

# “Entrepreneurship Development Initiatives and Financial Assistance: Implications for Startup Formation and Sustainability”

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## **Abstract**

The purpose of this study is to review the literature and demonstrate the successes and failures of Indian entrepreneurship initiatives. The identification structure of incubators and the use of government policy as a tool for economic development are the main focus of this paper, which is based on an Analytical Design and Primary Data. The Objective of this Study is to understand barriers and challenges faced by startups, recommendation for improvement and the important role of entrepreneurship for developing countries Economy. Any nation's development depends on its ability to take risks and have an entrepreneurial spirit. Entrepreneurial prospects are too valuable to be overlooked. For the good of the entire society, they must be recognized, encouraged, fostered, and given every opportunity to succeed. Their importance as drivers of economic growth cannot be emphasized because they are the only sources of fresh innovation, new wealth creation, new value creation, and most significantly, new employment creation. The Startup India initiative and the Startup India Seed Fund Scheme are two of the largest government programs for Indian companies. The Standup India Programme, the Pradhan Mantri Mudhra Yojana, and the Venture Capital Assistance Programme are further programs.

**KEYWORDS:** Demonstrate, Entrepreneurship, Incubators, Yojana, Entrepreneurial spirit.

## **INTRODUCTION:**

The art of starting a business, which is basically a new company that makes a creative product, process, or service, is called entrepreneurship. It can be described as a creative activity. An entrepreneur sees everything as a chance and acts impulsively to take advantage of it. An entrepreneur is a creator or designer who creates new business processes and ideas based on the needs of the market and their own passion. Having strong managerial skills and the ability to build strong teams are essential for being a successful entrepreneur. Success as an entrepreneur is a sign of leadership qualities. Entrepreneurial qualities include the ability to lead, manage, and build teams, according to some political economists. Entrepreneurs are creators or innovators who bring something novel to the business or economy. It could be a new production method, a new product, a new material source, a new market, or any other innovation that is similar. The term "startup" refers to a brand-new business offering products or services to an expanding market. A startup is in the primary phase of tasks and contains at least one business visionaries. The essential point is to answer market interest by making new and inventive items or administrations. While most private ventures could mean to remain little, a startup centers on quick development in an assigned market. These businesses typically begin as an idea and gradually develop into a marketable product, service, or platform. Startups have high starting costs and limited revenue. Furthermore, they need adequate capital and an advanced plan of action to progress to the following stage. Thusly, these organizations look for financing from different sources, including banks, private supporters, and investors. In return for a portion of future benefits and halfway proprietorship, banks or financial backers could

give extra assets. Research and the creation of business plans are frequently funded with seed capital by these businesses. A strategy frames the organization's goals and promoting methodologies, and exploration helps them in deciding the interest for a specific item. Startups in various stages, and various types of organizations in a physical or virtual location work together as a system to create and scale new startup companies to form a startup ecosystem. Universities, funding organizations, support organizations (like incubators, accelerators, co-working spaces, etc.), and others round out the list of these organizations. Research organizations and organizations that provide services (such as legal, financial, and other services) and significant businesses.

## **NEED OF THE STUDY:**

There are numerous reasons why research into entrepreneurship development programs and startup funding is essential. Entrepreneurship is essential to both economic expansion and the creation of new jobs. By cultivating a culture of business and supporting new companies, economies can flourish by creating new undertakings, developments, and work potential open doors. Business Improvement Projects furnish hopeful business visionaries with the important information, abilities, and instruments to effectively begin and deal with their own organizations. These projects offer preparation in different viewpoints, including business arranging, promoting, monetary administration, and systems administration. By outfitting people with the right abilities and information, Entrepreneurs can find and navigate the best funding opportunities for their specific business needs by studying the various financial assistance options. In addition, concentrating on Business venture Advancement Projects and monetary help for new companies permits policymakers and partners to survey the adequacy of existing projects and distinguish regions for development.

## **REVIEW OF LITERATURE:**

1. **Dr. Achibane Mustapha, Jamal Tlaty, May 2018, “The Entrepreneurial Finance and the Issue of Funding Startup Companies-**European Scientific Journal. In this paper the Author speaks about enterprises with a serious information asymmetry issue, the assistance of specialized corporations is crucial because traditional finance sources like banks lack the tools necessary to evaluate the quality of new ventures. Additionally, venture capital companies might provide money to businesses that have been assessed as having a sufficient chance of success thanks to expertise. By lessening the severity of the information asymmetry problem they are currently dealing with, the specialization and capacity-building of experts about traditional financial intermediaries may boost the funding of innovative ideas.

