

Abstract

Introduction:

India's development is deeply connected to the progress of its rural and semi-urban regions. To accelerate growth in its 112 most underdeveloped districts, the Government of India launched the Aspirational Districts Programme (ADP) in 2018. Built on the principles of Convergence, Collaboration, and Competition (3Cs), ADP fosters rapid development through targeted interventions in health, education, agriculture, financial inclusion, skill development, and infrastructure. A crucial yet underexplored aspect of ADP is its role in fostering entrepreneurship and MSME growth, particularly in regions like North-East India (NEI) that face challenges in infrastructure, financial access, and market connectivity.

Entrepreneurship serves as a key driver of economic growth, particularly in rural and underdeveloped regions. By promoting financial inclusion, capacity-building, and market access, ADP strengthens the Micro, Small, and Medium Enterprises (MSME) sector, which plays a pivotal role in employment generation and income diversification. The programme's emphasis on human capital development aligns with the OECD's (2018) definition of entrepreneurship as a process driven by knowledge, skills, and innovation. As Schumpeter (1939) noted, "*Entrepreneurship is based on purposeful and systematic innovation.*" Through ADP-led initiatives, backward districts can harness local potential, creating sustainable business ecosystems.

This study examines ADP's role in fostering entrepreneurship in North East India (NEI), assessing its impact on MSME growth, financial accessibility, and regional economic development. By identifying key success factors and areas for improvement, this research contributes to the discourse on policy-driven economic transformation and inclusive growth.

Relevance of the Study:

To drive economic development, the Government of India has introduced various programs, including the Aspirational Districts Programme (ADP), which comprises 49 indicators across different themes/sectors, some of which are crucial for entrepreneurship. Themes like Financial

Inclusion, Skill Development, and Basic Infrastructure have a direct impact on entrepreneurial growth by improving connectivity, market access, and logistics, thereby enabling local entrepreneurs to expand their reach. Additionally, Education and Health facilities play an enabling role in fostering human capital and supporting business sustainability.

However, North-East India remains industrially less developed, with a predominantly agrarian economy heavily reliant on agriculture and allied activities. The region, characterized by its multi-cultural society, still lags in entrepreneurial activities, with businesses often emerging due to both necessity and opportunity. Given the agrarian-based economy of the study area and the evolving entrepreneurial mindset, there is an urgent need to assess the awareness and impact of ADP on entrepreneurship in North-East India to formulate targeted strategies for its development.

Statement of the Problem:

Since independence, the Government of India has implemented various schemes to alleviate poverty and address regional backwardness, with the Aspirational Districts Programme (ADP) launched in 2018 as a key initiative to fast-track development in 112 underdeveloped districts, including 14 in North-East India. ADP aims to drive progress through stakeholder collaboration and scheme convergence, focusing on sectors like Education, Basic Infrastructure, and Financial Inclusion. Given that these aspirational districts are predominantly rural, understanding the extent of ADP's implementation and its impact on Micro, Small, and Medium Enterprises (MSMEs)—the backbone of India's rural economy—is crucial.

Key questions arise regarding the number and nature of MSMEs established post-ADP, entrepreneurs' awareness of its benefits, and the actual support received. While government reports highlight ADP's success, there is a need to measure its real impact on people's lives, aligning with India's vision of inclusive growth. Despite India being the world's fifth-largest economy, disparities persist, as reflected in its 102nd rank in the 2019 Social Progress Index.

For North-East India, where entrepreneurship is still evolving, assessing the ADP's role in fostering entrepreneurial ventures is essential to ensure all-round economic development and unlock sustainable growth opportunities.

Summary of review of literature:

The Review of Literature (RoL) is structured into four key components: (1) the Aspirational Districts Programme (ADP), (2) Entrepreneurship and the Entrepreneurial Ecosystem, (3) Entrepreneurship Development in Northeast India, and (4) Awareness of ADP among Entrepreneurs in Northeast India.

Aspirational Districts Programme (ADP):

Studies on ADP highlight its role in improving socio-economic indicators through financial inclusion, governance reforms, and digital interventions (Esposito, 2023; Rishi, 2023). Niti Aayog (2018, 2019) emphasizes the "3 Cs" approach—Convergence, Collaboration, and Competition—while UNDP (2021) and Kumar (2021) point to gaps in skill development translating into entrepreneurship. Despite progress in infrastructure and public services, ADP's direct impact on enterprise development remains underexplored.

Entrepreneurship and Entrepreneurial Ecosystem:

Entrepreneurial ecosystems thrive on institutional support, financial inclusion, and skill development (Mason & Brown, 2014; Flores & Kovacs, 2018). Studies highlight barriers such as gender disparities (Mahanta, 2023; Saikia, 2022) and skill mismatches (Sarkar, 2020). Ferdilan et al. (2021) stress the need for ongoing evaluation of Entrepreneurship Development Programs (EDPs) to ensure their relevance.

