



## Mains Practice Question

**Q.** Critically examine the social and economic barriers faced by women entrepreneurs in India. Suggest strategies to empower women to start and grow their businesses.

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### Approach

- Introduce with giving a data of women entrepreneurs in India
- State social and economic barriers faced by them
- Suggest strategies to empower women entrepreneurs
- Conclude positively.

### Introduction

**Women entrepreneurs** play a crucial role in driving women-led economic growth and social progress. However, in India, only **14% of entrepreneurs in India are women**. They continue to face significant social and economic barriers that hinder their ability to start and grow successful businesses.

### Body

#### Social and Economic Barriers Faced by Women Entrepreneurs:

- **Social Barriers**
  - **Gender Discrimination and Patriarchal Mindsets:** According to a survey by the National Sample Survey Office (NSSO), only **14% of Indian businesses** are owned by women.
    - Recent reports state that 63% women dream of entrepreneurship yet **74% rely on family for investments**.
    - **Glass ceiling** also presents a significant roadblock to their aspirations.
    - In rural areas, where patriarchal norms are more deeply entrenched, the percentage of women entrepreneurs is even lower.
  - **Lack of Family Support and Mobility Restrictions:** Women struggle to balance business and family obligations. Limited mobility restricts networking and exploring opportunities.
  - **Limited Access to Education and Skills Development:** According to the National Family Health Survey (NFHS-5), the literacy rate for women in India is **71.5%**, compared to **84.7% for men**, highlighting the educational gap.
    - In states like **Bihar and Jharkhand**, where the gender gap in education is more significant, the percentage of women entrepreneurs is even lower.
  - **Safety and Security Concerns:** Risks of harassment or violence in public spaces discourages women from pursuing entrepreneurial activities.
- **Economic Barriers:**
  - **Limited Access to Finance and Credit:** A recent survey indicates that only 3% women entrepreneurs in Tier 2 and 3 cities in India had access to external funding.
    - Also, they lack banking literacy. 1 in every five women lack access to a bank account in India. (**Observer Research Foundation**).

- **Inadequate Access to Markets and Networks:** Exclusion from male-dominated business networks and market information **limits reach and growth potential of women-owned businesses.**
  - In certain industries, like **manufacturing and construction**, women's representation in industry associations and trade networks is as low as **5-10%**.
- **Lack of Property Rights and Ownership:** Women often lack ownership rights over property or assets. It hinders their ability to use assets as collateral for financing.
  - **42.3% of women** in India as compared to 62.5% of men own a house in India. (NFHS-5)
- **Unequal Distribution of Household and Caregiving Responsibilities:** An average Indian woman spends nearly **10 times more time on unpaid caregiving** and household work compared to the average man (**Time Use Survey by NSO**).

### Strategies to Empower Women Entrepreneurs:

- **Implement Gender-Lens Investing:** Encourage and incentivize venture capitalists and angel investors to adopt a gender-lens investing approach, which prioritizes investing in businesses led by women or those that cater to women's needs.
- **Develop Women Entrepreneurship Zones (WEZs):** These zones can offer subsidized rental rates, access to shared facilities (e.g., **co-working spaces, manufacturing units**), and specialized support services.
  - The state of **Telangana** has proposed the establishment of India's first Women Entrepreneurship Hub.
- **Leverage Digital Platforms and E-Commerce:** Develop online platforms and marketplaces specifically designed to promote and sell products and services from women-owned businesses.
  - The e-commerce platform "**Shepreneurs**" exclusively features products and services from women-owned businesses.
- **Establish Women Entrepreneur Ambassadors:** Identify and recognize successful women entrepreneurs like **Falguni Nayar and Kiran Mazumdar-Shaw** as ambassadors or role models in their respective industries or regions.
  - These ambassadors can serve as mentors, inspire aspiring entrepreneurs, and advocate for policies and initiatives that support women in business.

### Conclusion

By dismantling these social and economic barriers and providing targeted support, India can unlock the vast potential of women entrepreneurs through **Women-led Development**. This will not only promote gender equality but also significantly contribute to the **nation's economic growth**.