



SUPPORTING SENIOR ENTREPRENEURS IN KERALA: THE ROLE OF GOVERNMENT AND FINANCIAL SCHEMES

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Abstract

Entrepreneurship refers to the process of establishing a new business venture with the objective of generating profit. In recent years, there has been a noticeable rise in senior entrepreneurship, defined as the establishment of enterprises by individuals aged 50 and above. This trend is partly driven by increased life expectancy and the prospect of 20 to 30 additional years of healthy and active living. In the Indian context, factors such as access to financial resources, the aspiration to remain engaged, and the pursuit of financial independence have further contributed to this phenomenon. Kerala has emerged as a significant hub for senior entrepreneurship. This study investigates the dynamics of senior entrepreneurial activity in the state, with particular emphasis on the distinct challenges encountered by older entrepreneurs, including issues related to finance, marketing, technology, labour, and institutional support. The paper also explores the vital role played by government policies and financial schemes in addressing and alleviating these challenges.

Keywords

Entrepreneurship, Senior Entrepreneurship, Senior Entrepreneurship in Kerala, challenges faced by senior entrepreneurs in Kerala, role of government and financial institution.

Introduction

Entrepreneurship plays a crucial role in promoting economic growth by stimulating innovation, generating employment, and contributing to overall societal development. In recent times, senior entrepreneurship—defined as the engagement of individuals aged 50 and above in entrepreneurial ventures—has garnered increasing global recognition. In the context of Kerala, a state characterized by an aging population and strong human development indicators, senior entrepreneurship offers a valuable avenue to harness the knowledge, experience, and expertise of older adults for both economic and social progress.



Despite their potential to contribute meaningfully to the economy, senior entrepreneurs encounter a range of unique challenges. These include restricted access to financial resources, difficulties in adapting to technological advancements, labour-related issues, and prevailing societal attitudes that often underestimate their abilities. Such obstacles can deter older individuals from engaging in entrepreneurial activities. Therefore, the establishment of a supportive ecosystem that effectively addresses these barriers is crucial for promoting and sustaining senior entrepreneurship in Kerala.

This paper explores the role of government initiatives and financial institutions in supporting senior entrepreneurship in Kerala. Government programs, including skill development initiatives, subsidies, and entrepreneurial support schemes, play a pivotal role in empowering senior entrepreneurs. Similarly, financial institutions, through concessional loans, microfinance programs, and tailored credit schemes, act as catalysts in enabling the growth of senior-led businesses.

This study examines the effectiveness of government initiatives and financial schemes in supporting senior entrepreneurs in Kerala. Government programs, including skill enhancement initiatives, mentorship support, and startup incentives, aim to empower senior citizens in their entrepreneurial endeavors. Simultaneously, financial institutions provide crucial support through accessible credit, microfinance opportunities, and reduced-interest loans.

By analyzing the extent to which these interventions alleviate the barriers to senior entrepreneurship, this paper aims to evaluate their efficacy and identify gaps in implementation. Through case studies the research sheds light on best practices and offers recommendations to enhance the overall ecosystem. The findings underscore the importance of a coordinated effort between policymakers and financial institutions to unlock the entrepreneurial potential of Kerala's senior population, contributing to sustainable and inclusive economic development.

Review of Literature

This chapter deals with the studies on Senior Entrepreneurship conducted by various researchers:

Elizebath Isele (2018), "The Future of Ageing Older Workers is the Economy's most underrated natural resource" future senior entrepreneurs will reimagine life and work for people of every



generation, culture, as well as geographic boundary. These generations will establish a novel paradigm for ageing along with retirement, as well as an expanding sector for our economies. Seniors of today are assets, not liabilities. Additionally, their expertise raises prosperity globally for people of all ages.

Florian Luck, Sascha Kruas, Ricarda B Bouncken (2014), “Senior Entrepreneurship: Definition and Underlying Theories.” Policy makers' interest in entrepreneurship is growing as a result of the demographic changes taking place in Western Europe. Creating and keeping jobs for those who are approaching or else in their years of retirement, or letting them know what to do if they become unemployed, is one of the main goals here. In these conditions, self-employment has unrealized potential as a strong substitute for low-paying or part-time jobs, early retirement, or unemployment.

Kerry Hannon (2018), “Cautionary Advice about starting a Business after 50” two basic motivations for turning to entrepreneurship at older ages: there are those who are pulled into entrepreneurship because it is something they have wanted to do their entire life. Others are people who are pushed into it because they might be out of a job. People who are considering launching businesses in midlife or later should “follow your passion”.

Annette Witheridge (2018), “Senior Entrepreneurs” although entrepreneurs in their teens or twenties get all the attention, a recent US Census Bureau study reveals that 60 year olds are three times as likely to found a successful start-up than people half their age. The ability to raise funds and actually turn a good idea into reality plays a big part, but there is a special kind of optimism and strength in older people.

