

Gender & Enterprise under COVID 19: India's Policy Imperatives

ISED Discussion Paper

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ISED Small Enterprise Observatory

Jointly with

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PREFACE

The global agenda of economic empowerment of women, which forms a central place in the Sustainable Development Goals, got into its present stage through various steps. While the question of empowerment was essentially considered in terms of employment and livelihood opportunities to begin with, today it has gained a central position in mainstream economic development strategies. As such, the basic labour market issues have been discussed with gender as an important component of it. The various international organizations, such as the ILO, ITC, and the UNIDO have significant contributions in shaping their global agenda, with varying implications relating to technology, trade and employment. 'Gender and Enterprise' has become a constituency in itself. In the strategies of enterprise and entrepreneurship promotion, this dimension has been seriously incorporated. The on-going Pandemic, Ovid 19, implies an additional complex dimension to India's agenda of 'Gender and Enterprise'.

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

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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 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

The global agenda of economic empowerment of women, which forms a central place in the Sustainable Development Goals, got into its present stage through various steps. While the question of empowerment was essentially considered in terms of employment and livelihood opportunities to begin with, today it has gained a central position in mainstream economic development strategies. As such, the basic labor market issues have been discussed with gender as an important component of it. The various international organizations, such as the ILO, ITC, and the UNIDO have significant contributions in shaping their global agenda, with varying implications, relating to technology, trade and employment. 'Gender and Enterprise' has become a constituency in itself. In the strategies of enterprise and entrepreneurship promotion, this dimension has been seriously incorporated. The ongoing Pandemic, Ovid 19, implies an additional complex dimension to India's agenda of 'Gender and Enterprise'.

KEY WORDS: Gender & Enterprise, COVID 19, Sustainable Development Goals

1.0. Introduction

The promotion of entrepreneurship through direct policy interventions is a relatively new area in the economic history of India. Historically, entrepreneurship in the country has been considered as a legacy emerging from the business communities. The government's supportive role was considered to be minimal. Subsequently, with a proactive approach to entrepreneurship development, which dates back to the early 1970s, an enhanced policy attention on the potential role of entrepreneurs came into focus. A special focus on particular social categories, also came into focus. Women, who form nearly half of the population in India, thus, got enhanced attention in relation to their economic role. While the entrepreneurship role is one among them, it is necessary to look into how the idea of entrepreneurship among women grew from the stage of ideation into practice. While the perception and practice are two important components of policy formulation and strategy development, it is vital to have a historical and structural view of the subject. The following is a discussion on the Indian experience, with a special focus on the State of Kerala.

2.0. The Gender and Enterprise Constituency: A Structural View

The compass of this study is entrepreneurship. Gender is a subset of this domain. This leads us to the framework of a development constituency: 'Gender and Enterprise'. It is a practitioner's concept, and therefore, the tools and techniques of

development practice are relevant here.

Studies on women entrepreneurship have witnessed a rapid growth over the past 30 years. The field is in an adolescence stage with a considerable number of journal articles, literature reviews and books being published. At a more macro level, Unni(2016) has done a research, that reviews the literature in the subject area from 1980s till 2016 and put forward some future research directions. This study suggests that, there is still a long way to go in terms of building a strong theoretical base for research on women entrepreneurship. The lens of feminist theories can be applied in conjunction with the existing entrepreneurship theories to advance the field. Methodologically, past research is dominated by the positivist paradigm, and there is a need to embrace innovative methods to build explanations using a constructionist approach. Further, studies are mostly restricted within national boundaries primarily being conducted in developed economies. There is a need to build transnational networks and foster professional communities to enable the growth of the field. There are more than a dozen studies on the subject, carried out within Kerala, mostly as per requirements of Ph.D/M.Phil course/Degree. Much of these studies are too descriptive, and mostly of a limited academic purpose. Since the very purpose of the present research is geared to policy and practice, we do not intend to have a detailed review of the same. Instead, such resources would be utilised as per requirements of specific contexts. Globally, Gender and Enterprise(G&E) has emerged as an important development constituency. The pioneering work of the ILO in this regard

