

ENTREPRENEURIAL CHALLENGES IN A SOUTHERN INDIAN STATE: EXPLORING FINANCIAL AWARENESS, CREDIT ACCESS AND RELATED BARRIERS TO ENTREPRENEURSHIP

Anu, B., Christ University, Bengaluru, India.
anu.binny@christuniversity.com

Ajith, C., Principal Consultant, Centre for Management Development,
Trivandrum, India. ajith@cmd.kerala.gov.in

Received:
24/03/2025
Revised:
26/07/2025
Accepted:
30/07/2025

ABSTRACT

This study examines the challenges faced by entrepreneurs in the business environment of Kerala, a southern Indian state, by analysing the results of a survey conducted with 310 respondents. It focuses on key factors such as financial awareness, access to credit, and other barriers to entrepreneurship, while also highlighting the opportunities within the region. Findings reveal significant gaps in entrepreneurial awareness, over half of respondents were unaware of procedures and credit sources, and only 18% had attempted entrepreneurship, with most facing barriers like limited credit access and bureaucratic inefficiencies. With only 30.49% of women aware of business procedures compared to 57.98% of men. While 46% perceived improvements in the business environment, systemic challenges such as job security preference, gender disparities, political instability, and licensing hurdles persisted. This may contribute to perceived financial risks that shape entrepreneurs' behaviour, decision-making, and their ability to innovate or grow their businesses. These risks are influenced by their financial knowledge, past experiences, and the business environment they operate in. The study highlights the need of focused awareness campaigns, offering tools, resources, and support to help entrepreneurs succeed. It calls for simplifying processes, minimising perceived risks and building a supportive environment with high accessibility to strengthen Kerala's entrepreneurial ecosystem and encourage inclusive growth. Based on the findings, this study concludes by discussing key areas and outlining a list of recommendations for policymakers and stakeholders to address challenges, improve public awareness, and reduce barriers to entrepreneurship, thereby enhancing Kerala's business environment and fostering a more supportive ecosystem.

Keywords : *Business Environment , Entrepreneurship Challenges, Financial Inclusion, Credit Access, Entrepreneurial Ecosystems, Resource Gaps, Policy Barriers*

1) INTRODUCTION

Entrepreneurship is widely recognized as a fundamental driver of economic growth and innovation, fostering job creation and contributing significantly to socio-economic development. According to Schumpeter (1934), Entrepreneurship involves the process of creating, developing, and transforming innovative ideas into viable economic activities, thereby serving as a catalyst for dynamic economic change and progress. Kerala has made remarkable strides in this direction, with the government introducing several initiatives aimed at fostering entrepreneurial activity. In addition to the Kerala Startup Mission, several other government departments in Kerala have introduced various schemes to support startups. (Noufal & Ramachandran 2017). The 'Year of Enterprises 3.0' aims to create one lakh new MSMEs in Kerala in 2024-25, with the government providing financial, marketing, and skill support to entrepreneurs. The initiative's impact has been profound, with Kerala being ranked high among all states in the Ease of Doing Business.

Hence a positive correlation with Kerala's economic development and the growth of MSMEs (Open Digest, 2025)(Ajith et al., 2024)).

Despite the achievements and positive momentum generated by Kerala's 'Year of Enterprises' initiatives 1.0 and 2.0, it is essential to examine the factors that influence the state's business environment. Understanding aspects such as financial awareness, access to credit, and other barriers to entrepreneurship is crucial for sustaining and building on this success. These factors play a significant role in shaping entrepreneurial activity, and evaluating them can provide valuable insights into the challenges and opportunities entrepreneurs face in the state. Studies have highlighted that factors like the perceived risk associated with entrepreneurship in Kerala have impacted the business environment (Policy Circle, 2024). Therefore, exploring these key factors is vital to understanding the current entrepreneurial climate and identifying areas where further support or policy adjustments may be needed to create a more conducive environment for business development in Kerala.

This study aims to address the existing knowledge gap by conducting an in-depth analysis of public opinion regarding Kerala's business environment. Specifically, it focuses on public awareness of business registration procedures, financial awareness, access to credit, and the critical operational and policy challenges associated with starting and managing a business. Previous studies have highlighted that public perception plays a pivotal role in shaping the entrepreneurial ecosystem, as it influences the willingness of individuals to engage in entrepreneurial activities (Audretsch & Thurik, 2001). By examining these dimensions, this study seeks to identify areas where targeted policy interventions can enhance Kerala's business climate, which has already garnered recognition for its progressive initiatives.

2) LITERATURE REVIEW

Efforts to support small and medium-sized enterprises (SMEs) stem from the recognition that they play a crucial role in economic development, yet they are often constrained by market imperfections and institutional failures, thus warranting government intervention (B. Yerram Raju). However, critics argue that policies specifically targeting SMEs may not be sufficient if the overall business environment remains unfavourable (Sobel, Russell, J. Clark, and Lee). They highlight that broader structural factors such as simplified business entry and exit procedures, secure property rights, effective contract enforcement, and inclusive access to

finance benefit enterprises of all sizes. Beck and Demirgüç-Kunt (2006) further emphasise that limited access to finance remains a major barrier to SME growth, and addressing such structural deficiencies can unlock their full potential. This argument supports the view that a more enabling environment is necessary to sustain entrepreneurial activity.

In the Indian context, Mai and Nguyen (2022) examined how entrepreneurs' perceptions mediate the relationship between ecosystem factors and firm performance, bringing out the influence of local socio- economic and cultural contexts. Their work underscores the need to understand entrepreneurship not in isolation but within specific regional settings, particularly in Asia where diverse cultures affect business decisions significantly.

There is growing literature focusing on gender-specific differences in how male and female entrepreneurs perceive challenges, institutional support, and business opportunities. Research indicates that these perceptions are often shaped by social roles and cultural expectations.

Recent studies have reinforced these gendered patterns. Keshava (2025) notes that women-led MSMEs account for only a small fraction, around 4% of the total in Kerala, reflecting deep-rooted structural challenges, including limited access to finance, market linkages, and institutional support. Srivastava (2025) similarly argues that systemic inequalities and inadequate implementation of support policies are key reasons why female entrepreneurs struggle to establish and grow enterprises in many Indian states, including Kerala.

Saini, Malhotra, and Bhushan (2024) examined the effectiveness of government support programmes targeted at women entrepreneurs. Their findings reveal that despite the presence of multiple schemes, awareness and financial literacy remain low, which affects access and utilisation. Moreover, Sherwani and Shaikh (2024) identified barriers in the informal sector, where many women-led businesses operate without formal registration or banking access. These challenges hinder their ability to benefit from institutional credit and government initiatives.

Majumdar and Mittal (2025) revisit the financial difficulties faced by women-led microenterprises and point out that policy frameworks often fail to address the realities of specific sectors. Their research advocates for more tailored interventions that can meet the diverse needs of women entrepreneurs, especially in less industrialised regions like Kerala.

