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A Shankar IAS Academy Initiative

Boosting Women Entrepreneurship

What is the issue?

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India must ensure that at least 25% of entrepreneurs are women by 2025 to foster inclusive economic growth.

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What is the existing business landscape in India?

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- India with more than 20,000 start-ups has emerged as the second largest start-up ecosystem in the world and is expected to grow at 10-12 per cent year-on-year.

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- India jumped 50 places in the overall 'Ease of Doing Business' rankings and ranks one among the top 100 countries to do business.

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- India has developed a vibrant entrepreneurial landscape aided by several progressive initiatives and measures instituted by the government.

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- The government initiatives including Stand-Up India, MUDRA, and NITI Aayog's recent Women Entrepreneurship Platform (WEP) are steps in the right direction.

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- Several women-led leadership and mentorship programs such as empoWer, SAHA Fund and Sonder Connect are also gaining traction in India.

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What is the role of women in Indian economy?

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- With women comprising over 48 per cent of the country's population, it is impossible to think of economic growth without women as the fundamental drivers of change.
- It is projected that by 2025, India's GDP will get an additional boost of 16 per cent, by integrating women into the workforce.
- Innovations by Indian women are actively reshaping engineering, technology, design, handicrafts, weaving, shoe-making, agriculture, organic farming and other cultural and creative industries.
- The recent World Economic Forum meeting at Davos adds to the notion of the new age women entrepreneur, putting out a call to bring up an equal number of women, in the labour force.
- This equalisation can enhance the Gross Domestic Product of a developing country like India by over 27 per cent.

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What are the issues faced by women entrepreneurs?

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- According to the Sixth Economic Census by the National Sample Survey Organisation (NSSO), only 14 per cent businesses in India are run by women.
- It is estimated that over 90 per cent of finance requirement for women entrepreneurs is met through informal channels since they are unable to source formal, collateral free and transparent financing for their enterprises.
- Apart from this cultural and gender bias were amongst the major hindrances for women business owners in India.

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What measures needs to be taken in this regard?

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- **Progressive policies** - To achieve inclusive and equitable socio-economic growth, India must ensure that at least 25 per cent of entrepreneurs in the country are women by 2025.

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- Therefore, there is an urgent need to create an enabling environment for women to pursue their entrepreneurial aspirations through progressive policies.

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- **Business Infrastructure** - India must focus on establishing necessary infrastructure, such as women-centric incubator and, increasing investment opportunities.

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- **Financial accessibility** - Access to new age alternate funding for women entrepreneurs such as women specific venture funds and crowd funding is important for encouraging their growth.

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- Also, India need to encourage women to invest in other female-led companies to balance gender disparity, co-creating both mentorship and networking platforms.

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- **Improving Skillsets** - With emerging technologies such as \ blockchain, Artificial Intelligence (A.I) and Internet of Things (IoT), it is of vital importance that the skillset of women be expanded to match the current market trends.

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Source: Business Line

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