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## A Conceptual Framework on Catalytic Role of Non-Governmental Organization towards Women Entrepreneurial Ventures

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**Abstract:** *Women entrepreneurship is an emerging reality in the world. In India where women constitute at least half of the population, entrepreneurial activities become the need of the hour. This research paper focuses on the conceptualization of different levels of entrepreneurial activity - initiating, organizing and operating that can be economically rewarding function, if there is an intervention of the non-governmental organization (NGO) to attract and retain women in entrepreneurial ventures. The study concludes by strongly emphasizing the need of non-governmental organization intervention for ensuring women empowerment through successful women entrepreneurial activities and also lays future scope of research with special spectrum of intervention to be mitigated at the - initiating phase of women entrepreneurial activity in rural markets.*

**Keywords:** *Women Entrepreneurship, Non-Government Organization, Women Empowerment, Entrepreneurial activities, Conceptualization, Rewarding*

### 1. INTRODUCTION

The term “entrepreneurship” comes from the French verb “entreprendre” and the German word “unternehmen”, both means to “undertake”. Bygrave and Hofer in 1891 defined the entrepreneurial process as “Involving all the functions, activities, and actions associated with perceiving of opportunities and creation of organizations to pursue them”. In simple, entrepreneurship is the act of being an entrepreneur, which can be defined as “one who undertakes innovations, finance and business acumen in an effort to transform innovations into economic goods”.

In the Last ten years of Indian economic history, it is evident that the structure of ownership in the industrial sector, in agriculture, in the trade and commerce sectors has changed. Many women entered the world of business, trade and commerce and they have become successful entrepreneurs in various business activities. However, the rate of participation or rate of their inclusion in the business world is very low, in spite of its increase during the last ten years. This growth rate of women’s participation in economic activities is much lower than the expected rate. If we look at the developed countries we see that women are actively participative in the business and trade activities, including agriculture, without any social or minimal restrictions. There are still many social and cultural restrictions on women in India. Hence, women participation in entrepreneurial activities is less than the requirement of the fast growth of India.

Currently, the rapidly changing socioeconomic scenario has led to the emergence of new generation of women-owned enterprises who are actively seeking capital for their businesses, using modern technology to find and create an impression in both the domestic and export markets. This has been evidently possible due to the catalytic role of Non-Governmental Organizations (NGOs) in mobilizing the local human and physical resources and creating appropriate entrepreneurial environment and generating new opportunities. This contribution to the microenterprise sector has led many state and central governments to seek the support of non-governmental organizations to speed up the process of economic development. However, the less noticed factors lay on the three major phases of the entrepreneurial process-creating, nurturing and nourishing which emphatically are the same for women and men but, studies suggest that women business owners face problems of different magnitude and dimension. Thus, the study seeks the following research question and research objective,

### 1.1 Research Question

What are the problems that hinder women entrepreneurial capabilities at different levels of initiating, organizing and operating a business venture?

### 1.2 Research Objective

i) To identify the factors of prime intervention by NGO required for uplifting women entrepreneurial capabilities at different levels of initiating, organizing and operating a business venture.

## 2. LITERATURE REVIEW

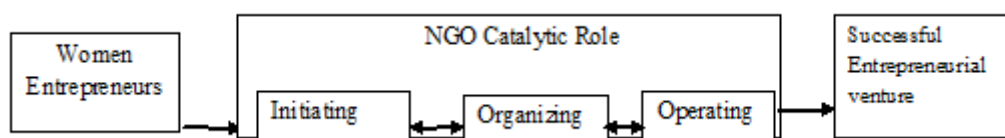
Tambunan (2009) made a study on recent developments of women entrepreneurs in Asian developing countries. The study focused mainly on women entrepreneurs in small and medium enterprises based on data analysis and review of recent key literature. This study found that in Asian developing countries Small and Medium Enterprises (SMEs) are gaining overwhelming importance; more than 95% of all firms in all sectors on average per country. The study also depicted the fact that representation of women entrepreneurs in this region is relatively low due to factors like low level of education, lack of capital and cultural or religious constraints.

Singh (2008) identifies the reasons & influencing factors behind entry of women in entrepreneurship. He explained the characteristics of their businesses in Indian context and also obstacles & challenges. He mentioned the obstacles in the growth of women entrepreneurship are mainly lack of interaction with successful entrepreneurs, social un-acceptance as women entrepreneurs, family responsibility, gender discrimination, missing network, low priority given by bankers to provide loan to women entrepreneurs. He suggested the remedial measures like promoting micro enterprises, unlocking institutional frame work, projecting & pulling to grow & support the winners etc. The study advocates for ensuring synergy among women related ministry, economic ministry & social & welfare development ministry of the Government of India.

Cphoon, Wadhwa & Mitchell (2010), the study is based on the data collected from successful women entrepreneurs. Out of them 59% had founded two or more companies. The study identifies top five financial & psychological factors motivating women to become entrepreneurs. The challenges are more related with entrepreneurship rather than gender. However, the study concluded with the requirement of further investigation like why women are so much concerned about protecting intellectual capital than their counterpart. Mentoring is very important to women, which provides encouragement & financial support of business partners, experiences & well-developed professional network.