2. **Dr. Phatik Chandra Kalita, December 2019, “Entrepreneurship Development Program: Its Role in creation of Entrepreneurs”-** Think India Journal. In this Article the Author on the review need to have a particular and key way to deal with create the productivity of the business venture advancement program as requests to settle the joblessness issue. To encourage the next generation to become entrepreneurs, there are not enough EDOs, expert staff, or adequate study materials. As a result, this study's findings, observations, analyses, and recommendations will add to the literature on entrepreneurship development and industries. People used to think that entrepreneurs are born and cannot be made. However, because of changes in time and mechanical turn of events, it is demonstrated that business people can be made with appropriate preparation and inspiration. Besides, there is no need of any instructive and actual capabilities to turn into a business visionary, however it just requirements a positive mentality and imaginative thoughts, which is demonstrated from the previous preparation programs that master mentors or inspirations can really impact the attitude of the intrigued one.

**3. Neelam Jain, Shashi kant 31/12/2012, “Role of entrepreneurship development institutes in promoting entrepreneurial culture in India” - , Maharshi Dayanand University.** In this Paper the Writer Explains about current review directed to comprehend and figure out Adequacy of Business venture Advancement Foundations in Advancing Pioneering society. Later breaking down the reactions got from 400 respondents (300 business people, 100 authorities), certain ends were shown up. Based on quantitative boundaries which incorporate different innovative characteristics connected with innovative culture and their mathematical strength. Regarding qualitative parameters, such as respondents' affiliation with various Entrepreneurship Development Programs (EDPs) and Entrepreneurship Development Institutes (EDIs) and their distinct entrepreneurial attitudes toward promoting entrepreneurial culture.

**4. Pandian, Selvaraj, 14-Aug-2015, A study of the impact of entrepreneurial development efforts made in India- Gujarat University.** The purpose of this study is to assess the impact of entrepreneurial development programs in Tamilnadu. It is primarily based on the responses of those who applied for and were not selected to participate in various EDPs, as well as those who indicated a desire to become entrepreneurs. The trained's responses were categorized according to the type of EDPs, their duration, whether they contained AMT, and so on. The situation at the hour of the review, of various gatherings of respondents were contrasted all together with make ends. The mental directions (like pioneering direction) of the business visionaries who had EDP preparing and business visionaries who didn't have EDP preparing were likewise contrasted all together with track down whether any massive contrasts existed between the two gatherings. By conducting in-depth interviews with 17 new entrepreneurs, an effort was also made to comprehend the entrepreneurial development process.

**5. Pradhan, Kamini, Desai, Mira K, 2019,” Effect of entrepreneurship education in enterprise development”. SNTD Women’s University.**

Results show that the age of women's motivational elements was directly correlated with their age. Grads were more motivated than younger women business owners. Graduated women who had taken entrepreneurship as a subject made more money. In addition, observed that the ownership of the business, such as a family business or first generation enterprise, was related to the profits made. In order to promote the creation and expansion of women-led businesses, the current research provides empirical evidence that entrepreneurship as a subject should be taught at the undergraduate level, along with unique teaching techniques. Women entrepreneurs have deep ties to their families, who also provide support for their businesses. The creation of businesses among graduates in the Home Science field is influenced by entrepreneurship education.

## **RESEARCH METHODOLOGY:**

- **Type of research:**

Exploratory research has been used as the method of study. Exploratory research aims to learn more about the little-known phenomenon. Exploratory investigations use a broad approach to a subject in order to identify the variety of concerns and viewpoints it raises. They frequently serve as the basis for further focused research that delves deeper into the themes that have been discovered.

- **Research methodology:**

Analytical research design and Descriptive research design **are** used in this study.

- **Source of data collection:**

All of the information was gathered from primary and secondary sources, including specialized periodicals, online news websites, blogs, Google Forms and encyclopedias as well as numerous research papers in the topic.

## **STATEMENT OF THE PROBLEM;**

Entrepreneurship is widely recognized as a key driver of economic growth, innovation, and employment generation. Governments and institutions have introduced various entrepreneurship development initiatives and financial assistance schemes to encourage startup formation and long-term sustainability. However, despite the availability of such programs, many startups continue to face high failure rates, limited access to timely finance, inadequate managerial skills, and weak institutional support. A significant gap exists between policy intentions and actual outcomes, as entrepreneurs often lack awareness, accessibility, or effective utilization of these initiatives. Moreover, financial assistance mechanisms are frequently constrained by procedural complexities, collateral requirements, and delayed disbursement, which adversely affect early-stage startups. There is limited empirical evidence assessing how entrepreneurship development initiatives and financial assistance collectively influence startup formation and sustainability. Therefore, the problem lies in understanding the effectiveness, accessibility, and impact of these support mechanisms in enabling startups to survive, grow, and remain competitive in a dynamic business environment.

