



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**.