Development Scheme (NEEDS) launched by the Tamil Nadu government to subsidize project costs for first-generation entrepreneurs, and more.

## India needs to create 90 million non-farm jobs by 2030 as it moves towards the \$5 trillion economy goal.

<sup>1</sup> [https://www.business-standard.com/article/economy-policy/india-s-job-market-going-into-greater-threat-people-no-more-look-for-work-122042500124\\_1.html](https://www.business-standard.com/article/economy-policy/india-s-job-market-going-into-greater-threat-people-no-more-look-for-work-122042500124_1.html)

<sup>2</sup> <https://www.mckinsey.com/featured-insights/india/indias-turning-point-an-economic-agenda-to-spur-growth-and-jobs>

<sup>3</sup> NABARD Report <https://www.nabard.org/demo/auth/writereaddata/File/FARMER%20PRODUCER%20ORGANISATIONS.pdf>



However, the efforts to improve entrepreneurship landscape are fragmented across multiple actors. Thus creating a challenge in last-mile implementation of all these efforts and diminishing the support available to entrepreneurs. For example, approximately only 60 percent of allocated budgets are being utilized in programmes such as Scheme for Regeneration of Traditional Industries (SFURTI), Prime Minister Employment Generation Programme (PMEGP) and Amended Technology Upgradation Fund Scheme (ATUFS).

A convergence of existing efforts and strong collaboration between the Centre, state governments and local authorities can help to reinvigorate the entrepreneurship landscape in India. Additionally, existing solutions implemented by private/social sector can be leveraged and scaled. For instance, the Global Alliance for Mass Entrepreneurship (GAME) and Dun and Bradstreet (D&B) published a comprehensive recently report on the systemic issue of delayed payments to MSMEs. Such insights can be used to identify root causes and introduce measures to address them directly.

A National Entrepreneurship Mission (NEM) can bring the much-needed impetus to boosting and supporting India's "missing middle". Our vision is an India where mass entrepreneurship flourishes and inspires job seekers to become job creators. This vision guides our mission to create an ecosystem for mass entrepreneurship and generate 10 million entrepreneurs, 100 million new jobs by 2030.

NEM can focus on interventions to help entrepreneurs who are either starting out formal or are running a formally registered business in urban and rural areas with a revenue potential of INR 10 lakh to INR 50 crore and the ability to create more than 10 jobs within two to three years of being registered. The potential target outcomes and initiatives for the NEM are detailed in this concept note.

To debottleneck critical issues surrounding government schemes, credit, and regulations, NEM can help to amplify existing schemes, unlock capital, and strengthen the regulatory framework. Challenges include a lack of awareness of existing schemes, limited access to schemes and affordable capital, and complicated compliance processes. Interventions would include creating a single common portal for entrepreneurs to access all schemes offered by various ministries and public sector entities; supporting tech-enabled non-banking financial companies (NBFCs) to get them access to sufficient credit. NEM can also play a pivotal role in alleviating the compliance processes by identifying unnecessary or overlapping regulations, rationalizing, decriminalizing, and updating compliances.

A second objective is to facilitate entrepreneurship with infrastructure, affordable services, and expert networks to help entrepreneurs launch and scale businesses. NEM can develop spatial hubs (GrowthHubs) in select locations—a healthy, diverse and inclusive entrepreneurship ecosystem that allows talent, information and resources to flow quickly to entrepreneurs, and celebrates their successes in the region. NEM can revitalize existing infrastructure such as incubators and accelerators, industrial zones, and capacity-building centres. It could create a network of shared service providers in areas such as legal, tax, HR governance, audit and more. Mentors/experts across functions and sectors can be made available.

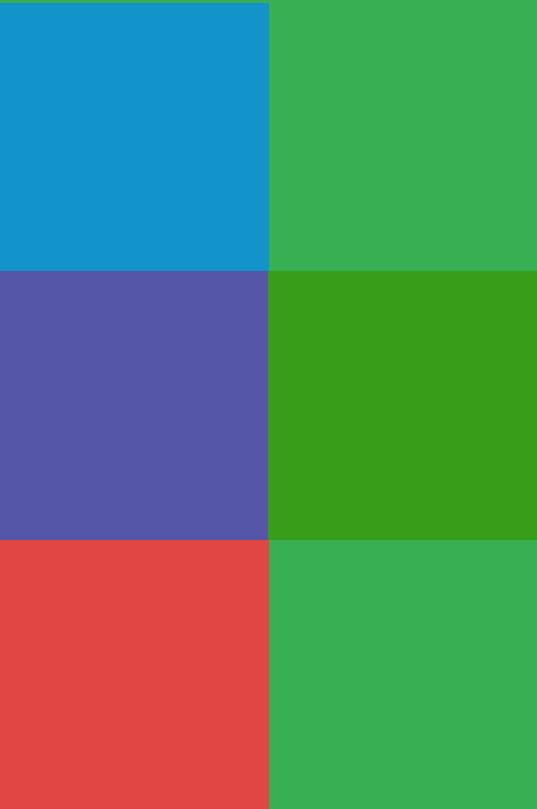
NEM can work with NBFCs and fintech companies to tailor-make solutions for the problems faced by women and other vulnerable groups such as lack of credit score, and collateral in their names, this will be driven at the grassroots through district level centres. One solution could be using targeted interventions to create awareness of schemes, for instance with a one-stop central database of existing schemes. Furthermore, self-help group (SHG) programmes have proved effective in empowering women by providing financial counselling to rural women and motivating women to establish new small businesses. NEM can create women-centric centres that will partner with NGOs to mobilise SHGs across geographies.

To ignite the desire for entrepreneurship and to build capabilities, NEM could promote educational programmes, vocational training, and competitions. It would support for introducing an Entrepreneurial Mindset Curriculum (EMC) in schools to build entrepreneurial acumen and lay the foundation for entrepreneurship as a career during formative years. This is advanced in colleges such as ITI and polytechnics with training and incubators. NEM can also facilitate competitions and grants from companies/institutions to enable students to experiment and build a business prototype as part of their curriculum.

Entrepreneurs can play a vital role as innovators to address emerging challenges around climate change, sustainability, and health and help achieve national mandates. NEM could create an ecosystem for driving innovations that help achieve commitments towards sustainable development goals. NEM can ease investment flows by facilitating foreign and direct investment with setting broad national priorities and roadmaps and facilitating policy changes. NEM can support the SDGs by providing infrastructure, creating awareness, and training and skilling the workforce.

NEM can be established by involving the centre, states and districts with clear roles and responsibilities and a well-defined governance system. National Entrepreneurship Mission (NEM) would be incorporated under NITI Aayog, headed by a CEO. The State Entrepreneurship Mission (SEM) will operate under its relevant state ministry/department and be chaired by the Chief Secretary. Existing entrepreneur support infrastructure i.e., District Industry Centres (DICs) at the district level can be revamped into District Enterprises and Industries Centres (DEIC) to match programme needs and support entrepreneurs at the grassroots. A district fellowship model will be setup, under the supervision of SEM, to infuse capability and support DEIC strategic initiatives and operations. Fellows will be recruited from leading institutions, receiving special trainings and be assigned to tasks that DEIC teams may not be able to take up.

The NEM can be rolled out in three horizons over the course of seven years. During Horizon 1 (Year 0 to 1), five districts of one state can be identified for pilot programmes while operationalising NEM and SEM and revamping DICs in pilot districts. During Horizon 2 (Years 1 to 3), the programme can be launched across all districts in 10 states and the central web platform will be launched across the 10 states. During Horizon 3 (Years 3 to 7), the programme can be scaled to include all districts nationwide. Outcome metrics would be tracked while ensuring the awareness and adoption of the web platform. At each horizon, outcomes and feedback would be monitored and the programme design adapted accordingly.



# 1

## **Mass entrepreneurship as a pathway to address India's job crisis**

India's labour force participation has shrunk between 2017 and 2022, from 46 percent to 40 percent<sup>1</sup>. Competition for jobs is intense with about two-thirds of the population between the ages of 15 and 64. Each year, the job market swells with 12 million fresh graduates and an additional 4 to 5 million people migrating out of agriculture. By 2030, India will need to create 90 million nonfarm jobs<sup>2</sup> to employ them.

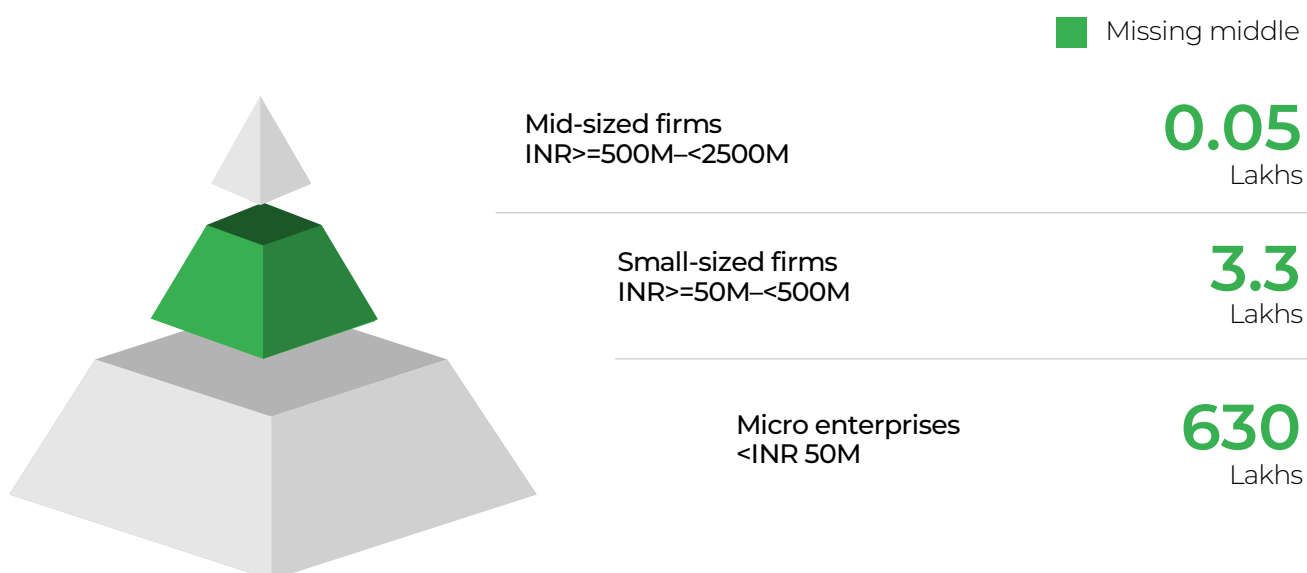
India's "missing middle" of the MSME pyramid (Exhibit 1) can play a vital role in meeting this demand and solving the jobs crisis. These are small-sized enterprises with potential to scale but are unable to grow meaningfully for a myriad of reasons, from lacking entrepreneurial mindsets to constraints within the MSME ecosystem. It would require a thriving culture of entrepreneurship led by growth-oriented MSMEs and job seekers becoming job creators entrepreneurs—to create this much-needed economic impetus.

Indian entrepreneurs are bursting with potential and possibilities. They need the right help to unlock this potential. Thomas Alva Edison, the famous inventor, once said that "genius is 1% inspiration and 99% perspiration." This is the story of entrepreneurs in India – a country that can boast of great success in the start-up and unicorn space. Indian start-ups have raised USD 24.1 bn in equity investments, and the country is home to the third-highest number of unicorns in the world<sup>3</sup>. And yet, at the other extreme of highly skilled labour and capital-intensive tech startup success stories are small entrepreneurship efforts, run by a single individual, often struggling for resources and support.

We envision the upward movement of a vast number of initially small but growth-oriented formal businesses (such as food processing units, appliance repair shops, factories, waste recycling, restaurants) towards becoming enterprises that create jobs and grow into larger businesses. Growth in "mass entrepreneurship" i.e., transforming small firms to mid-size firms creating new jobs and the entry of many new enterprises in the country can solve the critical issue of jobs and growth.

Exhibit 1

## Split of India's MSME sector by number and turnover



<sup>1</sup> [https://www.business-standard.com/article/economy-policy/india-s-job-market-going-into-greater-threat-people-no-more-look-for-work-122042500124\\_1.html](https://www.business-standard.com/article/economy-policy/india-s-job-market-going-into-greater-threat-people-no-more-look-for-work-122042500124_1.html)

<sup>2</sup> <https://www.mckinsey.com/featured-insights/india/indias-turning-point-an-economic-agenda-to-spur-growth-and-jobs>

<sup>3</sup> <https://www.timesnownews.com/business-economy/indian-startups-raised-24-1-billion-total-equity-investments-in-2021-nasscom-article-89091532>



# 2

## **Issues plaguing growth of entrepreneurship in India**

Although the need to create new entrepreneurs and grow existing enterprises is urgent, we observe a range of problems that limit the existing entrepreneurial ecosystem. The challenges are wide-ranging.

