

The Role of NGOs in Promoting Women Entrepreneurship in India

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Abstract: *In recent times, the government has realized the importance of entrepreneurship as a prominent alternative to traditional wage employment in the new economy, and its role in increasing the pace of economic growth. Therefore, Indian government has come up with various special policy measures to help women entrepreneurs. there are major limitations among women entrepreneurs in accessing those facilities. These limitations arise due to various factors, such as: lack of awareness, lack of information, difficulty in accessibility of finance, lack of easy access of entrepreneurial training and post training support, lack of market and network support, lack of self-confidence and managerial skills, bureaucratic hassles, lack of transportation mainly in remote areas, restriction of government officials in terms of timing when women also have to perform household activities etc.*

Keywords: entrepreneurship

I. INTRODUCTION

In recent times, the government has realized the importance of entrepreneurship as a prominent alternative to traditional wage employment in the new economy, and its role in increasing the pace of economic growth. Therefore, Indian government has come up with various special policy measures to help women entrepreneurs. there are major limitations among women entrepreneurs in accessing those facilities. These limitations arise due to various factors, such as: lack of awareness, lack of information, difficulty in accessibility of finance, lack of easy access of entrepreneurial training and post training support, lack of market and network support, lack of self-confidence and managerial skills, bureaucratic hassles, lack of transportation mainly in remote areas, restriction of government officials in terms of timing when women also have to perform household activities etc. Women entrepreneurship development is a major tool of women empowerment under developed countries and they have realized that it is important to promote women to engage in economic activities for improve the economic status of women and to provide self-employment opportunities for women by instilling entrepreneurship skills in them. It is important to emphasize that a very limited number of significant literatures are available on the NGOs and its contribution to the promotion of women entrepreneurship in India. The present study contributes significantly to the knowledge about the appropriate and effective approach of the NGOs to support women entrepreneurship in India.

The role of women in economic activities was brought to the forefront by the World Conference on Agrarian Reforms and Rural Development in 1979. The Conference proposed participation of women in social, economic and political process of development on par with men. The major that determine the socio economic status of women are education and occupation., Not only the female labour force has gone up but also has undergone far reaching structural changes in industrialized countries since 1990. The age and composition of female labour force has changed. Along with this, there has been a shift from agricultural to industrial and service sector occupations. In developing countries, there has been rapid increase in policies and programmes designed to assist women belonging to economically weaker sections. This concern for the needs of women belonging to the lower income group is accompanied by recognition of their important role in development. Thus, the developing countries have realized that it is important to promote women to engage in economic activities for improving the economic status of women and to provide self-employment opportunities for women by instilling entrepreneurship skills in them. With the increased unemployment problem, self-employment is the need of the hour. It is essential to inculcate entrepreneurial skills in youth force and make them self-employable. In this

context, this paper attempts to analyze the role of NGOs in the development of women entrepreneurship. Since 1991, the policies of central and state governments have tried to create conditions for the growth of entrepreneurship. The Government of India (GOI) adopted many policies for the promotion of entrepreneurship. There is a special focus on promoting entrepreneurship among women in the last two decades. The government is establishing, strengthening and promoting a number of institutions that provide financial and other supportive measures for the growth of entrepreneurship among women. The industrial policy resolution of 1991 highlights the necessity to provide special training programmes to develop women entrepreneurship. These policy measures have significantly contributed to open new economic avenues for Indian women, which were earlier not available or were highly restricted. Under the new economic regime, women's participation in business has shown considerable improvement. One of the reports published by International Labour Organization (ILO) is based on various empirical studies on women and the type of enterprises they are involved into finds that most of the enterprises owned by women in India belong to micro and small enterprises. Singh and Sengupta (1998) find that about 89% of women-own micro-enterprise with an investment of up to one million. Shah (1987) corroborates this trend, finding 86% of women establish micro-enterprises. A report published by ILO says that 74% of women entrepreneurs at initial stage own microenterprises and 26% of them own small or medium enterprises (ILO, 1996: 13). These statistics suggests that with the contemporary definition of MSMEs, more than 90% of women-own enterprises come under micro and small enterprises. The NGOs are playing a significant role in mobilising the local human and physical resources; and creating appropriate entrepreneurial environment by helping in the promotion of MSME sector. The contribution of the NGOs in the MSME sector has led many state and central governments to seek the support of the NGOs, to hasten the process of economic development (Mukherjee, 2009: 1-2). These NGOs receive some support from the government. Women are mainly engaged in small and micro sectors of the economy. Women entrepreneurs make extensive contribution to national economies through their participation in start-ups and their growth in small and medium businesses (United Nations, 2006). Women are therefore becoming increasingly important in the socio-economic development of both developed and developing economies as they account for significant percent of the operators of MSMEs (Kjeldsen and Nielson, 2000; Josiane, 1998). Their interests and activities in the economic growth and development, especially in the area of MSMEs, have drawn the attention of researchers. The NGOs in the process of supporting and promoting MSMEs also help potential women entrepreneurs and generate new opportunities for them.

