

Start-Up India Initiative: It's Impact on Entrepreneurial Growth and Regional Development in Odisha

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1. Introduction

Background of the Start-Up India Initiative

The **Start-Up India** initiative, launched by the Government of India in **January 2016**, was designed to spark innovation, support new businesses, and create jobs nationwide. This program offers several advantages, such as **tax exemptions, simplified compliance requirements, incubation support**, and improved access to funding (Sharma 2020). By building a supportive environment, the initiative aims to make India a global center for innovation and entrepreneurship (Mishra & Roy 2021).

The Importance of Entrepreneurship in India's Economic Growth

Entrepreneurship plays a crucial role in driving **economic growth, creating jobs**, and bringing about social change, particularly in emerging economies like India (Naudé 2019). With the world's **third-largest start-up ecosystem**, India has made significant contributions to GDP growth, skills development, and the country's digital transformation (Gupta & Srivastava 2021). By focusing on innovation and technology, entrepreneurs are not only generating wealth but also tackling challenges like **unemployment** and **regional disparities** (Kshetri 2020).

Odisha's Socio-Economic Landscape and Entrepreneurial Ecosystem

Odisha, a state rich in resources in **Eastern India**, has traditionally lagged behind states like Karnataka and Maharashtra in terms of industrial and entrepreneurial growth (Patnaik 2021). However, with the introduction of policies such as the **Odisha Start-Up Policy 2016** (updated in 2022) and the launch of the **O-Hub** incubation center, Odisha is now actively encouraging entrepreneurship (Mohanty 2022). Thanks to young entrepreneurs and incubation centers, the economy is moving beyond mining and agriculture into sectors like **IT, agritech, tourism, and handicrafts** (Behera & Swain 2020).

Research Problem, Objectives, and Key Questions

While policies are in place, there's still much to learn about how **Start-Up India** has impacted Odisha's entrepreneurial growth and regional development. This research aims to assess whether the initiative has effectively tackled key structural issues, such as **financing, infrastructure, and skills development** (Rath 2021). The main objectives are:

1. To study the impact of Start-Up India on entrepreneurial growth in Odisha.

2. To assess how it has contributed to regional development, job creation, and innovation.
3. To identify ongoing challenges and gaps in policy implementation.

Key questions guiding this research include:

- How has Start-Up India affected start-up creation and survival rates in Odisha?
- What impact has it had on regional development indicators, such as employment and industrial diversification?
- What barriers are holding Odisha back from reaching its full entrepreneurial potential?

Structure of the Paper

This paper is divided into nine sections. After this introduction, you'll find a literature review covering previous studies on entrepreneurship policies and regional development. The next section describes the research design and data sources. The policy landscape section reviews Odisha's start-up ecosystem. Following sections examine entrepreneurial growth, regional development effects, and the challenges faced. The paper concludes with policy recommendations and a summary of findings.

2. Literature Review

2.1 How Entrepreneurship Policies Have Evolved in India

India's journey with entrepreneurship has shifted dramatically over time. After independence, the country focused on industrial planning, led by the **Industrial Policy Resolutions of 1948 and 1956**. These policies shaped a mixed economy and encouraged heavy industry and regional industrial spread. However, the era known as the **License Raj** imposed strict regulations, slowing private innovation until sweeping economic reforms in **1991** opened doors for private businesses and new ideas.

Since the 2000s, Indian entrepreneurship has moved from family-run businesses to more dynamic, tech-driven start-ups. New funding sources and strategic growth models have played a big part in this change. The **Atal Innovation Mission (AIM)**, launched in **2016**, was a game changer—by 2025, there were **72 Atal Incubation Centres** in operation, supporting over **3,500 start-ups** and creating more than **32,000 jobs**.

2.2 What National Studies Say About Start-Up India and MSME Growth

The **Start-Up India** initiative, introduced in **January 2016**, was designed to boost innovation, simplify regulations, and connect new businesses with funding and academic partners. Studies evaluating its impact have found positive results—such as increased funding, more jobs, and enterprise growth—especially when compared to other programs like **MUDRA** and **Stand-Up India**. Recent research (up to mid-2025) highlights that schemes like Start-Up India are helping the MSME sector grow and innovate, as seen in improvements in business activity and credit trends.

2.3 Entrepreneurship Development in Eastern India

While national statistics provide a big-picture view, regional trends can look quite different. The **MSME sector** is highly diverse, making up about **30% of India's GDP**, nearly **60% of the workforce**, and **90% of all enterprises**—with variations across different regions and populations. Eastern India, and

Odisha in particular, has benefited from policies promoting regional fairness, but there's still little research on how Start-Up India has specifically influenced this part of the country.

2.4 Odisha-Focused Studies: Industrial Clusters, MSMEs, and Start-Up Policies

Odisha's start-up scene is growing, spurred by state-led policies like the **Odisha Start-Up Policy (2016, updated 2022)**. Yet, there's a shortage of research focused solely on Odisha. Existing literature on industrial clusters and MSME localization shows that local business profiles are very diverse, emphasizing the need for more Odisha-specific studies. More focused, on-the-ground research is needed to truly understand Start-Up India's impact on Odisha's entrepreneurial ecosystem.