**Low desire and entrepreneurship capabilities.** Broadly, individuals lack risk-taking appetites and the right mindset for running an enterprise. Some of this can be attributed to a lack of exposure during formative years and the ensuing lack of practical experience in crucial aspects of business management (e.g., record-keeping, financial management, marketing, customer relations). Entrepreneurs also lack peer learning networks and mentors. Entrepreneurs require continued support and mentorship in the first few years to navigate problems and achieve stability while existing programmes only support for 6-12 months.

**Lack of proper credit system to entrepreneurs.** Limited access to capital at a reasonable cost is a major deterrent with 85 percent of MSMEs lacking access to formal credit. The absence of credit history makes it difficult for small businesses to receive funding, thereby widening the sector's credit gap. The assessed debt demand of MSMEs is INR 69.311 lakh crores, of which only 16 percent is formally financed. Small businesses are further plagued by delayed payments, invariably exploited by large buyers. Delays of 6 months are normal. This amounts to about USD 200 bn adding to the woes of small firms as delays are inversely proportional to firm size.<sup>4</sup>

**The regulatory environment is also unfriendly.** For example, a typical MSME factory must file for 23+ registrations and licenses, 750+ compliances, and 120+ filings each year, with labor regulations alone accounting for more than 50 percent of these filings<sup>5</sup>. Registering a business takes up to 90 days in India versus 1 day in business-friendly countries such as New Zealand. Finally, non-compliance carries imprisonment terms from 3 months to 10 years which further deters MSMEs from formalising their businesses.

Beyond finance and compliance, several aspects of business management limit entrepreneurs from achieving scale. They lack access to basic professional services (e.g., accounting, legal) that could help to navigate the ecosystem and allow them to focus on strategic priorities. Access to skilled labour is limited; labour productivity in India is 1/3rd of Malaysia and 2/3rd of China. The use of technology and basic equipment such as mobile phones, printers, computers are lagging, thereby hampering growth. A recent survey shows that MSMEs who adopted technological enablers were able to better cope with COVID challenges as opposed to those who didn't. Limited digital exposure and training also contribute to ineffective marketing campaigns.

Several schemes to support MSMEs have been launched by central and multiple state bodies and ministries, however, remain underutilised due to a lack of awareness or comprehension of what's required. A recent AIMO survey of 45K MSMEs shows that MSMEs are unclear about the eligibility, process and structure of financial packages announced by the government.<sup>6</sup>

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<sup>4</sup> GAME Research Report - The Mass Entrepreneurship Manifesto 2020-21 - <https://massentrepreneurship.org/wp-content/uploads/2021/07/GAME-Annual-Report-The-Mass-Entrepreneurship-Manifesto-2020-21.pdf>

<sup>5</sup> NABARD Report <https://www.nabard.org/demo/auth/writereaddata/File/FARMER%20PRODUCER%20ORGANISATIONS.pdf>

<sup>6</sup> [https://www.business-standard.com/article/economy-policy/over-a-third-of-msmes-may-end-up-shutting-down-operations-says-aimo-survey-120060101527\\_1.html](https://www.business-standard.com/article/economy-policy/over-a-third-of-msmes-may-end-up-shutting-down-operations-says-aimo-survey-120060101527_1.html)

**Women and vulnerable communities on the sidelines.** The lack of options to establish creditworthiness makes it difficult for women entrepreneurs to access finance and set up entrepreneurial ventures. Additionally, there is a huge information asymmetry in the ecosystem such as a lack of formal documentation and, access to collateral which block women entrepreneurs from raising funds and accessing grants. 90 percent of women owned MSMEs in the country still rely on informal financing. 66 percent of these women do not have bank accounts. Furthermore, women are pigeonholed into training programmes focused on beauty, wellness, and cooking with minimal or no attention to equipping them in formal sectors. Most importantly, safety continues to remain a major concern not only in travel to the job site but also on the job site. Women workers are further dissuaded from participating in environments that could help them to grow and develop business skills.

**The need to create new entrepreneurs and grow existing enterprises is urgent. There are wide range of challenges, from lack of access to capital and onerous compliance processes to limited capabilities among entrepreneurs, structural barriers in ecosystem for women entrepreneurs.**







# 3

## **Gaps in the existing support system for entrepreneurship**

The Government of India, private and social sectors have actively promoting start-ups and entrepreneurs through a variety of programmes to educate them and provide access to financial aid, technical support, subsidies, and other critical services to help them flourish. The following list of support programmes is illustrative and non-exhaustive.

## National Level

The Government of India has created two major initiatives – Startup India and Atal Innovation Mission – as well as several schemes to promote a culture of development and entrepreneurship in the nation.

### 1. Missions/initiatives

**Startup India**<sup>7</sup>: Startup India is a 2016 initiative to catalyze start-up culture and build a strong and inclusive ecosystem for innovation and entrepreneurship in India. The Action Plan comprises of 19 items ranging from simplification of compliance process and handholding to funding support and incentives, industry–academia partnership and incubation.

**Atal Innovation Mission (AIM)**<sup>8</sup>: This is the Government of India's flagship initiative to create and promote a culture of innovation and entrepreneurship across the length and breadth of the country. The mission works on inculcating an innovation and entrepreneurial mindset among students while also supporting entrepreneurs with physical spaces and mentorship to prototype solutions and later launch into enterprises.

### 2. Schemes

**Pradhan Mantri MUDRA Yojana (PMMY)**<sup>9</sup>: The scheme provides loans up to INR 10 lakh to the non-corporate, non-farm small and micro enterprises. PMMY has three products named 'Shishu' (child), 'Kishore' (adolescent) and 'Tarun' (youth), to signify the stage of growth and development and funding needs of the micro enterprise and to serve as a reference point for the next phase of graduation / growth.

**Prime Minister's Employment Generation Programme (PMEGP)**<sup>10</sup>: This is a credit-linked subsidy programme to generate employment opportunities through establishing micro enterprises in urban and rural areas.

**Zero Defect Zero Effect initiative (ZED)**<sup>11</sup>: The Government of India envisioned the ZED initiative to enhance MSME competitiveness, make them sustainable and transform them into national and international champions. MSME Sustainable (ZED) Certification is an extensive drive to create awareness amongst MSMEs about ZED practices and motivate and incentivize them for ZED Certification while also encouraging them to become MSME champions.

## State level

Individual state governments have also been undertaking several missions and initiatives to promote a culture of development and entrepreneurship in India.

### 1. Missions/initiatives

**Andhra Pradesh Food Processing Society (APFPS)**<sup>12</sup>: The society is focused on making Andhra Pradesh a global leader in the food processing domain through agri and allied produce value enhancement, increased efficiency, waste minimization, governance, and institutional support.

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<sup>7</sup> <https://www.startupindia.gov.in/>

<sup>8</sup> <https://aim.gov.in/>

<sup>9</sup> <https://www.mudra.org.in/>

<sup>10</sup> <https://msme.gov.in/schemes/pm-employment-generation-program-and-other-credit-support-schemes>

<sup>11</sup> <https://zed.msme.gov.in/#:~:text=About%20ZED,zero%20effect%22%20on%20the%20environment>

<sup>12</sup> <https://apfps.ap.gov.in/>

**Tamil Nadu Startup and Innovation Mission (TANSIM)**<sup>13</sup>: The mission is mandated to implement the Tamil Nadu Startup and Innovation Policy.

**Maharashtra State Innovation Society**: Established under the aegis of the Skills, Employment, Entrepreneurship and Innovation Department, Government of Maharashtra, the society aims to foster innovative approaches and create a conducive environment for innovative businesses to operate in Maharashtra.

## 2. Schemes

**New Entrepreneur cum Enterprise Development Scheme (NEEDS)**<sup>14</sup>: Launched by the Tamil Nadu government, the scheme provides a subsidy of 25 percent of the project cost (not exceeding INR 25 lakh) to a first-generation entrepreneur.

**Mukhya Mantri Kaushal Samvardhan Yojana (MMKSY)**<sup>15</sup>: Launched by the Madhya Pradesh government, the scheme encourages skill development and enhances employment.

**Assistance to Vanitha Co-operative societies**<sup>16</sup>: Launched by the Kerala government, the scheme is intended exclusively for the development of women co-operatives to generate employment opportunities.

## District level

**District Industries Centre (DIC)**<sup>17</sup>: The DICs programme began in 1979 to promote micro, small and medium enterprises in the districts. It implements various central and state government schemes and programmes around infrastructure development, skill development and financial support.

**Atal Incubation Centres (AICs)**<sup>18</sup>: A part of AIM, the AICs support the establishment of new greenfield incubation centres. An AIC provides physical infrastructure, in terms of capital equipment and operating facilities available to incubate start-ups and enables access to sectoral experts for mentorship support.

**Common Services Centres (CSC)**<sup>19</sup>: Established as part of the Digital India Programme, CSCs act as the access point for the delivery of various electronic services to villages in India. They are positioned as change agents – promoting rural entrepreneurship and building rural capacities and livelihoods.

**Industrial Training Institutes (ITI) and Industrial Training Centres (ITC)**<sup>20</sup>: These provide skilling programmes in various industries. They were established under the Directorate General of Training (DGT), Ministry of Skill Development and Entrepreneurship, Union Government programmes.

**Rural Self Employment Training Institutes (RSETI)**<sup>21</sup>: Established by the Ministry of Rural Development (MORD), RSETIs are managed by banks with active co-operation from the Government of India and state governments. RSETIs assist rural youth to be self-employed by imparting training and handholding support.

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<sup>13</sup> <https://startuptn.in/>

<sup>14</sup> <https://www.tiic.org/need-scheme/>

<sup>15</sup> <https://ssdm.mp.gov.in/mpssdegbhome.aspx>

<sup>16</sup> <https://cooperation.kerala.gov.in/2019/05/24/assistance-to-vanitha-co-operative-societies-and-vanithafed-2/>

<sup>17</sup> <http://dic.dnh.nic.in/>

<sup>18</sup> <https://aim.gov.in/atal-incubation-centres.php>

<sup>19</sup> <https://digitalseva.csc.gov.in/>

<sup>20</sup> <https://admission.dvet.gov.in/>

<sup>21</sup> <http://nirdpr.org.in/rseti/>

## **Private/social sector**

**National Entrepreneurship Network (NEN)**<sup>22</sup>: NEN is Wadhvani Foundation's flagship initiative in India. NEN entrepreneurship ecosystem included building an official mandate, knowledge, programs, student e-cells, entrepreneurial networks and faculty capacity for entrepreneurship education and development on campus.

**ThinkZone**<sup>23</sup>: A social enterprise that works towards improving the learning outcomes of children in low-resource settings. ThinkZone utilizes offline-enabled mobile application solutions for training and equipping youth to become educators.

## **Gaps in existing support system**

While the government schemes and private and social sector initiatives have improved the entrepreneurship ecosystem in India, their efforts are fragmented across multiple actors. There is scope for greater coordination between the central and state government and of these entities with the local authorities for smoother last-mile implementation. Greater awareness and expansion of private and social sector offerings could also facilitate the ecosystem.

For entrepreneurs, it takes a lot of time to tap into the benefits of initiatives/schemes due to multiple steps involved and a lack of clarity on the exact processes to follow. A more conducive environment for the implementation of schemes and access to the support system would be beneficial.

**Efforts to improve entrepreneurship landscape are fragmented across multiple actors. Thus creating a challenge in last-mile implementation of initiatives, diminishing the support available to entrepreneurs.**

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<sup>22</sup> <https://entrepreneur.wfglobal.org/nen/>

<sup>23</sup> <https://thinkzone.in/tag/thinkzone-india/>



# 4

## **Need for a National Entrepreneurship Mission (NEM)**

## Need for NEM

A National Entrepreneurship Mission could bring in the necessary convergence in existing initiatives and schemes and foster collaboration between various actors to develop a strong mass entrepreneurship ecosystem in India. The National Entrepreneurship Mission would extend the much-needed support and incubation ecosystem that exists for tech driven startups to the broader missing middle of the nation, enabling the creation of gainful employment for millions of Indians.

