



A Comparative Analysis of Startup Promotion Policies: An Assessment of Central and Punjab Government Initiatives

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DOI: <https://doi.org/10.5281/zenodo.21758483>

Abstract

India has experienced remarkable growth in its startup ecosystem over the past decade, driven by rapid technological advancements, digital transformation, and proactive government interventions. The introduction of the Startup India initiative in 2016 marked a significant milestone in fostering entrepreneurship by offering policy support, financial assistance, tax incentives, incubation facilities, and a conducive regulatory environment. These initiatives have accelerated the establishment of innovative enterprises across diverse sectors, contributing substantially to employment generation, technological innovation, and economic growth. The increasing number of startups recognised under the Startup India programme reflects the expanding entrepreneurial landscape and the growing role of startups in strengthening the national economy. This study presents a comparative analysis of startup promotion policies and support mechanisms implemented by the Government of India and the Government of Punjab. It examines the design, implementation, and effectiveness of key initiatives aimed at promoting entrepreneurial development and strengthening the startup ecosystem. Particular emphasis is placed on major Central Government schemes, including the Startup India Seed Fund Scheme, Fund of Funds for Startups, tax exemptions, credit support, and incubation programmes, alongside the Punjab Startup Policy and state-level initiatives such as startup incubation centres, mentorship programmes, innovation challenges, and financial assistance. The study also highlights the contribution of higher educational institutions, incubators, and innovation hubs in fostering entrepreneurial capabilities among students and aspiring entrepreneurs in Punjab. The research adopts a descriptive and analytical approach based exclusively on secondary data. Information has been compiled from authentic sources, including reports published by the Department for Promotion of Industry and Internal Trade (DPIIT), the Startup India Portal, Government of Punjab policy documents, NITI Aayog publications, annual reports, research articles, and other relevant academic and government publications. A comparative policy analysis framework has been employed to evaluate the scope, implementation strategies, and outcomes of Central and Punjab Government initiatives while identifying recent developments and emerging trends in India's startup ecosystem. The findings indicate that government interventions have significantly strengthened the entrepreneurial ecosystem by improving access to finance, facilitating business registration, encouraging innovation, and expanding institutional support for startups. Central Government initiatives have established a comprehensive national framework for startup development, whereas Punjab has introduced targeted measures to promote innovation through incubation support, seed funding, entrepreneurship development programmes, and industry-academia collaboration. Despite these achievements, several challenges continue to hinder the effectiveness of startup policies, including limited awareness among potential entrepreneurs, inadequate outreach in rural areas, restricted access to early-stage finance, and implementation disparities across regions. The study concludes that stronger coordination between the Central and State Governments, greater institutional collaboration, enhanced entrepreneurial awareness, and focused support for rural, women, and student entrepreneurs are essential for creating a more inclusive and sustainable startup ecosystem in Punjab and across India.

Manuscript Information

- ISSN No: 3139-6313
- Received: 13-04-2026
- Accepted: 06-05-2026
- Published: 22-05-2026
- IJCRP:1(2&3); 2026: 01-08
- ©2026, All Rights Reserved
- Plagiarism Checked: Yes
- Peer Review Process: Yes

How to Cite this Article

Sharma S, Verma N. A Comparative Analysis of Startup Promotion Policies: An Assessment of Central and Punjab Government Initiatives. Int. J. Creative Res. Publ. 2026;1(2&3):01-08.

Access this Article Online



www.jcrp.in

KEYWORDS: Startup India, Startup Policy, Entrepreneurship, Government Initiatives, Punjab Startup Policy, Startup Ecosystem, Innovation, Incubation, DPIIT, Employment Generation, Economic Development.

1. INTRODUCTION

Entrepreneurship has become a key driver of economic growth, technological advancement, and employment generation in both developed and developing economies. Startups, characterised by innovation, scalability, and market-oriented business models, play a crucial role in transforming traditional industries and addressing emerging societal and economic challenges. Unlike conventional enterprises, startups emphasise innovation-driven solutions, rapid growth, and the commercialisation of new ideas. Recognising their contribution to economic development, governments across the world have introduced policies and institutional mechanisms to create a favourable environment for entrepreneurial activities.