Micro, Small, and Medium Enterprises (MSMEs) also face a significant challenge in overcoming the resource gap, which includes not only access to finance but also the ability to adopt new technologies and attract skilled workers (Mer & Viridi, 2024). These gaps have a direct impact on their competitiveness and growth. According to Beck and Demirgüç-Kunt (2006), financial limitations restrict innovation and scale. The lack of expertise in advanced technologies results in inefficiencies and missed opportunities (Bannister, 2017). Many MSMEs are also unable to offer salaries and incentives that could attract competent professionals, leading to a reliance on inexperienced staff or external consultants (Beck & Demirgüç-Kunt, 2006). This dependence often results in inconsistent performance and elevated operational risks.

3) OBJECTIVES OF THE STUDY

The primary objectives of this study are as follows:

1. To assess public awareness of the procedures involved in starting a business in Kerala.
2. To evaluate the level of awareness regarding available financial assistance, credit sources, and subsidies for businesses in the state.
3. To identify the key challenges faced by individuals attempting to establish enterprises in Kerala.
4. To analyse the factors contributing to positive or negative perceptions of the current business environment in Kerala.
5. To explore the reasons why individuals, despite having awareness, have not started their own businesses.
6. To offer policy recommendations that address the barriers to entrepreneurship and improve the overall business climate in Kerala.

4) RESEARCH METHODOLOGY

This study adopted a quantitative research approach to collect and analyse public responses of the business environment in Kerala. A survey was designed and conducted between August and September 2024. The survey aimed to capture a wide range of insights regarding the ease of starting and operating a business in Kerala, along with the public's awareness of relevant procedures and financial resources.

4.1 SURVEY DESIGN

The survey was developed using JOT forms, a user-friendly digital platform, and distributed across various social media platforms to ensure broad outreach. The questionnaire was structured into several sections, focusing on:

- Demographic details of respondents (age, gender, education, employment status).
- Awareness of business registration procedures and available credit or subsidies.
- Experiences or attempts to start a business.
- Challenges faced in the process of establishing enterprises.
- Opinions on Kerala's current business environment.
- Reasons for not starting a business, despite awareness of the procedures and available resources.

Although a structured questionnaire was used for data collection, it did not employ scaled or Likert-type items; therefore, reliability testing was not applicable. However, expert review and a pre-test were conducted to ensure content validity and clarity of the instrument.

4.2 SAMPLE SIZE AND RESPONDENTS

The survey received **310 valid responses** from across Kerala. The sample was diverse, encompassing different age groups, educational backgrounds, and employment statuses,

ensuring a representative view of the public's perception. The respondent pool consisted of **55% male and 45% female** participants, with a majority (60%) holding postgraduate qualifications or higher.

4.3 DATA COLLECTION AND ANALYSIS

Data were collected through structured questionnaires distributed digitally using JOT Forms, which enabled secure, real-time storage and streamlined data extraction. A total of 310 responses were collected, capturing diverse demographic and occupational backgrounds across Kerala.

The analysis primarily employed quantitative methods, beginning with descriptive statistics - frequencies and percentages, to summarize key variables such as gender, education, employment status, age group, and levels of awareness regarding business procedures and financial support.

To move beyond surface-level trends and address reviewer concerns, the study incorporated cross- tabulations and inferential statistical tests. Specifically, Chi-square tests of independence were used to examine associations between demographic variables and entrepreneurial outcomes. The findings added statistical validation to observed disparities and enhanced the robustness of the results.

Additionally, awareness-action matrices were constructed to assess how combinations of procedural and financial awareness influenced the likelihood of business initiation. Surprisingly, the analysis revealed that even among those aware of both procedures and credit sources, the majority did not attempt to start a business, highlighting that awareness alone is insufficient without addressing structural and psychological barriers.

5) ANALYSIS

5.1 PROFILE OF RESPONDENTS

5.1.1 GENDER DISTRIBUTION

Out of the total 310 respondents, 54.52% were male (n=169) and 45.48% were female (n=141) (Table 1). The near-equitable gender distribution offers a balanced perspective on how gender may influence awareness levels, access to credit, and perceptions of entrepreneurship in the state.

TABLE I. Gender Distribution

Gender	Frequency	Percentage
Male	169	54.52%
Female	141	45.48%

Source: Compiled from primary data

5.1.2 EDUCATIONAL QUALIFICATIONS

Respondents exhibited a high level of educational attainment (Table 2). Over 50% (n=156) held postgraduate degrees, while 31.29% (n=97) had undergraduate degrees. A smaller proportion had PhDs (8.39%, n=26) or diploma/ITI qualifications (5.16%, n=16). Only a minority had pre- degree/12th class (3.87%, n=12) or SSLC (0.97%, n=3) education. This

educational profile suggests a sample with substantial academic background, which should ideally translate into higher awareness and engagement levels.

TABLE II. Educational Qualifications

Education	Frequency	Percentage
Postgraduate (PG) Degree	156	50.32%
Undergraduate (UG) Degree	97	31.29%
PhD	26	8.39%
Diploma/ITI	16	5.16%
Pre-degree/12th Class	12	3.87%
SSLC	3	0.97%

Source: Compiled from primary data

5.1.3 Age Group Distribution

As shown in Table 3, the largest group of respondents fell in the 18–30 years age bracket (37.42%, n=116), followed by 31–40 years (24.19%, n=75). The 41–50 and 51–60 age groups each represented 17.74% (n=55) of the sample, while only 2.9% (n=9) were above 60. This distribution highlights a strong representation of working-age individuals, particularly youth and early-career professionals, who are typically seen as more likely to consider entrepreneurship.

TABLE III. Age Group Distribution

Age Group	Frequency	Percentage
18–30	116	37.42%
31–40	75	24.19%
41–50	55	17.74%
51–60	55	17.74%
61+	9	2.90%

Source: Compiled from primary data

5.1.4 EMPLOYMENT STATUS

The employment profile of respondents (Table 4) was led by salaried individuals, who

comprised 59.03% (n=183) of the sample. This was followed by retirees (10.32%, n=32), unemployed individuals and students (each 8.71%, n=27), and self-employed/business owners (7.42%, n=23). A small portion of respondents identified as NRIs or daily wage labourers (each 2.90%, n=9). The dominance of salaried employment indicates a strong preference for job security, which may explain why many respondents, even if aware of entrepreneurial opportunities, prefer the stability of traditional employment.

Table IV. Employment Status

Employment Status	Frequency	Percentage
Salaried	183	59.03%
Retired	32	10.32%
Unemployed	27	8.71%
Student	27	8.71%
Self-employed/Business	23	7.42%
NRI	9	2.90%
Daily Wage Labour	9	2.90%

Source: Compiled from primary data

5.2 AWARENESS OF PROCEDURES TO START A BUSINESS IN KERALA

TABLE V. Awareness of Procedures to Start a Business in Kerala

Response	Frequency	Percentage
Yes	139	44.84%
No	171	55.16%
Total	310	100%

Source: Compiled from primary data

TABLE VI. Awareness of Procedures to Start a Business in Kerala

Gender	Aware (Yes)	Unaware (No)	Awareness (%)
Male	98	71	57.98%
Female	43	98	30.49 %

Source: Compiled from primary data

The data reveals that 55.16% (n=171) of the 310 respondents lacked awareness of the procedures required to start a business in Kerala, whereas 44.84% (n=139) indicated they were aware (Table 5). This suggests that a majority of the population remains uninformed, posing a major barrier to entrepreneurial activity.