## Purpose of NEM

### Vision

To build an India where mass entrepreneurship flourishes and inspires job seekers to become job creators

### Mission

To create an ecosystem for mass entrepreneurship, generate 10 million entrepreneurs and 100 million new jobs by 2030

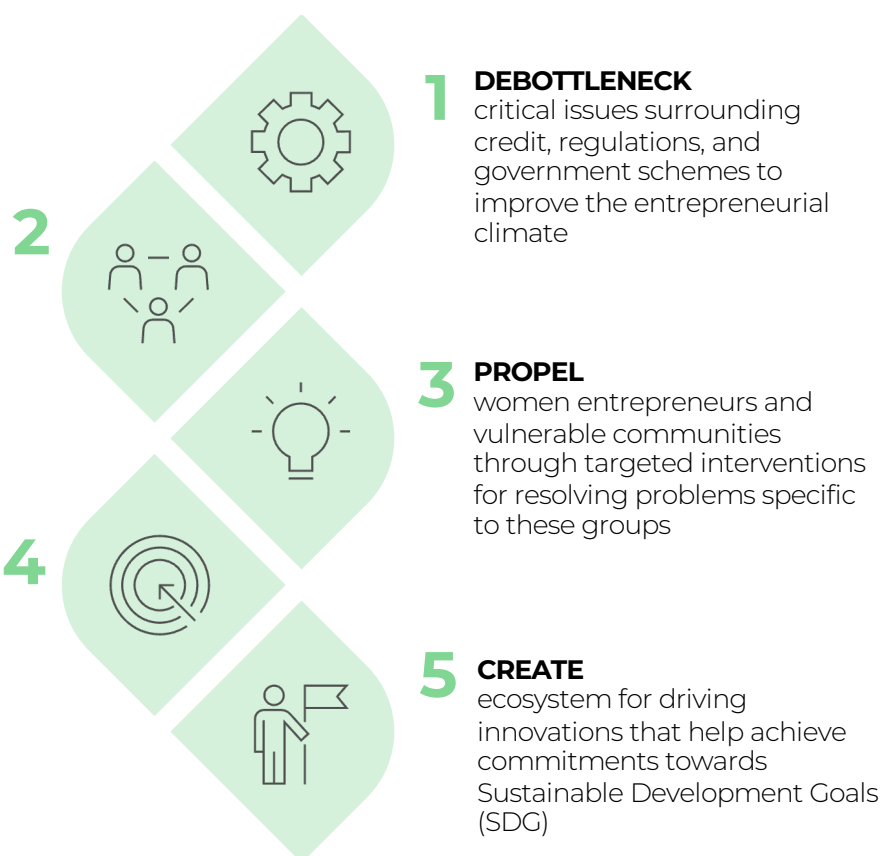
## Objectives

### FACILITATE

revitalization and utilization of existing infrastructure and creation of new infrastructure to support incubation and scale up of enterprises

### IGNITE

the desire and capabilities in children and youth to spur entrepreneurship through educational programs, vocational training, and competitions



## Target beneficiaries

Entrepreneurs either (i) starting out formal or (ii) running a formally registered business with a growth mindset, from urban and rural areas with a revenue potential of INR 10 lakh to 50 crore and the ability to create over 10 jobs within two to three years of formal establishment



# 5

## **NEM: Action plan**

# 1. Debottleneck

## Objective

NEM can help to amplify and accelerate the utilization of existing schemes, unlock capital, and strengthen the regulatory framework for registration, running and de-registration of enterprises.

### 1.1 Amplifying the utilization of existing schemes and initiatives

NEM can play an important role in increasing the utilization of existing programmes and schemes released at the Centre and state level through targeted interventions across levels.

#### Potential target outcomes

- Converge and consolidate by focusing on 10 flagship schemes and programmes (credit guarantee, women, 5 sectors, interest subsidy, capital subsidy, technology infusion)
- 30 percent of funds allocated by schemes to be utilized for NEM's target beneficiaries
- All applications go through first-level review within 30 days on SAMADHAN platform<sup>24</sup>

#### Potential initiatives

- **Converge existing schemes:** Both the centre and state have 200+<sup>25</sup> schemes for MSMEs to address different issues such as credit, access to markets, and technology. NEM could create models and structure to facilitate their convergence by modifying existing adjacent schemes and aligned programmes on entrepreneurship. It could also set up networks and alliances for the uptake of schemes.
- **Increase awareness of and improve access to existing schemes:** NEM can facilitate creating a single window portal to apply to all schemes for entrepreneurs, uniting on one common platform the various schemes offered by ministries and public sector entities.

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<sup>24</sup> Samadhan is an integrated system for grievance redressal

<sup>25</sup> Haqdarshak website



## Case study

### 'Haqdarshak for MSMEs' portal combining tech and field operations'

#### Context

Haqdarshak's digital platform offers MSMEs with access to more than 7,000 government welfare schemes. Combining tech and field operations led by trained agents, it is designed to help India's thriving enterprise sector easily access schemes for funding, subsidies, licensing, and registrations.

#### Impact

The organisation operates in 24 states and has impacted 20 lakh citizens through its 22,900 trained Haqdarshaks. To date, they have unlocked INR 4000 crore worth of benefits.

#### Approach

##### Focus on Training and livelihoods:

'Haqdarshaks' are the field cadres who are trained as last-mile support agents—and the driving force behind the organisation. They are trained to use the agent mobile app and screen their community members to discover eligibility for schemes and subsequently provide end-to-end application support.

##### Direct to beneficiary services focus:

Schemes are customized for specific cohorts to ensure tangible impact. They focus on improving the standard of living of citizens across areas such as health, education, employment, and social security. They identify target cohorts (e.g., urban slums, construction workers), provide evidence-based research insights for scheme linkages, and identify and train individuals in those communities as 'Haqdarshaks'. Additionally, Haqdarshak has introduced the Yojana Card, a first-of-its-kind, physical card for all things related to welfare and financial services — identification, eligibility information, applications, documentation, benefits, inclusion, and security. Primary beneficiaries are informal workers such as construction workers, sanitation workers, domestic workers, factory workers, gig economy workers, and small businesses such as street vendors, kirana stores, and anyone who is outside the social protection umbrella. The card also caters to low-income families earning less than INR 20,000 a month. There will be a Yojana Card for small businesses earning less than INR 10,00,000 per year.

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<sup>1</sup> Samadhan is an integrated system for grievance redressal

## 1.2 Unlock capital

The NEM's intended interventions could help to strengthen the financial ecosystem to ensure entrepreneurs access to increased and affordable capital.

### Potential target outcomes

- Disburse loans to 5 million first-time beneficiaries by 2025 (MSMEs who have not taken credit in the past)
- 100 percent of PSUs join and transact regularly on Trade Receivables Discounting System (TReDs)

### Potential initiatives

- **Accelerate of NBFCs and small finance banks:** Nearly 80 percent of lending from scheduled commercial banks (SCB) is confined to only 30 large, non-banking financial companies (NBFCs). Most NBFCs do not have access to sufficient credit to undertake lending to emerging MSMEs. Policy advocacy and a push from the Central Government and the Reserve Bank of India (RBI) could help to increase the flow of funds to NBFCs at a reasonable rate. Additionally, philanthropic capital could play a catalytic role to establish models of lending and encourage fund flow to MSMEs by lowering the interest rates at which NBFCs borrow and thus lend money

India has over 10,000 NBFCs/fintech's,<sup>26</sup> of which a significant number are engaged in provisioning credit to MSMEs. These NBFCs have many learnings that could strengthen the sector, with experienced and established NBFCs mentoring smaller and emerging NBFCs. NEM could spearhead this effort through an NBFC Acceleration Program.

- **Creation of alternative credit rating mechanism for entrepreneurs:** Entrepreneurs often struggle to access credit due to the lack of a credit record or poor credit scores. NEM can advocate introducing an alternative credit rating mechanism for entrepreneurs not included in the purview of the credit rating system or who have limited records. The mechanism could rely on several alternative tools developed by the likes of Mann Deshi Foundation and SEWA Bank and recommend the one best suited.
- **Strengthening the ecosystem for arresting delay of payments:** An estimated INR 10.7 lakh crore, or 5.9 percent of the gross value added (GVA) in the Indian economy, is locked up in delayed payments from buyers to MSME suppliers. At least 80 percent of this estimated amount is owed to micro and small enterprises, totalling INR 8.55 lakh crore. NEM could ensure the required policy tweaks to resolve the delayed payment issue through measures, such as an active Online Dispute Resolution ecosystem to fast-track the delayed payment issues for MSMEs. NEM will also advocate increasing digital transactions for MSMEs, strengthening Samadhaan by quick disposal, enabling supply chain financing, publishing regular advisories for fair credit terms, and adding delayed payments as a key indicator of ease of doing business (EoDB) 2.0 in India.

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<sup>26</sup> <https://www.adb.org/sites/default/files/publication/746261/sawp-083-nonbanking-financial-companies-india.pdf>

## Case study

### **Delayed payments – a GAME and D&B report to uncover the debilitating impact on MSMEs<sup>1</sup>**

#### **Context**

Global Alliance for Mass Entrepreneurship (GAME) and Dun & Bradstreet (D&B) India published a comprehensive report in June 2022 on the impact of delayed payments to MSMEs in India. The report highlighted how this is weakening MSME suppliers and impeding their growth. It draws from both public and proprietary datasets as well as qualitative research to understand the experiences and mitigation strategies of entrepreneurs.

#### **Key findings:**

- Fundamentally, payments are delayed because of a power asymmetry between smaller suppliers and large buyers. The great power wielded by larger players in a supply chain, based on size or frequency of orders, comes with the responsibility of paying suppliers on time and negotiating payment terms that are reasonable and fair for the smaller parties. By delaying

payments (or trade payables) beyond the agreed credit periods, buyers essentially get access to free cash to finance their own working capital cycles, at the cost of those they deprive.

- In 2020, 69 percent of payments by public administration entities were delayed by 60 days beyond the due date.

#### **Potential solutions**

GAME will focus on building a robust Supply Chain Financing (SCF) coalition, where MasterCard, GAME, Razorpay, Airtel Payments Bank, and CII will come together to pilot and scale an SCF product for MSME supplier firms in Punjab. GAME intends to demonstrate that an integrated approach at the unit of District and State can result in vibrant entrepreneurial ecosystems by focusing the early inventions in a few lighthouse states (Punjab, Karnataka).

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<sup>1</sup> GAME website, <https://massentrepreneurship.org/research-reports/>

### **1.3 Regulatory compliances**

NEM can play a pivotal role in easing the burden of regulations and compliance for enterprises by supporting the rationalisation and decriminalisation of compliance.

#### **Potential target outcomes**

Reduce the time taken for in-principle approvals to start/formalize an enterprise to 30 days by 2025.

#### **Potential initiatives**

- **Reduce the number of compliances and time taken to get licenses and registrations:** On average, a typical MSME factory must file for over 23 registrations and licenses, more than 750 compliances, and 120 filings per annum. Labour regulations account for more than 50 percent of these filings. NEM can create an EoDB framework and work with multiple states on identifying unnecessary or overlapping regulations, rationalizing, decriminalizing, updating compliances, obtaining infrastructure-related utilities, and enforcing contracts. NEM could achieve this by showcasing success stories from two or three pilot states and sectors and taking their learnings across the country.
- **Ease the winding-up process for companies:** The usual route for this is financially challenging for MSMEs. NEM could help introduce an insolvency and bankruptcy process solely aimed at MSMEs. This would consider the debt amount, processing time and cost.

## Case study

### Transforming Ease of doing business (EoDB) for MSMEs in Punjab<sup>1</sup>

#### Context

In January 2021, the Global Alliance for Mass Entrepreneurship (GAME) submitted a report on “Transforming Ease of Doing Business for MSMEs in Punjab”. In partnership with Government of Punjab, GAME took a pro-entrepreneur approach to ensure ease, speed, and transparency in the regulatory landscape to foster a stronger culture for MSMEs.

