



## COMPARATIVE STUDY OF GLOBAL STARTUP GRANTS PROGRAM

**P. Tharani**

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

### **Abstract**

*Startups are widely recognized as engines of innovation, employment, and economic growth. Across the world, governments and international organizations provide grants to encourage entrepreneurship and support early-stage ventures. These grants differ in scope, eligibility, structure, and implementation depending on national priorities. This paper presents a comparative study of global startup grant programs, focusing on models from the United States, European Union, India, Singapore, and Israel. It examines the key features, benefits, and challenges of these programs and highlights best practices that can be adapted across economies. The findings reveal that while developed nations emphasize innovation, research, and technology, developing countries focus more on employment generation and inclusive development. The paper concludes with recommendations for designing effective grant ecosystems globally.*

**Keywords:** *Startups, Global grants, Entrepreneurship, Innovation policy, Comparative study.*

### **Introduction**

Startups are crucial drivers of economic transformation, bringing new technologies, business models, and employment opportunities. However, the early stage of a startup is fraught with funding challenges due to limited collateral, high risk, and uncertain profitability. To address this funding gap, governments worldwide have introduced grant programs to provide non-repayable financial support to promising ventures. Global startup grant programs vary significantly in terms of objectives, size of funding, eligibility criteria, and support mechanisms. While some countries emphasize innovation and high-tech sectors, others prioritize social entrepreneurship, women-led startups, or rural enterprises. A comparative analysis of these programs offers insights into effective policy design and helps policymakers adopt best practices tailored to local contexts.

### **Statement of the Problem**

Although numerous startup grant schemes exist worldwide, not all produce the intended impact. Many startups fail to access grants due to complex eligibility requirements, lack of awareness, or bureaucratic barriers. Moreover, the diversity of global models raises questions about which approaches are most effective for promoting sustainable entrepreneurship. Thus, a systematic comparative study is essential to understand variations and extract lessons that can be replicated across economies.

### **Objectives of the Study**

1. To examine the structure and objectives of global startup grant programs.
2. To compare grant models in developed and developing economies.
3. To identify challenges faced by startups in accessing global grants.
4. To highlight best practices and suggest strategies for effective grant implementation.

### **Scope of the Study**

1. Focuses on government-led startup grant programs (not venture capital or private investments).
2. Covers selected countries/regions: United States, European Union, India, Singapore, and Israel.



3. Includes aspects such as fund size, eligibility, sectoral focus, application process, and monitoring mechanisms.
4. Provides a global perspective with emphasis on lessons for both developed and developing economies.

### Review of Literature

1. **Lerner, J. (2009)** – States that public funding plays a key role in addressing market failures in early-stage financing.
2. **OECD (2017)** – Highlights that grant programs must balance financial support with accountability to avoid misuse.
3. **World Bank (2020)** – Notes that developing countries often use grants to promote inclusive entrepreneurship and poverty reduction.
4. **KPMG (2021)** – Reports that digital application systems and mentorship support improve success rates in grant programs.
5. **NASSCOM (2022)** – Observes that in India, startup grants have encouraged innovation but are still underutilized due to lack of awareness.

### Research Methodology

**Research Design:** The study follows a comparative descriptive research design.

### Data Collection

1. Secondary Data from government websites, policy documents, World Bank, OECD, NASSCOM, and academic publications.
2. Case studies of selected countries.

**Data Analysis:** Comparative analysis across five countries based on parameters like fund size, target sector, eligibility, and impact.

### Comparative Analysis of Global Startup Grants Programs

Country / Region	Program Name	Key Features	Grant Amount	Focus Areas	Unique Aspects
United States	Small Business Innovation Research (SBIR) & Small Business Technology Transfer (STTR)	Competitive programs for R&D startups; federal agencies provide funds	Phase I: up to \$250,000; Phase II: up to \$750,000+	Tech, defense, healthcare, R&D	Strong link with research universities
European Union	Horizon Europe (EIC Accelerator)	Supports high-potential startups and SMEs with grants + equity	Up to €2.5 million in grants	Deep tech, green energy, digital innovation	Focus on sustainability & cross-border collaboration
India	Startup India Seed Fund Scheme (SISFS)	Provides financial assistance for PoC, prototype development, and market entry	Up to 50 lakhs (USD 60,000 approx.)	Early-stage startups, social impact, innovation	Supports incubation centers for mentorship



Country / Region	Program Name	Key Features	Grant Amount	Focus Areas	Unique Aspects
Singapore	Startup SG Founder	Co-funding scheme (government matches private investment)	Up to SGD \$50,000	Tech-based startups	Focus on mentor-partnered growth
Israel	Israel Innovation Authority (IIA) Grants	Strong government support for R&D startups	Covers 20–50% of R&D costs	High-tech, cybersecurity, biotech	Israel known as “Startup Nation” with global VC integration

### Findings

1. **Focus Diversity:** Developed economies (US, EU, Israel) focus on technology-driven, R&D-intensive startups, while developing economies (India) emphasize inclusive growth and employment.
2. **Funding Size Variation:** Grant sizes differ widely—from \$50,000 (India, Singapore) to multi-million-dollar grants (EU, US).
3. **Application Barriers:** Complex eligibility requirements hinder accessibility, especially in developing nations.
4. **Mentorship and Support:** Programs in Singapore and Israel show higher success due to integration of mentorship and incubation.
5. **Impact:** Countries with strong grant ecosystems also attract private investment, creating a multiplier effect.

### Suggestions

1. **Simplify Application Process:** Introduce user-friendly, digital application portals with clear eligibility criteria.
2. **Mentorship Integration:** Pair grants with mentorship, incubation, and networking opportunities.
3. **Balanced Funding:** Combine grants with equity or debt options to ensure sustainability.
4. **Awareness Campaigns:** Educate startups, especially in developing countries, about available schemes.
5. **Global Collaboration:** Promote cross-border startup funding to encourage global innovation ecosystems.
6. **Impact Monitoring:** Strengthen evaluation mechanisms to track grant utilization and success.

### Conclusion

Global startup grant programs play a pivotal role in supporting innovation, economic growth, and job creation. While developed nations prioritize high-tech innovation, developing economies focus on inclusive entrepreneurship. The comparative study reveals that successful grant models combine financial support with mentorship, digital access, and transparent monitoring. Adopting global best practices can help governments worldwide enhance the effectiveness of their grant systems and empower startups to thrive in competitive markets.



## **References**

1. Lerner, J. (2009). Boulevard of Broken Dreams. Princeton University Press.
2. OECD. (2017). Government at a Glance. OECD Publishing.
3. World Bank. (2020). Supporting Startups in Developing Countries. Washington, DC.
4. KPMG. (2021). Global Start-up Ecosystem Report. KPMG.
5. NASSCOM. (2022). Indian Tech Start-up Ecosystem Report. NASSCOM.
6. European Commission. (2023). Horizon Europe Program.
7. U.S. Small Business Administration. (2022). SBIR/STTR Programs.
8. Israel Innovation Authority. (2022). Innovation Support Programs.
9. Enterprise Singapore. (2023). Startup SG Founder Scheme.