

Startups (DPIIT defn AR)

- Importance
 - Break mkt. monopolies, bring in competition
 - Infuse new tech./innovation ⇒ consumer 😊
 - **social & economic mobility chr indicator** (surname not needed for corpo success)
 - Diversify economy ⇒ break hegemony
 - Jobs & economic growth

- Govt. role
 - Act as facilitator & provide fertile ground
 - consistency of laws, policies, regulations
 - Investment friendly env., fair competition
 - Incentivize social entrepreneurship → subsidies, tax breaks etc.

- Govt. steps
 - Funding: Standup India, Startup India Seed Fund scheme, SIDBI Fund of Funds, PM MUDRA Yojana, **Zero Coupon Zero Principal Bonds**, **social stock exchange (SSE)**
 - Credit Guarantee scheme for startups + **Angel tax abolition**

Framework reforms: GST, RERA, IBC (ease of doing business)

Financial Inclusion & DPI initiatives ⇒ Mkt. for startups

OCEAN ⇒ Democratize access to credit seamlessly **BHASKAR** portal likh sakte ho yaad rahe toh, recent + impactful

Tax exemption: Startups can avail tax holiday for 3 consecutive financial years out of its first 10 years since incorporation (Active Recall 3 pts of DPIIT startup defn)

- Access to funding (lack of traditional collateral) Funding winter
- High mortality: Inherent risk of startups
Also 'zombie enterprises' => kya hai?... Good technical term to use to impress examiner
- Challenges to startups
 - Mindless expansionism eg. Koo
 - Networking & talent deficit: Tier II & III startups
 - Entry barriers (eg. data access, predatory pricing)
 - Regulatory burdens against scaling up
 - Most startups still in services, not manufacturing
 - Risk averse Indian society

Startup founders should focus on getting the right partners and investors rather than maximizing valuations, as the latter is fairly short-term in nature 1.4+ lacs DPIIT registered startups

- Data
 - India 3rd largest after US & China 1.4+ lacs DPIIT registered startups
 - Top sectors: e-commerce, fintech, edtech
 - 67 unicorns as of April 2024 as per Hurun India (3rd largest)
 - 18% of registered startups women led ←
 - Hurun India: India to add 152 more unicorns over next 3-5 yrs

Write the same color highlighted data together as they are related + source credibility

- Steps to be taken
 - Integrate entrepreneurship & startup mentorship in higher edu social => celebrate risk-taking
 - simplify regulations + make investor-friendly environment (ease of exit)
 - Est. more incubators & accelerators to provide seed funding + incentivize VC & Angel investors
 - Infra dev.: Co-working innovation hubs in Tier 2 & Tier 3 cities eg. RBIH Regulatory Sandbox
 - Invest in R&D, academia-industry interface
 - Mentorship, Networking, foreign exposure programs

SEBI has proposed to Fin. Min. that ZCZP bonds on SSE be counted as CSR

- Women entrepreneurship (also use content from prev. pages)

Significance

- Inclusive dev. & social transformation → only 18% of DPIIT reg. startups women led
- Employment in rural & semi-urban areas where traditional economy ↓
- social mobility + role models + female empowerment
- Unique perspectives/innovations to gender-based issues (healthcare, edu, sustainability)

Prospects

- digital economy → remote work & less mobility needed
- ESG norms & institutional support
- Female mkt. + changing norms + edu ↑ etc. ⇒ fertile ground.

Challenges

- societal norms & stereotypes
- lending institutions discriminate against women-led businesses

Family duties vs full time entrepreneur job

- Few women at top (16% women on company boards) ⇒ reinforces stereotypes
- less networks & mentorship opportunities

Govt. steps

- standup India scheme
- SHG empowerment (Best example of ground-up since 88% SHGs are all-women (ES 2023))
- Women Entrepreneurship Platform by MoWCD ⇒ supportive system

As mundane as the name sounds

access to funding, mentorship, training

Steps to be taken

- NB: create separate PSL cat. for loans to women-led startups
- Address societal perceptions & gender roles
- Mentorship & support networks
- Incentivize VCs & Angel Investors

- Rural / Tier 2 or 3 entrepreneurship

- Inclusive dev. \Rightarrow 65% rural poplⁿ
- Poverty alleviation, job creation, agri shift
- Significance \rightarrow Eco diversification \Rightarrow non-farm jobs
- Augment welfare efforts of govt.
- Upliftment of marginalized groups
- High multiplier by solving rural problems not catered to by urban businesses
- Digital penetration: increasing rapidly eg. edu needs
- Emerging mkt due to \uparrow in PCI
- Prospects \rightarrow Agri base \Rightarrow food processing, bioeconomy etc. Unique pt., hard to brainstorm on spot
- Govt. support
- Retain youth from urban migration

Write additional content if needed using your knowledge of social entrepreneurship

- challenges \rightarrow education & skill deficit
- Low purchasing power
- Infra deficit (roads, electricity, internet)
- Informal economy \Rightarrow lack of access to formal funding 31% still depend on informal moneylenders (RBI Rep. on C&F)
- Mkt. access challenges
- challenges of regulation for unaware rural youth

- Govt steps \rightarrow Stand up India + Social Stock Ex. (SEBI)
- Jan Dhan, financial inclusion 55% Acc women
- Rural electrification: SAUBHAGYA (full form?) 66% Acc rural/semi urban areas
- Internet: Digital Bharat Nidhi (earlier USOF) Mostly supporting infra likhna padega govt. ki taraf se ★★★
- Road connectivity: PMGSY
- SHG + DAY-NRLM (self-employment) Programs \rightarrow Startup Village Entre. Prog. (SVEP)

- Steps to be taken \rightarrow Include in formal loan networks (31% still sourced from informal moneylenders as per RBI's rep. on C&F)
- Infra dev. + Agri infra (cold storage etc.)
- skilling \rightarrow prioritize govt. procurement
- Mkt. access ensure chrt (mention GEM, ODP, Trade fairs)
- Promote cooperative models (AMUL) R&D + certi. (eg. org. farm)

White paper titled 'At the Helm: Women Entrepreneurs Transforming Middle India' by Reserve Bank Innovation Hub (RBIH)

- It is based on a survey that highlights the complex **socio-economic dynamics affecting women's entrepreneurship in Tier 2 and Tier 3 cities, referred to as Middle India** and **role of women** in their transformation.

- **Key Highlights of survey:**

- Path to entrepreneurial success for women tends to **extend longer** due to various challenges.
- **About 35%** respondents reported **pausing their entrepreneurial efforts** due to caregiving responsibilities.
- 90.2% of women are **primary decision-makers** in their ventures, highlighting their **autonomy and leadership**.

- **Key challenges faced by women entrepreneurs:**

- **Capital Gap:** Only 3% of surveyed women accessed external funding.
- **Network Gap:** Marriage drives 87% of women's migration, posing challenges in rebuilding social networks & slow career progression.
- **Care Gap:** Caregiving responsibilities, including maternity leave, delays entrepreneurial success. **35%**
- **Data Gap:** Absence of gender-disaggregated data hampers policy interventions.
- **Visibility Gap:** Societal undervaluation leads to low visibility and limited recognition.

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D

• **Policy Recommendations:**

Address
NCC
VD

- Utilize **gender-disaggregated data** for effective policy interventions.
- **Breaking capital barriers** through State-sponsored grants, female-focused incubators, and strengthening women's support networks.
- **Fiscal incentives** for **childcare leave and expenses**.
- Creation of **safe public & digital spaces** with enhancement of physical mobility.

