Indian Economy · GS - III

“Access to institutional credit is essential for transforming social inclusion into economic empowerment.” Examine the role of the Stand-Up India Scheme in promoting entrepreneurship among women and disadvantaged communities.

EXAM YEAR	PAPER	SUBJECT
DAILY PRACTICE 11/11/2026	GS - III	Indian Economy

MARKS	WORD LIMIT
10	~150 words

Answer Hint

Inclusive entrepreneurship, institutional credit, women empowerment, SC/ST entrepreneurs, greenfield enterprises, credit guarantee, financial inclusion, employment generation, implementation challenges, enterprise sustainability.

Model Answer

Introduction

Entrepreneurship can promote economic empowerment by creating livelihoods, generating employment and reducing dependence on traditional sources of income. Stand-Up India seeks to address credit barriers faced by women and SC/ST entrepreneurs.

Contribution to Inclusive Growth

- **Credit accessibility:** Bank loans above ₹10 lakh and up to ₹1 crore support eligible greenfield enterprises.
- **Entrepreneurial diversity:** Coverage of manufacturing, services, trading and agriculture-allied activities expands business opportunities.
- **Risk mitigation:** Credit guarantee coverage of 85% of the loan amount encourages institutional lending.

- **Women empowerment:** Dedicated support strengthens women's participation in enterprise ownership and management.
- **Employment generation:** New enterprises can create local jobs and stimulate economic activity.

Challenges

Limited entrepreneurial experience, inadequate collateral, procedural complexities, market access constraints and weak business mentoring can affect enterprise sustainability.

Way Forward

Simplified applications, financial literacy, digital handholding, market linkages and post-loan mentoring should complement credit assistance.

Conclusion

Stand-Up India can deepen inclusive growth by converting access to finance into sustainable enterprise development. Effective implementation and institutional support are essential for long-term impact.

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