

## **Executive Summary**

### **Social Enterprises among Rural Women in Kerala: A Study of Intentions and Determinants**

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The Social and economic development of a country largely depends on its entrepreneurship activity because entrepreneurs play an imperative role in bringing economic changes and advancements. As reported by Machado et.al. (2010) entrepreneurship is an important development engine that influences job creation, innovation and welfare of a country. The Government of India also recognized the importance of entrepreneurship to the economy and its central role in generating jobs and developing human potential. This is more relevant when the education is not able to meet its required targets of employability. According to the NASSCOM-McKinsey report (2011), only 10% of generalist graduates and 25% of Engineers and MBAs are employable in India. On the demand side the industrial/organization capacity is unable to cater the demands of employment. Given these facts, the only way to provide solution to the unemployment dilemma is to encourage youngsters in entrepreneurial activity. The skill development initiatives by the Government of India form a welcome movement in this context.

The present study is aimed at understanding the intentions among the rural women in Kerala to start social enterprises. It also explored the perceptions of the young women about their skills and values relevant to social enterprise. The sectors of consideration to start the social enterprises by the young women constitute another major objective of the study. It also examined the various determinants of social entrepreneurship among rural women in the state of Kerala. The theory of planned behavior proposed by Ajzen and Fishbein (1980) is the framework used in this study. This theory proposes four constructs namely, Personal Attraction, Perceived Behavioral Control, and Subjective Norms to explain intentional dimension of behavior.

This study adopts a cross sectional analysis of the womenfolk belonging to different socio-economic strata and geographical areas in Kerala. Young unemployed rural woman formed the unit of study. A sample of 245 women graduates belonging to different parts of rural Kerala constituted the respondents of this study. Together with this, interviews with the officials of panchayaths and Women Development Corporation and other agencies actively involved in the entrepreneurship development in Kerala were also conducted. Entrepreneurship Intention

Questionnaire developed by Chen and Linan (2009), was used as the tool for collecting primary data for the proposed study. In addition to this some questions pertaining to the factors influencing the decision for social enterprises among the young women in the state of Kerala had been also incorporated. Questions related to the plan to start a social enterprise and the preferred sector of operation were also included in the questionnaire.

### **Major Findings of the Study**

**Intentions to Start Social Enterprises:** The young women in Kerala do not have a strong passion to start a social enterprise in near future. This finding is corroborated by the apprehension expressed by the respondents about the starting their own social enterprises in life. However, the respondents have expressed their willingness to take every effort to start a social enterprise (mean score 4.80), which seems to be an encouraging response.

**Personal Attraction towards Social Enterprise:** The responses indicate that young women have a relatively strong attraction towards social enterprises. This supports the previous inference that the respondents are not much passionate about being a social entrepreneur.

**Perceived Behavioral Control:** The aspects like ease of starting an enterprise, chance of success, knowledge about the practical details of a new social enterprise, and ability to start a new enterprise are some of the areas covered under the perceived behavioural control. It was revealed that there is a mediocre level of behavioural control related to starting a social enterprise among the young women in Kerala. Among the various measures discussed, perceived ease to start a new enterprise (4.01) and practical knowledge about social enterprises (3.28) demonstrate a relatively low score indicating the weak aspects of behavior control related to social enterprises among the respondents.

**Subjective Norms about the Social Enterprises:** The responses on the subjective norms of social enterprises show that the young women in Kerala have a relatively positive perception about it (mean value 5.09). The approval of friends and colleagues to start a social enterprise seem to be better compared to that of the family members.

**Valuation of Social Enterprises:** The valuation of different stake holders about social enterprises plays a critical role in starting up a new enterprise. In general, studies in India show that there is

not much of an encouragement and support from the family members to start a new enterprise, especially by women entrepreneurs (for example Kumari and Mishra, 2017; George and Joshua, 2015 and Robita 2011). The valuation is described under two subthemes like closer valuation which includes the valuation by family members, friends, and colleagues. This is followed by a description of general social valuation about the social enterprises. The items of valuation of entrepreneurship among the closer environment of the respondents indicate a moderate level of response. Among the various items, valuation of the family members was perceived to be low compared to valuation by friends and colleagues of the young women in Kerala. This finding supports the inference on subjective norms discussed above. The overall mean score of various items of social valuation also demonstrates a moderate value (4.25). The perceptions of social valuation of entrepreneurship in the locality of the respondents seem to be relatively low compared to the other items in this regard. But the perception of valuation of the role of entrepreneurship in the general economy show a mean value of 4.99 indicating a higher valuation of this.

**Skills Relevant to Social Enterprises:** While assessing the skills relevant to the social enterprises among the respondents, the most common skill perceived by them include leadership and communication skill followed by problem solving skills. Creative thinking, networking and recognition of opportunity are other skills as perceived by the young women in Kerala. Among the listed skills, development of products and services are rated to be the least possessed by the respondents. This shows that the young women in Kerala perceived the possession of managerial skills relevant to social enterprises but are not convinced of possessing important technical skills to start up a new business. This is a relevant area of input to be considered by the agencies while designing training programmes for social enterprises in Kerala.

**Plan to Start Social Enterprise:** Forty one per cent of the respondents of this study shared that they have plans to start a social enterprise of their own. This is in tune with the general pattern of aspiration among women on social enterprises. The findings of Kumari and Mishra (2017) supports this observation where more of similar findings have been reported based on a study in Jarkhand. But how many among such aspirants is going to execute it in real life remains a critical question. Among those who have an aspiration to start a social enterprise, the most preferred sector was reported to be education followed by agriculture. The other two preferred sectors were Health

Care and Micro credit. The least preferred sectors include Water, Energy, Livelihood Promotion and Housing.

**Determinants of Social Enterprises:** Lack of funding was reported as the most popular factor influencing the decision to start social enterprises among the young women in Kerala. This may be because of the general perception about Kerala as a least enterprising state. The respondents also were not very sure about the agencies and schemes of promoting entrepreneurship in the state. Probably this perception will be corrected once they really think about the Social Enterprise and explore the funding options available for entrepreneurship in general and social entrepreneurship in particular. More or less similar observation had been recorded by Shah in 2013 who noted that lack of awareness amongst women about the financial assistance offered (incentives, loans, and schemes) by the institutions in the financial sector is one of the major challenges. Hence, in spite of financial policies and programmes for women entrepreneurs, financial support has reached only few women entrepreneurs. Achievement motivation is found to be scarce among women because of the Indian socialization pattern and socio-cultural factors which are gender biased. Their domesticated role is widely accepted and assumed.

Another major factor reported was fear of failure indicating that the youngsters among the rural women were not so confident about starting a new enterprise as such. Poor family support was reported as another important factor preventing start ups in Kerala. This is more or less supported by the findings of subjective norms and closer valuation of Social enterprises as discussed in previous sections in this report. The respondents were really concerned about the approval and acceptance by the immediate family members on the decision to start a new enterprise by the young women in Kerala.