## **OBJECTIVE OF THE STUDY:**

1. To examine the conceptual framework of entrepreneurship development initiatives and financial assistance in the context of startup formation and sustainability.
2. To identify and analyze the key barriers and challenges faced by startup entrepreneurs in accessing and utilizing entrepreneurship development initiatives and financial support.
3. To evaluate the impact of entrepreneurship development initiatives and financial assistance on startup formation, growth, and long-term sustainability.
4. To propose strategic recommendations for improving the effectiveness of entrepreneurship development programs and financial assistance mechanisms.

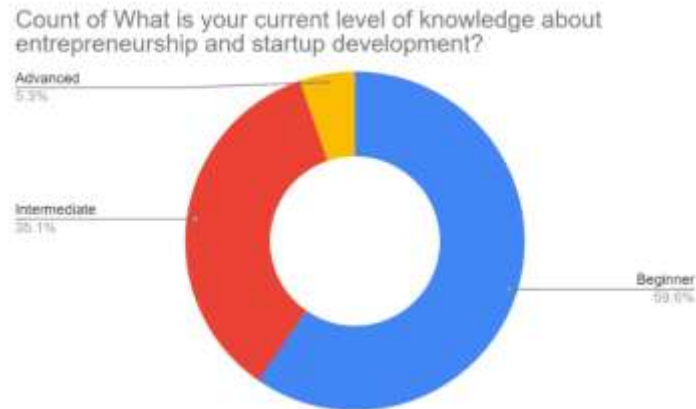
## **LIMITATION OF THE STUDY**

- The study is limited to a specific geographical area and selected startup entrepreneurs; therefore, the findings may not be fully generalizable to all regions or sectors.
- The analysis is based on primary data collected through questionnaires and interviews, which may be subject to respondent bias and personal perceptions.
- The study focuses only on selected entrepreneurship development initiatives and financial assistance schemes, and does not cover all existing government and private support programs.
- Time constraints restrict the study from adopting a longitudinal approach; hence, the long-term impact of entrepreneurship development initiatives on startup sustainability may not be fully captured.
- The availability and accuracy of secondary data depend on published reports and official sources, which may have limitations in terms of timeliness and completeness.

## **DATA ANALYSIS AND INTERPRETATION:**

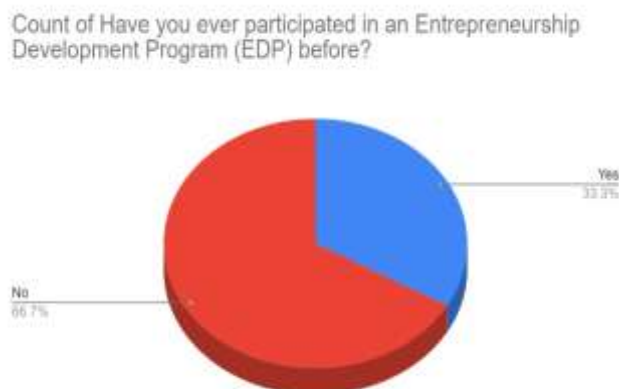
This Study presents Data Analysis and the observations. Individual characteristics and demography-based information of respondents taken as sample are considered for analysis.

## 1. Current Level of Knowledge about Entrepreneurship Development



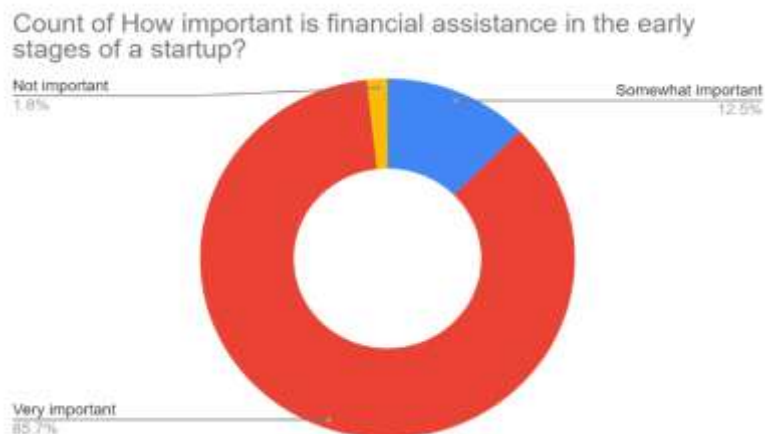
From the above pie chart the current level of knowledge about entrepreneurship and startup development says that 58.2% respondents are still in the beginning stage . 36.4% of respondents are in Intermediate stage and the rest 5.4% of the respondents are in advance stage.