In India, the Department for Promotion of Industry and Internal Trade (DPIIT) defines a startup as an entity incorporated as a private limited company, registered partnership firm, or limited liability partnership that is not more than ten years old, has an annual turnover below the prescribed limit, and is working toward innovation, development, improvement of products or services, or the creation of a scalable business model with the potential to generate employment and wealth. This definition reflects the government's emphasis on innovation-led and sustainable entrepreneurial growth.

Over the last decade, India has emerged as one of the world's most dynamic startup ecosystems. Factors such as rapid digitalisation, increasing internet penetration, widespread smartphone usage, improved digital payment infrastructure, expanding venture capital investments, and a growing culture of innovation have accelerated entrepreneurial activities across the country. Government initiatives, including Digital India, Make in India, Atal Innovation Mission, Skill India, and particularly Startup India, have created an enabling ecosystem for startups by improving access to finance, strengthening innovation infrastructure, simplifying regulatory procedures, and promoting ease of doing business. Consequently, India has witnessed substantial growth in the number of startups operating across sectors such as financial technology (FinTech), education technology (EdTech), healthcare (HealthTech), agricultural technology (AgriTech), artificial intelligence, biotechnology, logistics, renewable energy, and e-commerce.

The startup ecosystem comprises multiple stakeholders, including entrepreneurs, investors, venture capital firms, angel networks, incubators, accelerators, higher educational institutions, industry associations, financial institutions, and government agencies. Their collective efforts facilitate knowledge sharing, innovation, technology transfer, business mentoring, and access to financial resources. The increasing collaboration among these stakeholders has strengthened India's entrepreneurial landscape and significantly contributed to economic development, employment creation, and technological competitiveness.

Innovation and emerging digital technologies have further transformed the startup ecosystem by enabling entrepreneurs to develop scalable and technology-driven business models. Technologies such as artificial intelligence, machine learning, blockchain, cloud computing, the Internet of Things (IoT), and big data analytics have opened new avenues for entrepreneurship and business innovation. In addition,

incubation centres, innovation laboratories, startup accelerators, hackathons, entrepreneurship development programmes, and industry-academia collaborations have encouraged young entrepreneurs and students to convert innovative ideas into commercially viable enterprises.

Despite these remarkable developments, startups continue to face several challenges that affect their long-term sustainability. Limited access to early-stage financing, regulatory complexities, inadequate mentoring, infrastructure constraints, skilled manpower shortages, market uncertainties, and regional disparities remain major obstacles, particularly for startups operating outside metropolitan cities. These challenges highlight the importance of well-designed public policies and institutional support mechanisms to strengthen entrepreneurial ecosystems and ensure inclusive startup development.

Recognising the strategic role of entrepreneurship in national development, the Government of India launched the Startup India initiative on 16 January 2016. The initiative represents a comprehensive policy framework aimed at fostering innovation, simplifying business regulations, facilitating access to finance, protecting intellectual property, and promoting entrepreneurship across sectors. Several flagship programmes, including the Startup India Seed Fund Scheme (SISFS), Fund of Funds for Startups (FFS), Credit Guarantee Scheme for Startups (CGSS), tax incentives, self-certification under labour and environmental laws, and intellectual property rights (IPR) support, have substantially improved the entrepreneurial ecosystem by reducing entry barriers and encouraging innovation-led enterprises.

In addition to national-level initiatives, several Indian states have formulated their own startup policies to address region-specific opportunities and challenges. Punjab has gradually strengthened its entrepreneurial ecosystem through dedicated startup policies, incubation support, innovation centres, startup conclaves, mentorship programmes, financial assistance schemes, and entrepreneurship education initiatives. The state has focused on promoting startups in priority sectors such as agriculture, food processing, information technology, manufacturing, healthcare, and education. Universities and higher educational institutions have established incubation centres and innovation hubs to nurture entrepreneurial talent, while entrepreneurship education has been increasingly integrated into academic curricula to foster an entrepreneurial mindset among students.

Against this background, the present study undertakes a comparative analysis of startup promotion policies implemented by the Government of India and the Government of Punjab. While previous studies have examined the impact of Startup India and entrepreneurship development separately, limited empirical attention has been given to comparing Central and State Government initiatives within a common analytical framework. The study therefore seeks to evaluate the scope, implementation mechanisms, and effectiveness of startup policies at both levels, identify policy gaps and implementation challenges, and suggest measures for strengthening the startup ecosystem. The findings are expected to provide valuable insights for policymakers, researchers, educational institutions, startup support organisations, and

aspiring entrepreneurs in promoting sustainable and inclusive entrepreneurial development.