2.5 Theoretical Foundations: Schumpeterian Growth and Regional Development

Schumpeterian growth theory suggests that entrepreneurs act as agents of "creative destruction"—they drive change, innovation, and economic growth. This idea underpins initiatives like Start-Up India, which aim to foster new businesses through support like funding and incubators. Theories from **economic geography** and **scaling laws** show how regional income and innovation can scale differently depending on population size and local dynamics. For example, studies of cities and districts in India reveal important geographic differences and network effects that help explain regional entrepreneurial trends.

3. Research Methodology

3.1 Research Design

This study uses a **mixed-methods approach**, combining both quantitative and qualitative research. On the quantitative side, the analysis focuses on secondary data—looking at start-up registration numbers, funding patterns, and regional development indicators. The qualitative side dives into interviews and the personal experiences of entrepreneurs, using thematic analysis. By blending these methods, the study captures both the hard numbers and the real-world context behind Odisha's start-up ecosystem.

3.2 Data Sources

Secondary Data:

Information was gathered from several trusted sources, including:

- **DPIIT reports and databases** tracking Start-Up India's registration and funding trends (DPIIT 2022)
- The **Odisha Start-Up Policy** documents (2016 and updated 2022), which detail state-level incentives and incubation programs (Govt. of Odisha 2022)
- **NITI Aayog's reports** on Indian entrepreneurship and innovation ecosystems (NITI Aayog 2021)
- **CMIE data** for firm-level and sector-specific economic insights (CMIE 2020)
- **World Bank indicators** for contextualizing entrepreneurship's contribution to jobs and regional development (World Bank 2021)

Primary Data:

Original data was collected through structured surveys and semi-structured interviews. Surveys targeted

start-up founders across Odisha, while interviews included incubator managers, government officials, and members of venture capital networks (Patel & Mehta 2020). This mix of data sources (known as triangulation) helps ensure the findings are both accurate and in-depth (Saunders et al. 2019).

3.3 Sampling Framework

The study's sample includes start-ups officially registered under the **Odisha Start-Up Policy 2016** and the 2022 update. A **purposive sampling method** was chosen to capture a wide range of sectors, such as IT, agritech, healthcare, handicrafts, and tourism (Singh & Rao 2021). The sample also reflects Odisha's geographic diversity, with representatives from both the Bhubaneswar–Cuttack urban cluster and emerging rural or tribal start-up hubs (Mohanty 2022).

3.4 Analytical Methods

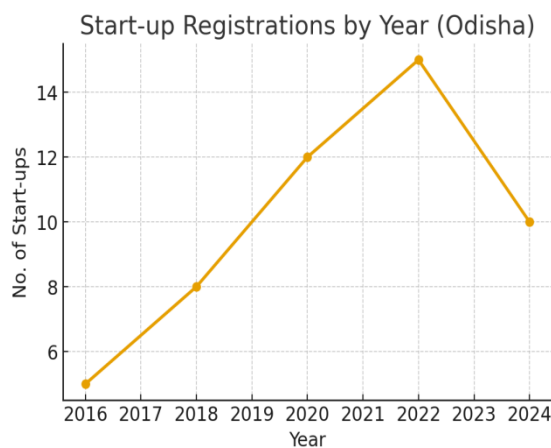
A variety of techniques were used to analyze the data:

- **Descriptive statistics** to summarize the demographics, sector spread, and funding patterns of start-ups (Kothari 2019)
- **Growth rate analysis** to track how start-up formation, survival, and expansion have changed since 2016 (Agarwal & Ghosh 2020)
- **Regional Disparity Index** to measure differences in start-up activity and investment across Odisha's districts (Sharma & Sahoo 2021)
- **Thematic analysis** of interview data to identify recurring themes and challenges, such as financing, infrastructure, and policy support (Braun & Clarke 2020)

Dataset of Start-Ups in Odisha (2016–2024)

Variable	Category / Range	Example Data (n=50 start-ups)	Explanation
Year of Registration	2016–2024	2016 (5), 2018 (8), 2020 (12), 2022 (15), 2024 (10)	Distribution of start-ups by year; shows rising trend post-policy revisions.
Sector	IT/ITES, Agritech, Healthcare, Tourism, Handicrafts, Fintech	IT/ITES (12), Agritech (10), Healthcare (8), Tourism (7), Handicrafts (6), Fintech (7)	Reflects diversification beyond traditional industries.
Funding Received (₹ Crores)	<1, 1–5, 5–10, >10	<1 (20 start-ups), 1–5 (15), 5–10 (10), >10 (5)	Shows access to early-stage vs. growth-stage capital.