## 2. Participation in EDP Before.



As per the study conducted through google form it says 34.5% respondent only have ever participated in an entrepreneurship development program before and 65.5% have never participated and it is something which tells there is lack of awareness among people .

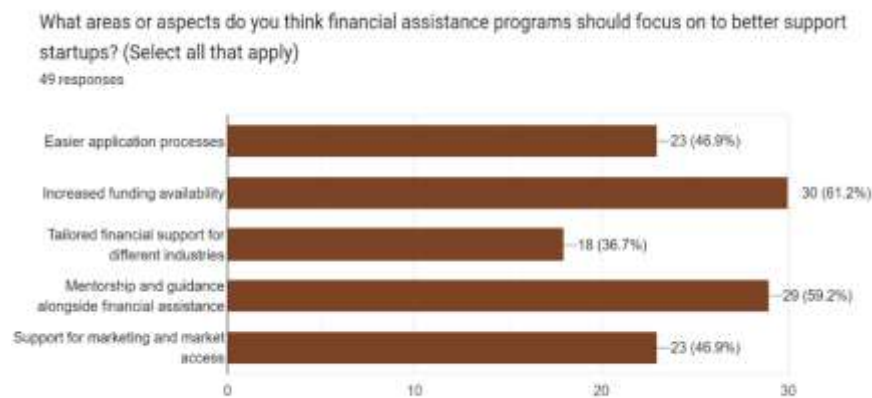
## 3. Importance of Financial Assistance for Startups





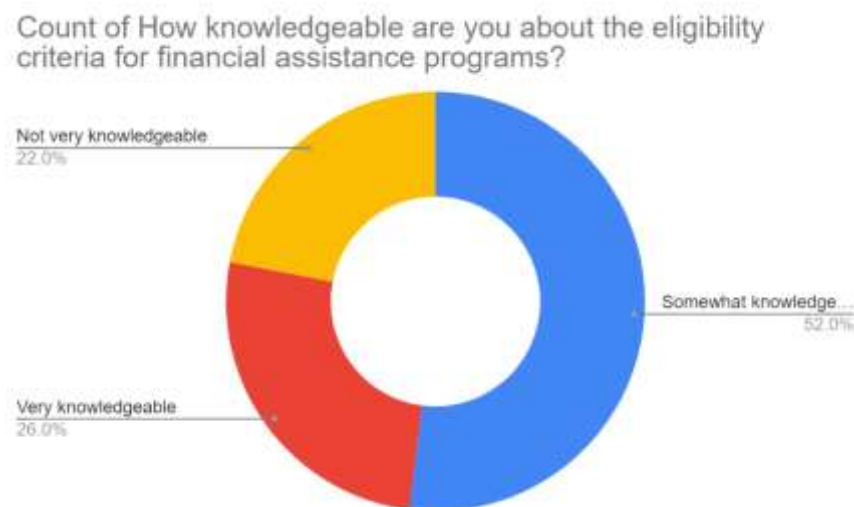
Since this was the important concept to be understand that how important is financial assistance or financial support in the very early stage of a startup . as per the above chart 87% of whole respondent thinks that fianacial assistance are very important for any start up business or a company.

