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Microfinance and Formalisation of Enterprises in the Informal Sector

Microfinance and Formalization of Enterprises in the Informal Economy:
Awareness raising campaign and BDS for the formalization and
strengthening of growth-oriented enterprises ESAF
A Qualitative Follow-up Study

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List of Abbreviations

DIC	District Industrial Centre
ESAF	Evangelical Social Action Forum
FO	Formalization Officer
ILO	International Labour Organization
INR	Indian Rupee
KVIB	Khadi and Village Industries Board
MF4DW	Micro Finance for Decent Work
MFI	Micro Finance Institution
MSME	Micro, - Small and Medium Enterprise
SHG	Self-help group



1. Background

Established in 1992, the Evangelical Social Action Forum (ESAF) serves its customers by provision of microloans destined for income generation and consumption purposes. The largest share of ESAFs clients are female and operate trade, service and small manufacturing businesses in the informal sector. ESAF's mission is to empower the poor and marginalized especially women, children and youth by providing access to financial, marketing, health, natural resources and technological support to explore the fullest human potential and create opportunities for sustenance, development and holistic transformation. ESAF offers loans, insurance as well as training and consulting services to its clients. It has a network of 224 offices covering 73 districts in 9 Indian States, servicing roughly 775320 members (as on May 2015) ESAF conducted the International Labour Organization (ILO) action research "Microfinance for Decent Work" in three States of India (Kerala, Tamil Nadu, Maharashtra), in 12 selected local branches, split into respectively control and target branches in each of the States.

Under the assumption that upgrading to the formal economy offers a range of opportunities to microentrepreneurs, ESAF implemented a pilot programme in 2010 - 2012 that provided information to raise awareness about formalization and training courses to improve the clients' skills required for running formal business activities. This pilot programme was implemented with the support of the ILO, within the framework of the global "Microfinance for Decent Work Action Research Programme"¹.

Through an initial survey amongst their clients in 2008, ESAF had identified lack of information about the processes and benefits of formalization as a major impediment to registrations. Even so among clients who had a profile that ESAF deemed would allow bearing the costs to register with the authorities. In 2011, an impact evaluation conducted by the University of Mannheim found that formalization increased substantially as a result of ESAFs activities.

The formalization campaign tackled the main obstacles identified by ESAF as hindering clients, who are exclusively women, from formalization: low awareness about the advantages, overrating of the disadvantages and a lack of information on the formalization process. Formalization related business development services were designed and ESAF staff was specifically trained to explain registration and formalization processes. The objective of these activities was to increase awareness of formalisation and actual registrations which in turn, were assumed to increase access to financial services (e.g. subventions through government schemes), non-financial services and access to marketing networks. The activities conducted by ESAF were diverse and also covered training in marketing - as a result of which some respondents had produced business cards or are now printing labels on their products.

Ultimately, this aims at increasing income from the formalized business, income available to the household and improving the business's capacity to create

¹ An overview of the MF4DW project can be found here: http://www.ilo.org/empent/areas/social-finance/WCMS_168033/lang--en/index.htm

employment. Additionally, issues of interest to ESAF were expected to improve, for example, clients' capacity to repay their loan and uptake of new financial products.

This report is based on a qualitative follow-up study to the quantitative impact evaluation study conducted in 2012 to assess the impacts of the formalization campaign on Formalisation, business outcomes, socio-economic outcomes and credit taking behaviour. The present study complements the initial quantitative study by assessing whether the high rate of formalization among the target group clients has had further effects on relevant business and socio-economic indicators². The initial study found the puzzling result that the large extent of formalization that followed the campaign was accompanied only with small effects on business and socio-economic outcomes. In addition, the present study investigates whether ESAFs formalization activities represent a business case that improves the MFIs performance.

Specifically, this qualitative study explores clients' experience with the formalization campaign and it captures their accounts regarding changes that the life and business have seen since the campaign. The aim of this study is to understand the processes that the formalization campaign kick-started or fed into. With ESAFs determination to continue providing clients with information on formalization, this study plays an essential role in identifying the potential that formalization bears for clients as well as the barriers that keep clients from using this potential.

This report is structured as follows: In the next section the theory of change underlying the formalization campaign is laid out along with the necessary assumptions. In section 3, the qualitative data collection is described. Section 4 presents the study findings and explores in detail whether the assumptions hold that are required for the theory of change. In this manner we try to explore how the impacts that were observed earlier persisted over time and what bottlenecks might have existed. Section 5 describes briefly the findings with regard to the business case and section 6 concludes.

² Froelich et al. (2012) find that over 60% over the target group formalized as a result of ESAFs activities.

Figure 1: General Map of India with states highlighted where the project was implemented



2. Theory of Change, Underlying Assumptions and Potential Obstacles

The success of any intervention depends largely on its design and how it is implemented. Internal and external processes need to be fulfilled for the intervention to succeed. The following section will try to delineate different steps that ESAF's formalization campaign needed to master and the assumptions on which the successful completion of these steps relies. Generally speaking the section will look the conditions required for the intervention to cause the effect it is aiming at.

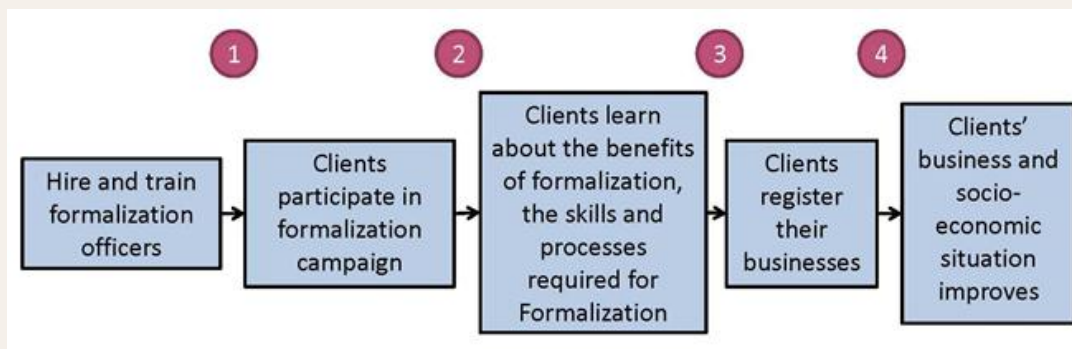
The formalization campaign put in place by ESAF to improve its clients' knowledge about registration processes had to tackle four major implementation challenges: First, hiring and training Formalization Officers (FO). The FO was responsible for collecting information on registration processes and elaborating material such as posters used during the campaign. The FO also facilitated workshops, invited speakers and trainers and engaged in individual counselling of clients. Second, implementing the campaign itself with support from ESAF staff and from relevant partner organisations. During the campaign workshops were conducted that covered the registration process itself and e.g. support schemes available to registered entrepreneurs. Thirdly, ensuring that clients participate in the campaign's activities and obtain the relevant skills, and fourthly, supporting clients' registrations. Step five in the causal chain is about supporting clients beyond registration, which ultimately creates the benefits for the clients' business and lives.