#### Approach

GAME created an EODB taskforce – Chaired by Dr. KP Krishnan including technical experts from Centre for Civil Society and TeamLease. They partnered with PwC, Trayas, and Avantis to translate recommendations to implementation plan and monitor impact. A GAME Secretariat was also formed to ensure smooth coordination with different partners and oversee implementation. Additionally, 10-12 MSEs from priority clusters provided feedback to the taskforce. They proposed a list of 5 recommendations for implementation focused on three areas:

- Rationalize over 70,000 compliances across centre, state and sector and simplify key processes
- Decriminalize by reassessing around 9,000 compliances and associated laws

- Digitize compliance processes by creating unified platforms for key compliances (e.g., labour) and institutionalize a robust escalation mechanism

#### Intended impact

GAME took a pro-entrepreneur approach to ensure ease, speed, and transparency in the regulatory landscape to foster a stronger culture for MSMEs. Proposed regulatory changes include:

1. 30 percent cut in No objection certificate (NOCs): 1.1 lakh MSMEs to benefit every year
2. Automated trade license approval: 1.03 lakh MSMEs to benefit every year
3. Document checklist rationalized: INR 2.50 crore savings envisaged for MSMEs
4. 50 percent reduction in time for processing applications: 1.5 lakh applicants to benefit
5. Re-drafting Fire Safety Act: 30 percent reduction in time, 200 percent increase in validity of certificate
6. Simplifying forest clearance approval: 15 percent reduction in time taken

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<sup>1</sup> GAME Annual Report 2020-21

## 2. Facilitate

### Objective

To foster and support entrepreneurship by developing GrowthHubs – an entrepreneurship ecosystem that will allow talent, information, and resources to flow quickly to entrepreneurs as they need it. The key goals of a GrowthHub are to utilize infrastructure such as accelerators, financial institutes, etc. and build a collaborative and encouraging culture in the region to foster the sustainable growth of entrepreneurship.

### Potential target outcomes

- Revitalize and build capacity of incubation centres in 50 percent of districts in India by 2025
- Incubate or accelerate 2 million enterprises by 2025
- Develop GrowthHubs in multiple locations to create an entrepreneurial ecosystem

### Potential initiatives

- **Identify and revitalize existing MSME support infrastructure:** NEM can identify the overall infrastructure requirements across centre, state, and districts. Initially, NEM could support entrepreneurship by revitalizing and optimally using existing physical spaces such as incubation centres and accelerators (AICs, TBI, STEP), industrial zones (SEZs, parks, clusters), facilitation centres (CSCs, DICs) and capacity building centres (RSETI, NSDC partners).<sup>27</sup> More capacity can be built in areas with potential and limited infrastructure availability. NEM could encourage a cluster-based approach to lending to cater to the diverse needs of the MSME sector by extending banking services to recognized MSME clusters and leveraging certified credit counsellors.
- **Develop shared services within MSME support infrastructure:** MSMEs and entrepreneurs need access to affordable services such as legal, taxation, HR, governance, and audit. Providing these centrally could lower service costs. NEM can create a network of such service providers and make them accessible to the MSME support infrastructure through digital tools.
- **Provide mentorship and enterprise acceleration support:** NEM can create a platform of mentors/sector experts from industry, academia, retired practitioners, and entrepreneurs and provide their services to MSMEs through digital tools and physical infrastructure. Additionally, NEM can help to set up peer network groups at the local level to facilitate peer to peer learning.
- **Business continuity planning for MSMEs:** NEM can support building a business continuity planning (BCP) framework for MSMEs to help them mitigate the economic consequences of climate crisis, need to move towards net zero, COVID 19 and to respond to disasters like floods or fires. The BCP would also influence the planning of green spaces, industrial units, and office space design.

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<sup>27</sup> AIC - Atal Innovation Centres; TBI - Technology Business Incubators; STEP - Science & Technology Entrepreneurs Parks; SEZ - Special Economic Zones; CSC - Common Services Centres; DIC - District Industry Centre; RSETI - Rural Self Employment Training Institutes; NSDC - National Skill Development Corporation

## Case study

### A GrowthHub model to spark entrepreneurial dynamism in Ludhiana<sup>1</sup>

#### Context

GrowthHub, is based on a model developed and implemented successfully across various geographies worldwide by Daniel Isenberg (Professor, Columbia and Babson, and former Professor at Harvard University). This model aims to amplify entrepreneurial dynamism by collaborating with key stakeholders and business support organizations such as the government, financial institutions, corporates and universities.

#### Impact

GAME ran a pilot in Ludhiana in early 2021 which led to an average of 25 percent growth with some businesses growing as much as 200 percent despite the pandemic. Within a year, they created more than 300 direct jobs and increased their collective sales by INR 58.04 crores. Encouraged by this success, GAME partners in Punjab decided to expand beyond Ludhiana to five more districts.

#### Approach

Research has shown that scaling up is possible in firms of all ages and in all sectors, and that existing firms are 2x to 3x more likely to scale than start-ups. The core idea behind GrowthHub is to identify a manageable number of enterprises with growth potential and put them through an environment of learning to trigger their accelerated growth. Four focus areas of this model are:

- Business accelerator programme to demonstrate new growth by existing entrepreneurs quickly. The growth is achieved via a mix of structured knowledge sessions, mentoring, peer learning, and interaction with industry experts.
- Growth Multiplier Communications for Entrepreneurship (GMCE): The new growth is celebrated by communicating broadly across the local region and creating role models and influencers in the local ecosystem. There is a strong belief in the power of storytelling, role modelling and personal communications that are locally appealing and universally relevant.
- Engaging local non-entrepreneur stakeholders (academic institutions, banks, corporates, media, industry bodies, entrepreneurs) to invest resources. Stakeholders can associate themselves with the growth agenda in a variety of ways, as mentors, experts, by providing interns, participating in the celebration of growth, etc
- Building and strengthening local capacities to execute, sustain and scale up GrowthHub. To make GrowthHubs self-sustainable engines, it is essential to build a strong local steering committee with stakeholders from government, financial institution, corporates, universities as well as build local execution teams for various initiatives taken to build the growth culture

This journey of growth for the participants had been influenced mainly by a mindset change, the skills and knowledge gained and a strong peer network. An obsessive focus on growth during the classroom sessions helped to build a growth mindset. The cohort approach in the business accelerator programme and celebrating successes in the classroom created a collaborative and supportive space for these entrepreneurs.

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<sup>1</sup> <https://massentrepreneurship.org/>

## Case study

### **Entrepreneurs' organization (EO)<sup>1</sup>**

#### **Context**

The Entrepreneurs' Organization (EO) is a global business network of over 12,000 leading entrepreneurs in 173 chapters and 54 countries. Founded in 1987 by a group of young entrepreneurs, EO enables business owners to learn from each other, leading to greater business success and an enriched personal life. EO brings together entrepreneurs and founders of businesses making more than USD 1 million in annual revenue. It creates a safe space where members can have conversations and learn from one another by sharing their experiences, successes and failures.

#### **Benefits**

The members enjoy the benefits of belonging to a network, with access to forums, global events, chapter events, executive education, health network foundation and EO mentorship.

**A similar network exists within India as well, in Erode. A Bouncing Board in Erode for entrepreneurs to share experiences**

### **A Bouncing Board in Erode for entrepreneurs to share experience<sup>2</sup>**

#### **Context**

Learning by sharing is the core tenet for a Bouncing Board, a closed, informal club of a dozen entrepreneurs from diverse sectors and without competing business interests. Besides monthly meetings, the members get together twice a year for a day-long retreat where they share everything that concerns their business and personal lives. Empathy and complete confidentiality are the currency in which the membership fee is paid.

#### **Modus operandi**

Attendance and punctuality at the monthly meetings and retreats are mandatory. Skipping more than one monthly meet—hosted by each one of the 12-member group by turn—in a year means expulsion; every minute's delay of turning up post the stipulated time attracts a fine of INR 1,000, as does every 100 gram of weight put on by its members since the previous meeting. A foundational tenet of the Bouncing Board is that no one can dispense advice, only experiences can be shared and there can be no financial transaction between its members. At the monthly meetings, the chairman circulates the agenda, and each member makes a five-minute presentation on business and family issues and the progress of their firm's corporate social responsibility (CSR) initiatives.

A member designated as the "processor" ensures the group's focus and reins those in venturing into the territory of business advice. The "timekeeper" enforces the five-minute rule for presentations, and the "scribe" is tasked with noting minutes. What's discussed in the Bouncing Boards remains in the room and is not shared even with family members.

For entrepreneurs in small industrial clusters, such as Erode in Tamil Nadu, who often do not have the advantages of exposure to a wider spectrum of professionally run businesses in metropolitan cities, ready access to industry platforms or professional managers, Bouncing Boards have become a vital self-help group.

<sup>1</sup> <https://hub.eonetnetwork.org/Web/Web/About%20Public/About.aspx?hkey=0e45b528-beb5-44fe-8e11-039d831a5407>

<sup>2</sup> <https://www.livemint.com/news/india/solving-business-problems-using-desi-networks-1566487694646.html>

### 3. Propel

#### Objective

To propel the upliftment of women entrepreneurs and vulnerable communities through targeted interventions for resolving problems specific to these groups.

#### Potential target outcomes

- Disbursement of at least 33 percent of funds for women-led enterprises under identified schemes
- Increase the number of women led registered MSMEs from 20 percent to 33 percent by 2025<sup>28</sup>
- Increase the disabled community participation in MSME to 10 percent

#### Potential initiatives

- **Increase awareness of schemes and initiatives:** There is a lack of awareness of existing schemes and benefits for the vulnerable segments of the country. NEM can partner with the Women Entrepreneurship Platform (WEP) to create a centralised one-stop repository of existing schemes and update it periodically. It can drive awareness at the grassroot level through district facilitation units. NEM can also educate target groups about existing schemes and support them to access and use the schemes.
- **Advocate for women and disabled community entrepreneurship specific policies in each state:** A women and disabled community-specific policy at state level is recommended to encourage entrepreneurs. Maharashtra is the only state with a women entrepreneurs' policy in place. NEM can apply the learnings from Maharashtra and support establishing similar policies in other states.
- **Create tailored financing solutions:** Existing credit schemes allocated for vulnerable groups are only accessible through national banks and lack the involvement of other financial institutions. This leads to the low utilization of available funds. NEM can work with NBFCs and fintech companies to tailor-make solutions for the problems faced by women and other vulnerable groups (such as lack of credit score, collateral in their names, etc.).
- **Introduce marginalized community centric district facilitation centres:** Self- help groups (SHG) have proved effective in empowering women and vulnerable communities. SHGs provide financial facilities that help to start entrepreneurial activities and motivate entrepreneurs to establish new small businesses. NEM can create women- and disabled community-centric district facilitation centres that could partner with NGOs to mobilize SHGs across geographies. NEM could also scale the successful model of Telangana's Women Entrepreneurship Hub to other states.

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<sup>28</sup> MSME Annual Report 2020-21



## Case study

### Women's Enterprise Support System of SEWA<sup>1</sup>

#### Context

SEWA's Women Enterprise Support System (WESS) is a branch of the SEWA movement with the purpose of incubating and accelerating more women-run collective enterprises. The efforts focus on women workers in the informal economy, both urban and rural, and their micro and collective enterprises.

#### Impact

WESS has supported 14 social enterprises, with a collective reach of ~13,500 individuals, resulting in significant increases in business and governance indicators across the board. For example, artisan cooperatives based out of Delhi and Gujarat have seen unprecedented revenue increases from between 449 percent to 2475 percent.

#### Approach

In-depth business support is integrated with mobilising resources and social protection.

- **In-depth intervention:** The set-up is a 3-year partnership where the enterprise and the Enterprise Support System (ESS) join hands to achieve agreed-upon business and impact goals. Features of the programme include an in-depth needs assessment, mentor matching, professional support, long-term flexible investment, access to all ESS services, capacity building of the Board, staff, and shareholders.
- **Light touch support:** ESS offers a range of short-term services per enterprise needs like training, marketing, operational support, report writing and documentation, and any other business needs.
- **Peer networks:** Enterprises once connected to the ESS can join peer networks with other women-run enterprises in the same sector.

<sup>1</sup> [https://www.ilo.org/wcmsp5/groups/public/@ed\\_emp/@emp\\_policy/documents/publication/wcms\\_234890.pdf](https://www.ilo.org/wcmsp5/groups/public/@ed_emp/@emp_policy/documents/publication/wcms_234890.pdf)

## 4. Ignite

### Objective

NEM could help ignite the desire and capabilities to spur entrepreneurship through educational programs, vocational training, and competitions

#### Potential target outcomes

- 30 million school and college students to go through entrepreneurial mindset curriculum EMC by 2025
- 0.5 million new enterprises set up by students undergoing the curriculum from universities and professional colleges by 2025

#### Potential initiatives

- **Introduce EMC in schools:** An entrepreneurial mindset is a set of beliefs and skills that enable people to identify and make the most of opportunities, overcome and learn from setbacks, and succeed in a variety of settings. NEM can support the introduction of this entrepreneurial mindset curriculum in schools to build entrepreneurial acumen, harness talents and capabilities and lay the foundation for entrepreneurship as a career in students' formative years. The curriculum can also test the practical application of these skills by simulating actual business idea creation among students for solving real-life business problems at the end of the course, like the Business Blasters programme run for Delhi school students.