#### 4. Area to be focused:



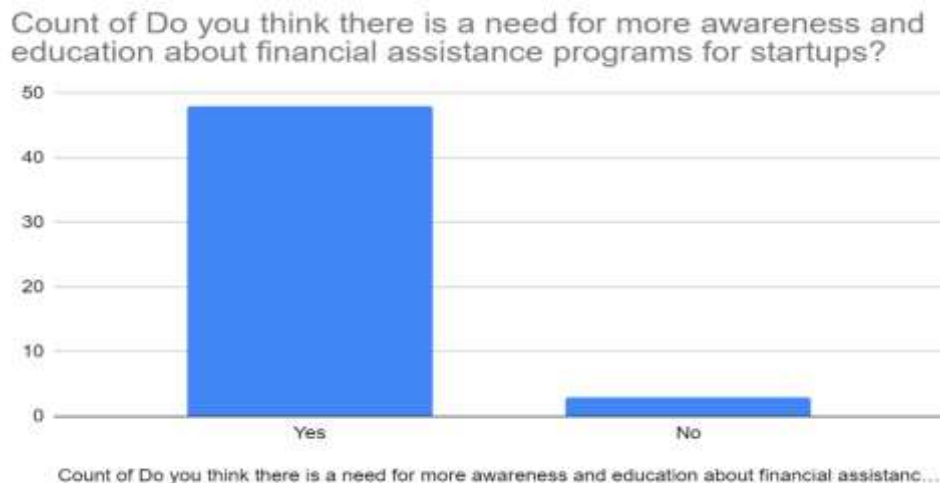
As per the study financial assistance program should focus on to better support startups in the area as the highest is for to have increased funding availability for general public who wants to have a startup or already has a startup.

#### 5. Knowledge about Eligible criteria for Financial Assistance Program



As per the above pie chart is says that 53.1% respondent are somewhat knowledgeable about the eligible criteria for financial assistance program, 26.5% respondent are those who have overall knowledge about the eligibility criteria where as 20.4% are those who does not know anything about the concept and it tells to take a proper step by the government to create awareness among the citizens.

## 6. Need and Awareness of about financial assistance Program



Yes, there is a lot of requirements for having more awareness and education about financial assistance program for startups among the general public as the above bar chart shows 94% of total respondents needs awareness and education about the program which directly says government should look forward it.

### SECONDARY DATA ANALYSIS AND INTERPRETATION:

Secondary data analysis involves the systematic review and interpretation of data already collected and published by reliable sources such as government reports, international organizations, academic journals, and policy documents. In the context of entrepreneurship research, secondary data plays a vital role in understanding trends in entrepreneurship development initiatives (EDIs), access to financial assistance, startup formation rates, and sustainability outcomes. This study draws secondary data from reports published by the World Bank, OECD, Ministry of MSME (India), NITI Aayog, Startup India, Global Entrepreneurship Monitor (GEM), and peer-reviewed academic literature. The analysis is structured according to the objectives of the study to ensure coherence and relevance.

**Objective 1: To examine the conceptual framework of entrepreneurship development initiatives and financial assistance in the context of startup formation and sustainability**

Table 1: Key Entrepreneurship Development Initiatives and Financial Assistance Mechanisms

Aspect	Description	Key Sources
Entrepreneurship Development Initiatives (EDIs)	Structured programs aimed at enhancing entrepreneurial skills, innovation, risk-taking ability, and business management capabilities	OECD (2023), GEM (2022)
Financial Assistance	Provision of funds through grants, loans, subsidies, venture capital, and credit guarantees	World Bank (2023)
Institutional Support	Government agencies, incubators, accelerators, and financial institutions	NITI Aayog (2022)

Aspect	Description	Key Sources
Capacity Building	Training, mentoring, networking, and technical support	Ministry of MSME (2023)
Policy Framework	National startup and MSME policies facilitating entrepreneurship	Startup India Report (2023)

**Interpretation:**

Secondary literature consistently emphasizes that entrepreneurship development initiatives and financial assistance are interlinked components of a robust startup ecosystem. EDIs focus on building entrepreneurial competencies such as opportunity recognition, innovation, leadership, and business planning. Financial assistance, on the other hand, addresses capital constraints, which are a major barrier to startup formation. According to OECD (2023), countries with integrated entrepreneurship training and financing frameworks demonstrate higher startup survival rates. The conceptual framework indicates that EDIs enhance human capital, while financial assistance strengthens financial capital, together contributing to sustainable startup development.

**Objective 2: To Identify Barriers and Challenges Faced by Startup Entrepreneurs**

Table 2: Major Barriers Identified from Secondary Sources

Category	Key Challenges	Evidence from Literature
Financial Barriers	Limited access to credit, collateral requirements, high interest rates	World Bank (2022)
Institutional Barriers	Complex procedures, regulatory burden, delayed approvals	OECD (2023)
Knowledge Gaps	Lack of awareness about schemes and programs	GEM (2022)
Skill Deficiency	Inadequate managerial and financial skills	Ministry of MSME (2023)
Market Challenges	Competition, demand uncertainty, scaling difficulties	NITI Aayog (2022)



**Interpretation:**

Secondary data highlights that despite the availability of entrepreneurship development initiatives and financial assistance, startups face multiple structural and operational barriers. Financial constraints remain the most significant challenge, particularly for early-stage startups lacking collateral and credit history. Studies by the World Bank (2022) reveal that procedural complexities and regulatory compliance discourage entrepreneurs from availing financial schemes. Additionally, limited awareness and insufficient entrepreneurial skills reduce the effective utilization of EDIs. These challenges negatively impact startup formation and long-term sustainability, indicating a gap between policy design and practical implementation.