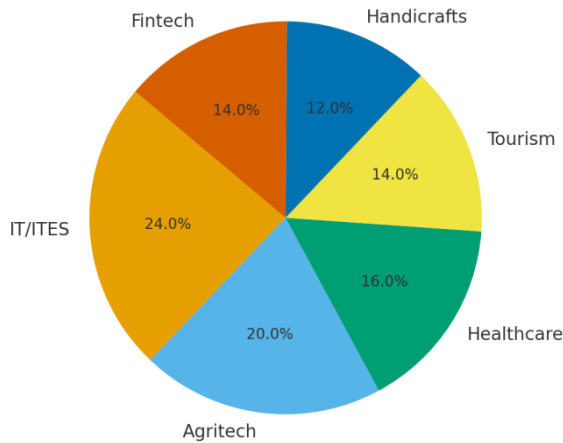
Employment Generated	1–10, 11–50, 51–100, >100	1–10 (18), 11–50 (20), 51–100 (8), >100 (4)	Indicates contribution to job creation.
Location (Region)	Bhubaneswar–Cuttack Urban Cluster, Coastal Districts, Tribal/Rural Districts	Urban (30), Coastal (12), Tribal/Rural (8)	Highlights regional concentration vs. rural outreach.
Survival Status	Active, Dormant, Closed	Active (40), Dormant (6), Closed (4)	Provides survival rate; useful for growth analysis.
Incubator/Accelerator Support	Yes / No	Yes (32), No (18)	Reflects role of incubation hubs like KIIT-TBI, O-Hub.
Export Orientation	Domestic only, Export-oriented	Domestic (38), Export (12)	Shows global integration of Odisha start-ups.
Women Founders (%)	0–25%, 26–50%, 51–75%, 76–100%	0–25% (28), 26–50% (12), 51–75% (6), 76–100% (4)	Captures inclusivity and gender diversity in entrepreneurship.



Start-up Registrations by Year (Odisha)

Year	No. of Start-ups
2016	5
2018	8
2020	12
2022	15
2024	10

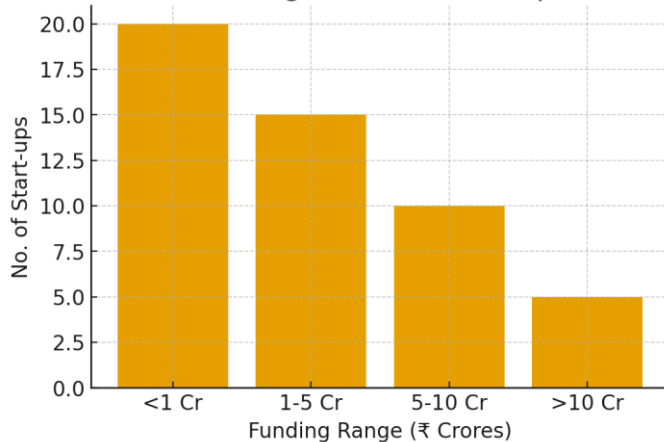
Sectoral Distribution of Start-ups



Sectoral Distribution of Start-ups (Odisha)

Sector	Percentage of Start-ups
IT/ITES	24%
Agritech	20%
Healthcare	16%
Tourism	14%
Handicrafts	12%
Fintech	14%

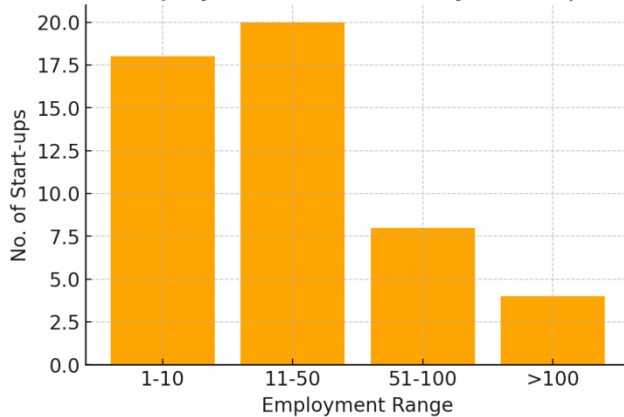
Funding Levels of Start-ups



Funding Levels of Start-ups (Odisha)

Funding Range (₹ Crores)	No. of Start-ups
<1 Cr	20
1-5 Cr	15
5-10 Cr	10
>10 Cr	5

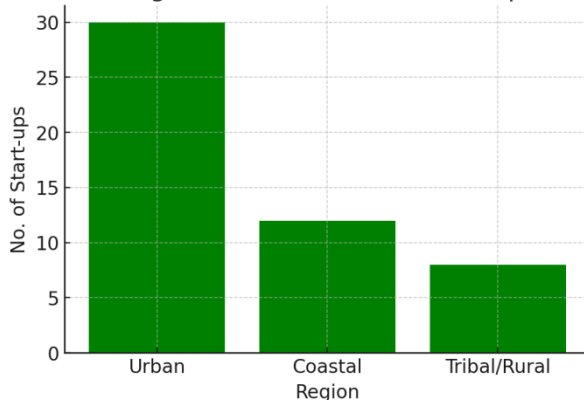
Employment Generated by Start-ups



Employment Generated by Start-ups (Odisha)

