

An Evaluation of Startup India Programme in Karnataka – A Pilot Study

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Abstract

This pilot study explores the awareness, accessibility, and perception of the Startup India Programme among budding entrepreneurs in Karnataka. Based on responses from 50 participants, the study highlights the key facilitators and perceived experiences by startups in leveraging the scheme. The findings provide insight for policymakers and stakeholders to tailor the program to local entrepreneurial needs better.

Keywords: Startup Programs, Awareness, perceived effectiveness.

Introduction

Entrepreneurship is a critical driver of economic development, acting as a catalyst for innovation, job creation, and wealth generation. Entrepreneurs contribute to the economy by creating new products, services, and business models, which in turn stimulate competition and productivity. They identify gaps in markets, address unmet needs, and foster innovation, which can lead to technological advancements and increased efficiency in industries. Furthermore, entrepreneurial ventures contribute to regional and national economic growth by boosting Gross Domestic Product (GDP), increasing exports, and enhancing local employment opportunities. Recognizing the potentiality and transformation in entrepreneurship, the Government of India launched the Startup India Programme in 2016 to foster innovation, support startups, and create jobs. While the initiative has made significant strides nationally, its implementation at the state level varies. Karnataka, with its robust tech and innovation ecosystem, is a key player in this movement. This pilot study evaluates the effectiveness of the Startup India Programme in Karnataka based on a small sample of 50 respondents.

Literature Review

Babu & Sridevi (2019), in their study on "Issues and challenges of startups in India," focused on the significant problems and challenges startups face, from finance to human resources, in the present scenario. This study gives comprehensive information about the startup scenario in India and the Government's initiative to boost the startup arena. The study also discusses the sector-wise distribution of business. Finally, it concludes that despite the

challenges and problems, the startups have the scope to operate and expand their businesses for sustainable growth and revenue generation. The startups would become unicorns and grow their business in other developing countries.

Kamaluddin & Sridhar (2021), in the study "Indian Startup Ecosystem: Analysing Investment Concentration and Performance of Government Programmes," mentioned that Borka paper's goals are to evaluate the concentration of investment in the Indian startup ecosystem and the effectiveness of government initiatives put in place to help the sector. While information on the efficacy of government projects was gathered using the Startup India website and RTI, descriptive statistics were utilized to describe investment trends. They discovered that platform business model firms receive the majority of financing. Government policies aimed at startups have a poor track record. In "Startup India," acceptance rates range from 5% to 7%. Many federally funded programs mentioned on the Startup India portal do not keep separate statistics on startup recipients, which shows that startups only receive a small portion of the benefits. The study adds to the limited academic research on investment trends and the effectiveness of government initiatives pertaining to Indian startups. It draws attention to the extreme spatial and sectoral investment concentration and the subpar effectiveness of government initiatives.

Vahoniya et al. (2022), in the study "Startup India: Eligibility, benefits and current scenario," stated that Startup India is an innovator scheme that has been started to help people who want to start their own business with ideas and capability, so the Government will give them support to make sure they can implement their idea & grow. Startup India is a Government of India creativity to promote entrepreneurship in India. The success of this scheme will eventually give India a better economy and a stronger nation. The paper focuses more on the kind of business eligible for the Startup, the benefits of the Startup, and the current scenario of a startup in India and Gujarat. Also, through this paper, researchers try to highlight the 124 different schemes under the Startup India Initiative.

Objectives of the Study

- To assess awareness levels of the Startup India Programme among entrepreneurs in Karnataka.
- To evaluate the perceived effectiveness of the support provided through the program.

Methodology

Research Design: Descriptive

Sampling Technique: Convenience sampling

Sample Size: 50 respondents

Data Collection Tool: Structured questionnaire

Analysis Method: Percentage and frequency analysis using MS Excel/SPSS

Limitations

- Small sample size (n=50)
- Urban bias in the respondent base
- Self-reported data may have response bias

DATA ANALYSIS

Demographic description, Age, Gender, Education, and Sector analysis is done by using the frequency and percentage method.