2.1 Preparation of the Awareness Campaign

Figure 2 depicts the expected causal chain of the formalization campaign. Five major steps in the campaign are listed: ESAF hires and trains the Formalization Officer, ESAF clients participate in the campaign, ESAF clients obtain new relevant and convincing information during the campaign, ESAF clients register their income generating activities, ESAF clients that registered their businesses experience improvement in business outcomes and their socio-economic situation. In the following section we will look at the assumptions at each step of the causal chain and note which ones are binding. We will also explore for each link whether relevant data was collected to assess whether the underlying assumptions hold.

A crucial input to the campaign is the Formalization Officer, which is one of the main ESAF staff responsible for preparing the teaching curriculum and content and who is managing the campaign along with the project coordinator. The current study gathered little information on this initial process because the FO in the study area Kerala left ESAF. Yet, the importance of the FOs role needs to be pointed out and discussed here.

Figure 2: A simple chain of causality for the Formalization Awareness Campaign



Certain conditions need to be fulfilled for this initial part of the campaign to be successful:

- 1.1 The FO is aware of registration and licensing processes and knows how specific benefits that are available to (female) micro entrepreneurs can be accessed.
- 1.2 The training content provides relevant and correct information about registration processes and access to benefits.
- 1.3 The training content is adapted to the knowledge and educational level of the target group.
- 1.4 The clients are aware that the training is happening.
- 1.5 The training delivery (i.e. timing) is adapted to the requirements of the target group allowing high attendance of the most needful segment.
- 1.6 The targeted clients are interested in the issue of formalization and do not reject to participate due to a negative perception of formality.
- 1.7 The training is implemented as planned, i.e. trainers and clients are present and the trainings are conducted without interruption.
- 1.8 The Formalization Officers, the ESAF staff and the external trainers are capable of motivating the clients to participate.

Failure of any of these conditions consequently reduces the possible impact that the formalization campaign can have on the outcomes of interest e.g. due to low attendance, due to inappropriate content or simply due to lack of enthusiasm about formalization.

In retrospect some of these conditions are difficult to verify as the required data on the implementation of the campaign is not available and was not monitored. For example, the trainer's competence: In retrospect, one cannot assess how familiar the trainers really were with the registration processes and requirements. The FO was facilitating the campaign and organized meetings with experts such as the Block Business Development Officer and trainers who would speak on marketing and book-keeping³. At this point, one needs to assume that these experts were well versed in their fields, though this is an assumption we cannot reliably verify. Given

³ Every district is divided into blocks for Government administrative functioning and hence under each block there is a Government Business Development Officer who assists the entrepreneurs to register their business.

that the FO identified trainers who were experienced experts in the area of microenterprise development, it is realistic to assume that the provided content was relevant to the clients. However, moving forward, any future formalization campaign should be accompanied by a well-defined process of monitoring and validation that allows assessing objectively whether points 1-8 are fulfilled.

2.2 Implementation of the Awareness Campaign

Successful implementation of the campaign hinges to a large extent on the Formalization Officer and the other trainers. For the clients to learn about registration teaching content and material needs to be well presented. Further, the framework for the training needs to be conducive to learning and understanding. Given the variety of income generating activities that ESAF clients engage in it is particularly important that differences in processes and benefits across trades are pointed out.

The following list points out major conditions that need to be met for the trainings to promote understanding and learning:

- 2.1 Formalization Officers and external trainers have teaching skill to transmit their knowledge to the ESAF clients
- 2.2 Formalization Officers and trainers understand the clients' context and business situation and is able to respond to particular questions from the clients
- 2.3 Specific differences across trades and business activities are dealt with effectively e.g. through targeted trainings (Avoid tailors learning about food licensing or goat rearer learning about registering a manufacturing unit)
- 2.4 Clients need to be interested in learning about Formalization
- 2.5 Trainers are motivated to teach exert effort in teaching

Reliably assessing whether these conditions are met is not straightforward. For example condition 2.4, a client's interest to learn is inherent to the very individual and, if it is not present, it cannot be imposed. One is left to assume, that clients who attended the training did so because they were motivated to learn. Yet, this is an assumption, and there might be other factors or expectations behind the client's decision to participate in the training. Another major assumption that we are making is about the effect that participation in the training has on understanding the registration processes and other training contents. Naturally, not every person attending a training session understands all the material presented. To assess the participants' level of comprehension it would have required testing their knowledge in an objective manner after the training immediately or with some delay. Since this was not done here we need to assume that the training content was understood. To ensure clients' learning it might require providing home-learning material and/or to follow-up on an individual basis to ensure that the intended learning results were met.

A further potential hurdle to the intervention's success could be posed by lack of motivation among the trainers

2.3 Registration of the Business Activity

The client's awareness and knowledge of formalization and its benefits are not necessarily the only barriers to formalization. Even in a scenario where the client is well informed and perceives business registration as a beneficial decision other issues might keep her from registering. The following gives a list of conditions that need to be met for the informed client to successfully register her business activity.

- 3.1 The clients' husband or business partner agree with registration and do not have wrong perception of formalization (e.g. tax liability).
- 3.2 Financial and non-financial costs of registration can be borne by client. These include e.g. registration fees, transport costs etc.
- 3.3 Staff at registration office is supportive in filing registration application
- 3.4 Client is sufficiently confident to take the step to register.
- 3.5 Client has well understood all the processes and is capable of following them correctly.
- 3.6 Formalization Officer is available to support client's registration.

Condition 3.1 to some extent relates to a question of female empowerment. Clients who have a business partner or a husband that reserves the right to interfere in the decision making regarding the business might not be able to register even though they are informed and convinced of the benefits of formalization.

Condition 3.2 refers to direct and indirect costs that the client has to bear when registering her activities. Official procedures require time and might cost the client (e.g. Registration fees, etc.). If the client is unable to leave the business unattended registration might not happen and the causal chain would break down here.

Condition 3.3 requires the staff at the registration offices to be supportive and helpful during the process of registration. Registration staff should be in office and should take time to attend to the client's case and provide correct and helpful information. If this condition is not met clients might shy away from attempting to register.