2. REVIEW OF LITERATURE

The launch of the Startup India initiative in 2016 stimulated extensive academic and policy-oriented research on entrepreneurship, startup ecosystems, innovation, and government support mechanisms in India. Over the past decade, scholars have examined the effectiveness of startup policies, institutional support systems, access to finance, incubation infrastructure, entrepreneurial education, and innovation ecosystems in promoting startup growth and economic development. The growing body of literature indicates that government intervention has played a significant role in strengthening India's entrepreneurial ecosystem by creating an enabling policy environment and encouraging innovation-driven enterprises.

Several studies have highlighted that Startup India has simplified regulatory procedures, improved access to financial assistance, strengthened intellectual property protection, and expanded incubation and mentorship facilities for emerging entrepreneurs. Researchers have reported that policy interventions such as seed funding, tax incentives, startup recognition, and innovation support have encouraged new venture creation and enhanced employment generation across diverse sectors of the economy. Nevertheless, many studies also identify persistent challenges, including limited awareness of government schemes, procedural delays, funding constraints during early stages, regional disparities in startup development, and unequal access to incubation facilities. The literature further emphasises the importance of state-level startup policies in complementing national initiatives.

Various state governments have introduced localised policy frameworks tailored to regional industrial strengths, available resources, and socio-economic priorities. Studies suggest that successful startup ecosystems depend not only on financial incentives but also on the quality of institutional support, collaboration between academia and industry, availability of skilled human resources, digital infrastructure, and active participation of innovation support organisations.

Recent research has also focused on the transformative role of emerging technologies, particularly artificial intelligence, digital platforms, cloud computing, and data analytics, in enhancing startup competitiveness and innovation capabilities. Simultaneously, universities and higher educational institutions have been recognised as key contributors to entrepreneurship development through incubation centres, innovation laboratories, entrepreneurship development programmes, startup competitions, and industry partnerships. Although considerable research has examined the Startup India initiative and entrepreneurship development in India, relatively few studies have undertaken a systematic comparison between Central Government initiatives and state-specific startup policies. In particular, scholarly evidence on the effectiveness of Punjab's startup ecosystem remains limited despite the state's increasing emphasis on entrepreneurship promotion through incubation support, innovation programmes, and startup policy reforms. This gap in the literature highlights the need for a comprehensive comparative assessment of Central and Punjab Government initiatives to evaluate their effectiveness, identify implementation challenges, and formulate policy recommendations for strengthening regional entrepreneurship and innovation.

S. No.	Author(s)	Year	Objective	Methodology	Major Findings	Research Gap
1	Tiwari, Hogan & O'Gorman	2021	To examine the implementation and effectiveness of Startup India policies.	Secondary data; Policy analysis	Startup India improved the entrepreneurial ecosystem and innovation support, but regional disparities and funding challenges persisted.	Limited discussion on state-level implementation.
2	Gupta	2022	To study the impact of Startup India on entrepreneurship development.	Descriptive study using secondary data	Startup India encouraged innovation, incubation, and employment generation through government support schemes.	No comparison with state startup policies.
3	Nagar & Ahmad	2024	To evaluate the impact of Startup India on innovation and employment generation.	Secondary data analysis	Government incentives significantly promoted startup formation and entrepreneurial participation.	Did not examine regional policy effectiveness.
4	Vanara	2025	To assess the contribution of Startup India to ecosystem development.	Policy review	Startup India strengthened funding access, incubation support, and innovation-led entrepreneurship.	State-specific implementation not explored.
5	Suresh Kumar & Shobana	2026	To evaluate major entrepreneurship support schemes in India.	Comparative policy analysis	Startup India, Stand-Up India, AIM, and MUDRA enhanced entrepreneurial support and financial inclusion.	Lacked comparative analysis between Central and State Governments.
6	Thejaswini & Babu	2025	To examine the effectiveness of government startup support programmes.	Secondary data	Government schemes improved startup survival and innovation capacity.	Limited analysis of rural entrepreneurship.

