Kurdish Studies
December 2022
Volume: 10, No: 2, pp 1215-1227
ISSN: 2051-4883 (Print) | ISSN 2051-4891 (Online)
www.KurdishStudies.net

DOI: 10.53555/ks.v10i2.4019

Evaluating the Effects of Public and Private Financial Support on Venture Success: A Systematic Literature Review

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Abstract:-
This study presents a comprehensive systematic review of existing literature on the influence of government and private financial support on venture performance. Drawing upon secondary data from 32 peer-reviewed research papers published in prominent academic journals, the analysis explores both the **direct and moderating effects** of financial support on venture outcomes. The findings indicate that such support functions as a **mediating factor** in enhancing venture performance. Moreover, the review underscores the role of **competitive advantage** as a key mechanism linking financial support to improved performance metrics. A significant contribution of this work to the field of entrepreneurial finance is the empirical evidence demonstrating the **positive impact of hybrid financial instruments** on the growth of entrepreneurial ventures. These hybrid tools appear to exert influence through the moderating role of competitive advantage. The paper also proposes a conceptual framework for future research examining the dynamics of financial support mechanisms. Additionally, it sheds light on how public-private financial collaborations can foster entrepreneurship, particularly in emerging economies.

Key Words:-Entrepreneurship, Government support, Private financial support, Venture performance, Entrepreneurial Finance

Introduction:-
In today's era of rapid innovation and technological progress, **entrepreneurship plays a pivotal role in driving national economic growth**. Governments offer support to new and emerging ventures for two main reasons. First, young entrepreneurial firms often represent the fastest-growing segment of the economy, contributing substantially to innovation and job creation, particularly within the small and medium enterprise (SME) sector. Second, despite their potential, these firms typically encounter significant challenges in securing adequate financing, necessitating targeted support mechanisms.(Fabio Bertonia, 2018). The success of an enterprise largely depends on a variety of factors within the startup ecosystem. Within the scope of entrepreneurial finance, **external financial support** plays a crucial role in determining the performance of new ventures. In emerging economies, markets often share a common challenge: the inconsistency and instability of resources and support systems available to newly established enterprises. Financial capability, in particular, emerges as a key determinant of survival and growth. Notably, approximately **50% of new ventures fail within their first four years**, often due to exhausted cash reserves and an inability to secure additional funding (Coleman & Kariv, 2013). Prior research consistently identifies lack of finance as one of the primary barriers to entrepreneurial success. For instance, a study by Hyder and Lussier (2016) revealed that many startups in Pakistan have recently failed due to inadequate planning, insufficient support from governmental and non-governmental organizations, and limited access to financial capital.(Ullah3, 2020).
Over the years, the landscape of entrepreneurial finance has evolved significantly—from traditional models to more modern, diversified approaches. A wave of new players, such as **start up accelerators and crowd funding platforms**, emerged prominently in the aftermath of the 2008–2009 financial crisis (Block et al., 2018), driven by the growing challenges entrepreneurs faced in securing capital. Despite these developments, many new ventures—particularly in emerging economies—continue to experience limited access to formal financial systems, often grappling with **persistent financial constraints** that hinder their growth and survival (Carpenter & Peterson, 2002). Today, entrepreneurial finance is rapidly expanding in both emerging and developed markets. New ventures typically draw on a mix of **debt and equity financing**, sourced not only from traditional banks but also from personal networks such as family and friends, as well as from angel investors, venture capitalists, and increasingly, **innovative instruments like crowd funding**.
Despite the well-established connection between entrepreneurial activity, innovation, and economic growth, **most entrepreneurial ventures tend to be neither particularly innovative nor notably successful**. Iconic companies such as Microsoft and Intel are exceptional not because they are representative of typical entrepreneurship, but precisely because they are rare outliers. The economic significance often attributed to entrepreneurship stems not from the broader entrepreneurial landscape, but rather from a **small subset of highly innovative ventures** that drive transformative change. This specialized group attracts substantial interest from the venture capital industry, which primarily directs its research, investment, and strategic focus toward **innovation-intensive startups** with the potential for high growth and disruptive impact.

Methodology:-
To conduct a focused examination of entrepreneurial leadership and its related concepts, a **systematic literature review** was employed. The literature review process plays a vital role in shaping educational and scholarly inquiry, serving as a foundational

tool in academic research. Its primary purpose is to allow researchers to **map and critically evaluate existing knowledge**, thereby clarifying research questions and guiding the advancement of the intellectual field.(David Tranfield, 2003). However, the majority of existing literature reviews in this domain tend to be **management-focused and primarily descriptive** in nature. While this approach offers useful insights, it has faced criticism for its limited rigor and inconsistent applicability in certain contexts (Tranfield et al., 2003; Denyer & Tranfield, 2009). In response, scholars have increasingly advocated for a **more systematic and methodologically robust approach** to literature reviews.(Vázquez-Carrasco, 2013)

A systematic literature review (SLR) adopts an exemplary, transparent and scientific process (David Tranfield, 2003) and, as such, differs from a traditional narrative review. According According to Denyer and Tranfield (2009), systematic reviews in management studies are expected to Transparent, inclusive, explanatory and heuristic in nature. Through this process, an SLR Provides insight into the current state of knowledge and its development (Russo et al., 2008).

