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## The Role of Government Initiatives in Fostering Entrepreneurship: A Study on Startups in Tumkur District

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### ABSTRACT

Entrepreneurship has emerged as a vital force driving economic growth, job creation, and innovation in India. The Government of India, along with the Karnataka State Government, has rolled out several initiatives like Startup India, Standup India, and Make in India to create a supportive environment for startups. Tumkur District, which is becoming a notable entrepreneurial hotspot near Bengaluru, has seen a remarkable rise in startups thanks to these policies, as well as state-specific programs such as the Karnataka Startup Policy 2022-27 and Innovation Authority Karnataka. This study looks into how effective these initiatives have been in boosting entrepreneurship in Tumkur, with a particular focus on access to funding, incubation support, skill development, and infrastructure facilities. The researcher gathered primary data through surveys and interviews with startup founders, incubators, and government officials. The sample size of the study is limiting to 60 respondents are taken only taken in Tumkur District. On the other hand, secondary data came from reports by DPIIT (Department for Promotion of Industry and Internal Trade) and KDEM (Karnataka Digital Economy Mission). The findings show that initiatives like MUDRA Loans, Atal Innovation Mission (AIM), and TIDE 2.0 (Technology Incubation and Development of Entrepreneurs)

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have really boosted the viability of startups. However, there are still hurdles to overcome, such as bureaucratic delays, a lack of awareness about these schemes, and limited access to venture capital, which can stifle growth. The study wraps up with some policy recommendations aimed at enhancing support for entrepreneurs in Tier-2 cities like Tumkur, promoting more inclusive economic development.

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## **INTRODUCTION:**

Government initiatives are essential for nurturing entrepreneurship, especially by building a supportive environment for startups and small businesses. In places like the Tumkur district, focused policies and programs—like financial incentives, mentorship opportunities, skill development workshops, infrastructure improvements, and business incubation centers—tackle the challenges that aspiring entrepreneurs face and promote sustainable economic growth. These initiatives not only spark the creation of new businesses but also boost their capacity to innovate, generate jobs, and contribute to local development. By looking into the effects of these initiatives in the Tumkur district, this study aims to uncover how strategic actions influence entrepreneurial activity and propel the success of startups in this area. Government initiatives have played a crucial role in boosting the growth of startups in Tumkur district by rolling out a variety of supportive schemes, policies, and local projects. Programs such as the Startup India Scheme, the Karnataka Startup Policy (2022–2027), and local efforts like Startup Tumakuru offer entrepreneurs essential perks—think tax breaks, easier access to funding, mentorship, and support for innovation. Recent funding initiatives like the LEAP grant, which focuses on areas beyond major cities, are designed to spark innovation and create jobs, with Tumkur district getting special attention through the establishment of incubators and business accelerators. In Tumkur district, the government is taking steps to make life easier for entrepreneurs. They’re simplifying compliance processes, allowing self-certification, and fast-tracking patent registrations. They’re also collaborating with academic institutions to inspire student entrepreneurship. These initiatives help startups succeed by minimizing bureaucratic hurdles and connecting them with crucial resources. With the availability of specialized workshops and financial assistance programs like the Idea2PoC/ELEVATE grant, local entrepreneurs are better equipped to validate and expand their innovative ideas, contributing to a thriving startup ecosystem in the region.

### **Government Initiatives Promoting Startups in Tumkur District:**



- **Startup India (2016):** This initiative offers tax breaks, funding assistance, and easier compliance for new businesses. Startups in Tumkur have taken advantage of seed funding programs like the Fund of Funds for Startups (FFS).
- **Standup India (2016):** Aimed at empowering SC/ST and women entrepreneurs, this program provides bank loans ranging from ₹10 lakh to ₹1 crore. Many women-led startups in Tumkur have successfully tapped into this opportunity.
- **Karnataka Startup Policy (2022-27):** This policy is set to create 50 new incubators and support 25,000 startups by 2027. Tumkur's NIDHI-EDC (Entrepreneurship Development Center) has played a key role in nurturing early-stage ventures.
- **Atal Innovation Mission (AIM):** This mission backs Atal Incubation Centers (AICs) and Atal Tinkering Labs (ATLs). Engineering colleges in Tumkur have established ATLs to encourage student entrepreneurship.
- **MUDRA Loans:** Small businesses in Tumkur have benefited from loans under the Pradhan Mantri MUDRA Yojana (PMMY), providing crucial support to local entrepreneurs.