Entrepreneurship Development in Northeast India:

Entrepreneurship in Northeast India faces challenges like poor infrastructure, limited market access, and policy gaps (Karthik et al., 2023; Chakrabarty, 2016). Kumar (2023) stresses the need for entrepreneurship education, particularly for tribal communities. Women entrepreneurs struggle due to financial and social constraints (Mahanta, 2023; Saikia, 2022), while studies (Borah, 2019; Chakravarty, 2017) highlight missed opportunities in cross-border trade.

Awareness of ADP among Entrepreneurs in Northeast India:

Limited awareness of ADP affects participation in financial schemes and skill development (Sarmah et al., 2021; Borah et al., 2022). Studies indicate that self-help groups and local governance structures improve outreach (Kashyap et al., 2022; Das & Barman, 2022), but digital exclusion and language barriers remain key challenges (Gogoi & Dutta, 2023). Addressing these gaps is crucial for maximizing ADP's entrepreneurial impact in the region.

Research Gap:

Research on the Aspirational Districts Programme (ADP) remains limited, particularly regarding its long-term impact on entrepreneurship and MSME development. While some studies assess ADP's sectoral performance, in-depth case studies and impact evaluations on enterprise growth are scarce. Additionally, there is no comprehensive study covering all 14 aspirational districts of Northeast India, leaving gaps in understanding regional disparities and the programme's role in fostering entrepreneurship. The relationship between ADP interventions and business development remains largely unexplored. Methodologically, most existing studies use descriptive research designs, with no standardized tools to measure ADP's entrepreneurial impact. Addressing these gaps through targeted research is crucial for evaluating ADP's effectiveness in promoting economic growth.

Research Question:

Followed by the review of literature and studying the the research gap, the following research questions are developed.

RQ1: To what extent, the ADP has been implemented in the study area?

RQ2: What is the state of entrepreneurship development in terms of MSME in the study area after the implementation of the ADP?

RQ3: What is the level of awareness of entrepreneurs in the study area regarding the ADP?

RQ4: Which types of benefits are perceived by the entrepreneurs of the study area after the implementation of the ADP?

Research Objective:

Based on the above research questions, the following objectives are formulated.

- (i) To investigate the extent of implementation of ADP in the study area
- (ii) To examine the state of MSME-based entrepreneurship in the study area.
- (iii) To ascertain the awareness level of ADP among the entrepreneurs of the study area.
- (iv) To examine the Benefits received by the Entrepreneurs of the study area after the implementation of the ADP
- (v) To measure the impact of ADP on entrepreneurs of the study area.

Research Methodology:

The study employs a **quantitative research approach** with both **descriptive and correlational research designs** to assess the implementation of the Aspirational Districts Programme (ADP) and its impact on MSME-based entrepreneurship in Northeast India. The research focuses on **14 aspirational districts**, targeting **registered micro-entrepreneurs (N=373) and nodal officers (N=14)** as the study population. A **two-stage sampling method** was applied for entrepreneurs, while a **census method** was used for nodal officers.

Both **primary and secondary data** were used. Primary data were gathered through structured questionnaires and interviews, covering demographic details, ADP awareness, and entrepreneurial impact. A **4-point awareness scale** and a **5-point impact scale** were used for measurement.

The study applied **descriptive statistics** (tabulations, percentages, mean, standard deviation) and **inferential statistics** (Kruskal-Wallis, Mann-Whitney U test, One-Way ANOVA, Pearson Correlation). Normality tests (Kolmogorov-Smirnov, Shapiro-Wilk) and reliability tests (Cronbach's Alpha = 0.841) ensured data validity. The software used includes **IBM SPSS 20 and Microsoft Excel**.

The study sample consists of **71% male and 29% female entrepreneurs**, with **66.2% engaged in manufacturing** and **33.8% in services**. Notably, **58.7% of enterprises were established after ADP's implementation**, suggesting its influence on entrepreneurship in the region.

Scope of research:

The research focuses on assessing the implementation and impact of the Aspirational Districts Programme (ADP) on entrepreneurship development in the 14 aspirational districts of Northeast India. The study examines Micro, Small, and Medium Enterprises (MSMEs) in these districts to evaluate the programme's influence on enterprise growth, financial inclusion, and skill development.

Key areas covered in the research include:

1. Extent of ADP Implementation – Understanding how ADP initiatives are executed in different districts.
2. Entrepreneurial Growth – analysing the role of ADP in fostering MSME development, job creation, and economic transformation.
3. Awareness and Participation – Measuring entrepreneurs' awareness levels and engagement with ADP benefits.
4. Policy Implications – Identifying challenges and opportunities to enhance ADP's effectiveness in entrepreneurship promotion.

The findings will be valuable for policy-makers, government agencies, and development practitioners to refine ADP strategies for better entrepreneurship support in underdeveloped regions.