In our study, we followed the SLR methodology which was developed by Tranfield et al. (2003) and a three stage review process adopted. (Dr Christian Harrison, 2019)

Stage 1: Planning the Review

Prior to initiating the review process, a brainstorming exercise was conducted within the domains of entrepreneurship and finance to develop a **robust and structured review protocol**. This preliminary phase highlighted the cross-disciplinary nature of entrepreneurial finance and the diverse perspectives that characterize this evolving field. The planning stage played a critical role in shaping the protocol by defining the **research questions**, identifying the **target study population**, and establishing **criteria for the inclusion and exclusion** of relevant literature.

Guiding Research Questions

The systematic review was shaped by the following key research questions:

- What funding opportunities are available for startups?
- What role does the government play in promoting startups?
- How does entrepreneurial finance influence venture performance?

To ensure the inclusion of **high-quality and relevant literature**, a well-defined selection process was employed. Papers were screened and assessed based on a set of **inclusion and exclusion criteria**, designed to eliminate low-quality or irrelevant studies and maintain the overall rigor of the review. (Dr Christian Harrison, 2019).

Inclusion Criteria:

- Papers must be in English language,
- The paper directly addresses one or more of the review questions,
- Papers published between 2000 and 2024.

Exclusion Criteria:

- Papers not in peer reviewed publications (i.e. conference proceedings or book chapters)

Stage 2 : Literature Review conducting

In this study, the **review methodology** commenced with the identification of relevant keywords derived from an initial **brainstorming session** and a preliminary **scoping study**. The selected **keywords and search strings** used for literature retrieval are presented below.

Table 1 Systematic literature review search strings and keywords :-

SYSTEMATIC LITERATURE REVIEW SEARCH STRINGS AND KEYWORDS	
Search String No.	Key Words
Search String 01	Entrepreneurial finance
Search String 02	Government support, Venture Performance
Search String 03	Finance Opportunity , Start-up
Search String 04	Govt. Role , Entrepreneurship

The search strings have been used within 8 data bases as mentioned below, these were identified as the most suitable for management research.

Table 1.1 Data bases searched for the systematic literature review

DATA BASES SEARCHED FOR THE SYSTEMATIC LITERATURE REVIEW	
Emerald	Springer Link
Wiley Online	Taylor & Francis
Science Direct	Sage Journals
Web of Knowledge	Google Scholar

Following the identification of relevant databases, literature was retrieved using predefined search strings. Titles and abstracts were screened in accordance with established **inclusion and exclusion criteria** to ensure the relevance and quality of selected studies. In addition, citations and reference lists of the identified articles were examined to determine their eligibility for inclusion. The initial search yielded **60 papers**, which were subsequently refined through a review process. After removing duplicates and applying further screening, **32 research papers** were finalized for inclusion in the study.

Stage 3 : Reporting and Dissemination

In this the summary of how literature reviewed on Entrepreneurial Finance and government support provides answers to the sought review questions. The overview of the core article is mentioned below in Table 1.2.

Table 1.2 Focus of the articles reviewed

Sr. No.	Title Of Paper	Author	Focus
1	The impact of government financial support on the performance of new firms: the role of competitive advantage as an intermediate outcome	Albena Pergelovaa & Fernando Angulo-Ruiza	Examine the impact of govt financial support on New firm financial performance. It shows that govt. support have impact on competitive advantage and this competitive advantage (Innovation, Licensing, marketing, human capital) have specific impact on new firm financial performance.
2	Entrepreneurial finance and new venture success - the moderating role of government support	Muhammad Anwar1 | Kayhan Tajeddini2 | Rizwan Ullah3	Suggest that GS is very crucial and can strengthen the link between EF and NVS. Also stated that access to entrepreneurial capital including economic, social, human, cultural and symbolic capital that influences venture growth. Financial capability can play dynamic role in integrating other resources and skill.
3	The impact of government-supported participative loans on the growth of entrepreneurial ventures	Fabio Bertonia,⁎, Jose Martíb, Carmelo Reverte	The main contribution of this work to the entrepreneurial finance literature is the evidence of the positive impact of hybrid instruments on entrepreneurial ventures' growth, which complements the existing evidence on the impact of other policy instruments, such as R&D subsidies, subsidized loans, loan guarantee schemes and governmental VC.
4	Signaling by early stage startups: US government research grants and venture capital funding	Mazhar Islama,⁎, Adam Fremethb, Alfred Marcusc	Researcher demonstrate that government grants have positive impacts on startups obtaining VC financing. Given the signalling value of grants, policymakers may consider involving VCs in the design of there program.
5	A conceptual framework for entrepreneurship education policy: Meeting government and economic purposes	Allan O'Connor	This article sets out an argument, extending from economic theory, to provide purpose for entrepreneurship education and proposes a policy framework supported by analysis of the Australian government policy context.
6	THE IMPACT OF GOVERNMENT SUPPORT ON THE PERFORMANCE OF STARTUPS IN KERALA, INDIA	Ranjini S Nambiar & Dr. P. Balasubramanian	Study is based on the government supports affect the startup with variable such as regulatory environment, Infrastructural facilities, mentorship support, networking and intellectual support, accelerator support and business support.
7	THE ROLE OF THE GOVERNMENT IN ENTREPRENEURSHIP DEVELOPMENT: EVIDENCE FROM BOSNIA AND HERZEGOVINA	Zijad Dzafic *, Amra Babajic	This study have focused on (i) attitudes of entrepreneurs in the private sector towards the role of government in SME development through provision of assistance to SMEs in BiH, (ii) the business environment in which firms operate, and (iii) attitudes of the employed in government sector towards the role of government in SME development through the provision of assistance to SMEs in BiH. The paper reviews the literature on these three approaches and available evidence on relevance to understanding the performance of