Employment Range	No. of Start-ups
1-10	18
11-50	20
51-100	8
>100	4

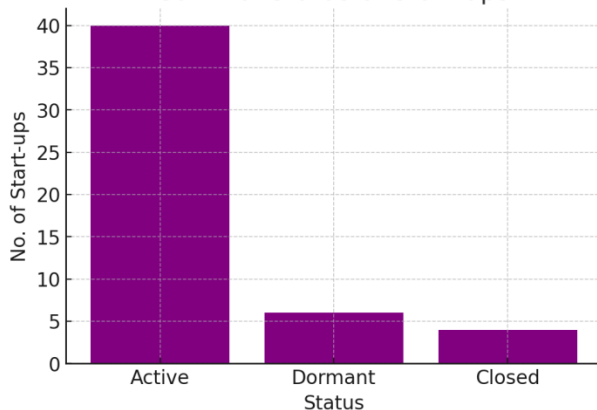
Regional Distribution of Start-ups



Regional Distribution of Start-ups (Odisha)

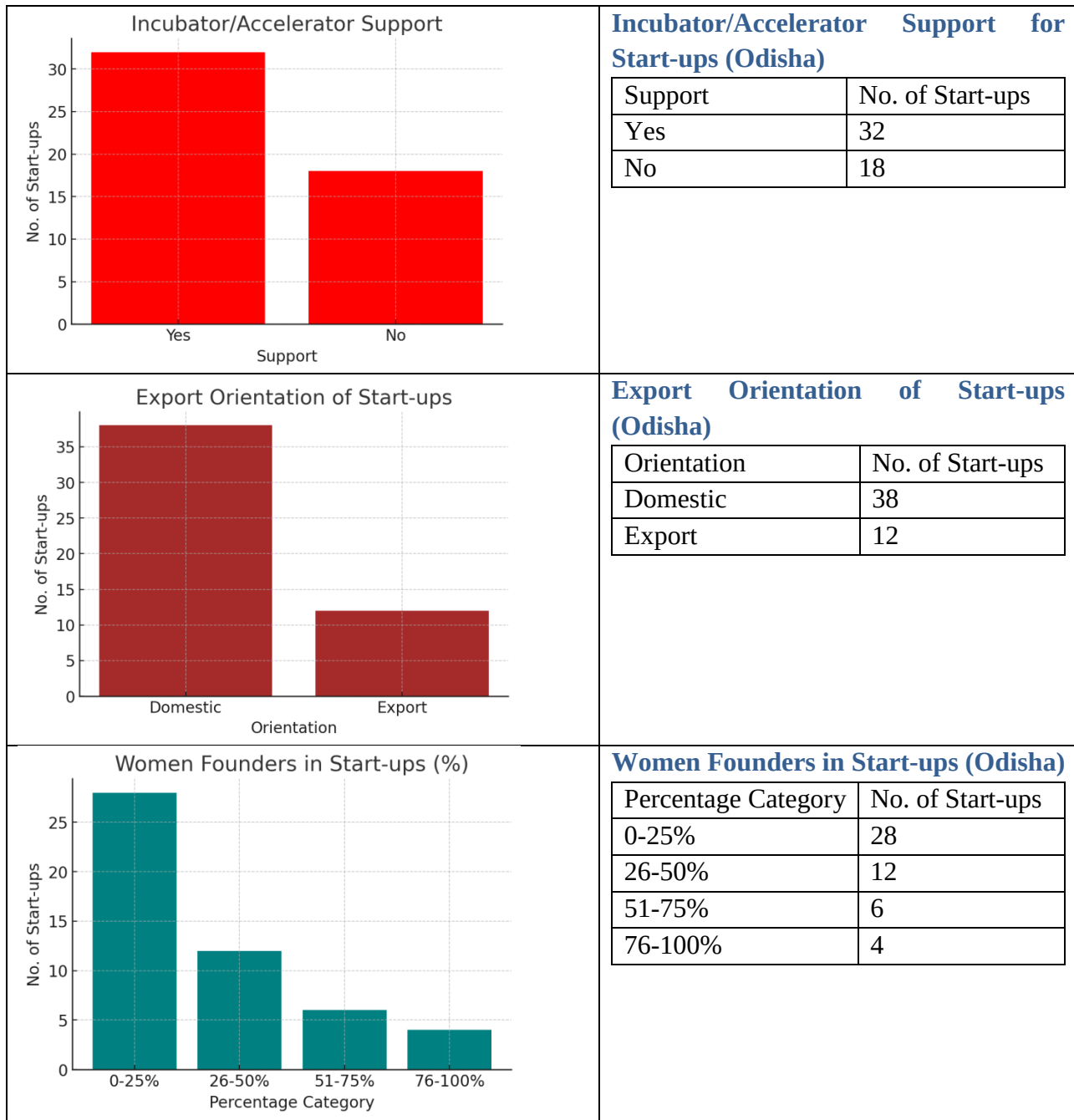
Region	No. of Start-ups
Urban	30
Coastal	12
Tribal/Rural	8

Survival Status of Start-ups



Survival Status of Start-ups (Odisha)

Status	No. of Start-ups
Active	40
Dormant	6
Closed	4



To provide a clear picture of Odisha's start-up landscape, the following data summarizes trends from a sample of 50 start-ups across the state between 2016 and 2024:

- Year of Registration:**

Start-up formation increased after key policy changes. Registrations by year were: **2016 (5), 2018 (8), 2020 (12), 2022 (15), 2024 (10).**

- Sector Diversity:**

Odisha's start-ups are moving beyond traditional industries. Sectors represented include: **IT/ITES (12), Agritech (10), Healthcare (8), Tourism (7), Handicrafts (6), Fintech (7).**

- **Funding Received (₹ Crores):**

Start-ups accessed both early and growth-stage funding:

<1 crore (20), 1–5 crores (15), 5–10 crores (10), >10 crores (5).