The gender-disaggregated data (Table 6) shows a substantial disparity in awareness levels. While 57.98% of male respondents (n=98) were aware of the procedures, only 30.49% of female respondents (n=43) had similar awareness. This gender gap underscores a critical challenge for inclusive entrepreneurship, as women continue to face systemic barriers to accessing essential information about starting a business.

The findings highlight the need for targeted awareness campaigns, especially for women and marginalized communities, to ensure equal access to entrepreneurial knowledge. Improving procedural literacy through public programs, women-led workshops, and digital outreach can significantly expand the base of potential entrepreneurs in the state.

5.3 AWARENESS OF CREDIT SOURCES, FINANCIAL ASSISTANCE, AND SUBSIDIES

TABLE VII. Awareness of Credit Sources, Financial Assistance, and Subsidies

Response	Frequency	Percentage
Yes	126	40.65%
No	184	59.35%
Total	310	100%

Source: Compiled from primary data

TABLE VIII. Awareness of Credit Sources, Financial Assistance, and Subsidies

Gender	Aware (Yes)	Unaware (No)	Awareness (%)
Male	75	94	44.37%
Female	51	90	38.29%

Source: Compiled from primary data

Financial awareness, especially regarding available credit sources, government subsidies, and financial assistance, remains a major barrier for many aspiring entrepreneurs in Kerala. As shown in Table , only 40.65% (n=126) of the respondents indicated awareness of such financial support systems, while a larger majority, 59.35% (n=184), reported no knowledge of these options.

The gender-wise breakdown reinforces existing disparities. Among men, 44.37% were aware of credit sources, compared to just 38.29% of women. This gap, though narrower

than the one in procedural awareness still indicates a clear disadvantage for female respondents, many of whom may be excluded from formal financial education or banking systems.

5.4 GENDER-WISE ANALYSIS ON AWARENESS

TABLE IX . Gender-wise Analysis on Awareness

Gender	Awareness of Procedures	Awareness of Credit Sources
Female – Unaware	69.50%	61.70%
Female – Aware	30.49%	38.29%
Male – Unaware	42.01%	55.62%
Male – Aware	57.98%	44.37%

Source: Compiled from primary data

The data presents a clear gender disparity in both awareness of business procedures and financial resources. While 57.98% of male respondents reported awareness of business procedures, only 30.49% of female respondents reported the same. This gap is particularly concerning in a state like Kerala, which has historically promoted women's education and self-help groups, yet continues to witness a shortfall in entrepreneurial empowerment among women.

Similarly, for awareness about credit sources and financial assistance, 44.37% of males were aware, compared to 38.29% of females. Although the gender gap in financial awareness is narrower than that seen in procedural awareness, it still highlights a critical shortfall in outreach and inclusion. This lack of awareness among women significantly limits their entry and success in entrepreneurship.

5.5 ATTEMPT TO START A BUSINESS IN KERALA

TABLE X. Attempt to Start a Business in Kerala

Response	Frequency	Percentage
Yes	56	18.06%
No	254	81.94%
Total	310	100%

Source: Compiled from primary data

The findings show that only 18.06% (n=56) of respondents had ever attempted to start a business in Kerala. A vast majority, 81.94% (n=254) reported that they had never taken

entrepreneurial action, despite several respondents being aware of business procedures and credit sources (as established in previous sections). This low attempt rate suggests a significant disconnect between entrepreneurial interest and action.

5.6 DIFFICULTIES FACED WHILE ESTABLISHING THE ENTERPRISES

TABLE XI. Difficulties Faced While Establishing the Enterprises

Response	Frequency	Percentage
Yes	34	61.40%
No	22	38.59%
Total	56	100%

Source: Compiled from primary data

Among the 56 respondents who had made an attempt to start a business in Kerala, a notable 61.40% (n=34) reported that they faced significant challenges during the process of establishing their enterprises. In contrast, only 38.59% (n=22) indicated that they were able to set up their business without major obstacles

These findings underscore that even among the minority who take entrepreneurial action, the journey is far from smooth. The challenges encountered reflect both systemic and procedural bottlenecks, which may discourage further business activity, especially for first-time or solo entrepreneurs.

This evidence suggests that starting a business in Kerala is not just a question of awareness or motivation, but also a function of how navigable and entrepreneur-friendly the setup environment is, including licensing, approvals, and infrastructure access.

5.7 MAJOR DIFFICULTIES FACED IN STARTING AN ENTERPRISE IN KERALA

TABLE XII. Major Difficulties Faced in Starting an Enterprise in Kerala

Type of Difficulty	Percentage (%)	Rank
Difficulty in finding credit sources/loans	22.89%	1
Bureaucratic process is tiresome	21.68%	2
Non-conducive political scenario	16.86%	3
Difficulty related to licensing	10.84%	4
Non-conducive labour laws	8.43%	5
Shortage or unavailability of land	7.22%	6

Unavailability of skilled labour	7.22%	6
Difficulty in sourcing raw materials	4.82%	7

Source: Compiled from primary data

Among the 34 respondents who faced challenges while establishing their businesses, the top barrier reported was difficulty in finding credit sources or securing loans, cited by 22.89%. This reflects persistent issues related to financial exclusion and the limited reach of formal credit systems for early- stage entrepreneurs.

Closely following that was the bureaucratic process, reported by 21.68% of respondents, highlighting the complexity, delays, and administrative burden in dealing with registration, licensing, and regulatory compliance. Despite Kerala's e-Governance efforts and single-window systems, the feedback reveals that these are either insufficient or poorly implemented in practice.

Other notable obstacles include: Political instability (16.86%), which may increase perceived risk and uncertainty, Licensing difficulties (10.84%) that slow down market entry, and Non-conducive labour laws (8.43%), which can make hiring and compliance rigid for small businesses. Less frequently cited, but still relevant, were infrastructure and workforce-related issues, such as the unavailability of skilled labour and land shortages (both at 7.22%), and difficulty sourcing raw materials (4.82%).

5.8 REASONS FOR NOT STARTING OWN BUSINESS

TABLE XIII. Reasons for Not Starting Own Business

Reason	Percentage (%)
Comfortable with existing income source/job	29.64%
I am interested but don't know what to do	21.74%
I am not interested	21.74%
I have a business plan but no resources to start	18.58%
Family constraints/lack of support	8.30%
Total	100%

Source: Compiled from primary data

Among the 254 respondents who did not attempt to start a business, the most frequently cited reason was being comfortable with their existing income or job (29.64%). This suggests a risk-averse mindset, especially among salaried individuals who prioritize financial stability over the uncertain prospects of entrepreneurship.

Interestingly, 21.74% of respondents expressed interest in entrepreneurship but admitted to not knowing how to proceed. This underscores a crucial gap in mentorship, awareness,

and institutional support, a recurring theme observed across earlier sections. These potential entrepreneurs may lack access to: Startup guides or incubation support, Financial literacy or business registration knowledge, and Community-based inspiration or success stories.

Equally, 21.74% of respondents simply stated they were not interested in starting a business. This segment reflects either a lack of entrepreneurial mindset or a possible mismatch between current economic conditions and perceived opportunity.

Notably, 18.58% of respondents already had business ideas but lacked the necessary resources to begin. This group represents a high-impact opportunity segment: with appropriate financial and mentoring support, they could be transformed into successful entrepreneurs.