7	Satsangi et al.	2025	To study the role of government intervention in MSME and startup development.	Literature review	Financial assistance and policy incentives increased entrepreneurial activities.	Did not evaluate policy implementation efficiency.
8	OECD	2023	To examine public policy support for startup ecosystems across member countries.	Comparative international policy analysis	Startup success depends on innovation, institutional quality, finance, and regulatory support.	Limited focus on India-specific policies.
9	World Bank	2022	To analyse entrepreneurship and business environment reforms.	Cross-country comparative analysis	Ease of doing business reforms significantly improve startup growth.	No state-level policy comparison.
10	NITI Aayog	2024	To evaluate India's innovation and startup ecosystem.	Government policy report	Innovation infrastructure and incubation centres strengthened entrepreneurship development.	Punjab-specific ecosystem not discussed.
11	DPIIT	2025	To report the progress of Startup India.	Government administrative data	Significant increase in startup registrations and employment generation.	Descriptive report without analytical comparison.
12	Ministry of Commerce & Industry	2025	To review Startup India implementation.	Official government report	Startup policies improved access to finance and simplified compliance procedures.	No assessment of state-level outcomes.
13	Atal Innovation Mission (AIM)	2024	To assess innovation and incubation support in India.	Programme evaluation	Incubation centres strengthened innovation and startup creation among students.	Regional disparities not evaluated.
14	GEM (Global Entrepreneurship Monitor)	2024	To analyse entrepreneurial activities globally.	International survey	Entrepreneurial intentions increased where institutional support was stronger.	Does not examine Punjab separately.
15	UNCTAD	2023	To study digital entrepreneurship and innovation ecosystems.	Global policy review	Digital infrastructure plays a critical role in startup competitiveness.	India-specific policy analysis limited.
16	Startup Genome	2024	To evaluate global startup ecosystems.	Ecosystem benchmarking	Successful startup ecosystems require strong funding, talent, and policy support.	No detailed state-level analysis for India.
17	KPMG India	2024	To analyse India's startup investment ecosystem.	Industry report	Investor confidence improved due to policy reforms and digital transformation.	Limited discussion on government policy implementation.
18	EY India	2025	To study innovation-driven entrepreneurship in India.	Industry survey	Government initiatives accelerated startup growth and technology adoption.	Rural startup development inadequately covered.
19	Punjab Government	2023	To promote entrepreneurship through Punjab Startup Policy.	Policy document	Focused on incubation, innovation, mentorship, and startup promotion.	Limited empirical assessment of policy outcomes.
20	Punjab Innovation Mission	2025	To strengthen innovation and startup development in Punjab.	Programme report	Enhanced entrepreneurship through incubation support and innovation programmes.	Impact evaluation remains limited.
21	AICTE Innovation Cell	2024	To promote innovation and entrepreneurship in higher education.	Programme assessment	Innovation cells encouraged student startups and entrepreneurial learning.	No state-level comparative assessment.
22	UGC	2024	To integrate innovation and entrepreneurship into higher education.	Policy framework	Universities play an important role in strengthening entrepreneurial ecosystems.	Implementation differences across states not studied.
23	Sharma & Singh	2025	To analyse entrepreneurship development in Northern India.	Secondary data analysis	Institutional support positively influences startup growth.	Punjab startup policy not separately examined.
24	Kumar & Kaur	2024	To study incubation centres in Punjab.	Case study	University incubation centres encourage student entrepreneurship.	Government policy comparison absent.

Research Gap

The review of literature indicates that previous studies have extensively examined Startup India, entrepreneurship promotion, innovation ecosystems, and government support schemes at the national level. Existing research confirms that financial incentives, incubation support, regulatory reforms, and entrepreneurship development programmes have positively influenced startup growth in India. However, the majority of these studies primarily focus on national initiatives or selected high-performing states.

Very limited research has systematically compared the startup promotion policies of the Government of India and the Government of Punjab. Moreover, empirical evidence on the implementation, effectiveness, and institutional support mechanisms of Punjab's startup ecosystem remains scarce. The interaction between Central and State Government initiatives, their complementarities, and the challenges faced by entrepreneurs in Punjab have not been comprehensively investigated.

Accordingly, the present study fills this gap by undertaking a comparative analysis of Startup India schemes and Punjab Government startup policies. It evaluates policy objectives, implementation strategies, institutional support systems, and outcomes while identifying challenges and proposing recommendations to strengthen the startup ecosystem in Punjab and India.