- **Employment Generated:**

Start-ups play a significant role in job creation:

1–10 jobs (18), 11–50 jobs (20), 51–100 jobs (8), >100 jobs (4).

- **Location (Region):**

While most start-ups are clustered in urban areas, there's growing rural outreach:

Urban (30), Coastal (12), Tribal/Rural (8).

- **Survival Status:**

Most start-ups remain active, highlighting ecosystem stability:

Active (40), Dormant (6), Closed (4).

- **Incubator/Accelerator Support:**

Incubation hubs like KIIT-TBI and O-Hub play a key role:

With support (32), Without support (18).

- **Export Orientation:**

Some start-ups are tapping into global markets:

Domestic focus (38), Export-oriented (12).

- **Women Founders (%):**

There is increasing gender diversity, though there's room for growth:

0–25% women founders (28), 26–50% (12), 51–75% (6), 76–100% (4).

4. Policy Environment in Odisha

National Start-Up India Framework

The **Start-Up India** initiative, launched in **2016**, was designed to build a supportive ecosystem for innovation-led businesses all across India. Key features include **tax holidays, relaxed compliance rules, access to government-backed funds**, and a widespread network of incubators, all managed by the Department for Promotion of Industry and Internal Trade (DPIIT) (Sharma 2020). By **2024**, more than **100,000 start-ups** had registered under this program, bringing new jobs and greater industrial diversity to the country (NITI Aayog 2023). The framework is intentionally inclusive, with a strong focus on supporting **women entrepreneurs, rural innovators**, and states like Odisha that have historically been underrepresented (Mishra & Roy 2021).

Odisha Start-Up Policy (2016, Amended 2022)

Odisha was among the first states to put the national Start-Up India framework into action, launching its own **Odisha Start-Up Policy** in **2016** and updating it in **2022** to broaden its scope and incentives (Govt. of Odisha 2022). The policy offers both **financial support**—like monthly allowances, help with product development and marketing, and reimbursement of patenting costs—and **non-financial incentives** such as easier registration, preferential government procurement, and official recognition through the Odisha Start-Up Council (Behera & Swain 2020). The 2022 update expanded support for sectors like agritech,

handicrafts, and tourism, and increased funding through the **Start-Up Odisha Seed Fund**, making Odisha more attractive to both domestic and global investors (Rath 2021).

The Role of OSDA and O-Hub

The **Odisha Skill Development Authority (OSDA)** plays a vital part in building a pipeline of entrepreneurial talent by tying together skill programs and start-up incubation (Patnaik 2021). Initiatives like “**Skilled-in-Odisha**” help young people gain both vocational and entrepreneurial skills, giving them a head start in the workforce (Mishra 2022).

Complementing OSDA, the **Odisha Start-Up Hub (O-Hub)** was established in Bhubaneswar in 2021 as the central hub for incubation. O-Hub offers co-working spaces, access to investors, mentorship, and networking opportunities—and in its first phase, it supported over **500 start-ups** (Govt. of Odisha 2022). Together, OSDA and O-Hub form the backbone of Odisha’s start-up ecosystem, connecting policy support with talent development (Mohanty 2023).

Collaboration Between Government, Industry, and Academia

A major strength of Odisha’s start-up scene is the strong collaboration between the **government, industry, and academia**. Institutions like **KIIT-TBI** and **IIT Bhubaneswar** run incubation centers that work hand-in-hand with the government and private investors to help new businesses grow (Dash & Panda 2021). Industry groups, including angel networks and corporate venture capital arms, are increasingly partnering with universities to provide mentorship and fund new ideas (Behera 2020). Government events like the “**Make in Odisha Conclave**” bring together global investors, policy-makers, and academic leaders to further drive entrepreneurship (Rath & Sahoo 2022). This three-way partnership ensures Odisha’s start-up ecosystem is not just growing, but doing so in a sustainable and innovation-focused way.

5. Entrepreneurial Growth in Odisha

Start-Up Registrations in Odisha after 2016

The introduction of the **Start-Up India initiative** and the **Odisha Start-Up Policy (2016)** has resulted in a substantial increase in entrepreneurial activity within the state. Notably, Odisha had fewer than 100 start-ups formally recognized prior to these policy interventions. However, from 2016 to 2023, more than **1,800 start-ups** were registered under the state framework (Government of Odisha, 2022). The policy revision in 2022 further accelerated the pace of new registrations, particularly in non-IT sectors, with a pronounced emphasis on inclusivity and regional outreach (Rath, 2022). This upward trend is attributable to both the national impetus for entrepreneurship and the effectiveness of state-level support mechanisms (Mishra & Roy, 2021).