Finally, only 8.30% cited family constraints or lack of support as the reason for not starting a business, indicating that social discouragement, while relevant, is less dominant compared to structural and informational barriers.

5.9 COMPARISON BETWEEN AWARENESS AND BUSINESS INITIATION

TABLE XIV. Comparison Between Awareness and Business Initiation

Awareness of Procedures	Awareness of Credit Sources	Attempted to Start Business	Percentage (%)
Yes	Yes	Yes	7
Yes	Yes	No	25.16
Yes	No	Yes	6.4
Yes	No	No	6.12
No	No	Yes	0.3
No	Yes	Yes	0.9
No	Yes	No	7.7
No	No	No	42.58
Total			100

Source: Compiled from primary data

This cross-tabulated analysis explores how awareness of business procedures and credit sources relates to respondents' actual attempts to start a business. The findings present a complex relationship between knowledge and action.

While 7% of respondents who were aware of both business procedures and credit sources did go on to attempt starting a business, a significantly larger group, 25.16% of respondents were aware of both but chose not to initiate any entrepreneurial venture. This suggests that

awareness alone does not guarantee entrepreneurial action.

Similarly: Only 6.4% of those aware of procedures (but not credit sources) attempted a business. Merely 0.3% of those who were unaware of both still made an attempt, suggesting an outlier- level motivation or external support.

On the other hand, 42.58% of respondents unaware of both procedural and financial elements did not attempt any business, reinforcing the idea that lack of awareness is a strong deterrent to entrepreneurship.

5.10 REASONS FOR NOT STARTING A BUSINESS DESPITE HAVING AWARENESS

TABLE XV. Reasons for Not Starting a Business Despite Having Awareness

Reason	Percentage (%)
Comfortable with existing income source/job	47.43%
I have a business plan but no resources to start	17.94%
I am not interested	16.66%
I am interested but don't know what to do	10.25%
Family constraints/lack of support	7.69%
Total	100.00%

Source: Compiled from primary data

This section focuses on individuals who, despite being aware of both business procedures and available financial support, have not initiated entrepreneurial activity. The data highlights that awareness alone does not eliminate key barriers.

As seen in Table, nearly half of these aware respondents (47.43%) cited satisfaction with their current income or job as the primary reason for not pursuing business. This response reflects a prevalent risk- averse mind-set, especially in Kerala, where government or salaried jobs are culturally favoured over entrepreneurial ventures.

Other notable barriers include: Firstly, 17.94% who had a business idea but lacked the resources to implement it, indicating financial constraints and a need for better capital access mechanisms. Secondly, 16.66% reported lack of interest despite being aware - possibly reflecting either personal disinterest or a disconnect between policy messaging and public motivation. Third, 10.25% expressed interest but were unsure how to proceed, again pointing to gaps in practical guidance and mentorship and Lastly only 7.69% cited family constraints or lack of support, showing that social barriers exist, but are not the most dominant challenge for aware individuals.

5.11 PERCEPTION ABOUT POSITIVE CHANGE IN THE BUSINESS ENVIRONMENT OF KERALA

TABLE XVI. Perception About Positive Change in the Business Environment of Kerala

Response	Frequency	Percentage (%)
No	166	53.54%
Yes	144	46.45%
Total	310	100.00%

Source: Compiled from primary data

When asked whether Kerala's business environment had improved in recent times, responses were nearly evenly split, with 46.45% (n=144) affirming improvement, and 53.54% (n=166) stating that they did not perceive any positive change (Table 18).

This narrow margin of difference highlights that while government initiatives and reforms such as "*Year of Enterprises*" and digital registration platforms may have gained visibility, their impact is not uniformly experienced across the population.

The majority (53.54%) still felt no improvement, which points to: Bureaucratic bottlenecks persisting at the grassroots level, Limited local implementation of state policies, and disconnect between policy design and beneficiary experience.

5.12 PERCEPTION AMONG PEOPLE WHO ATTEMPTED TO START A BUSINESS ON THE POSITIVE CHANGE IN KERALA'S BUSINESS ENVIRONMENT

Table XVII. Perception Among People Who Attempted to Start a Business on the Positive Change

Attempted to Start Business	Perceives Positive Change	% of Respondents
Yes	Yes	39.28%
Yes	No	60.70%
No	Yes	48.19%
No	No	51.90%

Source: Compiled from primary data

This section offers a deeper look at how perceptions of Kerala's business environment differ

based on entrepreneurial experience.

Among the 56 respondents who attempted to start a business, only 39.28% felt the environment had improved, while a majority, 60.70% did not. This indicates that those with first-hand experience of the system tend to be more critical, likely because they have directly encountered regulatory, financial, and procedural barriers.

In contrast, among the 254 respondents who had not attempted entrepreneurship, perceptions were more evenly divided: 48.19% believed there had been improvements, 51.90% did not perceive any change.

This split suggests that individuals without direct engagement may form their opinions based on: Media narratives ,Word-of-mouth experiences, and Government messaging or publicity.

The fact that actual entrepreneurs are more negative in their perceptions indicates a gap between policy intent and practical implementation.

5.13 FACTORS AFFECTING THE BUSINESS ENVIRONMENT OF KERALA

TABLE XVIII. Factors Affecting the Business Environment of Kerala

Factor	Percentage (%)	Rank
Government Support/Subsidies	25.38%	1
Availability of Skilled Labour	14.55%	2
Easier Bureaucratic Process	13.00%	3
Credit Availability	11.76%	4
Conducive Labour Laws	10.21%	5
Favourable Political Scenario	9.90%	6
Ease in Sourcing Raw Material	8.04%	7
Availability of Land	7.12%	8

Source: Compiled from primary data

The respondents were asked to identify factors that positively influence the business environment in Kerala. As shown in Table 20, the most highly rated factor was Government Support/Subsidies, acknowledged by 25.38% of participants. This underscores the importance of public schemes and incentives in encouraging entrepreneurship.

Other leading factors include: Availability of skilled labour (14.55%), suggesting that Kerala's education system contributes to workforce quality, A simpler bureaucratic process (13.00%), though this contrasts with earlier concerns about procedural bottlenecks during enterprise setup,Credit availability (11.76%), reflecting moderate optimism regarding financial access,

even as prior sections reveal ongoing challenges with credit disbursement.

Factors like labour laws (10.21%), political stability (9.90%), and raw material sourcing (8.04%) received moderate recognition, indicating that while these areas are functioning, they may not be seen as actively enabling business. Availability of land (7.12%) was the lowest-ranked factor, consistent with concerns about real estate constraints in industrial and urban zones.

5.14 CHI-SQUARE TESTS ON KEY VARIABLE PAIRS

Chi-square tests were conducted to examine associations between demographic variables and key awareness and action indicators.

Significant relationships were found between gender and awareness of procedures ($\chi^2 = 22.33$, $p < 0.001$), education and business attempt ($\chi^2 = 11.77$, $p < 0.05$), and age group and business attempt ($\chi^2 = 11.60$, $p < 0.05$).

These results statistically support the descriptive patterns observed and confirm that demographic factors such as gender, education, and age materially influence entrepreneurial engagement in Kerala.