## REVIEW OF LITERATURE:

Pratiksha Karambe (2024), "An Analysis of Government of India's Start-up India Initiatives and Their Impact on Entrepreneurship" Start-ups are businesses created by entrepreneurs aiming to develop scalable models and grow beyond sole founder ownership, often facing high risks but occasionally achieving notable success. Unlike general entrepreneurship, start-ups prioritize expansion. Start-up India, launched on January 16, 2016, by Prime Minister Narendra Modi, is the government's flagship initiative to nurture entrepreneurship and innovation. It provides support such as bank financing and targets diverse regions, including Tier 1, 2, and 3 cities, semi-urban, and rural areas, along with marginalized communities like SC/ST and women. The program aligns with PM Modi's vision of India as a nation of entrepreneurs, fostering innovative ideas, driving economic growth, and creating jobs. The research emphasizes the need for innovation and technology-driven solutions to qualify for the program. It concludes with recommendations for enhancing Start-up India's accessibility and effectiveness, highlighting its importance in advancing India's economy and global presence. Mrs. Anitha, Dr.Veena.M (2024), "Karnataka Startup Ecosystem: A Conceptual Study" Karnataka, a southern state in India, has emerged as a prominent hub for startups, driven by a vibrant ecosystem that fosters innovation and entrepreneurship. This article explores the components, growth, lifecycle, funding, and the role of Karnataka's state startup policy in shaping the entrepreneurial landscape. A comprehensive literature



review, research methodology, objectives, and scope are provided to present a thorough understanding of the startup ecosystem in Karnataka. Karnataka's startup ecosystem fosters innovation and entrepreneurship, with state policy playing a key role in shaping the entrepreneurial landscape. J. Jamela Salasty, G. Kanagavalli (2024), “Unveiling Micro Entrepreneurs’ Insights on Mudra Scheme in Karnataka” The study evaluates the Indian government's efforts to foster youth entrepreneurship, focusing on the Mudra Scheme's role in supporting MSMEs in Karnataka. The scheme addresses financial needs through its components—Shishu, Kishore, and Tarun—covering business initiation, expansion, and renovation. Based on data analysis, the research explores micro-entrepreneurs' experiences, including growth, awareness, and loan processing. While highlighting the scheme's contributions, it also identifies challenges in accessibility and terms, suggesting areas for improvement. Vipulkumar O. Shah, Y. Dalvadi (2024), “Impact of Various Startup Policies on the Entrepreneurship Initiatives among the College Students in India” Entrepreneurship drives economic growth, income generation, industrialization, rural development, export promotion, and employment. Recognizing its importance, the Government of India has implemented several initiatives, such as Startup India, Make in India, Digital India, National Skill Development Mission, and Atal Innovation Mission, to foster entrepreneurial activity. Developed nations prioritize entrepreneurship as a key driver of economic progress. This study aims to examine the influence of India's startup policies on college students' interest in pursuing entrepreneurship as a career, as opposed to traditional stable jobs. Abdul Razak, Vasumathi A, Asokan Vasudevan, Tee Mxin, S. D. Ramachandaran, Hariharan N Krishnasamy (2024), “Understanding the Dynamics of Business Incubators and Their Influence on Startup Performance in India” Business Incubation Centers (BICs) play a crucial role in supporting new entrepreneurs by offering infrastructure, mentorship, and funding, aiding in startup growth and sustainability. In India, initiatives like Make in India and Startup India have strengthened the startup ecosystem, fostering job creation and economic development. These government-backed programs empower BICs to promote innovation, entrepreneurial skills, and knowledge. Focusing on Hyderabad, Chennai, and Bangalore, this study examines the impact of BICs on startup performance, highlighting the importance of adaptive policies. By nurturing startups, India seeks to reduce unemployment, alleviate poverty, and enhance global competitiveness, positioning itself as a leading player in the global startup ecosystem. Deepa Hulabandi A, Mallikarjun M Maradi (2024), “Sustainable Development through Green Entrepreneurship: Insights from Karnataka” Growing awareness of climate change and sustainable development has led to increased demand for green products in Indian markets. Entrepreneurs are capitalizing on this trend by redesigning products with environmental considerations, giving rise to green entrepreneurship—a crucial



