

Women Entrepreneurship Development: Policy Perceptions & Practice

ISED Discussion Paper



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ISED Small Enterprise Observatory

jointly with

ISED Centre for Public Policy Studies

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PREFACE

Public policy, and the basic perceptions underlying such policy, are important in shaping the pattern of women entrepreneurship in any country. In India, the national and State level policies have been moulded around the historical experience of the country that is divergent. Therefore, an understanding of such historical specifics relating to gender based empowerment and participation are critical. Besides its longer history of public policies for women empowerment, India has a number of public programmes targeting women and their associations/groups. It is important to examine their present status and potential from the point of view of better planning, targeting and, corrective action. While the impact of public schemes is often perceived to be much less than the potential, it is necessary to explore into the reasons, identify the critical constraints and to typologise them.

This study is based on a large research initiative at the ISED, on the theoretical and methodological aspects of 'Gender and Enterprise', as an evolving constituency. The field evidences, forming the backbone of this research, come from the State of Kerala.

As this title come out as a joint output of the Observatory and the ISED Centre for Public Policy Studies, the Institute wishes to thank, without fail, the pains and efforts of the authors, and of all who have supported it through inputs and suggestions. ISED has taken best efforts to ensure the quality and reliability of this paper. However, for the findings and views, the authors alone are responsible.

Cochin
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ABSTRACT

Public policy, and the basic perceptions underlying such policy are important in shaping the pattern of women entrepreneurship development in any country. In India, the national policy as also the policy approach of the State governments have been moulded around the historical experience of the country in the subject area. Therefore, an understanding of the evolution of public policy relating to gender based empowerment and participation are critical. The perceptions and practice in the subject area differ. While Kerala has a longer history of public policies for women empowerment, it is important to have the debates on the basis of the State's experience. Kerala has a number of public programmes targeting women and their associations/groups. It is important to examine their present status and potential from the point of view of better planning, targeting and, corrective action. While it is generally perceived that, impacts of public schemes are often much less than the potential, it is important to identify the critical constraints and to typologies them.

KEY WORDS: public policy, women entrepreneurship, Kerala, schemes, India.

1.0. Introduction

'Gender and enterprise' (G&E) is a critical theme of development debates in India today. It can be summarized in terms of two key aspects: 1) economic empowerment of women through the entrepreneurship route; and 2) contribution to the creation of an appropriate enterprise ecosystem. In India, the practice of women entrepreneurship development is often confined to two key areas: a) awareness creation; and b) financing. The Union and State governments have a number of programmes for training and mentoring of women, which often leads to some entrepreneurial activity, individual, collective, or both. The financial institutions have several gender-specific programmes which target women, ensuring that a portion of the institutional credit go to women as per directives of the RBI and of the government. Beyond these, there is a key question: How relevant are the public programmes for women entrepreneurship development, and how effectively they are implemented? Another fundamental question follows: What are the critical constraints endemic to gender-specific programmes in relation to the larger and

more broad based goal of economic empowerment of women?

While the problem, as above, is vital, gender in public policy and practice in India, has been treated largely as a budgeting issue. Gender imbalance in the domains of industry and enterprise development, are essentially the outcome of structural factors, such as the dynamics of labour market behavior, inter-industry linkages, social discrimination, and the limited effectiveness of policy interventions. These have not gained adequate attention in research and policy so far. Against this background, this research seeks to bring to the forefront, such neglected aspects, and to suggest some broad directions for policy and practice.

2.0. Sustainable Development through Enterprise: it Means Business

The 69th Report of the United Nations General Assembly, entitled, 'Entrepreneurship for Development: Report of the Secretary General (2014)', takes stock of the progress of the global initiatives for entrepreneurship development, and makes the following observation:

“Women entrepreneurs should be empowered. Efforts should be strengthened to continue promoting the equality of women in all areas relevant to fostering entrepreneurship, including business regulations, financial inclusion, access to markets, and information and communications technologies and technology access. A network of goodwill ambassadors for women’s entrepreneurship could be promoted to advance guidance on how to enable women to use their full entrepreneurial potential.”

The above quote from the United Nations indicate that, four decades after the declaration of the International Women’s Year’ by the UN, at the theoretical and strategic levels, there is reasonable clarity on entrepreneurship development. However, despite the presence of large number of research documents(of different quality levels), the tools and techniques of women entrepreneurship development still remain rather ambiguous. The five functional areas relating to entrepreneurship development, identified by the UN, are clear and forward looking. But action in the context of gender remains relatively blurred. The actual experience of programme development at the national and State levels remain far remote. In fact, public programmes for women entrepreneurship development ,in many cases, are structured to legitimize Gender Budgets, rather than a demand-driven development agenda. This needs radical changes. The mission in this area need to be to aligned strongly with the Sustainable Development Goals. The following pages attempts to discuss the how and why of it.

Against the above background, the focus of this paper, based on a larger study by the ISED, is to offer a framework of analysis and planning, and to make suggestions on fine-tuning the existing public programmes. It also offers alternative policy suggestions, where needed.

The subject of women entrepreneurship got broad based over time in relation to a variety of public programmes, and several dedicated institutions to implement them. The Government of India has defined women entrepreneurs based on their participation in equity and employment of a business enterprise(GOI,2006). It defines women entrepreneur/enterprise as “an enterprise owned and controlled by a women having a minimum financial interest of 51 per cent of the capital and giving at least 51 per cent of the employment generated in the enterprise to women.” However, apart from the above simple definition, from an operationally meaningful angle, its scope has not yet been officially defined by the Government of Kerala. As a consequence, a cloudy scene of programme design and implementation by various agencies has taken place over time, making meaningful research and policy making extremely difficult. While the very purpose of this study is to make some humble contributions to improve the situation, there are several limitations and constraints within which the task need to be performed. The major constraint relates to the limited understanding of the universe of the study, which involves a large number of enterprises involving different degrees of informality in relation to size and structure. Such diversity has not been properly captured by the available secondary data. Given these constraints, the scope of this study is limited to the relatively formal sector of women enterprises, covered under public programs. The detailed field research was based on those enterprises registered with the District Industries Centers(DICs).

3.0. Methodological Outline

3.1. Analytical Framework

The analytical framework of this research is grounded on the ‘Framework Triangle of Enterprise Development’, developed by