TABLE XIX. Chi-square tests on key variable pairs

Variable Pair	χ^2 (Chi-Square)	p-value	Degrees of Freedom	Significant
Gender vs Awareness of Procedures	22.33	2.29 E-06	1	Yes
Gender vs Awareness of Credit	0.93	0.334	1	No
Education vs Attempt to Start Business				
	11.77	0.008	5	Yes
Employment Status vs Awareness of Credit				
	4.67	0.586	6	No
Age Group vs Attempt to Start Business				
	11.6	0.021	4	Yes

Source: Compiled from primary data

6) DISCUSSION

This study explored public responses to Kerala's business environment, with a focus on awareness of entrepreneurial procedures, access to financial resources, and the challenges faced in starting enterprises. The findings provide a nuanced understanding of the factors influencing entrepreneurial activity in Kerala, with important implications for policy and practice.

6.1 LOW FINANCIAL AWARENESS AND INCLUSION, ESPECIALLY AMONG WOMEN

- A significant portion of respondents (54.51%) reported being unaware of the procedures to start a business, with a similar percentage (58%) lacking knowledge of credit sources, subsidies, and financial assistance. This gap underscores the role of financial literacy as a critical enabler of entrepreneurship. Gender-wise analysis revealed that women had substantially lower awareness than men in both areas. This reflects broader societal and systemic barriers to financial inclusion for women.
- The low levels of awareness, particularly among women, suggest that information dissemination regarding business registration and financial support is not reaching a wide audience. This knowledge gap likely inhibits entrepreneurial activity, particularly among groups that already face barriers, such as women.

6.2 BUREAUCRATIC PROCESSES AND ACCESS TO CREDIT REMAIN KEY CHALLENGES

- Among the respondents who attempted to start a business, the two most commonly cited challenges were difficulty in obtaining credit (22.89%) and the bureaucratic hurdles associated with starting a business (21.68%).
- These results indicate that despite government initiatives to simplify business processes, procedural and financial barriers persist. Access to credit remains a fundamental issue, which suggests that financial institutions and government agencies may need to improve their outreach to entrepreneurs. Entrepreneurs often face challenges in accessing credit due to complex regulatory requirements and insufficient collateral options. Moreover, bureaucratic inefficiencies continue to deter many from pursuing entrepreneurial ventures, pointing to a need for streamlining processes further and reducing red tape.

6.3 ENTREPRENEURS EXPRESS CONCERNS ABOUT KERALA'S BUSINESS ENVIRONMENT

- Interestingly, 60.7% of individuals who had attempted to start a business in Kerala did not believe that the state had made positive changes in its business environment. In contrast, among those who had not attempted to start a business, perceptions were almost evenly split. The reasons behind this perception are multifaceted and stem from both external factors (such as market conditions and competition) and internal factors (like funding and regulatory complexity).
- This discrepancy suggests that those who have first-hand experience of navigating Kerala's business ecosystem are more critical of the environment, potentially due to

- the challenges they face in starting and sustaining businesses. Those without direct experience may not be as aware of these challenges, resulting in a more neutral or positive outlook. This finding underscores the need for a reality check on whether the improvements made in the business climate are having the desired impact on entrepreneurs.
- Even if policies are designed to improve the business environment, bureaucratic inefficiencies and delays in the implementation of these policies can lead to frustration. Entrepreneurs may not see any tangible improvements if they face delays in approvals or other official processes.
- While Kerala has launched numerous schemes to support startups, the actual implementation of these initiatives might fall short in some areas. The effectiveness of government policies can vary depending on the sector, region, and the individual entrepreneur's access to these schemes. This discrepancy could cause some to feel that the business environment has not improved.

6.4 MANY INDIVIDUALS HAVE BUSINESS PLANS BUT LACK RESOURCES

- Around 18.58% of respondents who had not started a business cited having a business plan but lacking the resources to execute it.
- This finding emphasizes the potential of latent entrepreneurs in Kerala - individuals who are willing and capable of starting businesses but are held back due to a lack of resources. This gap represents an opportunity for the state government and financial institutions to provide more accessible financial assistance, mentorship programs, and resource networks that could enable aspiring entrepreneurs to realize their business ideas.

6.5 A MAJORITY OF RESPONDENTS HAVE NOT ATTEMPTED TO START A BUSINESS

- According to the survey, 81% of respondents reported that they have not attempted to start a business in Kerala.
- This finding reveals a large untapped potential for entrepreneurship in Kerala. Despite various initiatives and a generally positive view of entrepreneurship, a significant portion of the population remains on the side-lines. This lack of entrepreneurial activity could be due to a combination of factors, including job security, lack of resources, or a perception that starting a business involves high risk. Many potential entrepreneurs may fear failure, which can be especially pronounced in a community that values job security and stability. Risk aversion is common, especially in a state like Kerala, where a large portion of the population is employed in stable government or public sector jobs.
- While the state has made strides in improving the business environment, many people might still perceive the regulatory process as complicated and time-consuming. The requirement for various licenses, permits, and compliance with local laws could deter people from pursuing entrepreneurship. It also underscores the importance of addressing the barriers that prevent individuals from

transitioning from interest in entrepreneurship to taking concrete steps toward starting a business.

6.6 COMFORT WITH EXISTING JOBS AND INCOME IS A MAJOR BARRIER

- Among those who had not started a business, 29.64% stated that they were comfortable with their existing income or job, while 21.74% expressed a lack of interest in entrepreneurship altogether.
- This suggests that a portion of the population is risk-averse, preferring the security of salaried employment over the uncertainty of entrepreneurial ventures. This could reflect a broader cultural or societal preference for stable income, which may be harder to shift through policy alone. However, fostering a culture that recognises entrepreneurial success and emphasizes its potential benefits, both personal and financial, could encourage more people to consider entrepreneurship as a viable alternative.

6.7 HIGH EDUCATIONAL ATTAINMENT DOES NOT ALWAYS TRANSLATE INTO ENTREPRENEURIAL ACTIVITY

- Despite the high educational qualifications of the respondents - 60% being postgraduates or higher - only a small percentage (18%) had attempted to start a business.
- While education may provide individuals with the skills and knowledge to start a business, it does not necessarily inspire them to do so. This points to other barriers, such as lack of practical support, insufficient financial resources, or a societal preference for salaried jobs over business ownership. Educational institutions could play a larger role in fostering entrepreneurial mind-sets early on by incorporating practical business skills, mentorship, and hands-on entrepreneurial experiences into their curricula.

6.8 POSITIVE PERCEPTION OF GOVERNMENT SUPPORT

- Government support and subsidies were recognized as the most important positive factor in Kerala's business environment, with 25.38% of respondents highlighting it as a key facilitator.
- This finding suggests that government initiatives, such as the Year of Enterprises, are positively perceived by a section of the public, despite ongoing challenges in the business environment. While bureaucratic and financial hurdles remain significant, respondents recognize the role of government subsidies in mitigating some of the difficulties of starting and running a business. This provides a strong foundation upon which further reforms and support programs could be built.

6.9 LIMITED AVAILABILITY OF RESOURCES IS A KEY DETERRENT

- Approximately 18.58% of respondents who had not started a business cited a lack of resources, such as funding, skilled labour, or raw materials as a major deterrent.
- This highlights a crucial gap in the business ecosystem in Kerala, where aspiring entrepreneurs may have business ideas but lack the means to execute them.