strategy for sustainable development. This study examines the connection between green entrepreneurship and sustainable development in Karnataka, focusing on how green businesses combat environmental degradation through waste reduction, resource efficiency, and renewable energy use. It also reviews central and Karnataka state government policies, such as renewable energy initiatives, the Start-up India scheme, and the Green Skill Development program, while highlighting efforts by leading sustainable companies. The paper emphasizes the role of innovative solutions, collaborative networks, and aligned policies in fostering green entrepreneurship, which is essential for economic and environmental sustainability.

### **OBJECTIVES OF THE STUDY:**

1. To Study the various initiatives and Schemes of Start-ups provided by the Government.
2. To Evaluate the impact of schemes on Start-up growth and entrepreneurship in Karnataka.
3. To Analyse the financial support provided by the Karnataka government initiatives to promote startups in Karnataka.

### **HYPOTHESIS OF THE STUDY:**

**H<sub>0</sub>:** There is no Significant impact of government initiatives on the development of Start- ups.

**H<sub>01</sub>:** There is Significant impact of government initiatives on the development of Start-ups.

### **RESEARCH METHODOLOGY:**

This study takes a mixed-method approach, blending both qualitative and quantitative techniques to evaluate how government initiatives are impacting startups in Tumkur District. It's descriptive and analytical in nature, concentrating on assessing the effectiveness of policies, the growth of entrepreneurship, and the challenges that startups encounter. The primary data should be collected through well designed questionnaire was distributed to startup founders, incubators and entrepreneurs in Tumkur to gather insights on funding, mentorship and government policy benefits. The researcher did semi structured interviews with key stakeholders including government officials from District Industrial centres, Incubation managers from NIDHI-EDC Tumkur and Atal Incubation Centres (AICs). The Secondary data was extracted from Startup India Action Plan, Karnataka Starup Policy 2022-27 and MSME Ministry reports, Industry reports from NASSCOM, DPIIT were analyzed and research papers on entrepreneurship and government schemes were reviewed.

**SAMPLING DESIGN:**

Sampling design for the study on the " Impact of Government initiatives on promoting entrepreneurship with special reference to startups in Tumkur District "The sample size will be determined based on statistical considerations to ensure a representative dataset. Ethical considerations, including informed consent and data privacy, will be strictly adhered to throughout the sampling process. The Sample size of the study is limiting to only 60 respondents.

**RESULTS AND DISCUSSIONS:**

The data analysis will involve a systematic examination of both quantitative and qualitative data to derive meaningful insights. Through analysing data such as percentage, graph, table, mean and standard deviations are used to analyse the data. Analysis may involve assessing the impact of government schemes, access to funding and the role of technological advancements in fostering startup growth. Through quantitative methods, such as regression analysis or econometric modelling, it becomes possible to identify key variables that significantly correlate with the proliferation of startups. Analysis including interviews and case studies, can provide a understanding of the challenges and opportunities faced by emerging startups in developing economies. Through analysing data such as chi square, graph, table, mean, and standard deviations are used to analyse the data.