			SMEs as main agents of entrepreneurship in the BiH.
8	Public Policy Environment and Entrepreneurial Activities: Evidence from China	Sai Lan, Xiang Gao, Qing Wang, Yilin Zhang*	Researcher find that the level of infrastructure development, government incubators and venture capital – guided funds have positive and significant effects on entrepreneurial activities. It also suggests that govt. efficiency is a fundamental precondition for entrepreneurship policies to effectively boost regional economy.
9	Enhancing Entrepreneurship Ecosystems. A "Systems of Entrepreneurship" Approach to Entrepreneurship Policy	Z.J. Acs et al.	Study stated that entrepreneurship is not only about individual, as context also matters. It has measured 14 different aspects in 3 major domain of entrepreneurship ecosystem that are organized into attitude, abilities and aspiration. Positive attitudes are needed so that competent individuals choose entrepreneurship over alternative occupations. The ability aspect reflects the quality of the resulting new ventures within their national context. Aspirations reflect these ventures' potential to achieve rapid growth and high productivity.
10	Strategic Entrepreneurship at Universities: Academic Entrepreneurs Assessment of Policy Programs	Holger Patzelt Dean A. Shepherd	This study results extend the literature on academic entrepreneurship and entrepreneurs' assessments of government policy measures. For policy makers, our study suggests that the simultaneous launch of policy measures may be perceived by academic entrepreneurs as particularly beneficial for fostering the development of their young ventures.
11	The Role of Government Intervention as a Moderating Variable in the Relationship between Entrepreneurial Networks and Business Owners' Performance in Jordan	Haitham Alhnaity1@ Ayed Almuala2 Ali Kh Elmasri3	Result of this study indicates that entrepreneurial networks have a significant effect on the performance of the small business owners. It provides an empirical explanation that entrepreneurial networks and government intervention can contribute to the improvement of small business owners' performance while the government's role is not proven moderate the relationship between entrepreneurial networks and small business owners' performance. The significant positive effects of entrepreneurial networks suggest that this variable is important in enhancing small business owners' performance. As such, small business owners should be inculcated with these entrepreneurial networks. In addition, government intervention should take into consideration of entrepreneurial networking when designing and conducting any entrepreneurship program.
12	The Moderating Role of Government Policies on the Relationship between Technology, Innovation and Entrepreneurship Development in Nigeria: A Partial Least Square Approach	Oyekunle Oyelakin* , Usman Mamman Kandi	Examine that government policies, innovation and technology are strong determinant of entrepreneurship development in Nigeria. Similarly, government policies in this context moderate the relationship between innovation, technology and entrepreneurship development. Government should enact policies that will encourage and promote the use of technology and support innovative ideas to bring economic growth through entrepreneurship development.
13	The need for innovation as a rationale	Steven C. Michael a & John A. Pearce II	Considerable empirical research suggests that entrepreneurship and small business are a significant source of innovation.

	for government involvement in entrepreneurship		Innovation has been shown to be the essential ingredient to increasing national economic wealth and welfare. As entrepreneurship can further innovation, government policy should encourage entrepreneurship for as long as high rewards from innovation are demonstrable. Additionally, because innovation in small firms is stimulated by residual claims, government policy should reward creative entrepreneurs with the proceeds of their own advances
14	TECHNOLOGY ENTREPRENEURSHIP: ROLE OF GOVERNMENT IN ENABLING STARTUP SUPPORT ECOSYSTEM	Satya Ranjan Acharya and Tonisha Dixit	The studies conducted in Indian context are exploratory and case based in nature giving much narrowed view on impact of government support on startup growth. The study takes into account measurable growth variables and assesses them against the government support (funding, infrastructure, etc.) and successfully carves out the visible impact and requirement of timely government interaction.
15	Perceptions of government actions and entrepreneurship performance: an indirect effect of national culture	Nataliia Ostapenko	The main findings of this paper are: the endogeneity of the public policy perceptions from national culture and the influence of public policy on entrepreneurship development through their perceptions. This chapter has amassed a considerable circumstantial evidence that informal institutions matter for entrepreneurship perceptions of government actions and as a consequence business performance.
16	Business Sustainability of Start-Ups Based on Government Support: An Empirical Study of Korean Start-Ups	Wooseung Lee and Boyoung Kim *	Entrepreneurship affected business sustainability with flow experience and entrepreneurial satisfaction as the mediators, while market orientation, affected business sustainability using flow experience as the mediator, and network affected business sustainability with entrepreneurial satisfaction as the mediator.
17	START-UP ECOSYSTEM - ROLE OF GOVERNMENT SUPPORT	1Dr. R. Kasilingam, 2Mrs. Sanskriti	This study showcase The Government of India has launched many schemes and policies to boost the start-up initiative. If the new ideas of the youth are supported with policies, programs, and fund then there is nothing to stop India to become the start-up capital of the world. However, the awareness about these programs is not spread to the new set of entrepreneurs. Hence, they are not being able to avail the benefits out of the government initiatives. Though funding/financing sources are available the firms are not able to access them in the absence of knowledge. A proper evaluation and monitoring of these programs is also lacking.
18	A STUDY ON ENTREPRENEURSHIP AND ROLE OF GOVERNMENT IN ENHANCING ENTREPRENEURSHIP BY ESTABLISHING SMEs AND START-UPS	José G. VARGAS-HERNÁNDEZ Mohammad REZA NORUZI	This study examines that As entrepreneurship is not solely seen as connected to economic progress but is more and more related to so ciety, other studies have examined how entrepreneurship affects practices of living and everyday life. New organiza tions—through the new entrepreneurial products and ser vices and the new combinations they produce—have a strong impact on how people's lives take form and how major aspects of society become transformed.

