



CHALLENGES IN ASSESSING GOVERNMENT GRANTS AND OVERCOMING THEM

Sri varshini H

B. Com (Hons) Professional Accounting, Department of Commerce, SRM Institute of Science and Technology Kattankulathur, Chennai.

Abstract

Government grants are a crucial source of financial support for individuals, start-ups, non-profit organizations, and small businesses. They play a vital role in promoting innovation, employment, education, research, and social welfare. However, despite the availability of such schemes, beneficiaries often face multiple challenges in accessing them. Complex application procedures, lack of awareness, bureaucratic delays, eligibility constraints, and inadequate guidance often discourage potential applicants. This paper explores the key challenges faced in accessing government grants and identifies strategies to overcome them through capacity building, digitalization, policy reforms, and public-private collaboration. By analyzing global and Indian perspectives, the study provides insights into how governments can make grant systems more accessible, transparent, and impactful.

Keywords: *Government grants, Accessibility, Bureaucratic challenges, Policy reforms, Financial support.*

Introduction

Government grants are financial aids provided by central, state, or local authorities to support economic development, social welfare, research, and entrepreneurship. Unlike loans, they usually do not require repayment, making them an attractive funding source. However, despite their importance, many beneficiaries struggle to access these funds due to complicated procedures, lack of information, and bureaucratic inefficiencies. Globally, countries have established grant programs for start-ups, education, women entrepreneurs, rural development, and research initiatives. In India, schemes such as the Startup India Seed Fund Scheme (SISFS), MUDRA Yojana, and Pradhan Mantri Employment Generation Programme (PMEGP) are examples of government-backed financial support. Yet, reports show that only a fraction of eligible beneficiaries are able to successfully avail them.

This paper analyzes the barriers in accessing government grants and explores practical solutions to enhance efficiency, transparency, and inclusivity in grant disbursement systems.

Statement of the Problem

While governments introduce numerous grant schemes to promote inclusive development, a significant gap remains between policy intentions and ground-level implementation. Many beneficiaries, especially in rural and semi-urban areas, fail to utilize these schemes due to lack of awareness, procedural complexity, and delays in fund disbursement. This leads to underutilization of available funds and reduced effectiveness of government initiatives. Hence, there is a need to examine the challenges in accessing government grants and identify strategies to overcome them.

Objectives of the Study

1. To identify the major challenges faced by individuals and organizations in accessing government grants.
2. To analyze the impact of bureaucratic procedures, awareness levels, and eligibility requirements on grant accessibility.



3. To explore best practices and global models of efficient grant disbursement.
4. To recommend strategies for improving accessibility, transparency, and efficiency in government grant systems.

Scope of the Study

1. The study focuses on government financial grants, excluding subsidies and tax incentives.
2. It covers both Indian and international contexts to provide a comparative perspective.
3. The scope includes challenges related to awareness, application, eligibility, monitoring, and disbursement.
4. The study emphasizes entrepreneurs, small businesses, and social organizations as primary beneficiaries.

Review of Literature

1. **Lerner, J. (2009)** – Highlights how bureaucratic red tape often reduces the efficiency of public funding programs for start-ups.
2. **World Bank Report (2016)** – Notes that lack of awareness and poor institutional capacity are the main barriers in developing countries when it comes to availing grants.
3. **OECD (2017)** – Suggests that digitization of government services enhances transparency and reduces corruption in grant allocation.
4. **KPMG (2019)** – In its report on India's grant ecosystem, points out that despite large funds allocated, only 60–70% reach actual beneficiaries due to procedural delays.
5. **NASSCOM (2021)** – Emphasizes that awareness campaigns and simplified processes significantly improve accessibility to start-up funding in India.

Research Methodology

Research Design

The study uses a descriptive and analytical approach, combining secondary data analysis and case studies.

Data Collection

1. **Primary Data:** Interviews with small entrepreneurs, NGOs, and start-up founders who have applied for government grants.
2. **Secondary Data:** Government policy documents, annual reports of schemes like PMEGP, Startup India, and international models from OECD and World Bank.

Sample Size

1. 50 respondents (start-ups, NGOs, small businesses) in India who attempted to access government grants.

Data Analysis

1. Descriptive statistics to analyze awareness levels and challenges.
2. Thematic analysis of interview responses to identify recurring barriers.

Findings

1. **Awareness Gap:** Many potential beneficiaries are unaware of the existence of grant schemes or lack clarity on eligibility criteria.
2. **Complex Procedures:** Lengthy documentation, offline processes, and technical requirements discourage applicants.
3. **Bureaucratic Delays:** Approvals often take months, delaying project implementation.



4. **Regional Disparity:** Rural beneficiaries face greater challenges due to limited internet access and lack of support centers.
5. **Monitoring Issues:** Lack of transparency in fund utilization leads to misuse or underutilization of grants.
6. **Success Stories Exist:** Beneficiaries who had access to professional guidance or incubation centers were more successful in securing grants.

Suggestions

1. **Digital Transformation:** Move all grant applications and monitoring to online platforms with simplified procedures.
2. **Awareness Campaigns:** Use media, workshops, and local governance bodies to spread awareness about available grants.
3. **Capacity Building:** Establish grant facilitation centers in rural areas to guide applicants in documentation and procedures.
4. **Time-bound Disbursement:** Ensure strict deadlines for application processing and fund release.
5. **Transparency Mechanisms:** Introduce real-time tracking of applications and fund utilization.
6. **Public-Private Collaboration:** Partner with NGOs, incubators, and financial institutions to assist beneficiaries in accessing grants.
7. **Policy Simplification:** Standardize eligibility and reduce unnecessary documentation to increase participation.

Conclusion

Government grants are vital for fostering inclusive development, entrepreneurship, and innovation. However, challenges such as lack of awareness, procedural complexity, bureaucratic delays, and regional disparities hinder their effective utilization. The study concludes that reforms focusing on digitalization, transparency, awareness, and capacity building can significantly improve accessibility. Governments must act as facilitators rather than gatekeepers, ensuring that grants truly reach those who need them. Overcoming these challenges will not only enhance the impact of public funds but also strengthen trust between citizens and the state.

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