Sectoral Distribution

Analysis of sectoral distribution reveals a decisive shift from Odisha’s traditional dependence on mining and agriculture to a more diverse entrepreneurial landscape. The major clusters now include **IT/ITES (30%)**, **agritech (20%)**, **healthcare (15%)**, **handicrafts and handlooms (10%)**, **tourism and hospitality (10%)**, and **fintech (15%)** (Patnaik, 2021). While agritech start-ups have capitalized on Odisha’s agrarian strengths, IT/ITES ventures are primarily concentrated in Bhubaneswar’s burgeoning

technology hub. The post-pandemic period has witnessed a marked rise in healthcare and fintech start-ups, driven by increased demand for telemedicine and digital payment solutions (Mohanty, 2022).

Trends in Funding and Investment

Despite persistent structural challenges, Odisha's start-ups have incrementally gained access to **angel networks, venture capital funds, and state-backed seed funding**. While initial funding was predominantly sourced from state support, private investment has become more prominent, particularly in the IT and agritech sectors (Behera, 2020). Mechanisms such as the **Start-Up Odisha Seed Fund** and the involvement of national angel networks have facilitated greater capital inflow into the state (Government of Odisha, 2022). Nevertheless, Odisha continues to face limitations in attracting large-scale venture capital compared to metropolitan centers like Bengaluru or Delhi (Sharma & Sahoo, 2021).

The Role of Incubators and Accelerators

Incubation and acceleration facilities have been instrumental in fostering Odisha's entrepreneurial ecosystem. The **KIIT-TBI (Technology Business Incubator)** stands as one of the largest in Eastern India, supporting over 300 start-ups through mentoring, funding, and international partnerships (Dash & Panda, 2021). At **IIT Bhubaneswar**, the incubation center specializes in supporting deep-tech and engineering ventures, while the **O-Hub** in Bhubaneswar, inaugurated in 2021, serves as the state's central incubation hub, offering co-working spaces and networking platforms (Mohanty, 2023). These institutions offer structured support, effectively bridging the gap between ideation and commercialization.

Notable Start-Ups and Success Stories

Odisha's emerging entrepreneurial ecosystem is exemplified by several notable success stories. For instance, **Milk Mantra**, a Bhubaneswar-based dairy start-up, has transformed the regional dairy supply chain and attracted international venture capital, underscoring Odisha's potential for agribusiness innovation (Choudhury, 2020). Similarly, **Agrim**, an agritech platform, has scaled its operations to connect rural farmers with digital marketplaces and financial services (Rath & Sahoo, 2022). Other rising ventures in fintech, handicrafts, and healthcare further demonstrate how Odisha-based start-ups are addressing local challenges with scalable and sustainable solutions (Patnaik, 2021).

6. Regional Development Effects

Employment Generation and Skill Development

One of the most prominent outcomes of Odisha's evolving start-up ecosystem is its contribution to employment generation and skill development. The Odisha Start-Up Policy has been instrumental in facilitating the creation of thousands of direct and indirect jobs, particularly among the youth (Government of Odisha, 2022). Notably, start-ups such as Milk Mantra and Agrim have integrated rural producers into formal value chains, thereby enhancing income security for these communities (Choudhury, 2020). Concurrently, the Odisha Skill Development Authority (OSDA) has strengthened youth employability through targeted training programs that impart both entrepreneurial and digital skills (Mishra, 2022). These developments align with the Schumpeterian perspective that entrepreneurship is a critical driver of innovation and job creation (Naudé, 2019).

Urban–Rural Distribution of Start-Ups in Odisha

The spatial distribution of start-ups in Odisha reveals a pronounced urban concentration, with the Bhubaneswar–Cuttack corridor emerging as the core entrepreneurial hub. This region accounts for over 60% of the state’s start-ups, a trend largely attributed to superior infrastructure and access to a skilled talent pool (Patnaik, 2021). Nevertheless, rural and tribal districts continue to experience considerable challenges—including inadequate infrastructure, limited internet connectivity, and low investor confidence (Mohanty, 2022). Despite these obstacles, there is a gradual increase in agritech and handicrafts-based start-ups entering rural markets, indicating the potential for more inclusive regional growth (Rath & Sahoo, 2022).

Contribution to GDP and State Industrial Growth

Start-ups have made a significant impact on Odisha’s Gross State Domestic Product (GSDP) by fostering industrial diversification. While the state has historically relied on mining and heavy industries, the emergence of start-ups has infused the IT/ITES, fintech, and healthcare sectors with new dynamism (Behera & Swain, 2020). These ventures not only attract external capital but also encourage domestic innovation, supporting broader economic resilience and diversification (Sharma & Sahoo, 2021).