Entrepreneurship Development: Entrepreneurship is the act of starting an industry, service or business. If entrepreneurship is to flourish, a number of conditions need to be satisfied such as finance, education and training, infrastructure, equal opportunity, support from large units and incentives. Entrepreneurial skills involve the need for achievement, desire for responsibility, preference for risk, stimulation by feedback, future orientation and managerial excellence. An entrepreneur must have a complete understanding of the basic principles governing the industry or trade, ability to evaluate the available information and materials and a sense of social and economic responsibility, courage to carry out plans, continuing insistence on innovation and adaptability and ability to judge values by comparison with persons, time and energy. Women do procure the required qualifications and have been reported as being similar to men in leadership behaviors, problem solving enactment and managerial capabilities. **Constraints of Women Entrepreneurs:** It is a challenging task for women to take up self-employment and become entrepreneurs.

The problems faced by women of developing countries are of different magnitude than those of women of developed countries. These constraints emerge from dominant position of males, economic dependence, traditional values, poverty and discrimination. At the same time a number of problems such as social, attitudinal and institutional barriers, inadequate employment opportunities, family ties, lack of education, hindered freedom of expression and travel restrictions, lack of leadership qualities, fear of failure, the absence of an apex organization to oversee and promote their activities and performance, inappropriate and inadequate training, insufficient information and so on have hindered women from using opportunities of development. This in a way adversely affects their risk bearing ability. To empower women, women entrepreneurship development acts as a major tool in the low developed and developing countries. Both government and non-government agencies are experimenting with many programs to promote women entrepreneurship. **Role of NGOs in Women Entrepreneurship:** Several NGOs are contributing to entrepreneurship development in India. National Alliance of young Entrepreneurs (NAYE), World Assembly of Small and Medium Entrepreneurs (WASME), Xavier Institute for Social Studies, 'Y' Self-employment of Calcutta Association of women

Entrepreneurs of Karnataka (AWAKE), SEWA of Ahmedabad and Rural Development and Self Employment Training Institute (RUDSETI) of Karnataka have proved as effective agents in developing entrepreneurship both in urban and rural areas of the country.

Women Entrepreneurship Development (WED) promotes women to engage in economic activities, creates more employment opportunities and results in gender equality and poverty alleviation. Main objectives of WED are • To develop entrepreneurial skills • To monitor trainees and enterprises • To promote enterprise network • To develop market for products other supporting services.

OBJECTIVES OF THE STUDY:

The primary objective of the study is to know the extent to which the WED programmes of NGOs have empowered women micro-entrepreneurs of India. The specific objectives of the study are:

1. To analyse the functioning of NGOs in promoting women entrepreneurship.
2. To evaluate the WED programmes organized by the NGOs.
3. To analyse the effect of WED programmes by NGOs on women entrepreneurs.
4. To assess the impact of the WED programmes of NGOs on women empowerment and its contribution to poverty reduction.

