

Socio-Economic Impact of State-Led Entrepreneurship Schemes on the Youth of Mumbai: A Critical Assessment (2024–2026)

Dr. Balram Gowda and Vaishnavi Thatolla

The Byramjee Jeejeebhoy College of Commerce, Mumbai

Abstract: *The research investigates how different start-up programs, including the Maharashtra State Innovative Start-up Policy 2025 and Start-up India, benefit young people living in Mumbai. The research study uses mixed-methods to examine data from 2024 to 2026, which shows how the programs created job opportunities, developed skills, and helped young people in Mumbai achieve financial independence.*

Keywords: financial independence.

I. INTRODUCTION

Mumbai, which serves as India's financial capital, functions as the main centre for the country's developing start-up ecosystem. The state government established the Maharashtra Start-up Policy 2025 to create support for 125000 entrepreneurs and recognize 50000 start-ups. The paper investigates whether these programs have successfully reached the entire youth population of Mumbai, who include both tech innovators from Powai and micro-business owners from other areas of the city.

II. LITERATURE REVIEW

2.1. The Role of Start-ups as Social Catalysts

Gupta and Raghuvanshi (2024) demonstrate through their findings that technology start-ups now function as more than profit-driven businesses because they serve as instruments that empower young people. The high-density urban centre of Mumbai witnesses these enterprises creating employment opportunities and establishing a "solution-oriented" mindset among people. Through their use of digital platforms, young people transform from searching for jobs to founding their own businesses, which allows all social groups to take part in economic activities.

2.2. State Intervention: The Maha-Fund Initiative

The regional government has matched this entrepreneurial spirit with aggressive fiscal policy. Chief Minister's Maha-Fund in Mumbai and Maharashtra functions as the main component that supports local "Unicorn" businesses.

- **Capital Injection:** The SEEID Skill Evolution & Economic Infrastructure Department reported in 2025 that it allocated ₹500 crore to help early-stage ventures overcome their main funding challenge, which is known as the "valley of death" funding problem.
- **Strategic Focus** The fund supports high-potential sectors such as FinTech, Healthnet and Green Energy through its funding process, which helps Mumbai maintain its status as India's financial centre while solving local infrastructure issues.

2.3. Bridging the Gap: Credit vs. Literacy

The current capital supply has reached its highest point in history, but sustainable business development still faces challenges because the growth process is not consistent throughout all areas. Previous research, notably by Bhatt et al. (2025), points to a complex dichotomy in the current market educational institutions need to establish credit access systems that require their students to obtain necessary credit information.



Feature	Status	Impact
Credit Accessibility	High	Schemes like PMMY (Pradhan Mantri Mudra Yojana) have successfully lowered the barriers to entry for micro and small businesses.
Financial Literacy	Low/Stagnant	Significant gaps persist among urban youth regarding debt management, equity dilution, and long-term fiscal planning.

"The irony of the current Mumbai start-up scene is that while a founder can secure a loan within days via digital windows, their ability to manage that capital effectively over a five-year cycle remains hampered by a lack of foundational financial education." — Refining Bhatt et al. (2025)

III. RESEARCH METHODOLOGY

3.1 Research Design and Methodology

The research uses a Mixed Methods Research Design to evaluate how state-sponsored entrepreneurship programs, which include Maha-Fund and PMMY (Mudra), affect the economic development of young people in the Mumbai Metropolitan Area. The researchers used Stratified Random Sampling to collect primary data from 100 entrepreneurs who are between 18 and 35 years old, using structured questionnaires that measured their income growth, job creation, and social mobility. The researchers verify field data by comparing it with secondary economic reports, which the Maharashtra State Innovation Society (MSIS) provides to assess individual experiences according to state-wide economic patterns.

Table 3.1: Summary of Research Framework

Component	Description
Research Design	Mixed-Methods: Descriptive (mapping the current landscape) and Analytical (evaluating socio-economic impact).
Target Population	Aspiring and current young entrepreneurs aged 18–35 in the Mumbai Metropolitan Region (MMR).
Sample Size (N)	100 Respondents selected via Stratified Random Sampling to ensure representation across various start-up sectors.
Primary Data	Structured Questionnaires focused on credit accessibility, income growth, and financial literacy gaps.
Secondary Data	Official reports from MSNs (Maharashtra State Innovation Society) and PMMY (Mudra) disbursement data (2024–2026).
Key Variables	Independent: State funding/mentorship. Dependent: Job creation, social mobility, and operational sustainability.

IV. DATA ANALYSIS

Based on the survey conducted between 2025 and 2026, the following trends were observed:

- * Awareness Levels: 72% of respondents were aware of Start-up India, but only 40% understood the specific benefits of the Maharashtra State Virtual Incubation Centre.
- * Employment: On average, each supported start-up in Mumbai generated 4.2 direct jobs within its first year.
- * Funding Barriers: 55% of youth cited "complex documentation" as the primary hurdle in accessing government grants.



Scheme Name	Impact Score (1-10)	Primary Benefit
Maharashtra Start-up Policy 2025	8.2	Seed Funding & Mentorship
PMMY (Mudra)	6.5	Collateral-free Loans
ASPIRE (Innovation)	5.8	Skill Development

V. CONCLUSION

The research demonstrates that government programs have decreased entry barriers for young entrepreneurs in Mumbai, yet there remains a requirement for "last-mile" awareness. The Maharashtra 2025 Policy has established an innovative environment, yet its complex bureaucratic procedures continue to hinder progress. The recommendation suggests that micro-incubators should increase their presence in local colleges, including ITIs and Polytechnics, to eliminate the existing gap.

REFERENCES

1. Gupta, S., & Raghuvanshi, J. (2024). Impact of Tech-Start-ups in Empowerment of Youth in India. *Journal of Informatics Education and Research*.
2. Maharashtra State Innovation Society. (2025). *Maharashtra Start-up, Entrepreneurship & Innovation Policy 2025*. Government of Maharashtra.
3. Start-up India. (2026). *National Start-up Day 2026: A Decade of Impact*. Department for Promotion of Industry and Internal Trade (DPIIT).
4. University of Mumbai. (2024). *Guidelines for Field Projects and Research Reports under NEP 2020*.