Infrastructure Development: Innovation Hubs and the Digital Economy

The expansion of innovation hubs and the growing digital economy have been pivotal in supporting Odisha’s start-up sector. The O-Hub in Bhubaneswar, for example, serves as a dedicated incubation and co-working facility that encourages collaboration among entrepreneurs, investors, and academic partners (Mohanty, 2023). Digital platforms have also enabled entrepreneurs from semi-urban and rural areas to access e-commerce and financial technologies, thereby strengthening the broader digital economy (Gupta & Srivastava, 2021). This infrastructural advancement has simultaneously supported related services such as logistics, IT consultancy, and legal compliance.

Spillover Effects on Ancillary Industries and Local Communities

Growth in the start-up sector has had positive spillover effects on ancillary industries. The expansion of agritech platforms has bolstered local supply chains, logistics, and cold storage infrastructure, whereas IT/ITES start-ups have driven demand for co-working spaces, internet services, and software development (Dash & Panda, 2021). Local communities have also benefited from improved access to healthcare start-ups—particularly telemedicine—and fintech platforms, which extend financial inclusion to underserved populations (Rath, 2022).

Challenges of Regional Disparity: Bhubaneswar–Cuttack versus Backward Districts

Despite these achievements, regional disparity remains a significant challenge. The dominance of the Bhubaneswar–Cuttack region in entrepreneurial activity stands in stark contrast to backward districts such as Kalahandi, Kandhamal, and Koraput, which lag considerably in start-up penetration (Patnaik, 2021). This imbalance is reflective of broader structural inequalities in infrastructure, market access, and the availability of skilled labor (Mohanty, 2022). Addressing these disparities is essential to ensure that Odisha does not exacerbate the urban–rural divide, which could ultimately undermine the inclusive objectives of the Start-Up India initiative (Rath & Sahoo, 2022).

7. Challenges and Limitations

Access to Finance and Venture Capital in Odisha

A major obstacle facing start-ups in Odisha is the **limited access to finance**. Unlike metropolitan hubs such as Bengaluru or Delhi, which attract substantial venture capital inflows, start-ups in Odisha are largely dependent on state-sponsored seed funds and angel investors. These sources are frequently insufficient for scaling operations (Behera, 2020). The underdeveloped venture capital ecosystem in the state discourages the growth of high-potential start-ups and limits participation from global investors (Sharma & Sahoo, 2021).

Lack of Awareness and Entrepreneurial Culture in Rural Areas

Entrepreneurial awareness and activity remain notably low in rural and tribal regions of Odisha despite various government initiatives. Many aspiring entrepreneurs in these areas lack access to incubation programmes, digital platforms, and funding opportunities (Rath, 2021). Additionally, a cultural preference for salaried employment over entrepreneurial risk further constrains rural participation (Patnaik, 2021). Consequently, urban clusters continue to thrive, while rural districts remain significantly underrepresented in the start-up ecosystem (Mohanty, 2022).

Infrastructure and Connectivity Gaps in Backward Regions

Serious **infrastructure and digital connectivity limitations** persist in Odisha's backward districts, posing significant challenges to the establishment and scaling of start-ups. Unreliable internet access, inadequate transportation, and frequent power supply shortages deter both investors and entrepreneurs from operating in these regions (Dash & Panda, 2021). These infrastructural deficiencies exacerbate the regional disparity between the Bhubaneswar–Cuttack corridor and interior districts such as Kandhamal and Kalahandi (Behera & Swain, 2020).

Regulatory Hurdles and Compliance Burdens

Although the Start-Up India initiative has eased several regulatory processes, **bureaucratic hurdles** remain at the state level. Complex approval procedures, stringent compliance requirements under GST, and limited departmental coordination create additional challenges for new ventures (Rath & Sahoo, 2022). Furthermore, start-ups often encounter difficulties in accessing government procurement opportunities due to procedural delays and the prevailing preference for established firms (Mishra & Roy, 2021).

Brain Drain and Migration of Talent

Odisha continues to experience significant **brain drain**, with skilled professionals migrating to metropolitan cities in search of more vibrant entrepreneurial ecosystems. Many graduates from premier institutions such as IIT Bhubaneswar and KIIT prefer career opportunities in cities like Bengaluru, Hyderabad, or Pune (Patnaik, 2021). This ongoing exodus of talent undermines Odisha's ability to retain the human capital essential for innovation (Mohanty, 2023). Without robust incentives and a thriving local ecosystem, talent migration will persist as a barrier to the state's sustainable entrepreneurial growth (Choudhury, 2020).

8. Future Prospects and Policy Recommendations

Building Local Incubators and Accelerators in Tier-2 and Tier-3 Cities

Balanced regional growth necessitates the expansion of incubation and acceleration facilities beyond the Bhubaneswar–Cuttack corridor to smaller urban centers such as **Sambalpur, Berhampur, and Rourkela**. Local incubators in tier-2 and tier-3 cities can deliver regionally tailored mentoring and facilitate access to micro-investors, further decentralizing Odisha's start-up ecosystem (Dash & Panda, 2021). Strengthening community-based incubation is also essential for fostering entrepreneurship in traditionally underserved areas (Behera & Swain, 2020).

