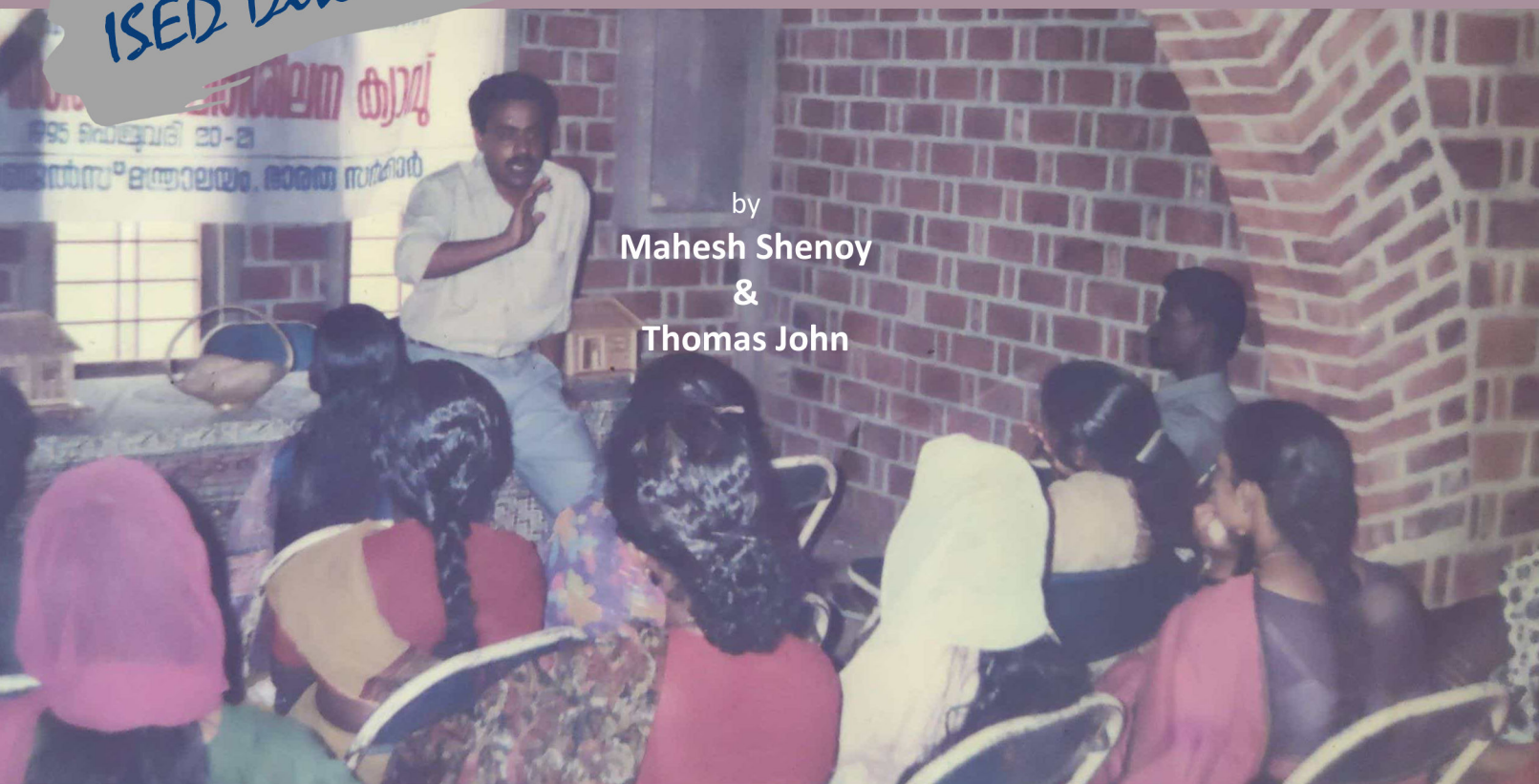


Gender: How does it Matter for Business Demography & Entrepreneurship?