is remarkable. The Harvard Business Review has provided a global analysis of the emerging scene of women entrepreneurship. Women-owned entities in the formal sector represent approximately 37% of enterprises globally — a market worthy of attention by businesses and policy makers alike. While aggregated data is often challenging to find, Global Entrepreneurship Monitor (GEM) found 126 million women starting or running businesses, and 98 million operating established (over three and a half years) businesses. This implies that, about 224 million women impacting the global economy. These entrepreneurs cross the spectrum of micro to high growth — from supporting life to creating wealth. They include hair salon owners, high tech visionaries and everything in between, all making critical economic contributions. The GEM data also provides insights into some of the critical determinants of women entrepreneurship.:

Reinvestment: In emerging markets, women reinvest a staggering 90 cents of every additional dollar of income in “human resources” — their families’ education, health, nutrition (compared, by the way, to 30-40% for men. Besides, women’s increased income and assets as a gender dividend driving family, community and country wellbeing.

Job creation: Beyond their own incomes, 112 million of the GEM surveyed entrepreneurs employ one or more people. 12 million expect to employ up to six people in the next five years. That’s 72 million jobs just from this small sample. In countries like Kenya, so called “SMEs” (Small and Medium Enterprises) like this are responsible for 80% of all employment. The GEM also estimated that, in the U.S., more than half of the 9.72 million new jobs were created in the SME sector by woman-owned SMEs.

Innovation: When defining innovation as “offering products that are new to some or all customers” in some regions — including the U.S. and developed Europe — women entrepreneurs have higher levels of innovation than their male counterparts. The question of women workers has been on ILO’s agenda since 1919. The ILO Action Plan for Gender Equality 2018-21 marks a major step forward at the global level. This Plan aims to support effective and inclusive gender-responsive delivery of the ‘Decent Work Agenda’ by operationalizing the ILO gender equality policy. It has introduced the GEMS Toolkit that provides 12 practical programming tools to facilitate the implementation of Gender Mainstreaming Strategies (GEMS) in organizations, policies, programmes and projects. Collectively, women entrepreneurs look different than their male counterparts. Their lower

employment numbers and growth aspirations have historically led to questions of how to “fix” them. But different doesn’t mean deficient — or underperforming. For instance, recent Dow Jones research on venture-backed companies in the U.S. found those that were successful had twice the number of women on the founding team. On the other end of the growth spectrum, analysis of a dataset from 350 micro finance institutions across 70 countries indicated lending to more women was associated with lower write-offs and lower portfolio-at-risk. Yet, while increasingly a recognized force, women’s entrepreneurship still lags men’s in all but seven countries in the world. If women’s labour participation were closer to male participation, it would contribute \$1T to GDP in emerging economies — women led businesses are key to this opportunity.

Perceptions of opportunity and capability strongly link to entrepreneurial activity. In the US and Developed Europe, women are 18% less likely to perceive they have the capability to start a business. While the difference is less for developing economies. In every economy in the GEM study, women have lower perceptions of their capabilities, showcasing the enormous opportunity for an enabling environment which would boost entrepreneurial activity rates. Foundational to this environment are access to healthcare, education, land rights and affordable childcare. Just as critical are role models and mentors. Entrepreneurial activity creates growth and prosperity — and solutions for social problems. And today’s trends show that women will be a driving force of entrepreneurial growth in the future.

2.1. Women Enterprises/Entrepreneurs as a Subset

The Economic Census defines and delineates economic activities in terms of the unit ‘establishment’. An ‘establishment’ is defined as a unit situated in a single location in which predominantly one kind of economic activity is carried out, such that at least a part of the goods and/or services produced by the unit goes for sale. Establishments carry out their activities, either as an own-account activity, or, with the involvement of workers. ‘Employment’ is defined as all persons (including children under 15 years of age) working in the establishment, either as owners, members of the household, co-owner or partner, or family members helping the owner in running the establishment, including other persons engaged, whether hired or not, besides regular and salaried employees, casual/daily wage laborers. According to the Sixth Economic Census, there were 58.50 million establishments in the country, that were engaged in different economic activities. Of these,