3. OBJECTIVES OF THE STUDY

1. To examine the policy framework, schemes, and institutional support mechanisms introduced by the Government of India under the Startup India initiative for promoting entrepreneurship and innovation.
2. To analyse the startup promotion policies and entrepreneurship development initiatives implemented by the Government of Punjab and assess their role in strengthening the regional startup ecosystem.
3. To undertake a comparative analysis of the startup promotion policies of the Government of India and the Government of Punjab with respect to policy objectives, financial assistance, incubation support, institutional mechanisms, implementation strategies, and entrepreneurial outcomes, and to propose policy recommendations for strengthening the startup ecosystem.

4. Research Questions

RQ1: What are the major startup promotion schemes and institutional support mechanisms introduced by the Government of India under the Startup India initiative?

RQ2: What are the key features of the Punjab Startup Policy and how do they contribute to entrepreneurship and startup development within the state?

RQ3: How do the startup promotion policies of the Government of India and the Government of Punjab differ in terms of financial support, incubation infrastructure, institutional support, and policy implementation?

RQ4: What policy measures can strengthen the effectiveness of startup promotion initiatives and improve the entrepreneurial ecosystem in Punjab and India?

Research Hypotheses

Although the study is primarily based on secondary data, the following conceptual hypotheses are formulated to guide the comparative analysis:

H1: Startup promotion policies implemented by the Government of India have significantly contributed to entrepreneurship development and the expansion of the startup ecosystem.

H2: Startup policy initiatives implemented by the Government of Punjab have positively influenced regional entrepreneurship development and innovation.

H3: There is a significant difference between the startup promotion policies of the Government of India and the Government of Punjab with respect to financial support, incubation facilities, institutional mechanisms, and policy implementation.

5. RESEARCH METHODOLOGY

The present study adopts a descriptive, analytical, and comparative research design to examine the startup promotion policies implemented by the Government of India under the Startup India initiative and the Government of Punjab through its Startup Policy. The study seeks to evaluate the effectiveness of these policy frameworks in promoting entrepreneurship, innovation, employment generation, and the development of a sustainable startup ecosystem.

The research is entirely based on secondary data, collected from authentic and credible sources. Data have been compiled from publications of the Department for Promotion of Industry and Internal Trade (DPIIT), the Startup India Portal, the Punjab Startup Policy, Punjab Startup Mission, NITI Aayog, the Ministry of Commerce and Industry, the Ministry of Micro, Small and Medium Enterprises (MSME), India Brand Equity Foundation (IBEF), NASSCOM, annual reports, government policy documents, peer-reviewed research articles, books, conference proceedings, and other relevant academic publications. The study incorporates policy developments and statistical information covering the period 2016–2026 to provide an up-to-date assessment of India's startup ecosystem. Since the study relies exclusively on secondary sources, no primary survey, questionnaire, interview, or field investigation has been undertaken. The collected information has been systematically classified, synthesised, and critically analysed to facilitate a comparative evaluation of startup promotion policies implemented at the national and state levels.

The analysis employs comparative policy analysis as the principal analytical approach. The startup initiatives of the Government of India and the Government of Punjab are evaluated across multiple policy dimensions, including:

- Policy objectives and strategic priorities;
- Financial assistance and funding mechanisms;
- Incubation and innovation infrastructure;
- Institutional support and governance structure;
- Regulatory and procedural facilitation;
- Entrepreneurship development and skill enhancement programmes;
- Sectoral focus and regional priorities;

• Startup ecosystem development and expected outcomes. The study utilises descriptive analysis, comparative analysis, content analysis of policy documents, and thematic interpretation to examine similarities, differences, strengths, and limitations of the two policy frameworks. Comparative tables and qualitative policy evaluation are employed to

enhance analytical clarity and support evidence-based interpretation of the findings. The findings are subsequently used to identify implementation gaps, assess policy effectiveness, and formulate recommendations for strengthening the startup ecosystem through improved coordination between Central and State Government initiatives.