Condition 3.4 requires the client to be sufficiently confident to venture into formalization, visit the relevant authorities and pursue the process until it is completed.

Condition 3.5 considers again the client's comprehension of the campaign content. If some of the content was not well understood, the client might at this particular stage face difficulties. For the case that not all processes are well understood it would be necessary to involve the Formalization Officer at this stage to further support the clients in their quest for registration.

2.4 Assumptions underlying the Benefits of Formalization

The major assumption underlying ESAFs efforts to increase knowledge of formalization amongst its clients is that formalization creates benefits for the client's business and her socio-economic situation. The initial impact assessment study by Froelich et al (2012) identified large effects on awareness about formalization and on actual registration but it did not find significant effects on most business and socio-economic indicators.

For formalization to have the expected positive effects on business outcomes and socio-economic indicators the following conditions need to be fulfilled:

- 4.1 Formalization Officer supports accessing specific benefit schemes.
- 4.2 Client has access to bank/MFI loans that allow making investments.
- 4.3. Client takes time to apply for loans or other services.
- 4.4 Client's investments are successful.
- 4.5 Registration improves access to markets and/or bargaining power.
- 4.6 The campaign provides training and information on how to access bank loans and other services.
- 4.7 Banks/MFI take formalization status into account and value it possibly when assessing client's credit worthiness.
- 4.8 Client's business is not discontinued.

Condition 4.1 postulates that Formalization Officer is available to follow-up with the client on request and potentially on a regular basis to discuss and advise issues that come up after the registration. Such issues can include access to banking, access to other relevant licenses etc.

Condition 4.2 requires that the registered client has access to credit schemes or government support programs. One of the major benefits that ESAF assumed is that with registration clients obtain access to loans that are larger than the ESAF loans and that can be used to invest in the business. Access to these schemes however might be preceded by an inspection from the supporting institution. To give an example, the DIC ran a support scheme under the title Flagship, which subsidised bank loans and required an inspection of the client's business during the selection process.

Condition 4.3 assumes that the client can bear the direct and indirect costs to apply for loans and other support services.

Condition 4.4 assumes that once the client accesses additional financial means and makes investments, these investments also pay off and are successful. If this is not given the client might struggle with repayment.

Condition 4.5 assumes that formalization improves the client's stand in the market, that demand increases and/or that the bargaining power improves.

Condition 4.6 refers to the campaign content. This might need to go beyond processes and benefits of formalization and in addition information on processes and requirements to access bank loans and specific schemes might need to be provided.

Condition 4.7 expresses the assumption that banks, MFIs and markets value the registration status of ESAF clients. If formalization status does not make a difference or only little difference on how these institutions perceive the client's enterprise, the expected effects might not realize. An important point to mention here is that after formalization successful clients might be able to access schemes and bank loans. This could however, be fully independent from their formalization status and depend solely on the enterprises' potential and prospects.

Condition 4.8 the client's business might be discontinued for any particular reason.

The next section briefly presents the study sample. Then, in Section 4, we will use the data gathered during the qualitative interviews from this sample to assess the validity of the conditions listed in Section 2. This analysis cannot provide rigorous evidence to support causal claims as the study sample is small and the selection of the sample did not follow a random approach. Therefore, the study sample might suffer from a prevalence of specific ESAF clients possibly creating sample selection bias. While this bias cannot be quantified it needs to be mentioned that the sample is not composed only of successful clients. Indeed many interviewees reported that they found the campaign worthwhile and that they benefitted from the formalization campaign. However, in addition, some of the interviewed clients also allowed us to get an idea of obstacles that women face who participated but could not derive full benefit from formalization.

While it is very promising to learn that formalization had positive effects on many of the interviewees, it is from the clients who failed to make best use of the campaign and the affiliated trainings that we can draw valuable lessons for future design of such a formalization campaign.

Regarding the sample selection it needs to be mentioned that sample attrition plays an important role for such a study. This means from the original treatment and control group, study subjects have fallen out for a variety of reasons, e.g. they no longer run a business, they are no longer clients from ESAF etc. This type of attrition contributes to a potential issue in the sample selection. It cannot be excluded that the remaining clients are very special in certain aspects.

3. Data

The interviews for this study were conducted during the period Nov. 3-7, 2014 in the state of Kerala. Staff from ESAFs research department conducted the interviews in accordance with interview guidelines (Annex 3). A total of 16 treatment clients were interviewed of which 9 interviews were individual interviews and the rest a focus group discussion. From the control group 8 individuals participated in a focus group discussion.

All individual interviews with treatment clients were conducted at the clients' homestead that represented also the business location. Only one exception, a tailor rented a small shop in a residential area. The focus group discussions were conducted in ESAF branch offices. Respondents were selected according to their treatment status, their registration status, their trade and their availability for the interview by ESAF.

Table 1. In-depth interviews

	Campaign participants	Control clients
Number of Interviews	16	8
Registered clients	7	1
Trades	Mat weaving Catering Animal husbandry Tailoring Papadam Making Snacks/Petty Shop Bakery Pickle Making Dress Sale Stationary Sale	Mat weaving Animal husbandry Catering Tailoring

In addition to the client interviews, major stakeholders were interviewed, as well, to complement the information we gathered from clients. We held interviews with:

1. Assistant District Industries Officer at the District Industries Center, Thrissur
2. Different Extension Officers at the District Industries Center, Thrissur
3. Manager of a private bank, Thrissur
4. Officer at Kerala Khadi and Village Industries Board, Thrissur
5. Officer at MSME Development Institute, Thrissur
6. ESAF loan officer (The Formalization Officer was not available.)

The data gathering for this follow- up study focused exclusively on ESAF clients and external stakeholders. It is for this reason that little evidence was collected regarding the implementation of the campaign. A complicating factor is presented by the fact that the Formalization Officer who had been in charge in Kerala no

longer works for ESAF. While the FO was instrumental for the implementation of the campaign, other ESAF staff such as Program Managers and Directors who were also involved in the implementation were still available to present their account of the intervention implementation. In addition this report relies on the accounts from ESAF clients and loan officers who were with ESAF at the time of the campaign.

In addition we assess whether the implementation of the campaign happened as planned by studying progress reports that ESAF submitted to ILO.

4. Qualitative Findings

This section reports the findings from the qualitative interviews. The findings are presented following the causal chain and assumptions laid out in Section 2. In this manner we try to explore how the impacts that were observed earlier persisted over time and what bottlenecks might have existed.