Adi Gaskell (2019), “Are Older Entrepreneurs the Best Entrepreneurs?” older people are a valuable, untapped resource of entrepreneurial wave. Older adults have a variety of passions; these passions can be converted into new ideas and innovations. These innovations are often with the interests of the community at heart rather than any personal or commercial gain. It is noted that the average age of company founders in the United State is 41.9 years of age, with the highest growth start-ups being founded by entrepreneurs 45 years and above.

Justyna Stypinska (2018), “The Enterprising Self: a Panacea for all or New Fictitious Social Role for Older Adults? The Analysis of European Policies for Senior Entrepreneurship” The



paper's goal is to investigate how senior entrepreneurs' roles and images are framed by policy narratives found in European policy records. This paper provides a vital evaluation of the policy texts in the inclusive entrepreneurship framework and the active ageing framework, two OECD as well as European Union policy frameworks. The document recognizes two major narratives in where the exclusion mechanisms as well as exclusion operate: the hegemonic model of a senior entrepreneur and the economization of the model of senior entrepreneurship with two sub-themes: the growth paradigm as well as the concept of entrepreneurial success. It provides this by utilizing the critical gerontology along with theoretical perspectives of enterprising self.

The reviewed literature on senior entrepreneurship underscores the increasing acknowledgment of older adults as significant contributors to economic and social development. Isele (2018) highlights the role of seniors as economic assets who are redefining the concepts of aging and retirement while promoting global prosperity. Luck, Kraus, and Bouncken (2014) explore self-employment as a practical alternative to unemployment or early retirement, particularly in the context of Western Europe. Hannon (2018) categorizes the motivations behind senior entrepreneurship into two key types: passion-driven and necessity-driven. Witheridge (2018) points to the higher success rates among senior entrepreneurs, attributing this to their financial security and resilience. Gaskell (2019) emphasizes the value of experience and the tendency of older entrepreneurs to engage in community-oriented innovation, noting that many high-growth start-ups are initiated by individuals aged 45 and above. Stypińska (2018) offers a critical perspective on European policy frameworks, drawing attention to the narratives of inclusion and economic productivity associated with senior entrepreneurship. Together, these studies highlight the economic potential, social contributions, and policy considerations surrounding senior entrepreneurs, while also examining the diverse motivational factors driving their engagement in entrepreneurial activities.

Methodology

This study was conducted in three zones of Kerala. Random technique was adopted for the selection of study area. Sample of 373 respondents (senior entrepreneurs) was taken. The sample was selected using simple random method by using random table. Data collected using structured interview schedule.



Results and Discussion

Table 1

Impact of Government and Financial Institution Schemes role on Challenges faced by Senior Entrepreneurs in Kerala

Major Problems	Fund from Financial Institutions					
	Not Availed		Availed		T	Sig.
	Mean	S.D.	Mean	S.D.		
Financial Problems	3.64	0.49	4.11	0.57	-7.826	0.000
Marketing Problems	3.51	0.56	3.53	0.57	-0.329	0.742
Technical Problems	3.44	0.76	3.45	0.76	-0.168	0.867
Labour Problems	3.78	0.59	3.83	0.56	-0.708	0.480
Support Problems	3.55	0.73	3.69	0.69	-1.680	0.094
Socio-Personal Problems	3.56	1.00	3.72	0.97	-1.354	0.176

Source: Primary Data

The t-test analysis examines whether government and financial institution schemes significantly impact the challenges faced by senior entrepreneurs in Kerala. The results show a statistically significant difference in the perception of Financial Problems between those who availed of funds from financial institutions and those who did not. Entrepreneurs who availed funds reported greater financial challenges, possibly due to loan repayment obligations, high interest rates, or compliance requirements or higher expectations for financial accountability. Moreover, business that seek funding may already face financial instability making them more vulnerable to financial challenges even after receiving support. Administrative delays, inefficient fund utilisation, or mismatch between the funding received and actual financial needs could exaggerate these issues. Conversely, those who did not avail funds may rely on self-sustained



financing or smaller, manageable operations, thus reporting fewer financial problems. However, for other challenges such as Marketing Problems, Technical Problems, Labour Problems, Support Problems and Socio-Personal Problems, no significant differences were observed. These findings suggest that while financial supporting schemes impact financial challenges, they do not significantly influence other categories of challenges faced by senior entrepreneurs. Overall, the null hypothesis is rejected for financial problems but retained for all other challenges, indicating a partial impact of government and financial institution schemes on mitigating challenges.

Conclusion

The study concludes that government and financial institution schemes have only a limited impact on addressing the challenges faced by senior entrepreneurs in Kerala. Although a significant difference was observed in financial challenges between those who received funding and those who did not, the results indicate that financial support does not necessarily ease financial constraints. In some cases, it may even intensify them due to factors such as loan repayment obligations and administrative inefficiencies. Moreover, no significant differences were identified in other areas of difficulty—such as marketing, technical, labor, support, and socio-personal challenges—suggesting that financial schemes alone are insufficient to address the full range of issues encountered by senior entrepreneurs. Therefore, while financial assistance contributes to shaping financial outcomes, a more holistic and integrated support system is essential to effectively overcome the multifaceted challenges faced by this demographic.



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