Chapters Overview

Chapter 1	Introduction – Covers ADP, its impact on entrepreneurs, research objectives, and scope.
Chapter 2	Review of Literature & Methodology – Reviews literature, identifies research gaps, and explains the research approach.
Chapter 3	Extent of implementation of Aspirational District Program – Analyzes ADP's execution across sectors in the study area.
Chapter 4	State of MSME-Based Entrepreneurship in aspirational districts of North-East India – Examines MSME distribution, ownership, and employment trends.
Chapter 5	Awareness of ADP among entrepreneurs – Assesses entrepreneurs' awareness of ADP initiatives.

Chapter 6	Impact of ADP on Aspirational Districts of NE India – Evaluates benefits received and transformations in entrepreneurship.
Chapter 7	Conclusion & Recommendations – Summarizes findings, suggests policies, and outlines future research.

Major Findings:

Implementation of ADP – The Aspirational Districts Programme (ADP) has contributed to improvements in financial inclusion, infrastructure, and governance in Northeast India. However, progress has been uneven across districts, with variations in implementation due to administrative efficiency, resource availability, and geographical challenges. Some districts, such as Udalguri and Dhubri, have shown notable advancements, while others require targeted interventions to overcome persistent bottlenecks. From the findings, a variation of extent of implementation of ADP among the districts of North East India is observed.

State of MSMEs in the Study Area – MSMEs form the backbone of entrepreneurship in the study area, with 98% classified as micro-enterprises and a majority (66.1%) engaged in service-based activities. The presence of manufacturing enterprises is growing, though challenges related to credit access, market linkages, and scalability remain. MSMEs play a significant role in employment generation, providing an average of seven jobs per enterprise, with manufacturing enterprises showing higher employment potential. The percentage share of establishment MSMEs in the post ADP is found to be more than pre ADP in the study area.

Awareness of ADP Among Entrepreneurs – Awareness levels about ADP vary, with many entrepreneurs having only partial knowledge of the programme’s objectives and benefits. While a substantial number are aware of financial inclusion initiatives, there are gaps in understanding key indicators, skill development programs, and sectoral support mechanisms. Enhancing awareness through localized outreach and digital literacy efforts can improve programme utilization. Based on the awareness index developed, the overall awareness level of entrepreneurs of the study area regarding ADP is found to be low.

Benefits Received by Entrepreneurs – ADP has facilitated financial subsidies and basic infrastructure improvements, with 82.6% of entrepreneurs benefiting from subsidies. However,

loan uptake remains low (15% availed Mudra Loans), indicating potential gaps in financial literacy, credit accessibility, or risk perception. Participation in training programs, agricultural schemes, and insurance services is also limited, suggesting the need for better engagement strategies and tailored interventions.

Impact of ADP on Entrepreneurs – The programme has positively influenced infrastructure development, financial inclusion, and skill enhancement, contributing to a more supportive environment for entrepreneurship. However, challenges persist in sanitation, internet connectivity, and agricultural support, which are critical for sustained business growth. Overall impact of ADP on micro entrepreneurs of the study area is found to be low. Strengthening sector-specific support mechanisms, financial literacy initiatives, and digital infrastructure can further enhance ADP's long-term impact on entrepreneurship in the region.

Recommendations:

To enhance ADP's impact, awareness and outreach efforts must be strengthened through localized communication, digital platforms, and grassroots initiatives like SHGs and Panchayat-led programs. Financial literacy campaigns can improve access to credit and reduce reliance on subsidies.

Expanding skill development programs, particularly in digital literacy and technical training, along with apprenticeships and industry collaborations, will help bridge the skill gap. Additionally, infrastructure improvements, including better roads, electricity, and digital connectivity, should be prioritized, with sector-specific support for manufacturing and agro-based enterprises.

Future research should employ longitudinal studies and advanced analytical techniques to track ADP's evolving impact. Establishing continuous feedback mechanisms between policymakers and entrepreneurs will ensure adaptive strategies, leading to sustained and inclusive entrepreneurial growth in Northeast India.

Conclusion and future scope of research:

The study provides a comprehensive assessment of the Aspirational Districts Programme (ADP) and its impact on entrepreneurship in Northeast India. The findings indicate that ADP

has contributed to financial inclusion, infrastructure improvements, and skill development, creating a more supportive environment for MSME growth. However, regional disparities in implementation, low awareness among entrepreneurs, and sector-specific challenges highlight areas requiring further attention.

While service-based MSMEs have shown steady expansion, manufacturing enterprises face challenges related to credit access, market linkages, and regulatory barriers, necessitating targeted policy interventions. Additionally, financial literacy, digital infrastructure, and outreach efforts need to be strengthened to enhance programme utilization.

Future research can explore the impact of ADP on unregistered and informal enterprises, particularly women-led and tribal businesses, to provide a more comprehensive understanding of entrepreneurship in Northeast India. A longitudinal study tracking business growth, financial performance, and employment trends can offer deeper insights into ADP's long-term effects. Additionally, integrating qualitative methods such as case studies and interviews can capture entrepreneurs' lived experiences. Comparative studies across different states and regions can help identify best practices for scaling ADP's success.

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