- **Introduce entrepreneurship training and incubation programme in colleges:**  
NEM can support the introduction of entrepreneurship training and incubation programmes in colleges such as ITIs and polytechnics to encourage youth to choose entrepreneurship as a livelihood. NEM can also facilitate competitions and grants from companies/institutions to enable students to experiment and build a business prototype as part of their curriculum. For instance, the success of the InUnity's youth entrepreneurship pilot cohort in Mangalore (detailed below) led to support to scale it up to other districts in Karnataka.

## Case study

### **Business Blasters for Delhi school students<sup>1</sup>**

#### **Context**

Business Blasters is an offshoot of the pioneering Entrepreneurship Mindset Curriculum (EMC) launched by Udhyam along with GAME in 2019, providing students with the unique opportunity to build, support, and actualize their entrepreneurial mindsets and skills. Students work in teams to conceptualise and implement a business idea (for-profit or social impact).

The Delhi Government piloted the Entrepreneurship Mindset Curriculum (EMC) for students in Grades 9–12 across 24 schools and subsequently scaled across more than 1000 schools.

#### **Impact**

The success of the programme lies in observing mindset shifts in Grades 11–12. Students were evaluated at the end of the programme through a psychometric test and interviews where it was observed that:

- Mindsets of Business Blasters participants outperformed non-participants across all sub-competencies
- Grit, independence, collaboration, and critical thinking saw the most improvement from non-participants to students in the Top 1000 and Top 100 categories

#### **Implementation**

The programme was rolled out in three phases. In Phase 1, students form teams (with 5 to 7 students) and identify business ideas/opportunities and start putting rudimentary business plans around these ideas (including talking to target groups). The teams then make preliminary presentations, and every participating student receives seed money of INR 2000 to implement the business plan. In Phase 2, selected programme teams participate in inter-school competitions (top 1000 teams), and in Phase 3, the top 100 teams are provided with the opportunity to showcase their ideas in an expo-style exhibition. Teams who reach the top 100 are provided with coaching/mentoring support. Of these, the top 10 teams get to pitch their ideas to potential investors.

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<sup>1</sup> GAME initiative <https://massentrepreneurship.org/emc/>

## Case study

### InUnity creating entrepreneurial mindsets among youth in Mangalore<sup>1</sup>

#### Context

InUnity aims to unleash the entrepreneurial potential of students by educating, training, and facilitating interactions between stakeholders and students who are inclined towards entrepreneurship or problem solving across tech and non-tech institutions. InUnity partnered with GAME and CII to pilot this approach across 10 institutions in Mangalore.

#### Impact

The programme was successful in identifying 30 budding entrepreneurial minds from a pool of more than 500 students. They were mentored by regional industry experts to help ideate sustainable solutions in agriculture, education, health care, finance, and SaaS. There were 3 registered startups, Prafal Agro, Effinity, Medrop (SoluKraft), and 4 teams incubated at their host institutions at the end of the pilot.

The success of the pilot cohort and positive findings from the MEL<sup>2</sup> reports garnered greater support for scaling InUnity's youth entrepreneurship programme to other districts in Karnataka. ComedK has committed to funding INR 2.5 crores for 1 year to expand to 8 hubs

#### Approach

The four-month programme comprises three stages:

- **Talent selection bootcamp:** Students register at a portal by InUnity, following which students take a Grit Test and Mindset mapping to shortlist ~180 students to participate in the talent selection bootcamp.
- **Entrepreneurship Mindset Programme (EMP):** Following the talent selection bootcamp, 29 ideas were submitted for a design challenge and reviewed by a jury to shortlist 52 EMP fellows. The EMP sessions were structured as 2 hours/3 days during a week of online sessions and 3 hours of offline sessions. Students were introduced to Design Thinking, conducting effective field research, stakeholder analysis and conducting IP research by industry experts.
- **Young leadership programme (YLP):** This final stage shortlisted students with an entrepreneurial drive and the ability to build a minimum viable product (MVP) with the help of solution architects and industry mentors. The EMP is the core component of this programme, while the YLP phase is continued back-end support by InUnity to provide networks, mentorship, incubation support and additional funding.

<sup>1</sup> GAME initiative <https://massentrepreneurship.org/emc/>

<sup>2</sup> MEL - Monitoring, Evaluation, and Learning report

## 5. Create

### Objective

Create ecosystem for driving entrepreneurs to achieve India's Sustainable Development Goals (SDG) through innovation.

### Potential initiatives

The role of entrepreneurs in attaining Sustainable Development Goals (SDGs) is paramount. Entrepreneurs with a strong awareness of the need for sustainable development and commitment to achieve it can help build businesses that will generate employment, eliminate poverty, provide decent work and economic growth, help to reduce hunger, assist in attaining good health and wellbeing, strive for affordable and clean energy, and enhance their industries. NEM can help achieve SDG goals by providing systematic support and creating an innovative ecosystem for enterprises. Some interventions that NEM can make includes:

- **Ease investment flows:** Gross FDI inflows were at USD 83.6 billion in FY22, with services and manufacturing sectors accounting for a major share of FDI in FY22<sup>29</sup>. Similarly, NEM can ease the environment for foreign and direct investments to achieve SDGs by setting broad national priorities, roadmaps and facilitating policy changes including labour and capital-market and general business regulation.
- **Improve access to infrastructure and shared services:** At present, India has 426 SEZs that have been given formal approval under the SEZ Act, 2005, and 33 SEZs with in-principle approval, according to the commerce department<sup>30</sup>. NEM can support the SDGs by providing infrastructure, creating awareness and training and skilling the workforce.
- **Create value chain linkages:** NEM can build value-chain linkages both upstream and downstream, incentivize consumption and create supportive regulation.
- **Play the role of principal actor:** NEM can advocate for the uptake of national mandates for SDGs among MSMEs and provide support for committing to them (before, during and post enterprise setup) through facilitation centres.

### Deep Dive: SDG 7

Of the SDG goals, SDG 7 aims to “ensure access to affordable, reliable, sustainable and modern energy for all”. The following section is a deep dive on how NEM can help achieve SDG 7.

#### Overview

As environmental concerns worldwide have intensified, India's renewable energy targets have steadily become more ambitious, from the 175 GW by 2022 declared in Paris, to 450 GW by 2030 at the UN Climate Summit, 500 GW by 2030, and net zero emissions by 2070.

India ranks fourth in the world on renewable energy capacity and wind power, and fifth in solar power capacity. It had the fastest growth rate in renewable energy capacity addition among all major economies in the last seven years, with renewable energy capacity growing 1.97x and solar energy 18x.<sup>31</sup> The Central Electricity Authority estimates India's power requirement will grow to reach 817 GW by 2030. As the country looks to meet this demand on its own, renewable energy will play an important role.<sup>32</sup>

<sup>29</sup> <https://www.financialexpress.com/economy/fdi-inflows-at-record-83-6-bn-in-fy22-but-y-o-y-growth-slows/2532808/>

<sup>30</sup> <https://www.outlookindia.com/business/india-budget-2022-government-proposes-to-replace-existing-special-economic-zones-law-with-new-legislation-news-51870>

<sup>31</sup> <https://www.ibef.org/industry/renewable-energy>

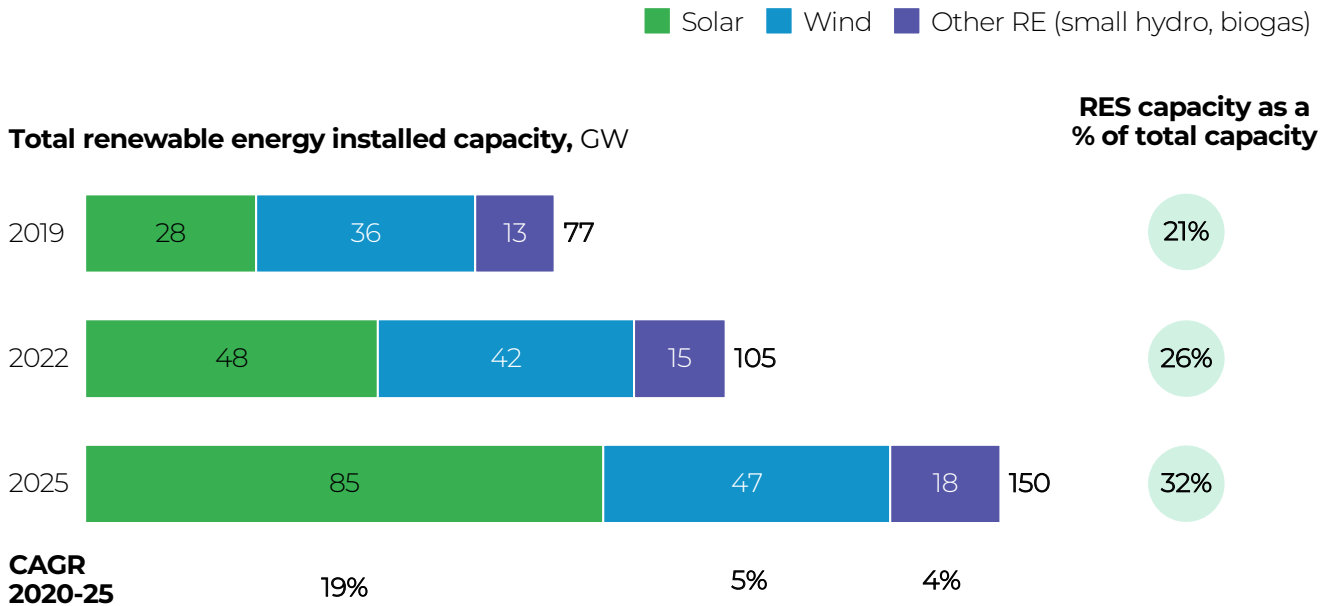
<sup>32</sup> Ibid

Renewable energy sources (RES) are expected to grow from 86 GW to 150 GW capacities between 2020 and 2025 (at a CAGR of 12 percent). Solar energy is expected to be the fastest growing RES in India with a CAGR of 19 percent during this period. At present, India has 105 GW of installed renewable energy capacity, of which solar comprises 48 GW<sup>33</sup> (Exhibit 2).

To achieve net zero, India should increase its solar power capacity to 5,630 gigawatts by 2070, according to a study.<sup>34</sup> This indicates the potential for creating many new enterprises and employment opportunities in the solar energy sector.

Exhibit 2

## Growth of installed capacity for renewable energy in India









**To achieve net zero, India should increase its solar power capacity to 5,630 gigawatts by 2070.**

<sup>33</sup> <https://mnre.gov.in/>

<sup>34</sup> <https://economictimes.indiatimes.com/industry/renewables/india-needs-5630-gw-installed-solar-capacity-to-become-net-zero-nation-by-2070-report/articleshow/86984707.cms?from=mdr>

## There are three key areas in the solar value chain that has the potential to create mass entrepreneurship

 Key areas

|   | Landscape  | Opportunity   |
|---|--|---|
| <b>Demand</b>   |  |   |
|    | <b>Consumption</b><br>Power demand is expected to grow at 6.5% in 22-24 due to rising consumption from residential and industrial segments | Increases the uptake of productive appliances, enabling sector development and brings significant socio-economic development      |
| <b>Supply process</b>   |  |   |
|    | <b>Research and innovation</b><br>R&D landscape is poor due to lack of collaborative and goal driven efforts                               | Provides opportunities to entrepreneurs to research and innovate solar solutions across the value chain                           |
|    | <b>Manufacturing</b><br>Module manufacturing is fragmented and only ~15% is served by Indian domestic players                              |   |
|   | <b>Installation &amp; maintenance</b><br>Growing market as India is expected to reach 85GW in installed capacity by 2025                   | Creates employment and new enterprise opportunities around Rooftop, Mini grid installation, operations and maintenance, and sales |
|  | <b>Generation</b><br>Fragmented market with large private and public sector players with 80-90% long term agreements                       |   |
|  | <b>Transmission</b><br>Most discoms are state-owned, and only about 10% of population is served by private distribution licensees          |   |