**Table showing Demographic Profile of the Respondents**

Demographic Factor	Attribute	F	Percent
Gender	Male	44	73.3
	Female	16	26.7
Age	18-25 Years	25	41.7
	26-30 Years	8	13.3
	30-35 Years	12	20
	36-40 Years	7	11.7
	Above 40 years	7	11.7
Education	SSLC	1	1.7
	PUC	8	13.3
	Under Graduation	24	40
	Post Graduation	23	38.3
	Professional Degrees	3	6.7



Income Level	Less than 1,00,000	19	31.7
	1,00,000-2,00,000	10	16.7
	2,00,001-5,00,000	27	41.6
	Above 5,00,000	6	10

**Source: Primary Data.**

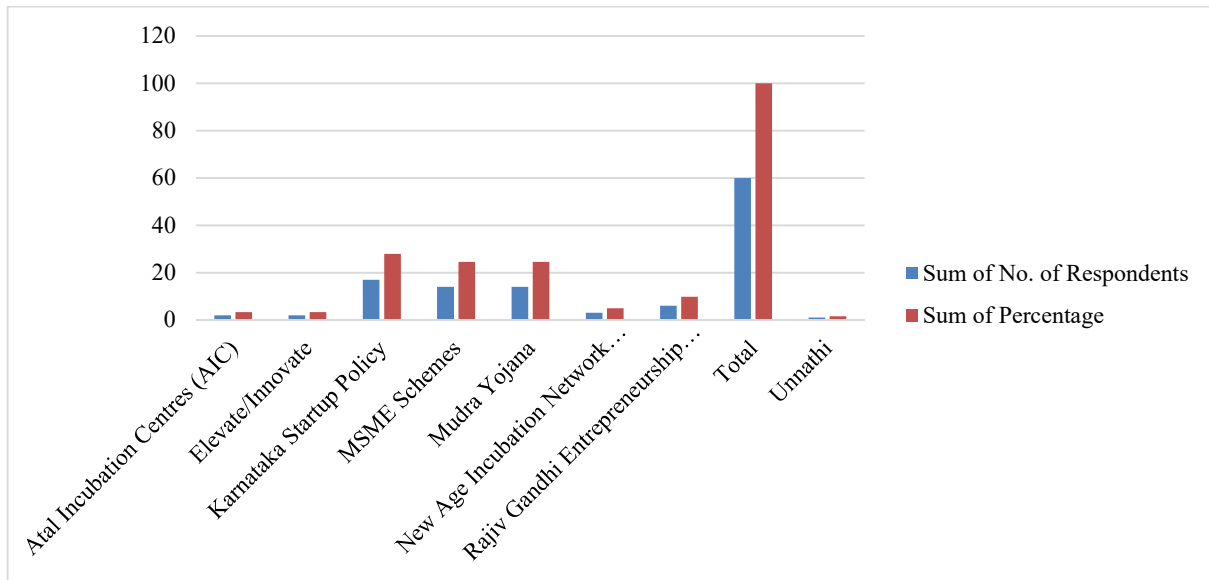
This demographic profile highlights a group of 60 individuals who are mostly young—about 75% are 35 or younger, with 41.7% falling in the 18-25 age range. They are also quite educated, as 85% have at least an undergraduate degree. The group is predominantly male, making up 73.3% of the sample, and their incomes are mainly in the middle range, with 41.6% earning between ₹2-5 Lakhs. The combination of youth and high education levels accounts for a notable segment with lower incomes—31.7% earn under ₹1 Lakh—likely made up of students and those just starting their careers. This results in a group that is quite uniform in terms of age, education, and gender, which really limits how applicable any findings might be to a wider, more diverse population.

