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MODEL THREE

MICRO-ENTREPRENEURSHIP



Empowered lives.
Resilient nations.

what is this model?

This model aims at creating a network of mentors that will help women start and grow a small business.

why is this model important?

The needs and aspirations study produced by E&Y during the inception phase of the Disha

project clearly demonstrates the direct correlation between the age group, civil status and level education of women and their preferences in terms of employment or entrepreneurship.

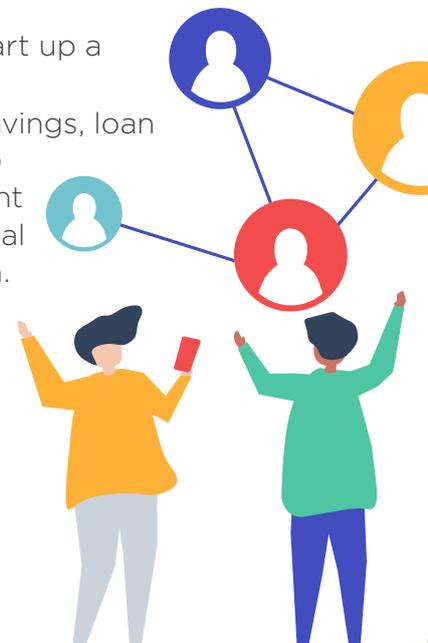
The younger, unmarried and quite educated women prefer by far getting into formal employment while the older, married women with low level education take the entrepreneurship route. This is unfortunately not by choice but by necessity. Women from rural areas, barely literate and with children to take care of, know that they do not have the required skills and competences to get into formal employment. On top of this, most of their time is already taken by the unpaid, unrecognized domestic care work and they are aware of their incapacity to work on a full-time basis.

Nevertheless, they might have a few spare hours during the day. Most of them do not realize that they have the possibility to start their own business but when asked, all of them are interested and willing to become financially independent (or at least to provide additional income for the household). They just need support in terms of business skills development, access to finance and access to market.

At the start of the Disha project, it was felt that women should be able to create a sustainable business catering to the needs of the local economy with access to business skills development and financial mechanisms.

However, Disha pilots (and especially the study realized by IDF on the Humana pilot) showed a different picture:

- Women have some time to spare to start their own business. The domestic unpaid care work takes a good part of their day but as soon as their children go to regular schools, this leaves them with some time for income generation activities. Some of this unpaid work could also be transformed into a business opportunity through innovative thinking (a woman could for example open a small laundry shop, thus generating income and at the same time saving two hours in the lives of other women)
- Access to finance to start up a business rely mostly on informal network (savings, loan from family or relatives) and women are reluctant to access formal financial institutions to start with. This can be done at a later stage when the business needs to



grow. Women entrepreneurs then need someone that can help them in accessing these formal banking institutions

- There are numerous EDP (Entrepreneurship Development Program), some of them of very good quality like the ILO SIYB (Start and Improve Your own Business), and Disha has much value to add. However, these EDPs are generally very short (2 or 3 days) and do not include a mentorship component. While business skills are important, the psychological support that a woman needs to start and sustain her business is critically needed. She will have to face a lot of hurdles along the way, some of them linked with social norms and the perception of woman and her capacity. More than an EDP trainer, she needs a mentor who can build her confidence, constantly motivate her and create backward and forward linkages for her business
- While it was perceived that market access will be a given as it relies on local economy, it does not seem to be that simple. Women have most of the time the same idea of business (small retail shop or a beauty parlor). While there might be many more opportunities to create profitable businesses, they are not aware of them and thus limit themselves to basic

options. Disseminating more information to aspiring entrepreneurs could help in expanding market possibilities

- By providing the right kind of support at all stages (awareness, access to finance and market,

business skill development and psychological support), it can be ensured that women become entrepreneurs not as the last refuge but by choice.

Mentorship seems thus to be the key for most of the problems encountered

by women aspiring to become entrepreneur. The mentor will be able to provide necessary awareness so women in the community understand the value of entrepreneurship. The mentor will also help in providing backward (with financial institutions for example) and forward (with more lucrative business ideas and market) linkages. Moreover, the mentor will provide the aspiring entrepreneur with much-needed psychological support that a woman will need to face all the obstacles that prevent her from starting or sustaining her own business.

Disha strongly believe in creating endogenous capacity to handle development issues. With the right training, women from the community have the potential to become agents of change. The idea will be to identify from the community itself the potential mentor and groom them, so they can play their role at the fullest. This will ensure the program start sooner as the mentor will already benefit from the trust factor from the community and will understand much better the dynamics within this group. Moreover, it will create a much stronger sustainability element as the mentor, coming directly from the community itself, will not move away as soon as the project ends.

The Disha project is thus creating a robust mentorship curriculum that will have the following components:

how will this model work?



- How to conduct an EAP (Entrepreneurship Awareness Program): the mentor will be trained to deliver a half day presentation on the value of entrepreneurship
- How to conduct and EDP (Entrepreneurship Development Program): the mentor will be trained to deliver a two to three days business skills development program, like the SIYB from ILO
- How to provide the right support to entrepreneurs: the mentor will be trained on a few critical skills (persuading, influencing, negotiations skills, etc) that will help them support effectively the entrepreneur on a more long-term basis (this curriculum is being designed by TISS – Tata Institute for Social Sciences and will be endorsed by NIESBUD – National Institute for Entrepreneurship)
- How to provide backward and forward linkages: the mentor will be trained in networking skills, she will have access to a wealth of information including but not limited to: government schemes on woman entrepreneurship (like Mudra and others), portfolio of possible businesses at local level, etc

what are the results we are expecting from this model?

As part of the ToC of this model, the main expected outcome is:

- Women entrepreneurs have increased income

The main outputs leading to this outcome are the following:

- Women skilled for enterprise
- Women started enterprise
- Mentors create the right support system for entrepreneurs to strive

The iterations of this model we need to test over the course of the next one year depend largely on where the mentorship will happen. We

need to find the right network for these mentorship services to be rendered so they are accessible by women aspiring to become entrepreneurs. At the same time, we also to create the right business model for these mentors. For their work to be sustainable, we cannot rely solely on a volunteer network. Mentors should receive the right compensation for the time they spend with the entrepreneurs

Three different iterations of the same model are now being tested:

- Building capacity of mentors within existing networks (like the internet saathis network and like through a federation like MAVIM). These networks are community based and do not have any physical infrastructure. The mentor goes door to door to provides her services.
- Working with already existing government infrastructure and network (like CEDOK or the CSC – Common Service Center network) to provide mentorship services to the community. In this case, the mentor mostly sits in a defined infrastructure and women entrepreneurs come to that center to receive services
- Working with more informal network, building the capacity of woman in the community that accept to become mentor on a voluntary basis, providing these services to their neighbors/friends for free

what are we testing to create the final blueprint of this model?