19	ROLE OF GOVERNMENT POLICY IN ENTREPRENEURSHIP DEVELOPMENT	Haris Abrar Kashmiri Rubeena Akhter	Major contribution of this study is Entrepreneurs are no doubt catalysts of change and innovation. Entrepreneurship stems from the need of fulfilling a gap that exists in the market and this sets the entire process of development in motion. The entrepreneurial growth in our country has triggered a host of economic benefits, together with new businesses, new jobs and new products and services. The Government now also needs to play their part in encouraging this development and provide opportunities for not just education directed towards building entrepreneurial skills but also passing favorable plans/policies to strengthen the entrepreneurial ecosystem in the country.
20	The Role of Governmental Venture Capital in the Venture Capital Ecosystem: An Organizational Ecology Perspective	Fabio Bertoni1 , Massimo G. Colombo2 , and Anita Quas1	Study has interesting policy implications. Our results highlight a positive effect of GVC that has previously been overlooked. Taking into consideration the widely documented positive effects of PVC on portfolio companies (Da Rin, Hellmann, & Puri, 2013), the fact that the presence of GVC makes PVC more inclined to invest in companies it would otherwise neglect is good news for policymakers, and may offset the limited direct effects of GVC on portfolio companies. Accordingly, it would probably be wise to redefine the additionally of GVC programs in terms of their ability to redirect the "smart money" provided by PVC investors to companies that are most negatively affected by capital market imperfections
21	Government Policy Ecosystem for Entrepreneurship Development in MSEs Sector	Bhat, Shabir A and Khan, Riyaz A	The results of this study lead us to the conclusion that the 'Government Policy Ecosystem', across all the three regions of the State is not positive towards the entrepreneurship development in the MSEs Sector of the State. The major reason being the poor implementation structure accompanied by the lack of coordination among the government institutions responsible for its implementation. Conversely, the parameters used in this study to assess the 'Government Policy Ecosystem' can be explored further towards the overall entrepreneurship development in the MSEs Sector, by undertaking further research in this direction.
22	Government institutional support, entrepreneurial orientation, strategic renewal, and firm performance in transitional China	Chengli Shu, Dirk De Clercq, Yunyue Zhou, Cuijuan Liu	The results indicate that EO fully mediates the relationship between government institutional support and strategic renewal (H1), strategic renewal fully mediates the relationship between EO and firm financial performance (H2), and it also partially mediates the relationship between EO and firm reputation (H3). These results offer several contributions to the entrepreneurship literature. EO fully mediates the relationship between government institutional support and strategic renewal