**Table Showing the Awareness level of Respondents on various Government Schemes**

Schemes aware of	No. of Respondents	Percentage
Karnataka Startup Policy	17	27.9
New Age Incubation Network (NAIN)	3	4.9
Atal Incubation Centres (AIC)	2	3.3
MSME Schemes	14	24.6
Rajiv Gandhi Entrepreneurship Programme	6	9.8
Mudra Yojana	14	24.6
Unnathi	1	1.6
Elevate/Innovate	2	3.3
Total	60	100

**Source: Primary Data.**

**Graph Showing the Awareness level of Respondents on various Government Schemes**



**Source: Primary Data.**

The data shows the awareness levels among respondents regarding various government schemes promoting entrepreneurship in Karnataka. The Karnataka Startup Policy is the most recognized, with 27.9% of respondents aware of it, followed by both MSME Schemes and Mudra Yojana, each known by 24.6% of the respondents. Awareness of the Rajiv Gandhi Entrepreneurship Programme stands at 9.8%, while schemes like New Age Incubation Network (NAIN) (4.9%), Atal Incubation Centres (AIC) and Elevate/Innovate (3.3% each) have comparatively low visibility. The Unnathi scheme is the least known, with just 1.6% of respondents aware of it. These figures suggest a need for greater outreach and awareness campaigns, especially for lesser-known but potentially impactful schemes.

Opportunities Of Government Schemes	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Financial Support & Incentives	7	5	13	29	6
Infrastructure & Incubation Support	3	7	23	19	8
Skill Development & Training	2	11	13	32	2
Market Access & Networking	2	5	27	18	8
Government Tenders & Procurement	3	6	15	26	10
Manufacturing & MSME	1	3	22	31	3

### Table Showing the Result of Opportunities of Government Schemes to the Respondents

#### Source: Primary Data

The table shows how people feel about the opportunities provided by government schemes in different areas. Most respondents agreed that Skill Development & Training and Manufacturing & MSME support are very helpful. A large number of people also agreed that Government Tenders & Procurement offer good opportunities for startups. When it comes to Financial Support & Incentives, many people agreed it was helpful, but a few disagreed or were unsure, which means some may not be fully aware of these benefits. Infrastructure & Incubation Support and Market Access & Networking had many people who chose "Neutral," which suggests that these areas may not be fully understood or experienced by the respondents. Overall, the government schemes are seen as useful, especially for training, manufacturing, and access to government contracts. However, more awareness and access may be needed in areas like infrastructure and market support.

### Table Showing the Result of Challenges of respondents to access the Government Schemes

Challenges of Government Schemes	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Lack of awareness	7	2	2	1	3
Complex application process	9	7	5	5	4
Insufficient financial support	20	21	18	22	23
Compliance Burden	18	23	26	28	21
Limited Incubation Centres	6	7	9	4	9

#### Source: Primary Data.

The table highlights several difficulties that people face when using government schemes. The biggest concerns are insufficient financial support and compliance burden, with a large number of respondents agreeing or strongly agreeing that these are major challenges. Specifically, 45 respondents felt that financial support is not enough, and 49 respondents said the rules and paperwork (compliance) are too heavy. On the other hand, lack of awareness was not seen as a major issue by most. Only a few respondents agreed that it is a challenge, and more people strongly disagreed. Similarly, opinions about the complex application process were mixed. Some found it difficult, while others disagreed, showing different experiences among users. For limited incubation centres, responses were quite balanced. A few



agreed it is a problem, but many were neutral or disagreed, which might mean people either have limited knowledge about it or have not used them directly.

### INFERENCE STATISTICS OF THE STUDY

This section includes parametric test to test hypothesis i.e. One Way Anova.