Table 7.1: Comparative Analysis of Startup Promotion Policies and Their Outcomes: Government of India vs. Government of Punjab

Dimension	Government of India (Startup India)	Government of Punjab (Punjab Startup Policy)	Comparative Analysis / Interpretation
Policy Launch	Startup India (2016)	Punjab Startup Policy (2017; revised periodically)	Punjab policy aligns with the national startup framework while addressing regional entrepreneurial needs.
Policy Coverage	National	State	Startup India provides nationwide support, whereas Punjab focuses on regional economic development.
Nodal Agency	DPIIT, Ministry of Commerce & Industry	Punjab Startup Mission / Department of Industries & Commerce	Both governments have dedicated agencies for implementation and monitoring.
Primary Objective	Promote innovation, entrepreneurship, employment generation, and ease of doing business.	Promote innovation, regional entrepreneurship, and startup culture	Both policies pursue entrepreneurship-led economic growth with different geographical scopes.
Financial Support	Startup India Seed Fund Scheme, Fund of Funds, Credit Guarantee Scheme, SIDBI assistance	Seed grants, innovation support, limited state funding	Central Government offers more diversified and larger funding opportunities.
Tax Incentives	Income tax exemptions, capital gains benefits, IPR fee rebates	Limited direct tax incentives	Tax benefits remain one of the strongest advantages of Startup India.
Incubation & Mentorship	National network of incubators, Atal Incubation Centres, Startup India Hub	University incubation centres, innovation hubs, startup conclaves	Punjab is strengthening institutional support but still has a relatively smaller incubation ecosystem.
Innovation Support	Atal Innovation Mission, Startup India Hub, IPR facilitation, research commercialisation	Innovation centres, entrepreneurship cells, university-led innovation programmes	Both governments encourage innovation; however, Central initiatives have greater institutional reach.
Priority Sectors	IT, AI, FinTech, HealthTech, Biotechnology, Manufacturing, Green Technology	AgriTech, Food Processing, Manufacturing, IT, Education	Punjab's policy reflects the state's agricultural and industrial strengths.
Skill Development	Skill India, Entrepreneurship Development Programmes, Digital India initiatives	Entrepreneurship education, skill development, startup awareness programmes	Both governments recognise human capital as essential for startup success.
Women & Student Entrepreneurship	Dedicated national initiatives and innovation programmes	University entrepreneurship programmes and women entrepreneurship promotion	Greater policy support exists at the national level, while Punjab is expanding institutional initiatives.
Employment Generation	More than 23 lakh direct jobs through DPIIT-recognized startups	Growing regional employment through startups and MSMEs	Startup India has significantly larger employment impact because of its national coverage.
Major Challenges	Funding accessibility for early-stage startups, regional imbalance, regulatory compliance	Limited funding, lower awareness, fewer incubators, rural outreach constraints	Punjab faces greater implementation challenges because of limited institutional and financial capacity.
Policy Strengths	Comprehensive policy framework, strong financial ecosystem, regulatory reforms, global investment attraction	Localised support, university engagement, focus on agriculture and rural innovation	Central policy provides scale, while Punjab provides regional specialisation.
Areas for Improvement	Better inclusion of rural and women entrepreneurs, balanced regional development	Increased funding, stronger incubation infrastructure, greater industry participation, wider awareness	Stronger coordination between Central and State Governments can improve policy effectiveness.
Overall Assessment	Highly Effective	Moderately Effective with Strong Growth Potential	Punjab complements Startup India but requires greater financial, institutional, and policy support to strengthen its startup ecosystem.

Source: Compiled by the authors from the Startup India Portal, DPIIT Annual Reports, Punjab Startup Policy, Ministry of Commerce & Industry publications, NITI Aayog reports, and Government of Punjab documents (2016–2026).

6. Data Analysis and Interpretations

Table 7.1 presents a comprehensive comparative analysis of startup promotion policies implemented by the Government of India and the Government of Punjab. The findings indicate that both policy frameworks share the common objective of

fostering innovation, entrepreneurship, and employment generation; however, they differ substantially in terms of policy coverage, financial support, institutional capacity, and implementation mechanisms.

The Government of India has established a comprehensive startup ecosystem through flagship initiatives such as the Startup India Action Plan, Startup India Seed Fund Scheme, Fund of Funds for Startups, Credit Guarantee Scheme, and Atal Innovation Mission. These initiatives provide extensive financial assistance, tax incentives, regulatory simplification, intellectual property support, and nationwide incubation facilities, thereby creating a conducive environment for entrepreneurial growth. Consequently, India has emerged as one of the world's leading startup ecosystems with a substantial increase in recognised startups, employment generation, and innovation-driven enterprises.