23	Does government support enhance the relation between networking structure and sustainable competitive performance among SMEs?	Asem Alkahtani, Norfarah Nordin and Rizwan Ullah Khan	This study examines the effect of networking dimensions (density and centrality) on sustainable competitive performance in the manufacturing sector. In emerging economies, mostly organizational top managers and owners are trying to connect networking his roots at the national and international levels, but still organization faces a lack of government support. The research is based on resource-based view theory (RBV), where the role of network structure on SCP and mediating role of government financial support are tested
24	Role of Government Support System in Promoting Entrepreneurship Development Programs(EDP's) in J&K: An Empirical Study	Farzana Gulzar*, Bilal Ahmad Dar**, Aiman Fayaz	Researches have analysied that Numerous policies and arrangements formulated by the government have created a robust support system to aid budding entrepreneurs. There is an imminent sect of entrepreneurs called as women entrepreneurs, who are relishing and reaping the maximum assistances provided by special government policies and schemes. The sustenance provided by external components is of no use lest friends, peer groups, family, and relatives stay as an internal support one step ahead to help the emerging entrepreneurs.
25	The Government of India's Role in Promoting Innovation through Policy Initiatives for Entrepreneurship Development	Ravindra Abhyankar	The government of India has taken many initiatives towards strengthening the innovation ecosystem, the most important of which are: i) the establishment of the National Innovation Council, whose mandate is to coordinate various innovation-related activities, and ii) the new Science, Technology and Innovation Policy 2013, which is intended to promote entrepreneurship and science-led solutions for sustainable and inclusive growth. With a focus on this new policy initiative, this article describes the current innovation ecosystem and the challenges it faces, and it discusses the efforts made by the government towards the promotion of innovation for entrepreneurship development and sustainable growth. India Inclusive Innovation Fund The India Inclusive Innovation Fund (tinyurl.com/ m5n6864) is designed to "combine innovation and dynamism of enterprises to solve the problems of the bottom of the pyramid in India" (National Innovation Council, 2014). The initial investment of INR 500 crores (approximately $83 million USD) is slated to expand 10 times. The government will contribute 20% of the fund, and the rest will come from financial institutions, insurance companies, multilateral/bilateral development agencies, and Indian and global corporations.
26	Role of Local Government in Improving Entrepreneurship Motivation and Internalization For Entrepreneurship	Fitriah Mulyanti Sado Kaki1 , Eko Budi Soetjipto2 , Agus Hermawan3	This study highlited the problem as The lack of a location of fund of supervisors for small and medium industries / SMEs, their attitude and behavior for

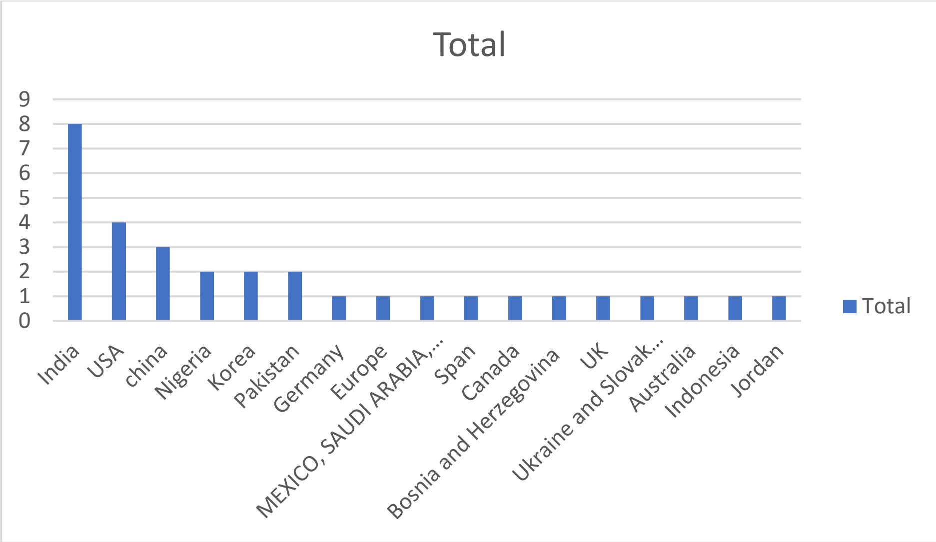
	Education Home Based Industry (A Case Study Of Entrepreneurship Home Industry Owners In Ende, East Nusa Tenggara)		small and medium industries/SMEs seems a bit spoiled so whatever thedesired results should get help form the Government, all activities or training should provide a sufficient materimprove the knowledge of participants so it can change small and medium industrithe behaviours and attitude of the participants of small industries/SMEs, lack of Planning for the operation needs guidance to bring it more mature, fostering entrepreneurship education must be conducted by the relevant local government Department of Industry and Trade through mentoring activities in the technical guidance, socialization / education and training as well as grants machinery equipment. W
27	Effect of venture capital and government support on the performance of venture firms in Korea	Dong-Won Sohn a , Hyun Jeong Kim & Wonchang Hur	Finding of this study have produced meaningful implications on venture capital and government support; however, a specific limitation needs to be mentioned. Our study examined the effect of venture capital and government funds on the performance of ventures; however, we could not ident ify the effect of investment in an orderly manner from the two funds. It is expected that the perform ance effect of a firm may differ according to the order of entry by the two investments (i.e. venture capital investment before gaining government support or vice versa); however, our sample did not present the order of investment acquired by the venture company. If this information is included, future work would show the effect of each fund on the performance of venture firms
28	GOVERNMENT ENTREPRENEURSHIP DEVELOPMENT PROGRAMMES AND SMALL & MEDIUM SCALE ENTERPRISE SUCCESS IN RIVERS STATE	AMADI, VICTORIA CHIOMA1 DR. OJIABO UKOHA2 DR. (MRS) KEMI D. ALAGAH	Availability of government entrepreneurship development program tends to stimulate anticipated equitable policies that are success driven. Specifically, the application of government entrepreneurship development program enhances success of small and medium scale enterprises. Thus, firms through its technology should create an enabling environment in embracing and applying government entrepreneurship development program as it would induce success of small and medium scale enterprises.
29	GOVERNMENT SPONSORED VERSUS PRIVATE VENTURE CAPITAL: CANADIAN EVIDENCE	James A. Brander Edward Egan Thomas F. Hellmann	In this paper we assess the relative performance of private venture capital and government sponsored venture capital in Canada. We focus on three general areas of performance: value creation, competitive effects, and innovation. We do not undertake a full welfare analysis but, presumably, these three objectives are closely associated with economic welfare. Overall, it appears that there is a consistent pattern of superior performance for PVCs. Specifically, enterprises supported by private venture capital are more likely to have successful exits (IPOs or third-party acquisitions) and tend to generate higher value conditional on successful exit.