### Solar enabled businesses:

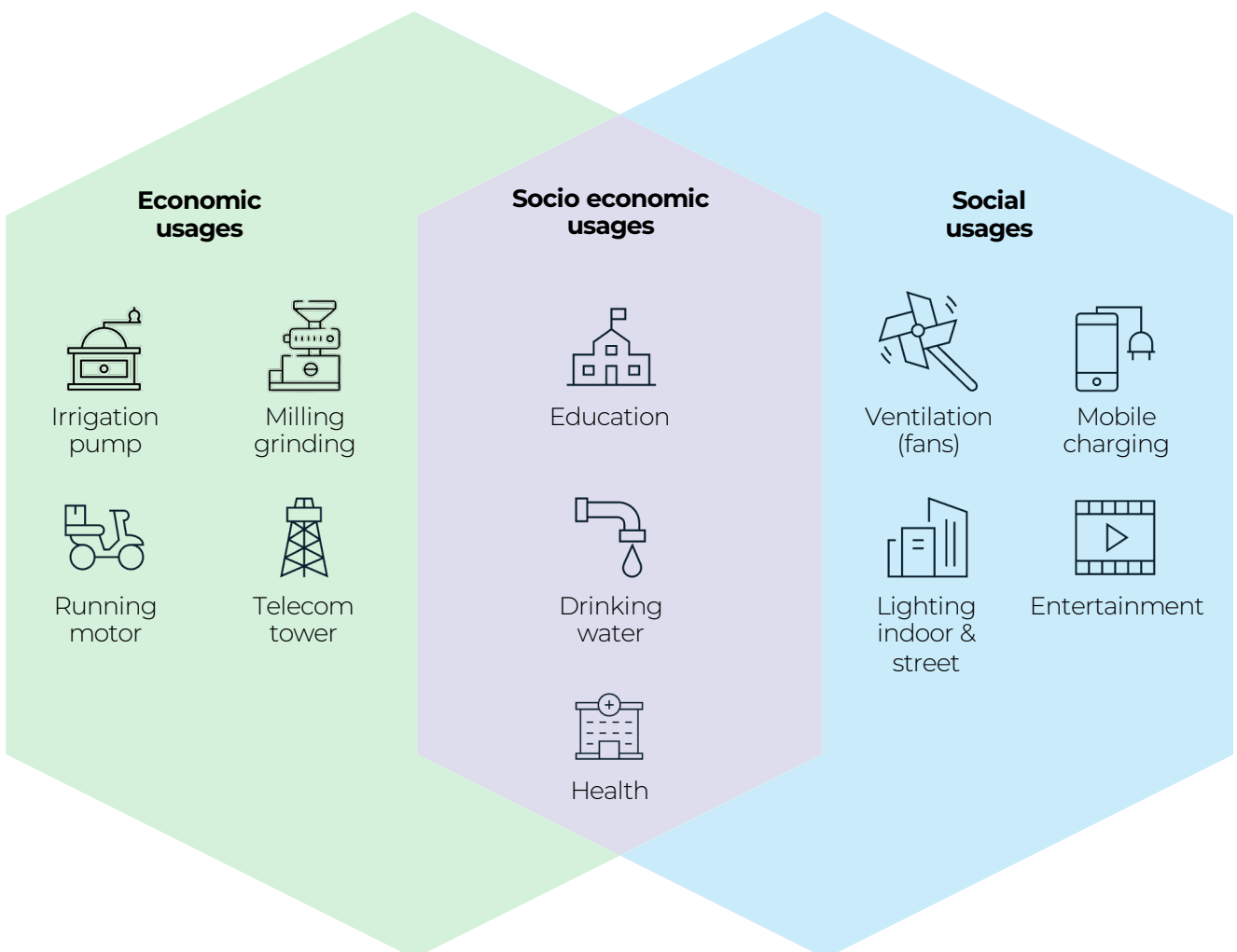
Electricity usage can be social and economic – the economic usage of electricity enhances incomes while social usage improves the quality of life of the household (Exhibit 4). The use of electricity for income-generating activities like running appliances or motors in shops and micro-enterprises, pumping water for irrigation are examples of economic usage of electricity.

Energy projects that have an economic-usage component are more likely to lead to rural economic development than projects that simply focus on providing electricity or other forms of energy. For instance, businesses connected to mini grids saw an average 49 percent increase in monthly revenues, and 43 percent of enterprises purchased new appliances and equipment to grow their businesses.<sup>35</sup>

Solar projects indirectly enable a higher uptake of productive appliances (such as solar-powered irrigation pumps, sewing machines, cold storages), driving sector development and bringing significant socio-economic development. They also increase the end-user's ability to pay for the electricity they consume.

Exhibit 4

## Various uses of solar electricity in rural areas



<sup>35</sup> <https://smartpowerindia.org/wp-content/uploads/2021/07/FInal-SPC-2020-Net-Spread-02-09-2020.pdf>

### **Research and innovation in solar and solar-powered appliances**

The Indian solar industry relies heavily on imports of important components such as solar cells, modules, and solar products. In 2019-20, India imported solar wafers, cells, modules, and inverters worth USD 2.5 billion<sup>36</sup>. To improve domestic manufacturing and alleviate strains on supply, it is important to reduce material intensity and encourage material substitution via technology innovation.

Research in the newest digital technologies and their role in optimizing cell cost, mini-grid design, system design processes, etc. is necessary. Research in recycling could be an important tool to recover critical minerals that may be difficult to procure in the international markets.

Secondly, rural and grassroots innovation often finds itself outside mainstream economic imagination and gets little endorsement from governmental and international actors. Bridging this gap in India's innovation trajectory would require extending what is offered to urban innovators to their rural counterparts— support, promotion, and incubation.

Infrastructure and mentorship support could be crucial enablers in building an ecosystem for rural entrepreneurs to create innovative sustainable energy solutions (such as solar powered sewing machines or cold storages).

### **Solar grid and solar product sales, installation, and maintenance**

Despite the substantial progress made in the past few years in electrifying the country, at least 100 million Indians still lack access to sufficient electricity, either because it is unavailable or unreliable.<sup>37</sup> According to a survey, almost half of all rural enterprises in Bihar and Uttar Pradesh rely on diesel or other expensive and polluting sources to power their businesses, eroding revenues and undermining economic mobility.

Decentralized solutions such as mini grids present an opportunity to provide electricity access in such underserved rural areas. Mini and micro-grid systems can help to achieve India's 500 GW non-fossil fuel energy target by 2030, meet its climate goals and significantly increase employment opportunities in rural India. The distributed nature of these projects makes them more labour-intensive than utility-scale projects, creating greater potential for small and medium scale entrepreneurs to enter, and generating many employment opportunities across the project deployment cycle (installation, operation, and maintenance).

As the manufacturing and deployment for solar power-related products increase in India, there is potential for MSMEs to enter this space through a franchise route to take over the distribution and maintenance of grids and solar-powered machines.

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<sup>36</sup> <https://india.mongabay.com/2021/05/graphs-a-long-road-to-2030-for-indias-import-heavy-solar-power-sector/>

<sup>37</sup> <https://www.rockefellerfoundation.org/blog/inside-tata-power-rockefeller-foundations-plan-light-5-million-households-india/>



## Case study

### SELCO<sup>1</sup>

#### Context

SELCO Solar Light Private Limited (SELCO) is a social enterprise founded in 1995, that makes energy services accessible to economically impoverished people.

#### Impact

The SELCO India business arm now has 560 employees (plus 150 women business associates), serves ~1,500,000 households and ~25,000 institutions.

#### Approach

SELCO's developed an energy solution that combines customised technology, affordable financing, and efficient support. SELCO partnered with local financial institutions to provide requisite financing to the economically poor, while establishing a company-owned, company-operated service network to provide pre-sales and post-sales support to the client.

SELCO products and services are detailed as below:

- **User needs-based products:** SELCO offers customised solar product solutions that meet the energy needs of the client. The grassroots presence of SELCO helps it to design products that have a "bottom-to top" approach.
- **Energy Service Centres:** The Energy Service Centre (ESC) is the basic building block of SELCO's service and distribution chain. Each ESC has a service territory in which it markets, sells, installs, and services SELCO's energy services. Through these ESCs, SELCO reaches the last mile. (60 offices and 20 after sales offices)
- **Installation and after-sales service:** While SELCO is in the business of selling and installing its products, SELCO's core competency lies in its ability to deliver ongoing service on its products. SELCO has devised an extensive after-sales service network which includes exclusive service branches, service camps, customer care helplines, annual maintenance contracts etc.
- **Standardised financing packages:** To facilitate customer purchases of energy services, SELCO has partnered with numerous financial institutions and micro-finance institutions in the areas of its operations. Through financing programmes of its finance partners, SELCO provides its clients with the ability to purchase its products and services through payments that are affordable to every target group.

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<sup>1</sup> <https://selco-india.com/>





# 6

## **Proposed implementation structure**

NEM can address gaps in the entrepreneurship support ecosystem by ensuring participation from the centre, states and districts with clear roles and responsibilities and a well-defined governance system (Exhibit 5).

**National Entrepreneurship Mission (NEM)**

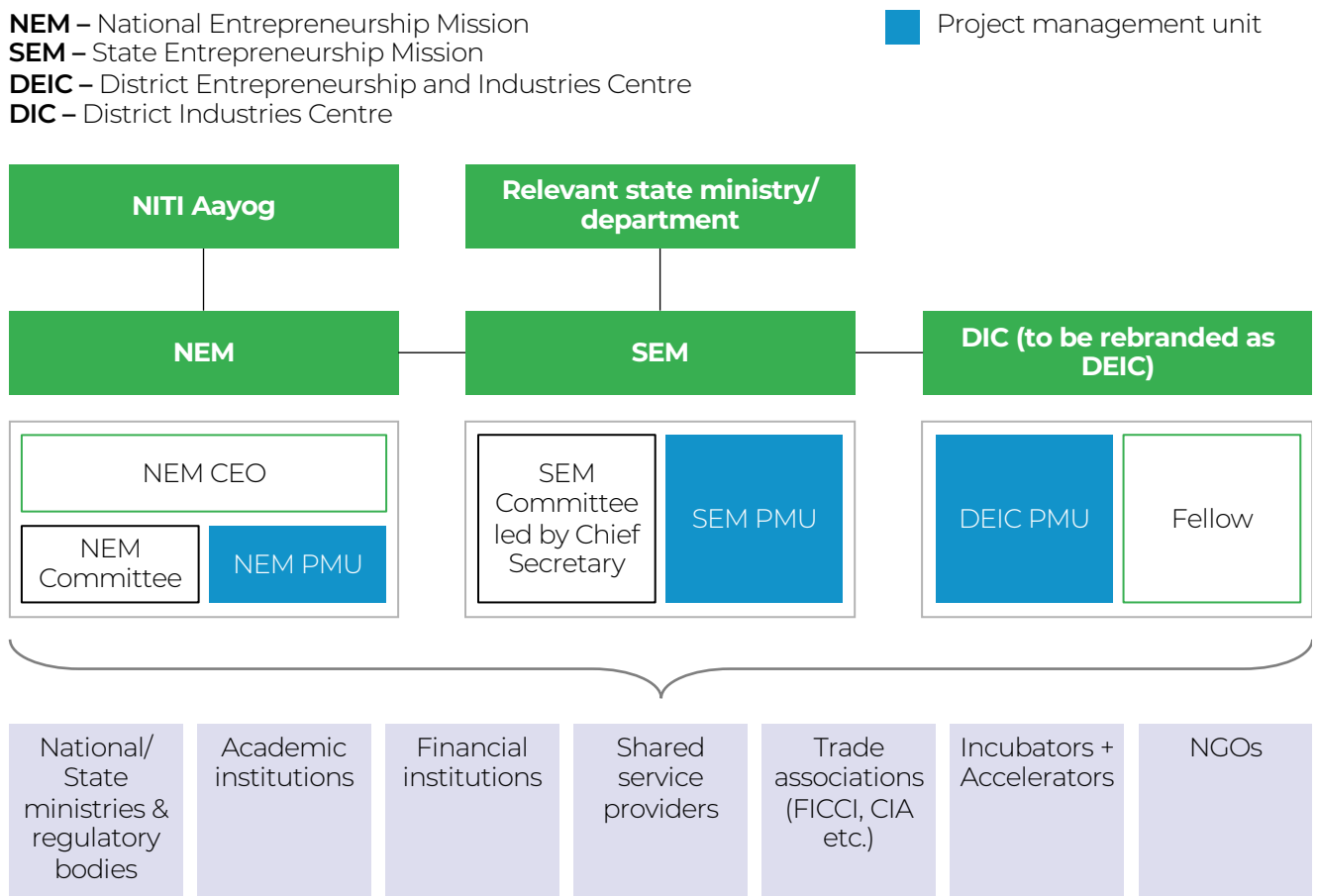
- At the national level, NEM can be incorporated under NITI Aayog and headed by a CEO.
- A committee comprising members from relevant ministries (MoCI (DPIIT), MSME, MSDE, MoRD, MoF, MoWCD, etc.), national regulatory bodies (RBI, SEBI, IRDAI, etc.), national financial institutions (SIDBI, NABARD, etc.), and national academic institutions would be convened to support the NEM.
- A project management unit can run the activities for NEM.