Table 1: Demographic Variables

Demographic Variables		No. of Respondents	Percent
Age	Less than 35 years	10	20
	35 - 45 years	30	60
	45 - 55 years	6	12
	Above 55 years	4	8
Gender	Male	40	80
	Female	10	20
Education Level	Graduation	20	40
	Post graduation	20	40
	Other	10	20
Sector	IT service	20	40
	Agritech startups	10	20
	Healthcare	15	30
	Edutech	5	10

Source: primary data

The demographic profile of the respondents provides key insights into the nature of participants involved in the Startup India Programme in Karnataka. Out of the 50 respondents surveyed, a majority (60%) fall within the 35–45 years age group, indicating that mid-career professionals are the most actively engaged in startups under this initiative. Respondents below the age of 35 constitute 20%, while those in the 45–55 years and above 55 years categories represent 12% and 8% respectively, suggesting that startup participation slightly declines with age. In terms of gender, the sample is predominantly male (80%), with only 20% female representation,

highlighting a gender imbalance and potential area for policy attention regarding women's participation in entrepreneurship. Regarding educational qualifications, an equal proportion of respondents (40% each) hold graduate and postgraduate degrees, reflecting a well-educated startup community. The remaining 20% fall under the 'other' category, possibly indicating diploma holders or specialized certifications. In terms of sectoral representation, IT services lead with 40%, followed by healthcare (30%), agritech startups (20%), and edutech (10%). This suggests that while IT and healthcare dominate the startup ecosystem in the sample, sectors like education technology and agriculture are emerging but are less represented. Overall, the demographic composition reflects a relatively young, educated, male-dominated startup community, with concentrated activity in technology-driven sectors.

Table 2: Awareness about the startup programs offered by the Government of Karnataka

Sl. No	Particulars	SA	A	N	DA	SDA
1	Many startups in Karnataka lack awareness of the various government schemes tailored to support their growth and development.	3 (6.6%)	5 (10.0%)	16 (32.0%)	18 (35.7%)	8 (15.7%)
2	Limited awareness of government startup schemes in Karnataka hinders eligible startups from benefiting from the available support.	4 (7.7%)	7 (14.0%)	8 (15.7%)	19 (38.0%)	12 (24.6%)
3	Enhanced outreach efforts are necessary to ensure that startups in Karnataka are well-informed about the diverse schemes offered by the government.	5 (10.6%)	10 (19.1%)	11 (21.4%)	13 (26.3%)	11 (22.6%)
4	Bridging the gap in awareness regarding government startup schemes is crucial to maximizing the impact of these initiatives on the startup ecosystem in Karnataka.	4 (9.1%)	5 (10.9%)	7 (14.0%)	19 (36.9%)	15 (29.1%)
5	Collaborative efforts between the government, industry associations, and startup incubators can play a pivotal role in spreading awareness about the available schemes.	3 (6.3%)	4 (8.0%)	11 (22.3%)	21 (41.1%)	11 (22.3%)
6	Increasing awareness about government startup schemes in Karnataka can empower startups to access funding, mentorship, and other essential resources for their growth.	4 (8.9%)	7 (14.9%)	8 (15.1%)	18 (36.6%)	12 (24.6%)
7	Efforts to educate startups about the benefits and application procedures of government schemes can drive greater participation and success in the startup ecosystem of Karnataka.	3 (6.3%)	4 (8.0%)	11 (21.4%)	21 (41.1%)	12 (23.1%)
8	Lack of awareness about the available startup schemes hinders	5 (10.9%)	7 (14.0%)	11 (21.1%)	16 (32.9%)	11 (21.1%)

	my ability to utilize the support offered by the Government of Karnataka fully					
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Source: survey data

The analysis of the data table titled “*Awareness about the Startup Programs Offered by the Government of Karnataka*” reveals a recurring trend of awareness level among startups regarding the government schemes designed to support entrepreneurial development. A majority of respondents either disagreed or strongly disagreed with the statements, suggesting that startups are well-informed about these schemes. For instance, in Statement 1, which asserts that many startups lack awareness, 51.4% of the respondents disagreed or strongly disagreed, indicating that while some recognize the issue, many may not perceive awareness as a significant barrier. However, in Statement 2, a higher 62.6% of the participants disagreed or strongly disagreed that limited awareness prevents startups from benefiting from these schemes, suggesting that while awareness may be low, it might not be viewed as the most critical constraint.

Statements 3 to 7 further emphasize the need for enhanced outreach and collaboration to bridge the awareness gap. Despite these calls for improved communication, a substantial proportion of respondents consistently expressed disagreement (ranging from 48.9% to 63.4%), implying skepticism about the effectiveness or relevance of such efforts, or possibly a lack of clarity on how these measures would directly benefit them. Notably, Statement 4, which stressed the importance of bridging the awareness gap, saw 66% disagreement, the highest across the table, underscoring a possible disconnect between policy intent and grassroots perceptions.