Addressing this gap could involve expanding access to microfinancing options, improving mentorship programs, and ensuring that infrastructure and resource networks (such as incubators or accelerators) are readily available to new entrepreneurs. Building a stronger support network for resource allocation could significantly enhance the entrepreneurial landscape in Kerala.

6.10 ECONOMIC UNCERTAINTY AND INSTABILITY

- Around 17% of respondents identified the political scenario as non-conducive to business, while 8% raised concerns over labour laws.
- Kerala's political and labour climate has often been viewed as a double-edged sword. While the state is known for its strong labour rights and political activism, these factors can sometimes create an environment that entrepreneurs see as hostile or unstable. The perception of non-conducive political and labour conditions highlights the need for balanced reforms that support business growth while maintaining fair labour practices. Policymakers must consider

how to foster a more business-friendly environment without compromising the state's social and political values.

6.11 POSITIVE CHANGE IN BUSINESS ENVIRONMENT PERCEIVED BY LESS THAN HALF OF THE RESPONDENTS

- Only 46% of respondents believed that Kerala has developed a more favourable business environment in recent times, while 54% felt that it has not.
- The mixed perceptions about Kerala's business environment suggest that while there have been improvements, they have not been substantial or widespread enough to instil confidence across the public. This disparity may stem from uneven implementation of business-friendly policies across regions or sectors, as well as continued issues with bureaucratic hurdles and access to resources. It also indicates that there is still a need for more consistent and visible reforms that can demonstrate a real impact on the ease of doing business in the state.

7. IMPLICATIONS FOR POLICY, ENTREPRENEURS, AND THE ECONOMY

The findings of this study have far-reaching implications for policy formulation, entrepreneurial support strategies, and broader economic development in Kerala. The data revealed that significant barriers, both perceived and structural, continue to inhibit business initiation, even among respondents who were aware of the necessary procedures and financial assistance available. This indicates that awareness, while important, is not a sufficient driver of entrepreneurial action in the absence of an enabling ecosystem.

From a policy perspective, the study confirmed that awareness of business-related procedures and credit opportunities is unevenly distributed, with statistically significant disparities across gender and education levels. Women, in particular, demonstrated markedly lower levels of procedural knowledge, which is compounded by limited access to credit and support systems. To address this, state policy must invest in inclusive and targeted outreach mechanisms. Information should be disseminated through accessible platforms, especially those frequented by women and marginalized groups, such as self-

help groups, Kudumbashree networks, and local community organizations. Messaging should be context-sensitive, multilingual, and visually accessible to ensure it reaches diverse segments of the population effectively.

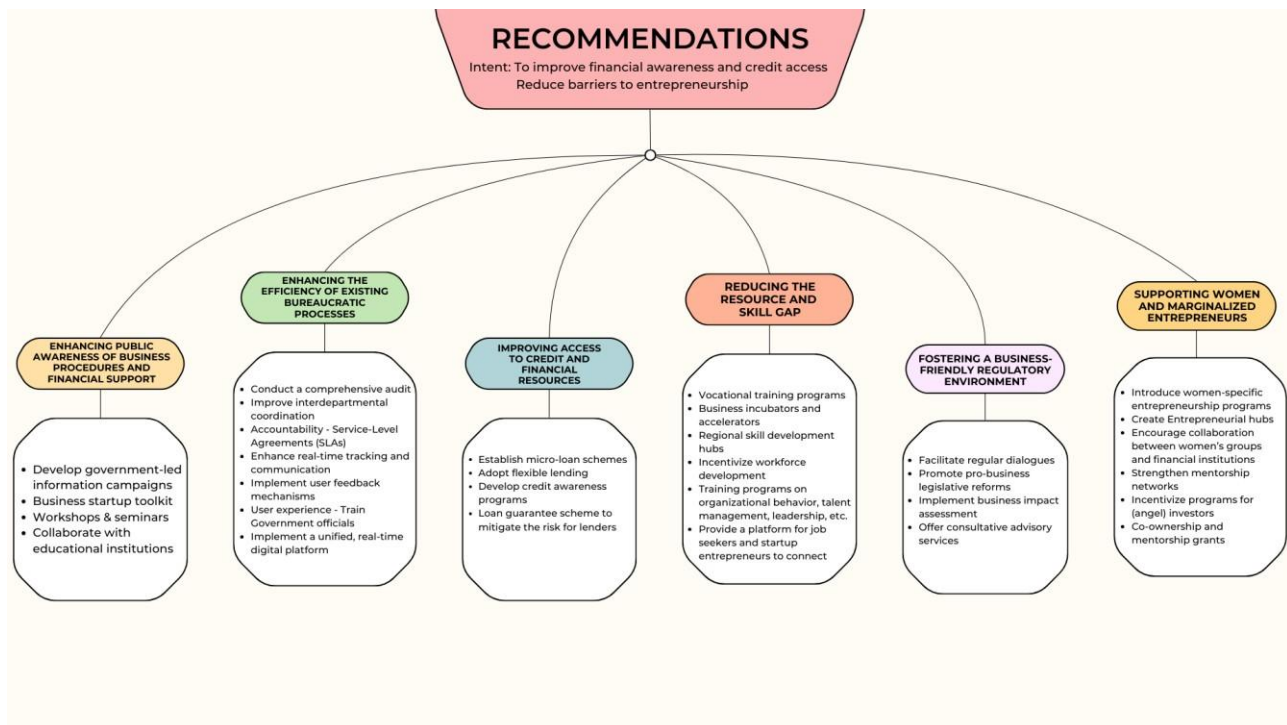
While recent administrative reforms and digitalization efforts have aimed to simplify bureaucratic processes, the research indicates that regulatory complexity remains a substantial deterrent. Among those who had attempted to start a business, more than 60% faced difficulties, many of which were rooted in procedural delays and institutional inefficiencies. This highlights the need for a more unified and streamlined interface between entrepreneurs and regulatory bodies.

At the macroeconomic level, the study reveals a largely untapped reservoir of entrepreneurial interest. A substantial number of respondents reported having business ideas but lacking the resources or support to implement them. Others expressed interest in entrepreneurship but were unsure of how to proceed. Tapping into this latent potential could significantly contribute to job creation, innovation, and economic diversification in Kerala.

8. RECOMMENDATIONS

Based on this study's findings on Kerala's business environment, the following recommendations are proposed for policymakers, entrepreneurs, and stakeholders. These aim to address challenges, improve public awareness, reduce barriers, and enhance the ease of doing business. The following diagram shows practical recommendations to address the barriers identified in financial awareness and credit access aimed at improving entrepreneurial conditions.

Figure I. Recommendations



Source: Compiled by the authors 2024

8.1 ENHANCING PUBLIC AWARENESS OF BUSINESS PROCEDURES AND FINANCIAL SUPPORT

A significant portion of the population, particularly women, lacks awareness of the procedures and resources available for starting and operating a business. This knowledge gap serves as a primary barrier to entrepreneurial activity.

Recommendation: Launch targeted awareness campaigns to improve public knowledge about business registration processes, credit sources, subsidies, and financial assistance programs.