30	The role of government co-investment funds in the supply of entrepreneurial finance: An assessment of the early operation of the UK Angel Co-investment Fund	Robyn Owen (Baldock) Colin Mason	This section examines early stage entrepreneurial finance gap theories in the context of the developing post GFC UK finance escalator. It then goes on to consider key agency and design theories relating to the operation and delivery of government VC funds (GVCFs) and more specifically the evolution of Angel-Oriented CIFs (A-OCIFs). Murray (2007) describes the development of private VC-led CIFs as 'hybrid funds', where government provides a proportion of funding to lever matched funding from private VCs Proposition two clearly demonstrated that the ACF is meeting its aim of addressing the funding gap for early stage potential high growth businesses, particularly those seeking second round step-change 'stretch' funding
31	New players in entrepreneurial finance and why they are there	Joern H. Block & Massimo G. Colombo & Douglas J. Cumming & Silvio Vismara	Entrepreneurial financing appears biased toward certain players and financing instruments such as VC and, more recently, crowd funding and has neglected others. Examples of neglected new players in entrepreneurial financing are debt venture funds, angel networks, and family offices. Most existing entrepreneurial finance research focuses on single financing instruments such as VC or bank financing and does not take a holistic approach where financing instruments are regarded as complements rather than substitutes It is important to understand path dependencies in the process of entrepreneurial financing, e.g., whether VC funding can follow crowd funding or the other way around
32	Government support and firm innovation performance	Jiuchang Wei and Yang Liu	The study indicates direct public R&D subsidies granted to a certain firm can positively affect innovation performance. This finding suggests that government should play a key role in encouraging innovation by implementing regional policies This study investigate four types of government support (i.e. R&D subsidies, scientific research project subsidies, regional innovation policy and tax credits) and classify them into two categories (i.e. vertical and horizontal support), according to the industrial policy theory

Descriptive Analysis

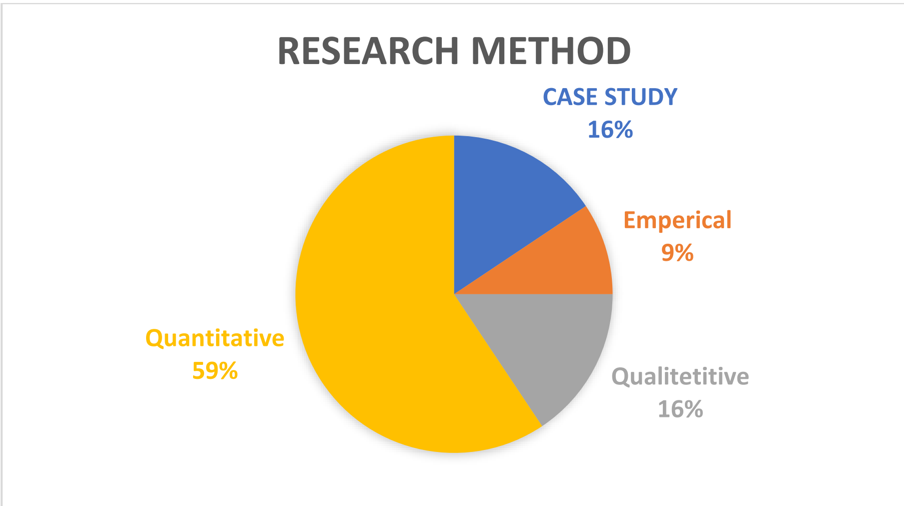
Contribution : Based on Geographical Distribution

A significant proportion of the studies reviewed—**eight in total—originate from India**, followed by contributions from the United States and China. This distribution reflects a **blend of perspectives from both developing and developed economies**. India's prominent role underscores its growing leadership in the fields of startups and entrepreneurship, which is mirrored by a corresponding increase in scholarly research. These findings suggest that the current discourse on entrepreneurial finance opportunities carries a **mixed orientation**, shaped by the distinct experiences and priorities of both emerging and advanced economies.