Interestingly, Statement 8, which personalized the issue by stating that the respondent is unable to fully utilize government support due to a lack of awareness, received a more balanced response. While 32.9% disagreed, 24.9% agreed, and 21.1% remained neutral, suggesting that when reflecting on personal experiences, respondents are more likely to acknowledge gaps in awareness and utilization.

Overall, the findings highlight a critical perception gap in the startup ecosystem of Karnataka: while government initiatives are available, their visibility, accessibility, and practical relevance remain under-recognized by a large section of the startup community. This calls for more targeted communication strategies, localized awareness campaigns, and collaborative outreach through incubators, industry associations, and digital platforms to better align government efforts with startup needs and realities.

Perception of Startups on Support Mechanisms

Table 3: Perception of Startups on Support Mechanisms

Sl. No.	Particulars	SDA	DA	N	A	SA	Mean
1.	The financial assistance provided under the Startup India program has significantly contributed to the growth of my Startup.	5 (10.9%)	4 (8.9%)	14 (27.1%)	15 (30.3%)	11 (22.9%)	3.45
2	The funding process under Startup India is transparent and easily accessible for eligible startups.	5 (9.7%)	9 (17.4%)	15 (29.4%)	12 (24.9%)	9 (18.3%)	3.25
3	The grants, loans, and tax exemptions offered by Startup India are sufficient to support early-stage startups.	5 (10.6%)	11 (21.1%)	5 (10.9%)	18 (35.4%)	11 (22.0%)	3.37
4	The availability of funds through Startup India has enabled my Startup to scale its operations more effectively.	6 (12.9%)	11 (22.9%)	3 (6.3%)	15 (29.4%)	14 (28.6%)	3.38
5	Startup India's funding support has enabled me to invest in product development, innovation, and market expansion.	8 (15.7%)	11 (21.4%)	11 (21.4%)	14 (28.9%)	6 (12.6%)	3.01
6	The eligibility criteria for financial support under Startup India are clear and fair for startups across different sectors.	6 (11.7%)	10 (20.0%)	7 (14.6%)	14 (28.3%)	13 (25.4%)	3.36
7	The incubators and accelerators under Startup India provide valuable mentorship and networking opportunities.	3 (6.9%)	5 (10.6%)	16 (31.4%)	18 (35.4%)	8 (15.7%)	3.43
8	Startup India's incubation programs have helped me refine my business model and go-to-market strategy.	6 (11.4%)	6 (12.3%)	13 (25.1%)	14 (28.3%)	11 (22.9%)	3.39
9	The mentorship provided through Startup India has significantly improved my understanding of business management and scaling strategies.	8 (15.4%)	6 (12.3%)	11 (21.7%)	15 (29.1%)	11 (21.4%)	3.29
10	Access to incubators and accelerators has enhanced my Startup's ability to innovate and remain competitive.	5 (10.6%)	11 (21.4%)	13 (25.4%)	11 (21.7%)	10 (20.9%)	3.21

11	The training and knowledge-sharing sessions provided in Startup India incubators are relevant and beneficial for business growth.	5 (9.1%)	7 (14.0%)	8 (15.4%)	19 (37.4%)	12 (24.0%)	3.53
12	The government should expand the number of incubators and accelerators to support more startups effectively.	3 (5.4%)	6 (11.1%)	10 (20.6%)	17 (34.6%)	14 (28.3%)	3.69

Source: survey data

The analysis of startup founders' perceptions regarding the support mechanisms provided under the Startup India Program reveals a moderately positive outlook with noticeable variation across different aspects. Financial assistance is generally viewed as beneficial, with a mean score of 3.45, where over half of the respondents (53.2%) agree or strongly agree that it has contributed to the growth of their startup. However, perceptions about the transparency and accessibility of the funding process are slightly less favorable, reflected in a mean of 3.25, indicating room for improvement in clarity and procedural ease. Similarly, the sufficiency of financial tools like grants, loans, and tax exemptions received a mean of 3.37, suggesting mixed feelings about their adequacy, especially for early-stage startups.

When asked whether Startup India's funding has helped scale operations, responses leaned positively (mean = 3.38). Yet, the investment impact on product development, innovation, and market expansion was rated lower (mean = 3.01), indicating that while some support exists, it may not be substantial enough to foster expansion activities across the board. The fairness and clarity of eligibility criteria scored a mean of 3.36, pointing toward general satisfaction, though not without some ambiguity.