4. Preparation of the Awareness Campaign

Two DIC extension officers who had been involved in ESAFs formalization campaign informed us that they provided three different trainings. The information that DIC provided during the training is not necessarily relevant for all ESAF clients who attended. The DIC strictly supports only manufacturing businesses. The campaign target group was much broader and included also clients from different trades. These might not be eligible to obtain services or support from DIC and from therefore DIC related information would not have been of direct use to them.

We held an interview with an ESAF loan officer who had been working for ESAF during the time of the campaign already. She suggested that condition 1.4 was met and that clients were aware of the formalization campaign. However, when it comes to attendance of the training (condition 1.5) the picture that we get from the client interviews is a mixed one. Some of our respondents clearly mentioned that they were not able to attend the entire training sequence while others did. What complicates the problem of incomplete attendance is that several of the clients who did not attend all sessions also stated that they believed that formalization would be possible only if you fully attend all the trainings ESAF offered with relation to formalization. Having missed some sessions they did not opt for formalization as they thought themselves to be ineligible which of course is a misconception.

The quantitative investigation did not bring up any concerns as to whether conditions 1.6 and 1.7 were not met. It needs to be mentioned though that the questions were not specifically designed to gather information on whether implementation was conducted as planned or whether the Formalization Officers and the other trainers were capable of motivating the participants.

In general, the feedback that we received from the clients on the campaign and the trainings was overall positive. None of the interviewed clients mentioned that the training content was irrelevant. On the contrary, many clients were satisfied with the training and related their business success directly to ESAFs formalization activities. Clients who had not attended all the sessions and who, mistakenly assumed they were ineligible for formalization, rather regretted that they had been absent at some sessions.

4.2 Implementation of the Awareness Campaign

As pointed out earlier, the qualitative data collected for this follow-up study, i.e. client interviews, does not allow observing reliably how the campaign was

implemented, neither to study whether the conditions required for the campaign to have an effect were met. Therefore, we rely on progress reports that ESAF submitted to ILO for assessing whether implementation occurred as planned. The progress reports state that all implementation activities were conducted as planned and the timeline respected. In addition, according to ESAF the trainers applied a variety of teaching methods ranging from role-plays to group work. This provides some indication that participatory teaching methods were applied which are potentially better suited to transfer knowledge than ordinary non-participatory training styles.

However, any future impact assessment that should study subsequent activities promoting formalization should be designed such that objective data is gathered to inform this. In the current follow-up study implementation-related issues were mostly neglected because the intervention was very effective in increasing registration among the treatment group. Therefore, a priori we had no doubts about the implementation side and did not make it subject of the study.

4.3 Assumptions underlying the Registration

The conditions required for registration of the business after participation in the formalization campaign relate to internal and external factors influencing the client. The qualitative information we gathered during the interviews showed that awareness and knowledge about registration are not sufficient for the client to proceed and register her business.

Within trades we uncovered differing formalization experiences. Comparing the experience of clients who are in the same trade showed that the effects of the campaign depend very much on the individual situation of the client. In other words, two clients might be in the same trade but have a different family situation or support network and they might experience very different formalization outcomes despite their target market being the same, them living in the same neighbourhood and also knowing each other.

To give an example, one ESAF client working with her husband in the catering sector decided to register her (their) activities following the formalization campaign. She manages the business with her husband together and was able to convince him that formalization would be beneficial. This woman's situation was favourable to registering her business activity: Her husband supports the business and had a positive attitude towards formalization. Another respondent working in the same trade was not able to convince her husband to formalize the joint business. In her husband's opinion they would face controls from licensing institutions and increased cost after registering their business. Based on these grounds, the husband did not allow the ESAF client to register.

It is important to note though that this negative example does not represent the common case within our sample. It rather seems to be an outlier since several respondents mentioned that their husbands are generally supportive of projects offered by ESAF including the formalization initiative.

Naturally, we found evidence for the importance of the direct and indirect cost for registration. A tailor who had attended most but not all of the classes was and remains interested in registration but faces time constraints. She has not yet taken the time to register because she is facing the risk of indirect cost from loss of profit that would occur when managing the formalisation.

The support at the registration office, that is the DIC, seems not to be an important hurdle. None of the respondents mentioned that they faced difficulties in registering their businesses once they had decided to formalize. Some clients mentioned that the ESAF Formalization Officer was very supportive and kept on motivating them in the process.

When asked whether they would be confident now to complete the process on their own all respondents agreed. Several entrepreneurs specified that the initial help was useful but that due to their relatively high education and literacy level they could succeed a registration without outside help now.

4.4 Assumptions underlying the Benefits of Formalization

A major node in the causal chain is the link between formalization and access to benefits. As postulated by condition 4.1 the support of the Formalization Officer would be useful for this. This support was included in the campaign but not available to all clients. ESAFs main activities stopped with registration for most clients. Some clients were helped to bring forward applications to subsidised grant schemes, e.g. the flagship scheme or to trade associations. ESAF also supported some clients to approach banks and to request larger loans.

In addition to the post-training activities conducted by ESAF, the DIC extension officer, in selected cases, also supported clients to access special benefit schemes. Such support is the more important, since application processes and the client's interaction with the institutions providing these schemes can take a long time. One respondent mentioned that the application with KVIB for the flagship scheme took over two months.

Given that the focus of the formalization campaign was on raising awareness, the client's inherent motivation played a major role after registration. We observe that respondents who were at similar starting points before formalization had different success in accessing benefits. We found respondents who accessed a subsidised government loan program (flagship) while neighbours or friends who are working in the same trade did not manage to access the program, e.g. tailors and papadam makers. In both cases, the unsuccessful applicant blamed their personal situation and not having been ready for inspection when the program implementers assessed their business activity.

The client's trade also plays a major role in whether benefits were accessed or not. Manufacturing activities such as tailoring or production of food items were most likely to access subsidised loan schemes in our sample. Again it needs to be noted that within each of these trades there were women who managed to access benefit schemes while others did not.

There are also manufacturing trades that did not benefit from formalization in any tangible manner. Women engaging in the traditional art of mat weaving did register but could not access any benefit scheme. Their business is labor intensive and requires very little capital. The only input is screwpine, the leaves of a palm-like plant, which are dried and then hand-woven to mats. The demand for these mats is large to the extent that any mat that is produced is sold immediately. None of the mat weavers we interviewed had accessed any benefit schemes. As explained by one respondent, the only constraint to production is the lack of room to stock screwpine grass for longer time. Lack of storage room constraints the amount of grass that can be dried and so at some point during the rainy season the weavers run out of dried grass forcing them to stop production. As a consequence, the usual practice where clients access a subsidised loan that allows financing production equipment or inputs does not seem an option to the weavers. Theoretically, they could acquire store room, increase production in the off-season and potentially train and hire employees. However, this was not practiced or envisaged by our interviewees.