ISED Discussion Paper



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ISED Small Enterprise Observatory

jointly with

ISED Centre for Enterprise Development

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PREFACE

Where 'gender' is considered as a crucial dimension of economic development policy, it is undoubtedly necessary to identify a 'business case' in gender-sensitive economic programmes. In a context where, 'gender budgeting' is the corner-stone of public policy and practice, it is necessary to examine enterprises in relation to their various facets: stock-flow relationship, age and health status. These inter-related aspects have been discussed by the academic discipline of business demography. It considers 'women enterprises' not simply as economic entities, but also as entities that are organic in nature. Therefore, like human population and its analysis, it is also necessary to analyse and understand 'women enterprises' in demographic terms.

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 Enterprise Development, the Institute wishes to thank, without fail, the pains and efforts of the authors, and 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
November 5,2020

P.M.Mathew
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ABSTRACT

Where gender is considered as a crucial dimension of economic development policy, it is undoubtedly necessary to indentify a business case in gender sensitive economic programmes. In a context where, 'gender budgeting' is the corner stone of public policy and practice, it is necessary to examine enterprises in relation to their various facets: stock-flow relationship, age and health status. These inter-related aspects have been discussed by the academic discipline of business demography. It considers women enterprises not simply as economic entities, but also as entities that are organic in nature. Therefore, like human population and its analysis, it is also necessary to analyze and understand women enterprises in demographic terms

KEY WORDS: business demography, entrepreneurship, gender, India

1.0. Introduction

'Gender and enterprise' (G&E) is a critical theme of development debates 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 study 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 ISED Small Enterprise Observatory,

based on the ILO programme on SIYB and EYB, and the Bermuda Triangle of Entrepreneurship Education. This model brings out the triangular relationship between: 1) Institutional capacity; 2) Delivery system; and 3) role of Actors.

Under the above analytical approach, this study proceeds with a focus on three decisive factors that are expected to have a crucial bearing on the performance of enterprises and the behavior of entrepreneurs: a) Framework conditions; b) Motivational factors; and c) Firm behavior.

3.2. Data base

In order to meet the above analytical requirements, the following data sources were utilized:

3.2.1. Secondary Data

The sources of secondary data were, the Ministry of MSME, CSO, NSSO and the Labour Bureau, at the national level, and the Directorate of Industries and Commerce, and the Directorate of Economics and Statistics, at the State level. Apart from these, the in-house resources of the ISED Small Enterprise Observatory were also utilized for the study.

3.2.2. Primary Data

Primary data were collected from the following sources:

- i) Enterprise Survey: Data from 140 enterprises, selected on appropriate sampling principles, were collected at the State level.
- ii) Survey of Financial Institutions: A sample of 42 bank branches were selected for detailed study.
- iii) Survey of BDS Providers: A sample size of 42 at the State level was originally fixed; however, such a representative sample could not be taken because of the constraints of secondary data.

c) Peer Level Discussions: The coverage of peer level discussions included, Union and State Government Departments and agencies, representative bodies of banks, Industry Associations and Chambers, and public promotional agencies.

4.0. Key Findings of the Study

The broad findings and conclusions of the study are discussed under ten chapters. While the first two chapters discuss the available knowledge base in the subject area, and points out the critical gaps, and outlines the schema of the study. The third chapter attempts to situate the enterprise scene in general, and women enterprise in specific, in the context of Kerala. Chapter 4 discusses the limits and scope of public programmes, to be followed by a review of the field evidences. The size and coverage of public programmes form the compass of chapter 6. Finance and Business Development services, two critical inputs deterministic of enterprise development, are discussed subsequently. Chapter 9 examines the issues at hand in an altogether new framework, suitable from the point of view of planning and strategy development, i.e., enterprise security. The broad findings and conclusions are summarized below.

The broad findings of the study give reasonable answers and explanations to our research questions, as follows:

4.1. Kerala's Gender & Enterprise Constituency and its Sustainability

Unlike elsewhere in the country, Kerala has a unique position regarding its 'Gender and Enterprise' constituency. The presence of a visible constituency is important both for the social organisation of the entrepreneurs, as also for giving the relevant market signals for attracting new investments. In this regard, Kerala offers several positive features. On the one hand,