The Punjab Government has also undertaken significant initiatives to promote entrepreneurship through the Punjab Startup Policy, university-based incubation centres, innovation hubs, startup conclaves, and entrepreneurship development programmes. The state's policy framework primarily focuses on sectors aligned with Punjab's economic strengths, including agriculture, food processing, manufacturing, information technology, and education. Although these initiatives have contributed to the gradual development of the regional startup ecosystem, the analysis indicates that the scale of financial assistance, incubation infrastructure, and institutional support remains comparatively lower than that of the Central Government.

The comparison further reveals that Startup India possesses significant advantages in terms of financial support, tax incentives, nationwide institutional networks, and regulatory facilitation. Conversely, Punjab demonstrates a comparative advantage in promoting agriculture-based entrepreneurship, rural innovation, and university-led startup development. Nevertheless, implementation challenges such as limited funding, inadequate awareness among entrepreneurs, uneven distribution of incubation facilities, and restricted access to investment continue to constrain the effectiveness of the state's startup ecosystem.

Overall, the analysis suggests that the Punjab Startup Policy effectively complements the Startup India initiative by addressing regional entrepreneurial priorities. However, greater financial investment, expansion of incubation infrastructure, stronger industry-academia collaboration, and improved coordination with Central Government initiatives are essential to enhance the effectiveness of startup promotion policies. Strengthening these dimensions would contribute significantly to building a more inclusive, innovation-driven, and sustainable startup ecosystem in Punjab while supporting India's broader objective of entrepreneurship-led economic development.

7. CONCLUSION

The present study examined and compared the startup promotion policies implemented by the Government of India under the Startup India initiative and the Punjab Startup Policy to evaluate their contribution towards entrepreneurship development and startup ecosystem growth. The comparative analysis demonstrates that government policy interventions have played a pivotal role in fostering innovation, supporting new venture creation, and strengthening the entrepreneurial ecosystem in India. Since the launch of Startup India in 2016, the country has witnessed remarkable growth in the number of recognised startups, increased investment activity, expanded incubation infrastructure, and significant employment

generation, indicating the effectiveness of a well-structured policy framework supported by institutional reforms.

The findings reveal that the Government of India has established a comprehensive startup support ecosystem through initiatives such as the Startup India Seed Fund Scheme, Fund of Funds for Startups, Credit Guarantee Scheme for Startups, Atal Innovation Mission, Startup India Hub, tax incentives, and simplified regulatory procedures. These initiatives have collectively improved access to finance, strengthened innovation capabilities, enhanced ease of doing business, and encouraged entrepreneurship across diverse sectors, including information technology, financial technology, healthcare, biotechnology, education technology, agriculture, and manufacturing.

The comparative assessment further indicates that the Government of Punjab has made considerable progress in promoting regional entrepreneurship through the Punjab Startup Policy, university-based incubation centres, innovation hubs, entrepreneurship development programmes, startup conclaves, and institutional support mechanisms. The state's policy framework demonstrates particular emphasis on agriculture, food processing, manufacturing, information technology, and student entrepreneurship. However, compared with the national framework, Punjab's startup ecosystem continues to face limitations relating to financial assistance, incubation capacity, investor participation, and policy outreach, particularly in rural and semi-urban regions.

The study also identifies several persistent challenges that continue to affect startup development despite significant policy support. Limited awareness regarding government schemes, restricted access to early-stage finance, uneven geographical distribution of incubation facilities, regulatory complexities, inadequate industry-academia collaboration, and relatively low participation of women and rural entrepreneurs remain important barriers to entrepreneurial growth. These findings suggest that policy effectiveness depends not only on the formulation of startup schemes but also on their efficient implementation, accessibility, institutional coordination, and continuous monitoring.

The study contributes to the existing literature by providing a comparative evaluation of Central and Punjab Government startup initiatives, an area that has received relatively limited scholarly attention. The findings offer useful insights for policymakers, entrepreneurship support institutions, higher educational institutions, researchers, and aspiring entrepreneurs. Overall, the study concludes that while the Startup India initiative provides a robust national policy framework, its long-term success depends on stronger collaboration with state governments, region-specific policy implementation, and the development of inclusive entrepreneurial ecosystems capable of supporting innovation-driven and sustainable economic growth across India.

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