One important assumption underlying the expectation that formalization will be beneficial to the client's business is that the formalized enterprise is regarded differently when engaging with banks e.g.. However, for accessing loans from private banks formalization might not necessarily be required. The bank manager we interviewed informed us that business viability and prospect are the main drivers for his bank's decision to support or reject a loan application and that his bank has to provide loans mainly according to KYC (Know-your-customer) rules. Formalized business might be more likely to fulfil the KYC rules but formalisation is not a necessary condition for the bank.

Of course, registration is required, when it comes to accessing support schemes from the DIC (e.g. Flagship scheme). The DIC can provide subsidies for private loans to registered enterprises and the DIC extension officer supports the loan application. So while we learned from the private bank that registration is not mandatory it might improve chances of getting a loan due to the support from the DIC.

Some respondents had applied to the Flagship scheme and while the DIC extension officer supported their application at the bank, they did not receive the loan. This shows that in addition to the formalization status, banks consider also other factors in their funding decision.

While access to additional funding is considered a major benefit of formalization it needs to be stated that it is only a stepping-stone towards better business outcomes. Whether the additional funding improves the client's business and socio-economic situation depends very much on whether the investment it goes into is viable. The ESAF clients among our respondents who had been granted larger loans (i.e. INR 45,000 = US\$ 720) all considered their investments as fruitful. The different case studies show that the level of success differs across clients. One tailor used the loan to buy one sewing machine and large amounts of fabrics allowing her to work independently from her house. Another tailor who accessed the same amount of investment used it to buy five sewing machines and now employs other tailors who work in a shop she rents. She paid back the first loan successfully and received a second subsidised loan while the tailor who remains working by herself still pays back the first loan.

Another respondent engages in the production of Pappadum (a traditional bread-like dish made from chickpeas). Handmade, the production process is labour intensive, as the dough needs to be prepared and rolled out in the bread-like shape. After the awareness campaign, the client registered and succeeded in availing the flagship subsidy. She used the loan to buy a machine that prepares the dough and now replaces two labourers who she employed for this labour intensive step in the production earlier.

The production capacity therefore increased to some extent but the machine is mostly idle. With an increased capacity to produce dough the client employed staff to prepare small portions and to roll out the dough. Unfortunately, she did not succeed in managing these employees effectively. The management, training and monitoring affected her own production capacity such that the overall production was lower than when she was working all day by herself. Ultimately, she let her employees go and is back to working by herself. As a next investment she is planning to buy a machine that prepares small portions of the dough so that she is only required to roll these out.

These experiences show that formalization itself is not sufficient to arrive at the desired outcome of improved business activity. In brief this might be due to the following: (1) Clients might not access the required financial means despite registering their business, (2) clients might make sub-optimal investments once they obtain a larger loan, (3) clients who make good investments might lack complementary skills, e.g. in management to make best use of the investment.

Another assumption regarding the benefits of formalization is that it improves the entrepreneur's position in the market. Here again a mixed picture is presented. The traditional mat weaver mentioned that she uses the registration certificate when negotiating the price for larger orders. The Pappadum maker informed us that her formalization status does not matter to her buyers. What matters is the quality of her product and the customer's satisfaction with it.

It is important to note that not all trades are eligible for the same benefit schemes. The DIC does not aid women who engage in petty trading, animal rearing or catering only. If there are special support schemes available for these trades it is required that the clients have access to the relevant information and are also supported in the process of application. One respondent who engages in animal husbandry tried to avail the flagship scheme but was turned down. A second respondent who also keeps animals informed us that she received funding from a scheme particularly aiming at people rearing animals. This suggests that the Formalization Officer needs to be informed about trade specific opportunities to access benefit schemes.

In general, the experiences that clients shared during this qualitative study suggest that the formalization campaign was successful in raising awareness about processes and specific benefits. Also the subsequent steps in the causal chain were taken by clients who either had the motivation and/or who received support (from the FO) beyond training. Where these conditions were met, clients succeeded in accessing particular benefit schemes, notably larger loans at subsidized conditions.

Regarding the impact on business and socio-economic outcomes, the picture is mixed. Naturally, those clients who did not access benefit schemes beyond

formalization had very little change. Also among those clients who were able to access subsidized loans the levels of success vary. While all of the flagship recipients stated that the loan was very helpful to stabilize and increase their business activities, we observe that the loan amount was used differently and that some entrepreneurs were able to enhance their activities considerably, e.g. buy machines and hire employees etc. On the contrary, others also bought machines but were unable to increase the business in terms of number of employees. As the conversations with the pappadum maker and one of the tailors suggests, this could be related to a lack of management skills.

It is important to point out that awareness of formalization and formalization itself remains very low among the control group clients. This is in line with the results of Froelich et al (2012). Regardless of the time that passed since the awareness campaign was conducted, clients from control branches have not been able to obtain relevant information on Formalization and schemes that can be accessed subsequently.

5. Business Case

In order to assess whether the formalization activities represent a business case for ESAF we analyze administrative data provided by ESAF. It is important to note before diving into the interpretation, that our analysis has limitations that keep us from drawing rigorous conclusions. Table 2 shows that among the clients involved in the original study, drop-out is higher in the control group and so is closure of business, too. While this might indicate that formalization has contributed to, e.g. a positive impact on longevity of the relationship with ESAF and the business itself, this information must be interpreted with extreme caution. The original study by Froelich et al (2012) showed that treatment and control clients were somewhat different at baseline already⁴. Therefore, the differences we are observing at the moment could result from this initial difference and might not be caused by the formalization campaign.

A more thorough analysis would require combining ESAFs administrative data on drop-out, business closure and loan with the original data.

Table 2: Drop-out rates and Business Status among campaign participants in Kerala.

	Total		Dropout		Business status of Existing clients			
					Active		Inactive	
	No	%	No	%	No	%	No	%
Treatment	107	100	31	28.97	74	97.37	2	2.63
Control	106	100	52	49.6	27	50	27	50

Source: ESAF Monitoring Information System, data collected in November 2014.

⁴ The treatment group had significantly higher share of married responents, different age structure and significant differences in the businesses activities. Froelich et al. (2012) controlled for this using multiple regression analysis and difference-in-difference estimation.

6. Discussion and Conclusion

The main objective of this qualitative follow-up study was to assess whether the business registrations that were observed in the original study had brought about any substantial improvements in the business activity or socio-economic situation of the registered ESAF clients. While a qualitative study cannot provide a reliable measure of the impact due to the small sample size, it is possible to draw knowledge from the experience of few examples especially if we cover a wide range of different clients.