II. RESEARCH METHODOLOGY

The study is descriptive and analytical in nature, based on both primary and secondary data. Secondary data were collected from the annual reports of the sample NGOs. Primary data were collected from sample women beneficiaries of NGOs through face to face interview. Sample size of the study is 50. Non random sampling technique is used to select the sample. Effectiveness of NGOs WED and the resulted empowerment among women entrepreneurs are evaluated with 'Before-After' situation analysis and comparing the case with control group. LITERATURE REVIEW: Several studies have been conducted on women entrepreneurship. The findings of such studies are discussed in this section. Raka Gupta and Bibin Kumar Gupta (1987) in their study on 'role of women in economic development' have observed that the rural women contribute more time compared to men in income formation activities but however their socio economic condition remain poor. Begum (1993) in her research work on 'A study of the problems of women entrepreneurs in Kerala' made an attempt to bring out the issues concerned with establishing small enterprises by women such as food processing, readymade garments, handicrafts and marketing of products. She found that shortage of capital and equipment, insufficient credit facilities, competition from large units and difficulty in debt repayment are the major problems

faced by women entrepreneurs. Rani (1986) examined the characteristics of women entrepreneur and the factors that motivate them to start a business. The study revealed that the major motivating factor is the desire to do something independently. The other factors were to supplement family income, to get technical knowledge to earn money. Rajeshwari and Sumangala (1999) in their study on 'problems and prospects in women entrepreneurship' observed that the small amount of capital and human skills among women can be pooled through involvement in income generating activities and used for productive purposes. The problems which come in the way of progress could be solved through introducing appropriate systems in practice. Planning Commission (2001) stated that micro enterprises are an important source of income and employment for a significant proportion of rural women. It also pointed out that relationship between micro enterprises and poverty reduction is being considered seriously by policy makers and developmental programme implementers. Shiralashetti and Huger (2008) in their study on 'women entrepreneurs in Karnataka' observed that 77 percent of rural and 54 percent of urban women entrepreneurs are facing the problem of shortage of capital in the beginning of entrepreneurship activities. They concluded that entrepreneurship among women improves the family in particular and wealth of a nation in general. Robert Edwin Chester (2007) studied the types of micro enterprises run by women such as book binding, clothing business, tailoring, fancy stores, selling vegetables. He identified major problems faced by women micro enterprises as lack of marketing knowledge, under utilization of capital, lack of skills, lack of ability to face competition, and dependence on own funds. Soumya Gaddam (2007) made a conceptual analysis of factors influencing entrepreneurship behavior in which she found economic, social, psychological, environmental, demographic and cultural factors. Shankar and Vijayalakshmi (2008) in their study on

The motivating factors of women entrepreneurs' examined various motivating factors and found that they were motivated by 'pull' factors. These factors were independence, professional growth, control over their financial future, satisfaction and flexibility. Entrepreneurship acts as a tool to empower women socially, economically and politically. Thangamani and Sithara Balan (2004) observed that though women constitute almost half of the population in the world, their representation in the gainful employment is very low. The reason for less participation of women in entrepreneurial activities is the presumption that they are weak, passive and dependent. Bharathi Rani and Jayaram (2004) in their study on 'self-help group and women entrepreneurial development' found that self-help groups are the agents of socio-economic transformation in rural areas. Many of the self-help groups are formed by women and are supported by NGOs. They act as an instrument to guide the poor women and to inculcate entrepreneurial abilities. They concluded that if various agencies come forward to help the SHGs it will take a leading role in women entrepreneurship development.

III. RESULTS AND DISCUSSION

To evaluate the NGOs' Entrepreneurship Development Programme for women, 50 sample women entrepreneurs (NGOs beneficiaries) of Telangana are interviewed. Their general profile, motivational factors and opinion about the EDP are discussed. Changes in the status of women are studied through before and after analysis. It shows the age of women entrepreneurs, their educational qualifications, training and location of sample units. The average age of women entrepreneurs is 31.53 years in urban area and 32.23 years in rural area.

The average age of entire sample women entrepreneurs is 31.8 years. Generally, women enter into self-employment at a later stage as they play a dual role of mother and manager. The educations wise distribution of the entire sample women entrepreneurs indicate that majority of them are graduates, accounting for 44.85 per cent. In the urban area, the proportion of graduate level is 49.51 per cent, postgraduate level is 3.29 per cent, secondary school level is 4.14 per cent and post secondary school level is 14.9 per cent. In the rural area, the proportions of graduates are 40.19 per cent and there are no postgraduates.