Key Actions:

1. Launch government-led campaigns across media platforms to provide clear business startup and financial support information.
2. Create an online and offline business startup toolkit with procedures, documents, and contact details.
3. Partner with educational institutions to organize workshops in urban and rural areas, focusing on women and marginalized groups.
4. Promote a cultural shift valuing entrepreneurship through awareness campaigns, reducing pressure to pursue traditional careers.

8.2 ENHANCING THE EFFICIENCY OF EXISTING BUREAUCRATIC PROCESSES

While Kerala has already established several systems aimed at streamlining bureaucratic processes, such as e-Governance services and single-window clearance, many entrepreneurs still encounter inefficiencies and delays. These issues arise from system limitations, incomplete integration between departments, and the time-consuming nature of approvals.

Recommendation: Strengthen and optimize existing digital services, single-window clearance systems, and business facilitation centres to further reduce delays and improve the user experience in business registration and licensing processes.

Key Actions:

1. Audit e-Governance platforms to identify bottlenecks, inefficiencies, and manual delays in business registration and licensing processes.
2. Integrate government departments into a digital platform with real-time tracking, feedback systems, and official training for improved efficiency.
3. Introduce service-level agreements (SLAs) that mandate specific turnaround times for business registrations, license approvals, and permits, with penalties or escalation protocols in place for departments that fail to meet these deadlines.

8.3 IMPROVING ACCESS TO CREDIT AND FINANCIAL RESOURCES

Difficulty in accessing credit is one of the primary obstacles reported by entrepreneurs in Kerala. Many potential business owners have business plans but lack the necessary financial resources to execute them.

Recommendation: Increase accessibility to financial support for entrepreneurs by improving credit availability and simplifying loan processes, particularly for small and medium-sized enterprises (SMEs).

Key Actions:

1. Establish micro-loan schemes with low-interest rates for small businesses and start-ups, particularly in sectors with high growth potential, such as technology, services, and manufacturing.
2. Encourage financial institutions to adopt flexible lending criteria, recognizing non-traditional assets and business models that are often overlooked by conventional lending systems.
3. Develop credit awareness programs in collaboration with banks and financial institutions to educate entrepreneurs on the various financing options available, including government-backed schemes, venture capital, and angel investing.
4. Introduce a loan guarantee scheme to mitigate the risk for lenders, especially in cases where entrepreneurs lack sufficient collateral but have viable business plans.
5. Set up dedicated SME loan facilitation center that provides personalized guidance, simplified application procedures, and quicker loan approvals, with an empathetic, query-resolving approach to address entrepreneurs' concerns and ensure a smooth financial support process.

8.4 REDUCING THE RESOURCE AND SKILL GAP

Shortages of skilled labour and raw materials are critical challenges identified by entrepreneurs in Kerala. Addressing these shortages can improve both the ease of starting a business and the operational efficiency of enterprises.

Recommendation: Address the gaps in the availability of skilled labour and essential business resources, ensuring that entrepreneurs have access to the human and material capital needed for successful ventures.

Key Actions:

1. Expand vocational training programs tailored to the specific needs of local industries, ensuring that Kerala's workforce has the skills required by emerging and high-growth sectors.
2. Promote business incubators and accelerators in collaboration with universities and private industry.
3. Create regional skill hubs for continuous training in critical sectors like manufacturing, IT, and services.
4. Offer incentives, such as tax breaks, for businesses investing in workforce development.
5. Provide entrepreneurs with training on cash flow management, budgeting, and financial forecasting.
6. Create a digital portal for startups offering training, mentorship, and project

experience to develop a skilled workforce.

8.5 FOSTERING A BUSINESS-FRIENDLY REGULATORY ENVIRONMENT

A considerable number of respondents highlighted non-conducive political and regulatory conditions, including labour laws, as a deterrent to doing business in Kerala.

Recommendation: Promote a stable and supportive regulatory environment to boost investor confidence and encourage entrepreneurship.

Key Actions:

1. Facilitate regular dialogues between government officials, industry leaders, and entrepreneurs to ensure that policy decisions are informed by the real needs of the business community.
2. Promote pro-business legislative reforms, particularly in areas like labour law flexibility, tax incentives, and land acquisition procedures, to make Kerala an attractive destination for new and expanding businesses.
3. Implement a "business impact assessment" for any new policies or regulations to evaluate their potential effects on entrepreneurs and SMEs before they are passed into law.
4. Offer consultative advisory services that offers tailored guidance to startups, helping them navigate regulatory requirements and providing real-time insights into regulatory impacts.

8.6 Supporting Women and Marginalized Entrepreneurs

The study revealed a gender gap in awareness of business procedures and financial resources, which poses a barrier to women's participation in entrepreneurship.

Recommendation: Increase targeted support for women and marginalized groups to ensure equitable participation in the entrepreneurial ecosystem.

Key Actions:

1. Introduce women-focused entrepreneurship programs with financial products, mentorship, and training.
2. Offer confidence-building training on leadership, marketing, and finance for women entrepreneurs.
3. Establish entrepreneurial hubs in rural areas with funding and capacity-building for marginalized communities.
4. Facilitate collaboration between women's groups and financial institutions to create tailored credit programs.
5. Strengthen mentorship networks and offer incentives for angel investors in women-led startups.
6. Create co-ownership and mentorship grants to support women and marginalized entrepreneurs.

9) CONCLUSION

This study provides a focused analysis of the factors shaping entrepreneurial participation in Kerala, highlighting persistent gaps in procedural awareness, credit access, and institutional support. While government initiatives and structural advantages exist, their uneven implementation, particularly across gender and educational groups, continues to limit business formation.

A key finding is that awareness alone does not translate into entrepreneurial action. Despite moderate familiarity with business procedures and credit schemes, most respondents, including many with formal education, had not attempted to start a business. This underscores the influence of deeper barriers such as risk aversion, lack of mentorship, and bureaucratic friction.

Statistical analysis confirmed significant relationships between awareness, demographic variables, and business attempts. Gender emerged as a particularly critical factor, with women reporting lower levels of awareness and greater difficulty accessing resources, pointing to the need for targeted outreach and inclusive policies.

In sum, the research highlights the importance of strengthening Kerala's entrepreneurial ecosystem through simplified procedures, accessible credit mechanisms, and sustained support networks. By addressing these systemic gaps, the state can better harness its untapped entrepreneurial potential, fostering inclusive growth and long-term economic resilience.

10) LIMITATIONS AND SUGGESTIONS FOR FUTURE RESEARCH

While this study provides important insights, there are several limitations that should be acknowledged:

- **Sample Size and Geographic Focus:** The study was based on a sample of 310 respondents, which, while useful, may not fully capture the diversity of perspectives across Kerala. Future studies could expand the sample size and ensure representation from all districts, especially rural areas.
- **Cross-sectional Nature:** This study provides a snapshot of perceptions at a single point in time. Longitudinal studies that track changes in perception over time could offer more insights into whether policy interventions are having a sustained impact.
- **Qualitative Data:** While this study focused on quantitative data, future research could benefit from more qualitative approaches, such as in-depth interviews or focus group discussions with entrepreneurs, policymakers, and financial institutions. This would provide a deeper understanding of the challenges and opportunities within Kerala's entrepreneurial ecosystem.