**Objective 3: To Evaluate the Impact of Financial Assistance on Startup Formation, Growth, and Sustainability**

Table 3: Impact of Financial Assistance on Startup Outcomes

Parameter	Observed Impact	Supporting Evidence
Startup Formation	Increased registration and new venture creation	Startup India (2023)
Employment Generation	Higher job creation in funded startups	Ministry of MSME (2023)
Survival Rate	Improved survival beyond 3–5 years	GEM (2022)
Innovation Output	Enhanced R&D and product innovation	OECD (2023)
Revenue Growth	Higher revenue growth among funded startups	World Bank (2023)

**Interpretation:**

Secondary evidence confirms that financial assistance plays a critical role in facilitating startup formation and sustainability. Government-backed loans, grants, and venture funding significantly reduce financial risk during the early stages of business development. According to GEM (2022), startups receiving structured financial support demonstrate higher survival rates and stronger growth trajectories. Financial assistance enables investment in technology, skilled labor, and market expansion, which are essential for long-term sustainability. However, the impact is maximized when financial support is complemented by entrepreneurship development initiatives such as mentoring and training.

**Objective 4: To Assess the Combined Role of EDIs and Financial Assistance in Startup Sustainability**

Table 4: Comparative Outcomes of Startups with and Without Support

Support Type	Startup Sustainability Indicators	Observations
EDIs Only	Improved skills but limited scale	Moderate sustainability
Financial Assistance Only	Short-term growth, higher risk	Variable sustainability
Combined EDIs + Finance	Skill enhancement, innovation, stable growth	High sustainability
No Formal Support	High failure rates	Low sustainability

**Interpretation:**

Secondary studies indicate that startups benefiting from both entrepreneurship development initiatives and financial assistance exhibit superior performance compared to those receiving isolated support. OECD (2023) highlights that integrated support systems improve decision-making, innovation capacity, and resilience against market shocks. Startups with access to training, mentoring, and finance are better equipped to manage risks and adapt to changing business environments. This underscores the importance of a holistic ecosystem approach rather than fragmented policy interventions.

**Objective 5: To Derive Policy and Program Improvement Insights**

Table 5: Policy Gaps and Suggested Improvements from Secondary Literature

Identified Gap	Suggested Improvement	Source
Low awareness	Digital outreach and awareness campaigns	NITI Aayog (2022)
Procedural delays	Simplification of application processes	World Bank (2023)
Skill mismatch	Industry-aligned entrepreneurship training	OECD (2023)
Limited mentorship	Expansion of incubators and accelerators	GEM (2022)
Access inequality	Inclusive financing for women and rural entrepreneurs	Ministry of MSME (2023)

## Interpretation

Secondary data suggests that the effectiveness of entrepreneurship development initiatives and financial assistance can be significantly enhanced through targeted reforms. Simplifying procedures, strengthening mentorship networks, and promoting inclusive access to finance are critical for improving startup sustainability. Policy alignment with industry needs and regional characteristics further enhances the relevance and impact of support programs. These insights support the objective of proposing evidence-based recommendations for program improvement.

## CONCLUSION:

**Entrepreneurship Development Initiatives and financial assistance play a vital role in fostering startup formation and ensuring long-term sustainability. The study highlights that while financial support reduces capital constraints and encourages new venture creation, entrepreneurship development initiatives strengthen entrepreneurial competencies, innovation, and managerial effectiveness. Secondary data analysis reveals that startups benefiting from an integrated support system—combining training, mentoring, and financial assistance—exhibit higher survival rates, improved employment generation, and sustainable growth. However, challenges such as limited awareness, procedural complexities, and skill gaps continue to hinder the effective utilization of available support mechanisms. The findings underscore the need for a holistic and inclusive entrepreneurship ecosystem that aligns policy design with ground-level implementation. Strengthening institutional coordination, simplifying access to finance, and enhancing capacity-building initiatives can significantly improve startup outcomes. Overall, effective entrepreneurship development initiatives coupled with accessible financial assistance are essential for nurturing resilient startups and promoting sustainable economic development.**

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