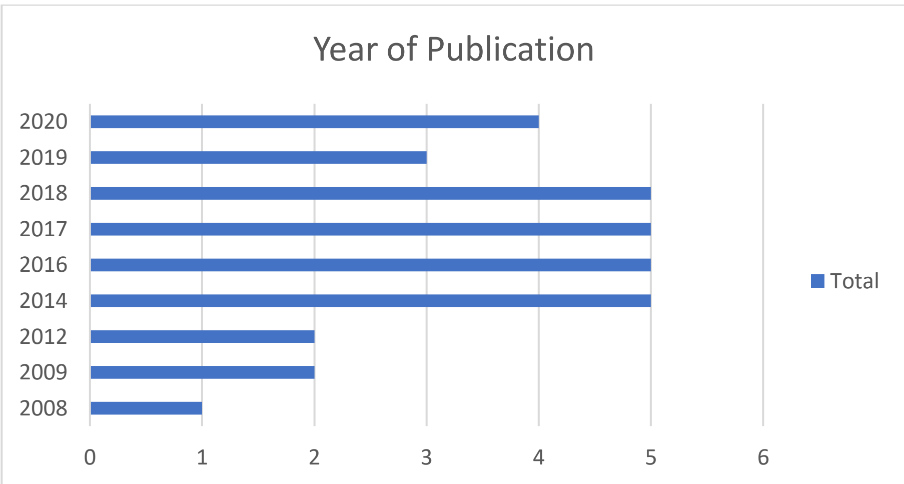
Types of Study

Findings from the review show that out of 32 studies, 59% are Quantitative in nature, 16% are Qualitative and 16 % were Case Study. In addition, 9 % of the study used an empirical method approach.



Year wise Publications

Present study shows the major researches published in the field of government and private financial support for venture in the last two decades. In the current era this study is emerging the scope and expanding the boundaries for the deeply research of venture financing.



Literature Sources

Journal Name	Total Papers
Emerald Insight	4
Springer	3
Sage	3
Elsevier	3
Entrepreneurship & Regional Development: An International Journal	2
Proceedings of SSIP Annual Conference on Student Innovation, Start-ups and Ecosystem – 201	1
Wiley	1
Economic Review – Journal of Economics and Business	1
Scopus	1
NBER WORKING PAPER SERIES	1
Eldis	1
China & World Economy	1
Technology Innovation Management Review	1
TIMISORA JOURNAL OF ECONOMICS	1
Sustainability	1
IOSR Journal of Business and Management	1
THE COMMUNICATIONS	1
JETIR December 2018	1
Universal Journal of Management	1
Journal of Entrepreneurship and Management	1
Asian Journal of Economics and Empirical Research	1
Munich Personal RePEc Archive	1
Grand Total	**32**

Total 32 articles identified by the SLR have appeared in a wide variety of journals. It showcase the quality of journal and paper. Major 5 journals have carried more than two articles which all are the listed journals. Emerald Insight has the highest number of publications with 4 numbers of articles. The Table 1.3 shows the number of publications in the journals.

Theory used in the Literature
Entrepreneurship Theory or Theory of entrepreneurship is majorly used and repeating the 5 reviews. Along with that the researches has also used RBV theory and Institutional Theory majorly to do the research work. In two research papers the Social Network Theory is used repeatedly. Apart of this other theories has also been used to do research of financial support for venture performance but these mentioned four theories are most commonly used for research work.

Major Theory Used	Total No. of paper
Entrepreneurship Theory	5
RBV Theory	4
Institutional Theory	4
Social Network Theory	2

Result

- **What are the funding opportunities for start-up ?**

The entrepreneurial finance landscape has undergone significant transformation in recent years, with a **diverse array of new participants** entering the market. However, **academic research in this area remains largely concentrated** on a few dominant financing instruments—particularly venture capital and, more recently, crowd funding. As a result, several emerging and alternative sources of entrepreneurial funding have been **underrepresented in scholarly discourse**. Notable among these overlooked actors are debt-based enterprises, angel investor networks, wealth funds, and family offices, all of which play a growing role in entrepreneurial lending and support. (Colombo, 2017)

Empirical studies accounted for **19% of the reviewed literature**, playing a crucial role in identifying the range of funding opportunities available to startups. The systematic literature review (SLR) of research from various countries reveals **a diverse spectrum of financing options** for entrepreneurial ventures. These sources can broadly be categorized into two main types: **government financial support** and **private financial support**. When combined, they are often referred to as **hybrid funding opportunities**. The literature consistently highlights that both entrepreneurial finance and government support exert

significant influence on the success of new ventures.(Ullah, 2020) It means that the review also says that the Government and private financial support are not only opportunity but it is having the significant influence on the venture performance.

- **What is the role of govt. in promoting start-ups ?**

Based on existing research, the government is ideally positioned to play a **strategic role in fostering the development and competitiveness of small and medium enterprises (SMEs)**. However, competitiveness should not be narrowly interpreted as the ability to compete alone. It also involves **capacity for long-term industrial growth, strategic foresight, and adaptability to changing market conditions**. Government support should go beyond the mere provision of capital; it should focus on **creating an enabling environment that nurtures entrepreneurial potential**. This includes facilitating access to finance, formulating SME-friendly credit policies, strengthening institutional capacity to assist with funding proposals, and establishing regulatory frameworks that support sustainable growth. In essence, the government's role is to empower SMEs with the tools, knowledge, and infrastructure necessary to thrive in dynamic economic environments.(Hermawan, 2016)

As per the finding major Literatures of our SLR has used Quantitative research methodology and based on that our study also drawn a new view based on the study that the Government finance supports or moderate the private finance. Based on (Quas, 2017) show that GVC positively affects the development of the VC industry. Studies using firm-level data also offer a positive view. (Brander, 2018) Show that if GVC and PVC are both present in a company, the company receives a larger amount of VC investment than with GVC or PVC only. Guerini and Quas (2016) find that receiving GVC makes a firm three times more likely to receive PVC.