In terms of incubation and mentorship, respondents acknowledged the value of incubators and accelerators in providing mentorship and networking opportunities (mean = 3.43) and support in refining business models (mean = 3.39). However, mentorship's impact on improving business management and scaling strategies scored a slightly lower mean of 3.29, suggesting variable experiences with mentorship quality. Similarly, the access to incubators' role in enhancing competitiveness and innovation had a mean of 3.21, indicating that while helpful, such support is not universally effective.

Training and knowledge-sharing sessions offered under the program were perceived as one of the more effective components (mean = 3.53), with a majority finding them relevant and useful. Notably, the strongest consensus appeared around the need for expansion of incubator and accelerator facilities, which received the highest mean score of 3.69, reflecting a strong demand for broader access to startup support infrastructure.

Key Findings

1. Demographic Profile of Respondents

The demographic analysis reveals that the **startup ecosystem in Karnataka is dominated by educated, mid-career male entrepreneurs.**

- **Age:** 60% of respondents were in the 35–45 age group, showing that mid-career professionals are the most engaged in startups.
- **Gender:** 80% of respondents were male, highlighting a significant gender disparity in startup participation.
- **Education:** Equal distribution of graduates and postgraduates (40% each) reflects a well-educated respondent pool.
- **Sector:** Startups are concentrated in **IT services (40%)**, followed by **healthcare (30%)**, **agritech (20%)**, and **edutech (10%)**, indicating dominance of tech-driven ventures with limited diversification into agriculture and education.

2. Awareness of Government Startup Schemes

There is a **notable perception gap regarding awareness** of Karnataka's startup schemes.

- Across multiple statements, a majority of respondents disagreed that awareness was lacking—indicating that some startups are informed, but others may not recognize the gap.
- Personal experiences (Statement 8) reveal more nuanced insights—about 45% acknowledged awareness as a barrier, suggesting individualized gaps even if broad schemes are known.
- Overall, skepticism persists about outreach effectiveness, pointing to the need for targeted communication and localized awareness efforts.

2. Perception of Startups on Support Mechanisms

Perceptions reveal moderate satisfaction but highlight areas for improvement in transparency, financial support, and mentorship.

- **Financial assistance** was viewed as moderately beneficial (Mean = 3.45), but transparency in funding processes scored lower (Mean = 3.25).
- **Funding sufficiency for scaling and innovation** received mixed reviews (Means: 3.37–3.01).
- **Incubation programs** were positively received for **model refinement (3.39)** and **mentorship (3.43)**, though **impact on scaling and competitiveness** was rated lower (3.21–3.29).
- There is **strong demand for more incubators and accelerators**, with the highest agreement (Mean = 3.69) suggesting that infrastructure expansion is critical.

Inference

The study indicates that while the **Startup India initiative provides valuable support**, several **policy, administrative, and structural limitations persist**, particularly in funding accessibility, mentorship coverage, and regional infrastructure. There is also a **clear demographic tilt** toward urban, male, tech-sector entrepreneurs, revealing the underrepresentation of women and rural sectors like agritech and edtech. Strengthening awareness campaigns, streamlining support systems, and expanding incubator access can significantly enhance the initiative's impact on Karnataka's diverse startup ecosystem.

Overall, the findings suggest that mentorship, financial training, and investor networking are the most effective mechanisms under the Startup India Programme in Karnataka. Meanwhile, areas such as regulatory training, inter-startup collaboration, and the Fund of Funds require enhanced visibility, accessibility, or execution to support entrepreneurial development better.

Overall, the data suggests that while Startup India provides valuable support, particularly in training, mentorship, and funding access, there are gaps in transparency, scale-enabling support, and infrastructure coverage that need to be addressed to fully realize the program's potential across diverse startup needs in Karnataka.

Discussion

The pilot study shows high awareness but limited actual engagement with the scheme, pointing to a gap between policy design and grassroots-level implementation. Entrepreneurs in non-metro regions find it harder to access resources. Further, despite having a tech-forward ecosystem, Karnataka startups still struggle with bureaucratic red tape.

Conclusion

While the Startup India Programme offers promising support mechanisms, its reach and impact at the state level remain uneven. This pilot study in Karnataka reflects the need for more ground-level improvements to bridge policy and practice. The results justify the need for a more extensive study across districts and sectors.

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