



Finance: Nurturing Entrepreneurship

By Dr. Paromita Sen

What is finance and what does it mean for the world of women and development?

Finance is usually defined within legal and business parameters and is typically the management of money for business purposes. In the development perspective, finance becomes a driver for equitable development, empowerment, and sustainability, if harnessed appropriately. Within the world of women and development for instance, women's economic empowerment often hinges on access to finance and access to finance that is cognizant of the challenges that women face. Discussions nowadays for instance revolve around reimagining credit assessment tools to account for women's lack of capital.

However, even within this expansive definition of finance, the consequences of finance are still limited to the individual. Women are given loans to empower them. Measures are undertaken to ensure that the loan goes entirely to the woman and only the woman. An increase in women's empowerment is proxied through an increase in her income solely. While some of these measures are necessary given the coercion women face to hand over assets and their limited (if any) financial independence, an individualistic approach to finance and its benefits limits our understanding of how finance can (and does!) transform communities and empower women simultaneously.

SEWA's experience in nurturing finance

The relation between finance and community building, as nurtured by a woman protagonist, was observed by Ela Bhatt (SEWA) while working with women workers in the informal economy. Her observations lead her to coin the term "nurturing finance" - a process by which women use their financing options to "nurture" their communities. What SEWA has observed through its years of working within the informal economy is that the focus on women is in effect a focus on the community.¹ However, what SEWA further noted was that this applied to the entrepreneurial world that women workers occupied as well. Beyond their own entrepreneurial ventures, women take loans (at preferential interest rates due to policies aimed at encouraging women's entrepreneurship) to support family economic interests such as a *kirana* store that is owned by the husband but run in collaboration with the wife, or an auto rickshaw that her son will drive and contribute to the family expenses since he lives at home with his wife and children. These expansive notions of entrepreneurship aren't just limited to one's family - women who start small businesses at home tend to employ neighbours to work alongside them in the business. They will also buy resources locally and hire other contractors locally (transportation for instance). Finally - women entrepreneurs have primarily focused on local markets, which allows for the promotion of the hyperlocal market and encourages communities to move towards self-resilience. While the hyperlocal in many ways restricts women's ability to scale and attain a high return on investment, women entrepreneurs for the most part still actively choose to keep individual profits low if it means the community can benefit alongside them, living by the adage "a rising tide lifts all boats."

¹ This is in keeping with literature we have seen on how investing in a woman implies investment in her children, education, health care, and social welfare.

While traditional narratives of finance and empowerment would argue that this is a woman losing her financial independence or a woman being limited by the social mores around what she can and cannot achieve, SEWA has observed more nuance to this story in their decades of learning alongside women workers. Women see it as investing in the community they belong to and exist within, and therefore in no ways contrary to an act of exercising agency. To analytically isolate a woman from her community is a narrow and reductive approach and not one that is in keeping with a view of human society as being gregarious.

This approach to finance is very resonant with the approach the SEWA movement has taken to developing women's economic identity, empowerment, livelihood generation, and their critical role in the economy (informal and formal). This is reminiscent of the solidarity network that SEWA members are a part of, where that sense of association and being a collective is rooted in their communities and SEWA extends to their economic dimensions. SEWA supports, promotes and celebrates this nurturing collectivization across social entrepreneurship that SEWA members promote – both collective and individual, and is now in the process of identifying how to more efficiently support women's entrepreneurial aspirations and needs, while being cognizant of the realities and challenges that do exist.

Within finance specifically, it means looking at ways in which we can assess credit access and finance access, as well as repayment and refinancing options. One method that has been adopted for instance, to acknowledge women's lived realities and support their decisions on their terms, is not restricting the investment but ensuring that investment acknowledges the woman's central role in knitting the community together and bringing economic benefits to the community. So if a woman takes a loan to buy an auto for her husband to drive and earn, SEWA works to have the auto registered in her name. It allows women to build up their assets for when they must access finance outside the SEWA ecosystem that doesn't register this level of nuance, and publicly acknowledges the role the woman played in the familial unit to support the increase in family income and wealth (as defined by asset accumulation).

Graduation of entrepreneurial ventures started by women

Another means by which SEWA works to acknowledge the entrepreneurial lived realities of women and adjust definitional boundaries is in the graduation of entrepreneurial ventures started by women. Traditional definitions of graduation of enterprises (nano, micro, small, medium) rest on the basis of the number of employees within the enterprise. However, given a nurturance economy, employees in many cases are family members who work alongside the nano/micro-entrepreneur. Including family members who sit at the family stall and help with stock is an important measure that SEWA takes into account when calculating "employees". This stems from a global lack of recognition of women's unpaid work in precisely these situations, where a woman who supports her husband in his business won't be counted as working (by her, her family, or by the economic society at large).

Women farmers for instance, who prepare the field and sow seeds and harvest when time comes don't consider themselves as farmers, even though they are fully participative in the family entrepreneurial unit. SEWA has worked many years to ensure that these women are acknowledged as workers in their own rights. By extension therefore, when a woman leads

her own entrepreneurial venture and invests in it, the family that she employs in the venture are in classic terms, her “employee”. Acknowledging that this nano entrepreneur is now a micro, by virtue of her daughter and daughter-in-law supporting her business (by stitching up seams for instance), is an important step in how we redefine who an employee and an employer are, and what an entrepreneurial venture looks like. This also allows us to register the mass amounts of unpaid work that are happening in the world around us, primarily by women, and to begin to tailor other related measures (credit assessment, access to finance and credit, government schemes and services, to name a few) to the realities of the world we live in.

SEWA exists therefore in both worlds simultaneously – it acknowledges the lived realities of patriarchies while simultaneously supporting and celebrating women’s agency and empowerment that manifest in their own unique ways. The goal here is not to be essentialist in our approach to understanding finance and the market, and to acknowledge that an expansion derived from the world view of an informal economy woman worker adds complexity and nuance to our understanding of finance and its role as a driver in the global system.

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