Government Organizations Can Help Small Enterprises Get Finance capital, which in turn helps them to promote the business. For example, improving government financial aid Innovation breakthrough of SMEs, which helps them to be competitive market conditions (Doh, 2014), such as in terms of tax Government support concessions, interest free loans and other financial and non-financial incentives that increase their chances of survival and growth. As per the research it can be said that Government support strengthens the positive relationship between Entrepreneurial finance and new venture success. (Ullah, 2020)

- **How entrepreneurial finance affect venture performance ?**

Based on the findings from the literature review, researchers have primarily employed **Resource-Based View (RBV) theory** and **Entrepreneurship theory** to examine the impact of financial support on venture performance. The evidence suggests that both **government and private funding** exert an **indirect or mediating influence** on venture outcomes. Furthermore, analysis of prior studies indicates that government-backed startups tend to exhibit enhanced business sustainability, with **entrepreneurship exerting a positive effect**, moderated by factors such as **flow experience** and **entrepreneurial satisfaction**.(Kim, 2019)

Several studies suggest that **government financial support directly enhances a new firm's competitive advantage**, while its effect on overall performance tends to be **indirect**. Empirical findings underscore that **competitive advantage functions as a critical mediating variable** in the relationship between public financial support and business performance. These insights point to the need for **a re-evaluation of how support programs are assessed**, advocating for approaches that consider how initial resource inputs translate into firm-specific, valuable, and distinctive capabilities—ultimately driving competitive advantage and long-term success for new ventures. (Angulo-Ruiz, 2014)

The reviewed studies indicate that **entrepreneurial finance has emerged as a key determinant of venture success**. In particular, it demonstrates a significant impact not only on business performance but also on innovation outcomes. Moreover, these findings suggest that the strength of this relationship is influenced by the **availability of formal financial resources** and the degree of **institutional development** within a given context. Scholars in this domain emphasize that a well-formulated financial strategy is crucial for the **survival and performance of small and medium enterprises (SMEs)**. Consequently, the collective evidence supports the conclusion that entrepreneurial finance plays a vital role in driving the success of new ventures.

Limitation of the study

SLR is accepted as a valid procedure in business and management research that provides focused and critical insights into the study (Tranfield, 2003). Such an approach generates evidence in such a way that clear conclusions can be drawn about the known unknown (Denyer, 2009). However, like any method, it has its own limitations.

While the systematic literature review (SLR) offered a comprehensive analysis of the impact of government and private funding on venture performance, its **effectiveness was bounded** by several limitations. These include the scope of **search strings used**, the selection of **databases**, the defined **review questions**, and the **cutoff date for data collection** (April 25, 2023).

Moreover, given the rapidly expanding body of research in entrepreneurial finance, it is acknowledged that **not all relevant literature could be captured**. The review focused on evaluating sources deemed most pertinent and reliable at the time, based on the inclusion criteria.

Conclusion and Future scope of study

This study conducted a rigorous systematic literature review of 32 scholarly sources to explore the relationship between **entrepreneurial finance**—both public and private—and **venture performance**. The findings lead to several important conclusions that highlight the evolving complexity of financing in entrepreneurial ecosystems.

First, the review underscores the emergence of **hybrid funding structures**, where the integration of government and private financial support creates a more resilient foundation for startups. Government support, in particular, is found to have a **dual**

function: not only does it directly influence performance by providing initial resources, but it also **facilitates private investment** by enhancing the credibility and perceived stability of new ventures. This mediating role is especially relevant in developing economies like India, where institutional support and financial infrastructure are still maturing.

Second, the literature shows that financial support—irrespective of its origin—plays a **critical role in shaping competitive advantage**, which in turn influences overall venture performance. The **mediating effect of competitive advantage** reveals that capital alone is insufficient; how it is deployed to build unique assets, capabilities, and market positioning is what ultimately drives sustainability and success.

Third, the study highlights a growing body of theoretical work that converges around **Resource-Based View (RBV) theory** and **Entrepreneurship theory**. These frameworks provide a robust foundation for understanding how resource availability, entrepreneurial behavior, and institutional support interact to shape venture outcomes. Future research can extend these theoretical underpinnings by testing integrated models through **exploratory or empirical studies**, particularly in under-researched regions and sectors.

While this review offers significant insights, it also acknowledges limitations related to the scope of databases, the search strings used, and the cutoff date for data collection. Therefore, further studies can build on this groundwork by **incorporating dynamic data**, exploring sector-specific implications, and examining the **longitudinal impact** of different financing strategies on entrepreneurial trajectories.

Ultimately, this research contributes to the growing discourse on entrepreneurial finance by advocating for **a more holistic and nuanced understanding of funding ecosystems**, especially those bridging public and private capital. It offers strategic insights for **policymakers, investors, and entrepreneurs**, urging them to recognize that the value of financial support lies not just in access, but in its alignment with a venture's strategic objectives and competitive context.

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