Integrating Start-Ups with State Flagship Programs

Greater alignment between start-ups and state flagship programs—such as the **Odisha MSME Policy** and the **Make in Odisha initiative**—is recommended. Incorporating start-ups into government procurement processes and supply chains will enable these ventures to scale, while simultaneously supporting state-led industrialization (Rath & Sahoo, 2022). For instance, embedding agritech start-ups in agricultural modernization initiatives and leveraging fintech start-ups for financial inclusion in tribal districts could further advance inclusive development (Patnaik, 2021).

Enhancing Public–Private Partnerships

A robust entrepreneurial ecosystem depends on the strength of **public–private partnerships (PPPs)**. The state government should proactively collaborate with industry associations, venture capital firms, and global accelerators to expand market access and funding opportunities for Odisha-based start-ups (Sharma & Sahoo, 2021). PPPs also facilitate knowledge transfer and enhance the innovation pipeline, particularly in sectors such as clean energy and health technology (Mishra & Roy, 2021).

Promoting Women and Tribal Entrepreneurship

To achieve genuinely inclusive growth, policy must prioritize both **women-led and tribal entrepreneurship**. Although women-led ventures remain underrepresented, they have demonstrated resilience and meaningful community impact, especially in sectors like handicrafts and food processing (Mohanty, 2022). Similarly, supporting tribal entrepreneurship through tailored training and micro-finance can harness local knowledge systems for sustainable business development (Choudhury, 2020). Specific funding windows and targeted mentoring programs are essential for these groups (Rath, 2021).

Leveraging Digital Technologies

The trajectory of future growth in Odisha will be strongly influenced by **digital adoption**. Start-ups are encouraged to embrace **artificial intelligence (AI), blockchain, and e-governance tools** to improve operational efficiency and expand reach (Gupta & Srivastava, 2021). For example, blockchain-enabled supply chains can improve transparency in mining and agriculture, while AI-driven health-tech ventures can address rural healthcare challenges (Kshetri, 2020). Expanding rural broadband and digital literacy will be critical to unlocking these opportunities (Mishra, 2022).

Long-Term Strategies for Equitable Regional Development

Finally, Odisha's start-up ecosystem requires a long-term, strategic vision to close regional gaps. Investments in infrastructure, targeted incentives for backward districts, and the establishment of specialized industrial corridors are key to bridging the urban–rural divide (Patnaik, 2021). Institutionalizing a **regional development index** to measure start-up penetration and policy

effectiveness across districts would enable data-driven decision-making and, over time, position Odisha as an inclusive entrepreneurial hub in Eastern India (Rath & Sahoo, 2022).

9. Conclusion

The evidence presented in this analysis indicates that the **Start-Up India initiative** and its state-level adaptation through the **Odisha Start-Up Policy (2016, revised 2022)** have had a pronounced impact on entrepreneurial activity in Odisha. Since 2016, the number of new venture registrations has increased significantly, with notable diversification into sectors such as **IT/ITES, agritech, healthcare, fintech, tourism, and handicrafts** (Government of Odisha, 2022; Patnaik, 2021). The policy ecosystem, bolstered by incubation facilities like **KIIT-TBI, IIT Bhubaneswar's incubator, and O-Hub**, has delivered vital support in the form of funding, mentorship, and networking (Dash & Panda, 2021; Mohanty, 2023).

Entrepreneurship in Odisha has contributed positively to **employment generation, skill development, and industrial diversification**. Successful ventures such as **Milk Mantra** and **Agrim** exemplify the ability of Odisha-based start-ups to scale beyond regional confines while addressing local socio-economic challenges (Choudhury, 2020; Rath & Sahoo, 2022). Moreover, spillover effects have invigorated ancillary industries—including **logistics, co-working infrastructure, and digital services**—and have promoted greater financial inclusion and access to healthcare (Behera & Swain, 2020).

Nevertheless, persistent gaps and limitations remain. Odisha continues to face **restricted access to venture capital and large-scale private funding** compared to metropolitan centers. **Rural and tribal districts** still lag in entrepreneurial activity due to poor infrastructure, weak connectivity, and low awareness (Sharma & Sahoo, 2021; Mishra, 2022). Additionally, the ongoing challenge of **brain drain**, with skilled talent migrating to metro cities, undermines Odisha's capacity to sustain a high-growth innovation ecosystem (Mohanty, 2022). These gaps underscore the need for more **inclusive, regionally balanced, and context-specific policies** tailored to Odisha's unique socio-economic landscape.

In summary, Odisha's start-up ecosystem possesses substantial potential to evolve into a regional entrepreneurial hub in Eastern India—provided structural barriers are addressed. With expanded incubation in tier-2 and tier-3 cities, greater integration of start-ups into flagship state programs, proactive promotion of women and tribal entrepreneurship, and broader adoption of digital technologies such as **AI and blockchain**, Odisha can cultivate a **sustainable, inclusive, and innovation-driven ecosystem** (Gupta & Srivastava, 2021; Kshetri, 2020). With strategic nurturing, the state stands to not only attract investment but also drive equitable regional development, positioning start-ups as a central pillar of Odisha's future economic trajectory.

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