The benefits that we observe 3-4 years after the campaign vary a lot across different trades and even within trades people have made differing experiences being formalized. Without exception clients from the treatment group who had been exposed to the formalization campaign stated that it was very helpful and reported that formalization opened new opportunities. Very few clients mentioned that formalization had no beneficial effects. No client said that formalization has been harmful. Formalization allowed many of our respondents to access larger loans and subsidy schemes. The trainings provided during the campaign had positive effects for example on marketing activities or on business conduct (mostly book-keeping). The evidence from selected interviews showed that the husband's influence over the business of the ESAF client can be an important factor for formalization. Husbands who have a negative perception of formalization and the costs involved might hinder the success of the intervention simply by not granting permission to register.

The discussion with the control group clients showed that knowledge about formalization is very low in the absence of the campaign. We found only one of the control group clients was registered and this person has a relative working for the DIC. Also knowledge about support schemes was inexistent in the group of control group respondents.

Beyond formalization it is the knowledge about the available support schemes that comes out most relevant for bringing about changes in the microentrepreneur's situation. Knowledge on these schemes requires to be updated constantly as government schemes and procedures are constantly subject to change. The discussion with the Khadi and Village Industries officer, for example, showed that the Flagship scheme, a loan subsidy program that many of the study subjects accessed, is no longer available. This scheme had the highest potential for impact on the study group. As a side note, the new scheme succeeding the Flagship program does not require registration with the DIC.

Further, it is important to recognize, as ESAF has done, that different trades have access to different schemes. While knowledge of available schemes is essential, some support in accessing these schemes seems to be necessary as well. In theory, clients can obtain support to access available schemes from the DIC extension officer. In our study sample the satisfaction regarding the support from the DIC extension officer is mixed., It is in providing similar support that ESAF could play an important role after formalization is achieved.

While DIC provides some support in accessing benefits, the client's experiences showed that the processes are not straightforward and hurdles can be expected at different stages. One requirement, for example, for obtaining the Flagship scheme is that the entrepreneur is required to provide quotations for the investments that she wants to use the loan for. This is to verify that the loan is spent on the business and not for consumption purposes. The quoted amount is then directly transferred to the enterprise or shop-owner that provided the quotation. Several of the study respondents mentioned that shop-owner who they asked for quotations took advantage of this requirement and requested in-kind payments from the ESAF client in exchange for the quotation. Ultimately, this increased the cost of accessing the subsidy programme. While the flagship scheme is no longer available the new scheme still requires quotations.

Several recommendations can be drawn from this follow-up study:

1. The process of formalisation does not end with registration alone and for accruing benefits the entrepreneurs need additional support which can include training on keeping a book of accounts, training on managing employees, support for product branding and packing. Further, to apply for larger loans from banks or to submit an application to a government subsidy programme, clients might require help with the preparation of a business plan.
2. On the part of the entrepreneur persistence is required to avail loans or subsidy programmes. Several clients mentioned the length of the application process for the flagship scheme. Some clients had to attempt several times.
3. After the registration, for a period of six months, ESAF followed-up with selected clients in a non-systematic way to monitor whether loan applications or applications to subsidy programmes had been submitted. Some clients also called ESAF loan officers to inform them on the status of their application.
4. In a scenario where client understanding of processes is not achieved after the campaign the Formalization Officer could make a difference and ensure that the causal chain does not break down by providing follow-up support.

Unless these applications have been successfully completed, formalization itself does not have any tangible effects. Any future formalization campaign should be extended to take into account that DIC and other agencies only provide limited support and might not have the capacity to support all applicants intensively. ESAF could systematically support the clients further by following up with them individually and by supporting e.g. the application process at the relevant institutions beyond six months.

The positive medium-term outcomes that the follow-up study discovered are related to awareness and empowerment for the large majority of the treatment group. All treatment group respondents are aware of the possibility to formalize and those who went through the process successfully are confident to do so again. The formalization campaign empowered women to engage with institutions such as the DIC or private banks.

A minority of treatment clients managed to access larger funds through subsidy programmes. Consequently, they were able to make investments mostly in machinery and other inputs required for their business. Though this study had no

means of testing the following, it can be assumed that accessing these funds helped to stabilize the business and, most likely, also lead to an increase in business volume.

It needs to be mentioned also that ESAF provided such clients' who were unsuccessful in accessing subsidy schemes with similarly large loans. These clients received from ESAF an income generation loan amounting to INR 40000. This loan played an important role for ready-to-grow clients who went through the registration and application for larger loans from private banks but got rejected.

7. Appendix 1 - Case studies clients

Mat weavers:

Mat weaving is a labour intensive activity that uses as input only screwpine leaves. The two women we interviewed both had registered in 2010 with the help of ESAF. Their experience being formalized was particular, as they reported that they despite not having experienced any tangible benefits they were very satisfied with the campaign as formalization brought them some intangible benefits. The nature of their business is such that there is little improvement that registration could bring: both women stated that each mat that they produce is sold almost immediately. The production does not require any further inputs in addition to labour, so e.g. the reduction in tariff for the electricity bill cannot be availed. However, there is an area of improvement that registration brought about. The women mentioned that they used the registration certificate when negotiating prices for their produce. Earlier one mat was sold at INR100. Nowadays, a mat sells at INR250, which the women related to their new registration status. Also when negotiating larger sales, the women now use their certificate to indicate their reliability. Another benefit stated by the clients is that the registration certificate gives a peace of mind in the sense that they are not engaging in illegal activities.

Production is mostly on orders. One of the women stated that she produces one mat a day and gains INR 5000 a month once all her expenses are covered. This, so she says, was not the case before the formalisation campaign. She used to produce less. During the campaign she attended seminars and trainings that motivated her. When asked what exactly motivated her she could not give a concrete example.

While there is no complementary input required besides labor and the screwpine leaves, additional storage room could increase yearly output. Currently the annual production capacities are constrained by the amount of screwpine leaves that the client can dry and store during dry season. Once that stored grass is used up during rainy season the production ceases.

Catering Clients:

The client provides food at weddings and other festivities. The client runs the business with her husband and when large orders are outstanding teams up with other women who are also ESAF clients. She successfully received the flagship scheme during the formalization campaign. One obstacle she faced after receiving the flagship certificate and during the application for credit from the bank posed the requirement to get quotations from the shopkeepers where she was planning to buy different utensils. To make sure that there is no misuse of the loan the bank pays the shopkeeper directly. However, the shopkeepers generally do not provide quotations for free. Instead they requested the client to make in-kind payments of food items in return for the quotation.