**State Entrepreneurship Mission (SEM)**

- At the state level, SEM can operate under relevant state ministry/department and be chaired by the Chief Secretary.
- A committee comprising members from relevant ministries (MoCI (DPIIT), MSME, MSDE, MoRD, MoF, MoWCD, etc.), state regulatory bodies, state academic institutions, corporations registered within the state, NGOs, trade associations/industry councils, Incubators and accelerators would be convened to support the SEM.
- A project management unit can run the activities for SEM.

Exhibit 5

**Proposed structure of NEM**



## **District Enterprises and Industries Centre**

- Existing entrepreneur support infrastructure will be revitalized into District Enterprises and Industries Centres, to meet the needs of entrepreneurs.

## **Key responsibilities**

### **NEM responsibilities**

NEM would facilitate buy-in from relevant ministries/private/social sectors and support the launch of SEM and focus on digital infrastructure for entrepreneurs

- Assist setup of SEM at state level
- Create a backend web-portal and host digital tools relevant to entrepreneurs
  - National single-window system for compliances that links to state single-window systems
  - Online shared services (legal support, taxation and audit support, HR support etc.) consultation platform
  - Web platform to engage with subject matter experts from industry, academia, and established entrepreneurs
  - Dispute resolution platform for online payments
  - Digital database of buyers and suppliers for products
  - Web portal of existing schemes and benefits
- Support policy changes across national government, national regulatory bodies, and bodies regulating private institutions to enable entrepreneurs to establish enterprises and grow
- Create awareness about NEM programmes and offerings through media channels
- Track programme metrics/outputs periodically and make design changes necessary to meet long-term goals

### **SEM responsibilities**

SEM would drive state-level programmes and guide district enterprises on their strategic priorities and planning

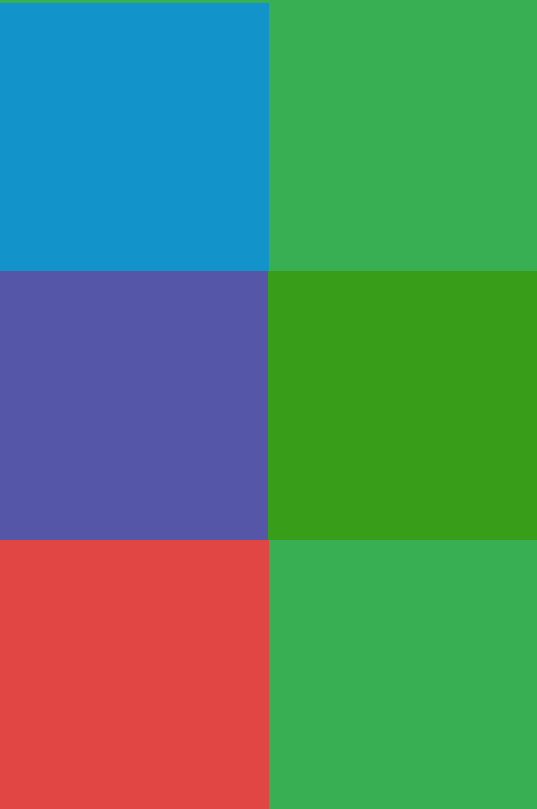
- Run state-level programmes to undertake baseline research necessary for NEM to roll out programmes/digital infrastructure for target entrepreneurs
- Support for policy changes within state regulatory bodies and curriculum changes within academic institutions
- Drive capacity building/repurposing for state support infrastructure (accelerators, incubators, industrial zones, facilitation centres, etc.) by working with relevant state bodies
- Identify districts for specialized / pilot programmes, e.g., cluster development programmes
- Encourage corporates to engage target entrepreneurs in their value chains and provide mentorship

- Ensure proper governance and support to district enterprises and industries centres
  - Assess the skills and capabilities of district enterprises and industries centres within the state
  - Use connects with academic institutions within the state to recruit suitable fellows
  - Assign fellows to districts based on the district's needs and opportunities
  - Monitor district-level data on programme outputs and make necessary interventions

#### **DEICs responsibilities**

DEICs would be responsible for end-to-end activities, from planning and execution to partnerships and tracking success

- Partner with local subject matter experts and entities (government bodies, shared services providers, local experts, etc.) to provide day to day operational support and mentorship required by entrepreneurs
- Create business linkages (access to markets, capital, and trained workers) and set up peer groups for entrepreneurs
- Undertake baseline research activities and collate stakeholder inputs necessary for NEMs and SEMs to design schemes/programmes/digital infrastructure for target entrepreneurs
- Create awareness and encourage adoption of programmes and digital infrastructure rolled out by NEM and SEM by connecting with community leaders (Panchayat leaders, educators, NGO leaders, local financiers, MSME cluster leaders) and members through online and offline channels
- Monitor existing on-ground support infrastructure (accelerators, incubators, industrial zones, facilitation centres, etc.) and support capacity building/revitalization initiatives
- Support capacity building for mentors/educators (teachers, professors) teaching EMC at schools, colleges, polytechnics, etc.
- Track and report district-level data on programme outputs (entrepreneurs served, platform utilization, etc.) to SEMs



# 7

## District deep dive

## A comparison of available infrastructure at the district level

Based on our analysis of the existing on ground infrastructure for supporting entrepreneurs (Atal Incubation Centre, other incubators, common service centres, district industries centres, industrial training institutes), DICs are best suited to support mass entrepreneurship at the district level (Appendix 1).

DICs were designed to be a focal point for promoting small, tiny, cottage and village industries in a particular area and to make available all necessary services and facilities for entrepreneurs at one place

### DIC gap analysis<sup>38</sup>

The DICs no longer adhere to the responsibilities included in their original design. Besides, the DICs were designed in the late 1970s to meet entrepreneurial challenges of the times. These challenges have changed over the years (Exhibit 6).

Exhibit 6

## DIC gap analysis

■ Not suitable ■ Moderately suitable

|  | Original DIC design   | Gaps in current implementation   |
|--|---|--|
| <b>Services &amp; responsibilities</b> | Access to schemes/capital   | ■ Only 2-3 specific schemes (PMEGP, CMEGP etc.) are being promoted, with no common portal for accessing all relevant schemes                 |
|  | Registration/compliance   | ■ Registration services are now done online without DIC support. Single window access for compliances is not uniformly available across DICs |
|  | Feasibility reports   | ■ Financial reports prepared by DICs are not in line with bank's requirements, leading to significant number of rejections                   |
|  | Trainings/mentorship  | ■ Currently not being implemented  |
|  | Value chain linkages & peer networks  | Sourcing support associated with raw materials and machinery<br>Marketing support through market outlets                                     |
|  | Infrastructure support  | Make developed land available at subsidized costs  |
|  | Mobilization/awareness  | Not included in original design  |
| <b>Governance</b>                      | Well defined reporting cadence to coordination committees led by State and National ministers of industries | ■ Reporting cadence not currently being adhered to   |
| <b>Employee KRAs</b>                   | Targeted roles around access to credit, training and infrastructure access                                  | ■ No clear split in roles and responsibilities in practice   |

<sup>38</sup> <https://dyuthi.cusat.ac.in/xmlui/bitstream/handle/purl/3050/Dyuthi-T%201024.pdf?sequence=1>



## DEICs (GrowthHubs) for districts

The District Industries Centres could be re-imagined as District Entrepreneurship and Industries Centres. Rebranding and reorganizing in this way will enhance reach to target users, create a top-down push to promote entrepreneurship and infuse fresh energy - re-invigorating the infrastructure and people on the ground.

The existing DIC machinery has the resources and funding available to be revitalised into GrowthHubs (called DEICs) that will allow talent, information, and resources to flow to entrepreneurs as they need it. The following changes can transform DICs into DEICs (GrowthHubs):

### 1. Redesign responsibilities of DEIC staff (Exhibit 7)

Exhibit 7

## Model DEIC responsibilities



## 2. Build a robust governance mechanism

- Monthly meeting cadence between DEIC and SEM
- Bi-monthly meeting cadence between DEIC and NEM

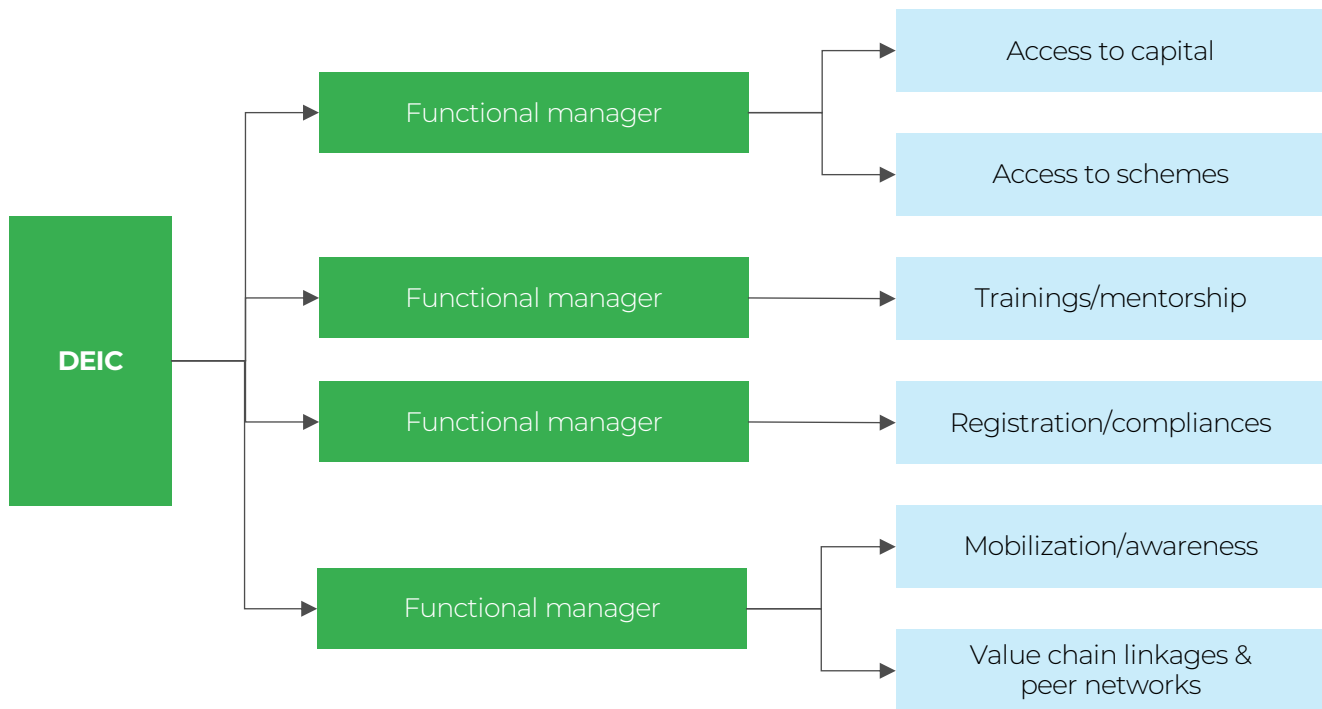
## 3. Redesign KRAs to create clear roles and responsibilities for employees at all levels (Exhibit 8)