#### Formulation of Hypothesis

**H<sub>0</sub>:** There is no Significant impact of government initiatives on the development of Start-ups.

**H<sub>1</sub>:** There is Significant impact of government initiatives on the development of Start-ups.

Descriptives									
		N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
						Lower Bound	Upper Bound		
Perceived Benefits [Increased revenue]	Yes	59	3.41	.912	.119	3.17	3.64	1	5
	No	1	4.00	.	.	.	.	4	4
	Total	60	3.42	.907	.117	3.18	3.65	1	5
Perceived Benefits [Improved market reach]	Yes	59	3.42	1.004	.131	3.16	3.69	1	5
	No	1	2.00	.	.	.	.	2	2
	Total	60	3.40	1.012	.131	3.14	3.66	1	5
Perceived Benefits [Enhanced skills & knowledge]	Yes	59	3.39	1.067	.139	3.11	3.67	1	5
	No	1	1.00	.	.	.	.	1	1
	Total	60	3.35	1.102	.142	3.07	3.63	1	5
Perceived Benefits [Better funding opportunities]	Yes	59	3.39	.983	.128	3.13	3.65	1	5
	No	1	5.00	.	.	.	.	5	5
	Total	60	3.42	.996	.129	3.16	3.67	1	5
Perceived Benefits [No significant Benefit]	Yes	59	3.31	.969	.126	3.05	3.56	1	5
	No	1	3.00	.	.	.	.	3	3
	Total	60	3.30	.962	.124	3.05	3.55	1	5

Source: Author Calculation.



ANOVA						
		Sum of Squares	df	Mean Square	F	Sig.
Perceived Benefits [Increased revenue]	Between Groups	.346	1	.346	.416	.521
	Within Groups	48.237	58	.832		
	Total	48.583	59			
Perceived Benefits [Improved market reach]	Between Groups	1.993	1	1.993	1.979	.165
	Within Groups	58.407	58	1.007		
	Total	60.400	59			
Perceived Benefits [Enhanced skills & knowledge]	Between Groups	5.616	1	5.616	4.933	.030
	Within Groups	66.034	58	1.139		
	Total	71.650	59			
Perceived Benefits [Better funding opportunities]	Between Groups	2.549	1	2.549	2.639	.110
	Within Groups	56.034	58	.966		
	Total	58.583	59			
Perceived Benefits [No significant Benefit]	Between Groups	.092	1	.092	.097	.756
	Within Groups	54.508	58	.940		
	Total	54.600	59			

**Source: Author Calculation.**

Based on the One-Way ANOVA results, there is a statistically significant difference between groups (Yes/No) only for the perceived benefit of 'Enhanced skills & knowledge' ( $F(1,58) = 4.933, p = .030$ ). For the other four perceived benefits—'Increased revenue' ( $p = .521$ ), 'Improved market reach' ( $p = .165$ ), 'Better funding opportunities' ( $p = .110$ ), and 'No significant Benefit' ( $p = .756$ )—the analysis found no significant differences between the groups. The descriptive statistics show that the mean responses for the "Yes" group ( $N=59$ ) across all benefits were consistently around the mid-point of the scale (approximately 3.3 to 3.4), while the single respondent in the "No" group provided extreme scores for



several items, though this outlier did not significantly impact the results for most variables due to the extremely small sample size in that category.

## CONCLUSION:

This study, based on a thorough analysis of both primary and secondary data, concludes that government initiatives like Startup India, Standup India, the Karnataka Startup Policy 2022-27, and MUDRA loans have established a solid foundation that significantly boosts entrepreneurial opportunities in Tumkur District. This is particularly evident through financial incentives, incubation support from centers like NIDHI-EDC, and skill development programs. However, the overall impact is greatly diminished by ongoing structural and operational hurdles, such as a lack of awareness about niche schemes, bureaucratic delays in application and compliance, and a critical shortage of high-value venture capital funding. These factors collectively stifle scalability and innovation. To fully tap into the entrepreneurial potential of emerging Tier-2 hubs, policymakers should prioritize decentralized awareness campaigns, simplify regulatory processes, and foster stronger public-private partnerships to ensure that support reaches the grassroots level, ultimately translating into sustainable startup growth and regional economic development.

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Startup Karnataka Portal ([www.missionstartupkarnataka.org](http://www.missionstartupkarnataka.org))

NITI Aayog Reports (e.g., India Innovation Index)

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Economic Survey of India

Department for Promotion of Industry and Internal Trade (DPIIT) publications.

Official documents and guidelines for schemes like Pradhan Mantri Mudra Yojana (PMMY), Atal Innovation Mission (AIM), New Age Incubation Network (NAIN), Elevate/Innovate, Rajiv Gandhi Entrepreneurship Program (RGEP), and Unnathi Scheme.