The client and her husband are planning to apply for a different scheme that will allow them to acquire a machine that can produce rice bread. This machine costs INR 150,000.

The client told us that the SHG Poverty Eradication Mission Kudumbashree contacted her and came to take pictures and interview her. They offered her to participate in a 15 day long training on food making. Now she provides Kudumbashree functions and meetings with her catering services. ESAF is also ordering her services when they hold functions or other gatherings that require food provision.

Together with her husband they ordered big tarpaulin sheets with the logo of their company and they also designed business cards that help them to reach out to potential customers. While they are still running the business from their home they are planning to get a separate place. She is aware that the registration will help her to get tariff reductions but is not making use of this currently.

They are subject to regular food inspections and they both did health check-up as well as hygienic checks. A food license application that they submitted is still pending. It cost 2000INR in fees and is compulsory for any food business.

One year after registering her business she received the loan through the flagship program. While this client benefitted clearly from the formalization campaign another women engaging in food catering and who is sometimes working with the former client, did not have similarly positive experiences. The main reason why she did not benefit from the campaign was that her husband refused to allow the registration of the business assuming that this would lead to high taxation and other fees.

Tailors:

One client who works as a tailor was successful in obtaining a loan through the flagship programme. Besides simple tailoring she also designs and makes Saris. She is a single mother whose husband past away 20 years ago. She used the flagship grant of 45000 INR to buy an electric sewing machine for clothes and fabrics. She received the loan two years ago and was able to pay back 30000INR in August 2014.

Her business has a seasonal character that depends on holidays and religious festivities. During such times there is more work than there is time. The Formalization classes were very time consuming and as a consequence she had to work nights. She notes that the classes helped her to get an idea of keeping books. She presented her book of accounts during the KVIB flagship inspection. Besides obtaining the flagship loan, registration has not given any further benefits. But the loan increased her business substantially. Now she can produce up to 8-9 dresses or nightgowns a day. Each of which sells at 250 INR with a benefit margin of 100 INR after deducting prices for inputs and transportation etc. In addition to the Flagship loan she got a large loan of 40000INR from ESAF as well.

Another Tailor, who is also ESAF client and who was exposed to the formalization campaign, did not benefit as much from the campaign. She applied for the flagship loan as well but she was rejected. She explains that the main reason for the rejection was that she did not have a lot of business at the time of the application. When the KVIB inspectors came to see her activities, they were not impressed. She cannot spend as much time on her business as she would like to because she has children and parents who require her care and attention.

We also interviewed a tailor who rents a small shop in a residential area. The rent amounts to 1000 INR and the electricity bill is at 600 INR. She owns a sewing machine that she bought for 20000 INR with a loan from a private moneylender. She used a loan from ESAF loan to pay back the moneylender. She participated in ESAFs formalization campaign and even though she wants to register she has not done it yet because she lacks the time to leave the shop and to do the administrative processes.

She would like to shift her business to the center of Thrissur where she is expecting to have more customers. She has identified a location already and now plans to register her activity and apply for larger loan to finance the move. In addition to the lack of time to register she also mentioned that family problems kept her from taking this step.

During ESAFs formalization campaign she learned how to keep a book of accounts but since she was not registered she did not keep the books. She also explained that with her expenditure being above her income there would be no merit in keeping books. She continued to explain that she is facing a large debt burden of 80000 INR. She pawned her gold and regrets that her husband is not supportive.

The (DIC) block officer advised her to go to the bank first and ask for a loan. The bank that she contacted asked for security but she does not have any and the mother-in-law is not willing to provide the land as security. Her own house does not have direct road access and so the bank would not accept it as security. She only approached one bank but she is confident that other banks will reject her request for the same reasons. She could approach the bank with a guarantor but this person would need to have a government salary and she does not know any public employee.

Pappadum Makers:

We also interviewed a pappadum maker who received the flagship scheme after registration and used the loan to acquire a machine that prepares the dough. Before acquisition of the machine she had to employ two people who would prepare the dough. Her children go to school and they are not interested in making pappadums. She says that after her generation, the traditional preparation of pappadums will cease to exist since industrial pappadum makers can produce at lower cost.

She estimates her daily wage from her business to be around 1500 INR. She wanted to increase her production and employed workers that produce pappadums but it was not beneficial to have employees. She had to train them, pay their salary and

provide them with food that she had to cook. In the end her production went down. Now she wakes up at 3 am to start the work. In the evening she takes a rickshaw and brings her produce to the market.

She recalled that the Formalization Officer helped a lot with the registration and kept on motivating her to proceed. When asked whether it was difficult to get the flagship loan she stated that it took two months to deal with KVIB. It would now be possible to do the flagship application herself and to also deal with the bank herself. When asked whether registration improved her power to negotiate she stated that it does not matter for the shopkeepers who she is dealing with. What matters is that her pappadum are sold quickly and that the customers like it. When asked whether she has any food license, she stated that this is only required for larger industrial producers who face regular food inspections.

She will be able to pay back the flagship loan by next year. Every month she pays 1000 INR of the 35 instalments. When she has finished paying back the loan she plans to buy another machine that will reduce the production burden as it can split the dough in small portions. All that will be left for her to do is roll out the pappadums.

A second pappadum maker and ESAF client resides in the community of the aforementioned pappadum maker. While we did not interview that second client in-depth, she told us during a brief discussion that she did neither formalize nor apply for the flagship loan and subsequently could not buy the machine to produce dough.

Mobile seller of food items:

We also interviewed a client who sells bakery items, e.g. vado, buns, water and soft drinks. The shop is close to a temple. Eleven years ago she bought the shop with her husband. She has been an ESAF client for seven years and the last loan she took amounted to INR30000. When asked whether she thinks that registration would be beneficial, she replied that they always thought about registering but did not have the time. Since they are dealing with edible items registration would be good. They could register at the panchayat. Ultimately, they stated that they are not registering because nobody is asking them to. They know that registration is free but they perceive the business they are conducting as very good and therefore do not want to make any changes.

8. Appendix 2 - Interview guidelines

[Instruction for interviewer]: Be sure to interview the ESAF client who runs the business]

General questions

“Hello, we are a research team from ESAF and we are here to learn a little bit about your business experience and how you and others make decisions related to the formalization status of your business activity. This interview should be like a conversation. We will speak for about 30-40 minutes.”

Ask for interview consent before proceeding using the consent script.

“First, can you tell us a little bit about yourself and your family“

Probing questions:

Name, Age, Marital status, Education, place of residence and community SC/ST status.