## 4. Infuse capability through setup of PMU and district fellowship model to support the DEIC machinery (Exhibit 9)









Exhibit 8

### Redesigned KRAs for DEIC

Illustrative



## A district fellowship model will be setup, under the supervision of SEM, to infuse capability and support DEIC strategic initiatives and operations

|  |  |  |  |
|--|--|--|--|
|  <b>Fellow profile</b>  |  <b>Qualifications</b> Educated at leading institutions from the state (IITs/NITs/IIMs)<br>Work experience of 2-3 years   |  |  |
|  |  <b>Salary</b> INR 75k salary; INR 30k dearness allowance   |  |  |
|  <b>Recruiting</b>  | 2 step recruitment process: <ol style="list-style-type: none"> <li>Written application including a solution to a given problem statement to judge for creativity thinking, research and writing skills</li> <li>Behavioural interview to judge fit, stakeholder management and passion</li> </ol>  |  |  |
|  <b>Reporting &amp; governance</b>  | Reporting to SEM/Chief Secretary of the State <ol style="list-style-type: none"> <li>Monthly meeting cadence with SEM</li> <li>Day to day coordination with DEIC head</li> </ol>   |  |  |
|  <b>Program structure</b>   | 2-year fellowship program <ol style="list-style-type: none"> <li>1.5 months – Pre - service onboarding training</li> <li>22 months – Service within the districts with quarterly trainings</li> <li>0.5 months – Post - service reflections/training</li> </ol>  |  |  |
|  <b>Training</b>   | <table border="0"> <tr> <td data-bbox="491 956 957 1142">                     Pre-service onboarding training                     <ol style="list-style-type: none"> <li>Government overview</li> <li>NEM overview</li> <li>Tools and trainings for web portal</li> <li>Basic overview of schemes</li> </ol> </td> <td data-bbox="1015 956 1477 1120">                     Quarterly peer to peer check ins and trainings based on cohort needs<br/>                     Post-service reflections/training                     <ol style="list-style-type: none"> <li>Reflections and key learnings from program</li> </ol> </td> </tr> </table> | Pre-service onboarding training <ol style="list-style-type: none"> <li>Government overview</li> <li>NEM overview</li> <li>Tools and trainings for web portal</li> <li>Basic overview of schemes</li> </ol> | Quarterly peer to peer check ins and trainings based on cohort needs<br>Post-service reflections/training <ol style="list-style-type: none"> <li>Reflections and key learnings from program</li> </ol> |
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|  <b>Responsibilities</b>  | Facilitating and driving capability building in areas where skill gaps exist within the organisation<br>Tracking success metrics of the programs at the district levels<br>Monitoring progress of the DEICs and debottlenecking through SEM support when needed  |  |  |

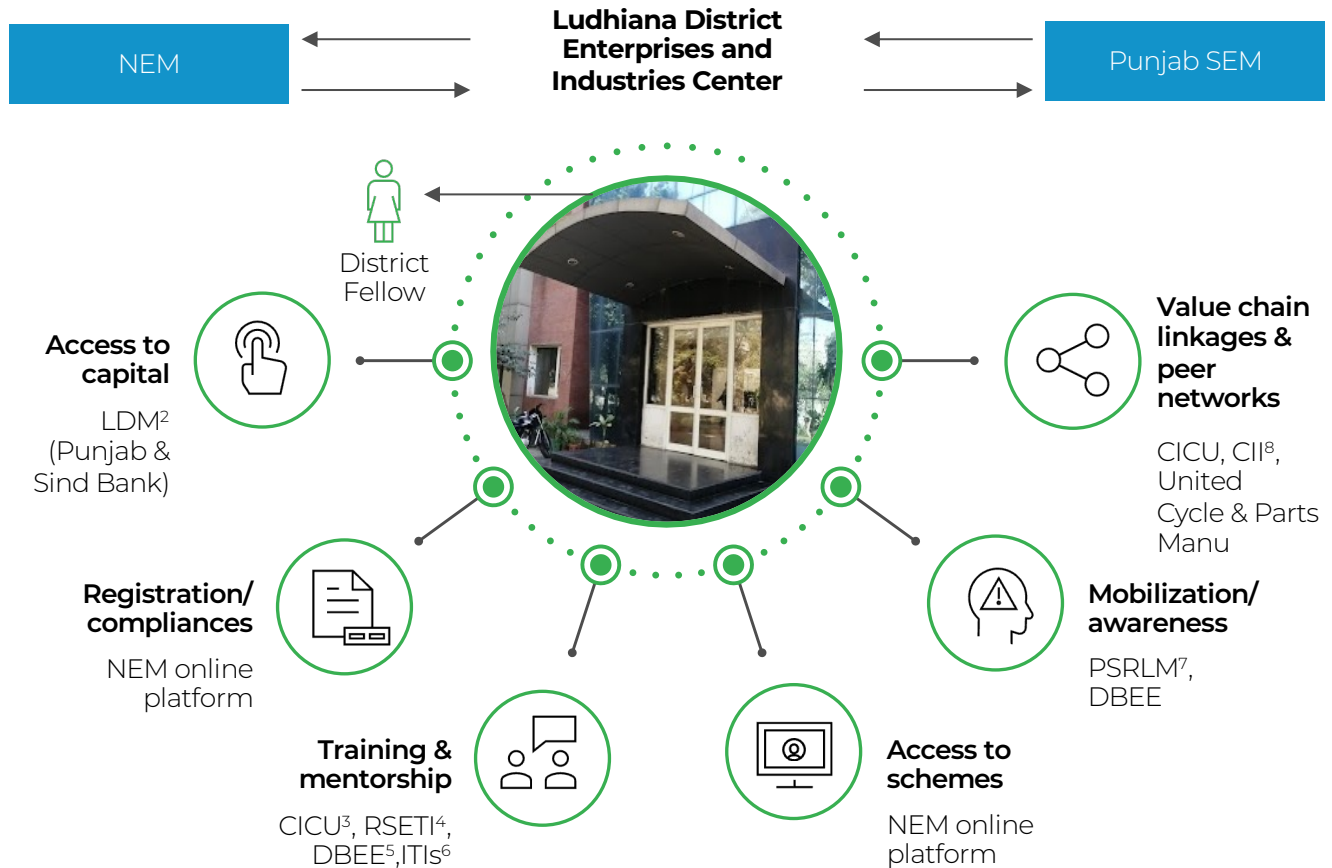
## Model DEIC Ludhiana

A model DEIC can incorporate these four changes in the existing DIC. Based on an analysis of the entrepreneurship support ecosystem of Ludhiana, the Ludhiana model DEIC could be conceptualised as follows (Exhibit 10).

Exhibit 10

## Model DEIC Ludhiana

Illustrative



- 1 District Enterprises and Industries Centres
- 2 Lead Bank Manager
- 3 Chamber of Industrial & Commercial Undertakings
- 4 Rural Self Employment Training Institutes
- 5 District Bureau of Employment & Enterprises, Ludhiana
- 6 Industrial training institute
- 7 Punjab State Rural Livelihoods Mission
- 8 Confederation of Indian Industry, Ludhiana Chapter



# 8

## The way forward

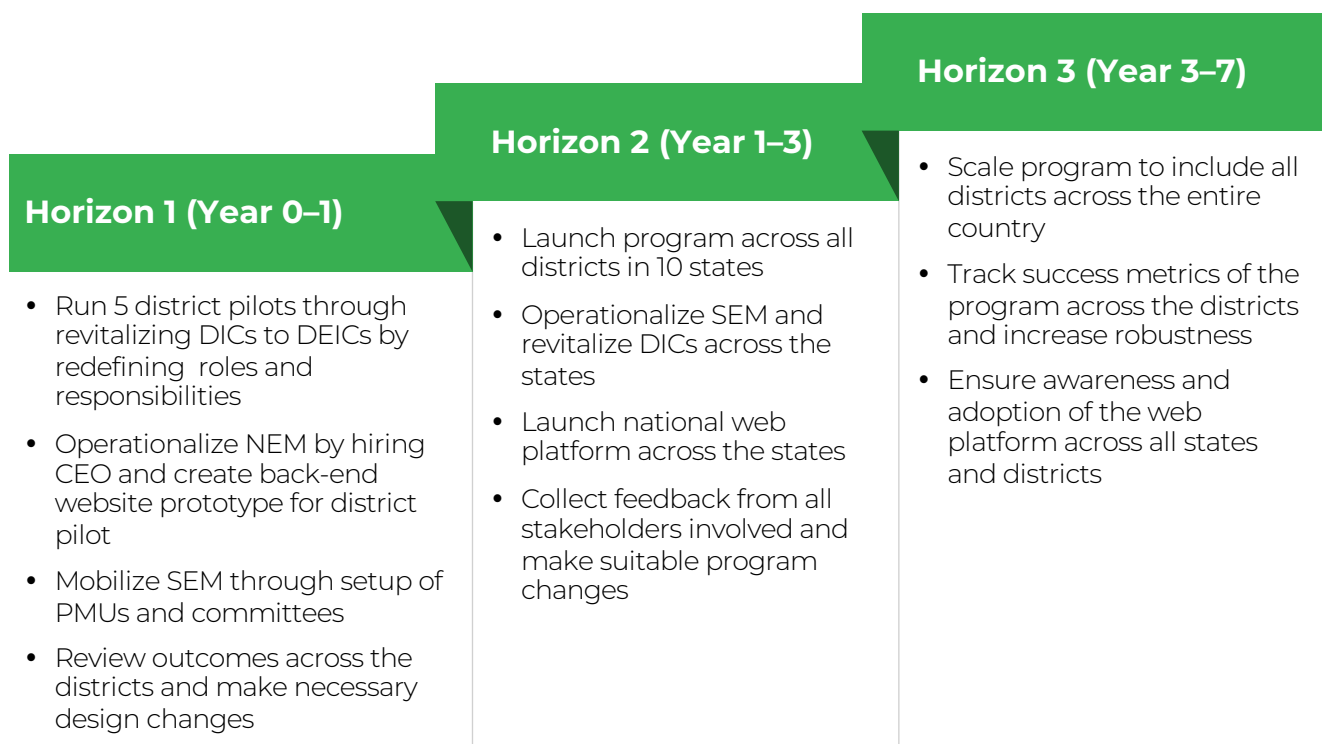
The NEM can be rolled out in three horizons over the course of seven years (Exhibit 12). During Horizon 1 (Year 0 to 1), five districts can be identified for pilot programmes while operationalizing NEM and SEM and revamping DICs in pilot districts. During Horizon 2 (Years 1 to 3), the programme can be launched across all districts in 10 states and the central web platform can be launched across the 10 states. During Horizon 3 (Years 3 to 7), the programme could be scaled to include all districts nationwide.

Outcome metrics would be tracked while ensuring awareness and adoption of the web platform. At each horizon, outcomes and feedback would be monitored and the programme design adapted accordingly.

The Horizon 1 project would require a budget of 50 Cr for the 5 districts pilot and, setup of NEM, SEM and operationalise backend web-portal.

Exhibit 11

## Way forward for NEM





# Appendix

## Support infrastructure available at district level

Not suitable Moderately suitable Suitable

|                        | AICs / Incubators   | CSC   | DIC  | ITI   |
|------------------------|---|---|--|---|
| <b>Target user</b>     | Not suitable Startups addressing niche problems with qualified/educated founders  | Not suitable Individual citizens  | Suitable MSMEs   | Not suitable High school graduates  |
| <b>Support offered</b> | Suitable <ul style="list-style-type: none"> <li>• Access to capital</li> <li>• Trainings, mentorship and advisory support</li> <li>• Access to infrastructure (co-working facilities, lab facilities etc.)</li> <li>• Value chain linkages</li> </ul> | Not suitable <p>Facilitation associated with:</p> <ul style="list-style-type: none"> <li>• Identity cards (Pan, Aadhar, Voter ID, DL)</li> <li>• Certificates (Domicile, Birth, Marriage etc.)</li> <li>• Pension/Schemes (Old age, widow, handicap etc.)</li> <li>• Education support (Online forms for exams etc.)</li> </ul> | Suitable <ul style="list-style-type: none"> <li>• Registration and compliance support</li> <li>• Access to schemes/ financial grants</li> <li>• Preparing feasibility reports associated with bank funding</li> <li>• Trainings</li> <li>• Value chain linkages<sup>1</sup></li> </ul> | Not suitable <ul style="list-style-type: none"> <li>• Skill building programs necessary to find technical jobs in industries</li> </ul> |
| <b>Infra-structure</b> | Moderately suitable Setup within academic institutions, corporate campuses etc.   | Not suitable Housed within retail outlets (Shops, Cyber Cafes etc.)   | Suitable Setup as stand-alone offices  | Suitable Setup as stand-alone specialized academic institutions   |
| <b>Manpower</b>        | Suitable 5-10   | Not suitable 1-2  | Suitable 20-30   | Suitable 20-30  |
| <b>Reach</b>           | Not suitable ~68 <sup>2</sup> centres available in metro/tier 1 cities  | Suitable 4 lac+ CSCs present across 640+ <sup>3</sup> districts   | Suitable Available across 450+ <sup>4</sup> districts throughout India   | Suitable 12,000+ <sup>5</sup> ITIs present across India   |

<sup>1</sup> <https://dyuthi.cusat.ac.in/xmlui/bitstream/handle/purl/3050/Dyuthi-T%201024.pdf?sequence=1>

<sup>2</sup> <https://www.lendingkart.com/blog/district-industries-centre/>

<sup>3</sup> <https://www.msde.gov.in/>

<sup>4</sup> <https://www.goodreturns.in/csc-locator.html>

<sup>5</sup> <https://aim.gov.in/aic.php>