REFERENCES

- Audretsch, D. B., & Thurik, R. (2001). What's new about the new economy? Sources of growth in the managed and entrepreneurial economies. *Industrial and Corporate Change*, 10(1), 267–315.
- Bannister, F. (2017). In defence of bureaucracy: Governance and public values in a digital age. In A. Paulin, L. Anthopoulos, & C. Reddick (Eds.), *Beyond bureaucracy. Public Administration and Information Technology* (Vol. 25, pp. 42–45). Springer.

https://doi.org/10.1007/978-3-319-54142-6_3

- Beck, T., & Demirguc-Kunt, A. (2006). Small and medium-size enterprises: Access to finance as a growth constraint. *Journal of Banking & Finance*, 30(11), 2931–2943.
- Centre praises Kerala's "Year of Enterprises" scheme as best practice. (2025, January). Open Digest. <https://opendigest.in/centre-praises-keralas-year-of-enterprises-scheme-as-best-practice/>
- Facets of rural economy and development of SMEs: A paradigm shift is imperative. (n.d.). B. Yerram Raju. GoK. (2023). Kerala Economic Review. Kerala State Planning Board, Government of Kerala.
- Government of Kerala. (2024). Year of Enterprises website. Department of Industries and Commerce. https://www.yearofenterprises.kerala.gov.in/index.php/public_dashboard
- Gupta, R., Kumar, N., & Sharma, P. (2021). Gendered differences in entrepreneurial perceptions: The Indian context. *Journal of Entrepreneurship Studies*, 15(3), 203–218.
- Invest Kerala. (2022). Kerala emerges as India's top business-friendly state, secures 1st place in Ease of Doing Business Ranking. <https://invest.kerala.gov.in/>
- Keshava, S. R. (2025). Empowering women through entrepreneurship in India: Milestones achieved, challenges faced, and pathways to economic empowerment. SSRN. <https://ssrn.com/abstract=4703889>
- Kerala economy: State must focus on entrepreneurship for growth. (2024, September). Policy Circle. <https://www.policycircle.org/opinion/kerala-economy-entrepreneurship/>
- Kumar, A., & Chattopadhyay, S. (2023). Perceptions of risk and opportunity in Indian entrepreneurship: Gender perspectives. *Indian Journal of Entrepreneurship*, 19(1), 45–58.
- Majumdar, R., & Mittal, A. (2025). Revisiting the financial challenges faced by women-led microenterprises: Some evidence from the Indian manufacturing sector. *IIMT Journal of Management*, 2(1), 64–83.
- Mer, A., & Viridi, A. S. (2024). Decoding the challenges and skill gaps in small- and medium-sized enterprises in emerging economies: A review and research agenda. In A. M. Thake, K. Sood, E. Özen, & S. Grima (Eds.), *Contemporary challenges in social science management: Skills gaps and shortages in the labour market* (Vol. 112B, pp. 115–134). Emerald Publishing Limited. <https://doi.org/10.1108/S1569-37592024000112B007>
- Nguyen, T., & Tran, N. (2023). Entrepreneurial ecosystems in Southeast Asia: The role of informal networks. *Journal of Southeast Asian Business Studies*, 13(2), 112–128.
- Noufal, I. P., & Ramachandran, K. V. (2017). Entrepreneurship development and the prospects of startups in Kerala's industrial economy: An overview. *Journal of Research in Management and Sciences*, 4.
- Policy Circle. (2024, September). Kerala economy: State must focus on entrepreneurship for growth. <https://www.policycircle.org/>
- Saini, P., Malhotra, S., & Bhushan, S. (2024). Empowering women entrepreneurs: Analysing the influence of government support programs and their socioeconomic impact. *Mudra: Journal of Finance and Accounting*, 11(2), 141–166.
- Schumpeter, J. A. (1934). *The theory of economic development: An inquiry into profits*,

capital, credit, interest, and the business cycle. Harvard University Press.

Sherwani, F. K., Shaikh, S. Z., Behal, S., & Siddiqui, M. S. (2024). Determinants of financial inclusion among women-owned enterprises: A case study of the informal sector. *Arab Gulf Journal of Scientific Research*, 42(4), 1340–1358.

Sobel, R. S., Clark, J. R., & Lee, D. R. (2007). Freedom, barriers to entry, entrepreneurship, and economic progress. *The Review of Austrian Economics*, 20, 221–236.

Srivastava, S. (2025). Women, work, and equity: A critical study of entrepreneurship challenges and opportunities in India. In *Enhancing workplace productivity through gender equity and intergenerational communication* (pp. 81–108).

Startup Mission Kerala. (n.d.). Schemes. <https://startupmission.kerala.gov.in/schemes>

The Year of Enterprises initiative. (2024). Government of Kerala; Ajith Chacko, Dr. Anooa Narayanan, Dr. M. P. Boraian.

Year of Enterprises 2022–23: One Lakh Enterprises. (n.d.). Department of Industries and Commerce, Kerala. <https://industry.kerala.gov.in/>

ABOUT THE AUTHORS

Dr. Anu Binny is a Associate Professor & Coordinator, Centre for Executive Education School of Business & Management, CHRIST (Deemed to be University), Bengaluru she also serves as Director of the Centre for Executive Education, leading high-impact management-development programmes for industry practitioners. She is a distinguished entrepreneur, researcher, and international trainer with a doctorate in Engineering and extensive expertise spanning finance, entrepreneurship, and organizational development. She brings a unique interdisciplinary perspective to the intersection of finance and women's entrepreneurship.

Dr. Binny has published rigorous works in digital steganography, including papers on robust pixel-domain image based hiding techniques and LSB-based audio steganography, presented at international IEEE and related conferences. Alongside her research, Dr. Binny is a seasoned entrepreneur and international

trainer. She is a recipient multiple awards for her outstanding contributions to women's empowerment and financial inclusion across technology, entrepreneurship, and coaching. She also works as a Researcher in Artificial Intelligence Journalism for Research and Forecasting - AIJRF. In her current work, Dr. Binny explores women's entrepreneurship, gender inclusivity in financial markets, women's participation in financial markets, organizational learning and development, and technology-enabled entrepreneurial finance. She integrates frameworks from engineering, evidence based coaching, and organizational learning to build sustainable venture models for women-led enterprises, bridging academic research with real-world impact.

Mr. Ajith Chacko Principal Consultant, Centre for Management Development (CMD), Kerala. Mr. Ajith Chacko is a development professional with over 23 years of experience in public policy, livelihoods, enterprise development, and social sector governance. As Principal Consultant at CMD Kerala, he leads research-based consultancy projects for government departments, multilateral agencies, and public institutions. He has held senior roles with Kudumbashree Mission, UNDP, UNICEF, Save the Children, and HelpAge India, contributing to disaster governance, institution-building, participatory planning, and inclusive policy advocacy. His expertise spans Programme design, monitoring and evaluation, and community led development. Mr. Ajith has authored several evaluation studies, policy briefs, and sectoral reports, including work on the Start-up Village Entrepreneurship Programme (SVEP) and inclusive governance. He is currently pursuing a PhD at Gandhigram Rural Institute, focusing on the performance of women microentrepreneurs under the Kudumbashree framework in Kerala.