Family composition: who lives in your household? How many children? How many adults (men/women)?

“Now, could you tell us a little bit about your business?”

Probing questions on current Business Activity, Formalization Status and Working Conditions

[Business] What kind of business do you run? What types of services/goods do you provide? How did you come to enter this particular type of business? How many days a week do you work for this business? Do you run the business all year long? How do you buy inputs and how do you sell goods/services? How far in advance do you buy goods/inputs? How do you decide which inputs to buy? Where do you buy your inputs? How far do you have to travel for these inputs? How do you decide which goods/services to sell? Where do you conduct your business activity? Are you required to pay a fee for being able to conduct your business? How far is your business place from your home?

Is your business registered? Which government authorities do you regularly interact with? How much money and time do you spend on these interactions?

[Ownership] Are the business premises your own? If yes, can you tell us how someone might go about obtaining business premises? Are there documents that show your ownership status? If you do not own the premises, are you a renter? Can you tell us about the rental relationship with your landlord?

[For Formalized clients] Is Formalization important for renting or owning business premises?

List the family's current and main economic activities Who is in the labour force doing what: (Only the most important income sources). Are these activities registered? Where are they registered?

[Electricity] Does your business have electricity? If so, have you signed up for and are you paying the bill directly to the provider? Is there any subsidy you receive for the electricity? Did registration help to get the electricity connection?

[INPUTS] What other types of inputs do you use in your business that we have not covered so far? Generally speaking, is it difficult to obtain inputs? Did you obtain credit or support from any other source than ESAF? (banks, relations, micro-credit, input dealers...) What is the role of credit (borrowing/lending) in obtaining necessary inputs? Are you able to receive credit when you need it? If you receive loans, do you ever face difficulty in paying back the loans (do you accumulate debt)?

[OUTPUT] Do you ever face difficulties in selling your goods/services? Where do you get information on how/where to sell your goods/services? How does being formalized/ not being formalized help in selling goods/services?

I would now like to ask about your views about business registration:

[Formalization Status] When have you first heard about business registration/formalization?

[For Formalized clients], where did you register your business? When did you register your business? What are the reasons for registering your business? Was it easy or difficult to register your business? Can you explain why it was easy/difficult? What exactly were the procedures you had to go through for registering? How long did it take to get formalized? How much did it cost you to get formalized? Did anybody support you during the registration process?

[For non-formalized clients] Have you tried to register? If yes, can you tell me why did it fail? Can you tell me what it would have needed for you to register your activity? Would you try again? If yes, why?

[If they did not try to register]Why did you not try to register? Why do you feel it is not advantageous to register?

[Formalization Perception if registered] Before registering, when your business activity was not formalized, what were you expecting from Formalization? Were you expectations from formalizations met? Do you think your clients recognize you differently now that you are formalized? In what way? Do you think ESAF recognizes you differently now that you are formalized? In what way? Do you think there is an advantage of **not** being registered?

[Formalization Benefits] Did Formalization help you in your business activity? Could you give a concrete example of how Formalization helped you in your business activity? How long did it take for the benefits of formalization to kick in? Are there any disadvantages that came with formalization? Could you tell me what these disadvantages are and how you are dealing with them? Overall, do you think that it was a good decision to become formalized? Would you advise other entrepreneurs to register?

[Formalization Perception if not registered] If yes, could you tell me what advantages there are? Could you tell me of anything that might be positive about formalization? E.g. Are there any colleagues or friends you know who have made positive experiences? Overall, do you think it is better to be formalized or better not to be formalized? Why?

[Gender, Management] Who decides how to manage your business? Who decides whether to formalize or not?

[Labour] Do you have any employees (paid) or helpers (unpaid)? Are these employees formal, meaning working on a written contract? Do you ever feel as though you are short of people to help with the work in your business? If yes, how do you try to manage labour shortages? Does being formalized/ not being formalized matter for the labour situation?

[Fees/Taxes If client is formalize] What taxes do you have to pay? Does it sometimes happen that you cannot/do not pay these taxes? If yes, what happens then? Do you have to pay social security or tax for your employees? Does it sometimes happen that you do not pay these fees? Do you feel that the cost of formalization is a burden to your business or do you feel that the benefits of formalization outweigh the costs.

[ESAFs Formalization campaign] Have you heard about the formalization campaign ESAF conducted a few years back? Back then, did they speak to you about formalizing your business? If yes, did ESAF help you to register? If yes, how did they help you? What was your overall experience with the ESAF campaign? Could you tell me 1-2 things you particularly liked/ disliked

“Now let’s travel back in time: can you tell me about what your business was like 3-5 years ago? Were things different at that time, and what are the changes that have happened?”

Probing questions on Past Business Practices and Changes in Business Practices and Conditions

Are there any changes regarding the business and its premises (new machinery, electricity, etc)?

Can you discuss whether there were differences between the amount of credit, access to inputs, and demand for your goods/services between now and 3-5 years ago?

What changes have you made to improve your business activity in the last 5 years? For example: education/training, marketing improvements, purchase of machinery?

What are the barriers that prevent you from making desired changes in your business?

Are there activities you have undertaken to try to increase revenues? For example, finding new markets for your goods/services, or perhaps changing/increasing the variety of services/goods you offer? If yes, has formalization contributed to these changes? How? Would it have been possible to make these changes without

ESAF-related questions

We will also ask additional questions related to ESAF.

Supplemental questions related to ESAF - tell us a little bit about your experience as a client of ESAF

[Lending] How did you join ESAF? If group lending, Did you already know the other group members? Did you already cooperate with each other regarding business practices?

Does your registration/formalization play a role for your relationship with ESAF? Why is your formalization important?

What is your relationship with the other clients in your group? Did any of the other group members register their business activities? What is their experience with formalization?

Can you think of any positive thing that formalization of your members brought to the group?

[Repayment] Do you sometimes have difficulties to repay the ESAF loan? What role does registration play for your repayment?

[Repayment other group members] Are your group members sometimes not able to repay. Can you think of one time a formalized member was not able to pay. Why was that? Is there a difference between the situation when a formalized member cannot repay or when an informal member cannot repay? If yes, could you tell me what that difference is?

Do you prefer to be part of a group that has only formalized members or in a group where nobody is formalized or in a group where there is a mix of formalized and non-formalized clients. Or does the formalization status of your group members not play a role?

Beliefs and Hopes for the Future

“Finally, we would like to ask you about your beliefs and hopes for the future of your family.”

Do you feel as though you’ve been on a good path for your business the last 3- 5 years?

Do you feel as though your business is as productive as you would like it to be?

What are your hopes for the future of your business and members of your family?