Reasons for selecting the line of activity: Entrepreneurs select a specific line of activity due to various reasons. The various reasons for choosing different lines of entrepreneurial activities by the sample women entrepreneurs are explained as a whole, previous experience becomes the major reason for selecting a specific line of activity (51.89 per cent), followed by ease of setting up an enterprise at 27.87 per cent, expectation of higher margin of profit at 15.6 per cent and the existence of similar business in neighborhood at 4.56 per cent. In the urban area, previous experience in the particular line becomes the major reason at 50.9 per cent, followed by ease of setting up an enterprise at 26 per cent, expectation of higher margin of profit at 19.0 per cent and the existence of similar business in neighborhood at 4.0 per cent. The same trend is seen in the rural area. Effects of WED Programme The effects of entrepreneurial development programme of NGOs on women is analyzed in terms of before-after situation analysis of annual turnover, profitability, value of assets and the level of satisfaction of post training support. Measures on these variables of WED beneficiaries are compared with control group. Before and After Situation Analysis While surveying the beneficiaries, an attempt is made to collect data on specific variables both for the current period and the period before they joined the NGOs scheme. Based on this information given by the sample women, before-after conditions are analyzed. 'Before-After' situation analysis is carried out to assess change in income and asset position, expenditure and savings pattern, occupational structure etc. Change in asset position of the beneficiaries would indicate the extent of empowerment of the WED beneficiaries. But beneficiaries' socio-economic conditions may change over the years due to various reasons. Therefore, it is difficult to assess the contributions of a specific NGO to these changes. However, beneficiaries group being backward, any major change in their socio-economic conditions would be mainly due to NGOs project. The detail furnished and reveals different aspects of changes in asset position of the beneficiaries. ISBN: 978-81-947313-8-2 99 International Conference on Entrepreneurship and It focuses on the asset position of the beneficiaries prior to joining the NGOs WED programme and the changes taken place after the programme. In addition to self-employment, most of the beneficiaries have continued farm activities as a supplementary activity. It is noteworthy that, the project has not extended financial assistance to the beneficiaries, but has created an urge among the beneficiaries to own a good conditioned house. With regard to changes in livestock's value, before joining the NGO, the average value of livestock was Rs. 2093 and after joining the project, the average value of the livestock in their possession increased to Rs. 5250.

The impact is more visible in case of industry sector, i.e. Rs. 6700, followed by the trade sector i.e., Rs. 5600. While determining the value of other assets, approximate value of items such as television, radio, utensils, cycle, motor cycle, cooking gas, furniture, tractor/tiller, pump set etc are taken into consideration. The average value of other assets was Rs.15573 prior to joining the training programme. After joining the NGO, it has been increased to Rs. 76666, and it is the highest (i.e. Rs.95000) in trade sector and the lowest (i.e. Rs.60000) in service sector.

Empowerment of women in terms of participation in the entrepreneurial activities result shows that participation in trade fair, involvement in business association and freedom of movement of the WED beneficiary women entrepreneurs has changed positively because of NGOs programme.

IV. CONCLUSION

Technology has been instrumental in increasing productivity and poverty alleviation by inducing development of different sectors and through trickle-down process also. Where the trickledown is not realized, the disadvantaged sectors and groups are not able to realize the benefits of technology. For this purpose, endogenous technology development and adaptation of suitable technology have enabled direct and positive impact, given the requisite infrastructure and institutional frameworks. The NGOs programmes, which are introduced for providing employment opportunities, assume path-breaking and ameliorating forms. The WED along with other selfemployment programmes had positive effect and empowered women entrepreneurs. An attempt to consider the efficacy of these programmes in bringing the desired changes in the women empowerment in the given environment reveals the following: • NGOs are playing crucial role in training women entrepreneurs both in rural and urban areas. • NGOs WED programmes are effective in terms of increased turnover, incremental income, and improved asset position. • Wherever the quantum of investment is viable, the performance on the whole has been satisfactory. • WED programmes of NGOs, has resulted in improved status of women.

Impact of NGOs WED programmes on empowering women entrepreneurs is seen in terms of ability to manage ventures profitably, capacity to contribute to family income, freedom to utilize their earnings and social recognition as a person. Hence, NGOs WED programmes are effective and empower women entrepreneurs significantly.

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