Ramachandran (1993) concluded that Women development agencies including NGOs have to be sensitive to the training needs of the target group and need to change the orientation of the people who are administering a majority of the entrepreneurship development programs and policies.

### 3. THE THEORETICAL FRAMEWORK FROM THE ABOVE LITERATURE REVIEW CAN BE CONCEPTUALIZED AS FOLLOWS



#### 3.1. Women Entrepreneurs

The Government of India has defined women entrepreneurs as –an enterprise owned and controlled by women having a minimum financial interest of 51 per cent of the capital and giving at least 51 per cent of the employment generated in the enterprise to women. Women entrepreneurs engaged in business due to push and pull factors which encourage women to have an independent occupation and stands on their own legs. A sense towards independent decision-making on their life and career is the motivational factor behind this urge. Under the influence of these factors the women entrepreneurs choose a profession as a challenge and as an urge to do

something new. Such a situation is described as pull factors. While in push factors women engaged in business activities due to family compulsion and the responsibility thrust upon them.

### **3.2 Women Entrepreneurship in India**

Women entrepreneurs have been making a significant impact in all segments of the economy in India; the informal sector enterprises survey (NSSO 2001) provides a profile of female and male proprietary enterprises. The survey found that about 5.4% of proprietary enterprises in rural areas were operated by women and these were mainly own account enterprises (OAES). Approximately 12% of the workers in proprietary enterprises were engaged in the female proprietary enterprises.

In general, urban enterprises are larger in size, and for the same category, female proprietary enterprises are smaller than male proprietary enterprises. In rural areas, female proprietary OAES are very small in size, with an average fixed investment of less than Rs. 8000, or a little more than one-third that of male proprietary OAES. Female establishments (informal enterprises hiring one or more workers) in rural areas had a total fixed asset base of Rs. 1,23,786, more or less similar to rural male proprietary establishments. The gross value added per worker in female proprietary OAES was less than Rs 7,000 per annum, while in male proprietary OAES, it was more than twice as high. NCEUS (2007) shows that among rural female OAES, about 34% have a value of fixed assets of less than Rs. 1,000, while only 7% had value of assets greater than Rs. 25,000. Not only are few women involved in running non-agricultural enterprises of any kind, the scale of operation of women operated units is distinctly very tiny, particularly in rural areas. Compared to the national minimum wage, 89% of female OAES and 42% of male OAES gave lower imputed daily returns, using unit –level data from NSSO (2001).

### **3.3 Difficulties of Women Entrepreneurship**

The main challenges that women face in business are educational and work background, balancing their time share between work and family, Problems of raising start-up capital, Difficulty in borrowing fund, completions endangered existence of small companies, Problems of availing raw-materials access to export market without intermediaries, as well as an overall psychological barrier on the part of banks, suppliers, and clients alike, are a few of these challenges. In addition to these some of the challenges faced by rural entrepreneurs are Growth of Mall Culture, Poor Assistance, Power Failure, Lack of Technical knowledge, Capacity underutilization, Infrastructure Sickness etc.

#### **These bottlenecks are further analyzed as follows**

##### **3.3.1 Lack of training and advisory services**

Mostly Rural women lack training and advisory services on managerial and technical skills to solve production problems. Here more than 70 percent of enterprises are micro - and small enterprises but their growth and the competitiveness is greatly challenged by a lack of business management, marketing and technical skills besides the overall weak infrastructure and complicated legal frameworks for business processes, especially in global online transaction context.

##### **3.3.2 Absence of Balance between Family and Career Obligations**

As Indians, most of the women are very serious about family obligations but they do not equally focus on career obligations (Cf. Mathur 2011; Singh N.P. 1986). Indian women devote their lives to take care of their family members but they are not concerned with their self-development. Many women have excellent entrepreneurial abilities but they are not using their abilities to create additional income sources for their families, which would go hand in hand with boosting their self-reliance. Sometimes they are not even aware of the concept of self-reliance. Moreover, the business success depends on the support the family members, extended to women, in the business process and management (Cf. Lathwal 2011).

##### **3.3.3 Low level of Financial Freedom**

In Indian families, the degree of financial freedom for women is very poor, especially in lower educated families and rural families. In these family's women can't take any entrepreneurial decision without the consideration of the

family members as well as considering social ethics and traditions. Due to the financial dependency, a woman can't start any business or any economic activity to become independent. Therefore, this has become a vicious circle of dependency for women in India.

### **3.3.4 Unaware of their Capacities**

An increasing level of education should create awareness regarding an individual's capacities. But, unfortunately, our educational system has not succeeded in creating awareness about woman's capacities and their hidden powers to handle economic activities. According to Shruti Lathwal (2011), India faces an increase in the education level of women and an increased social awareness as to the role women play in society, but this is not a widely acceptable truth because it applies only in urban India and not in rural India. Urban environment is favorable to identifying and creating awareness regarding women's self-capabilities. However, in the rural area this type of attitude has not developed yet.

### **3.3.5 Mobility Constraints**

It is very difficult for women to leave the original place and move to another destination as and when situation warrants due to family constraints. Mobility is one of the important problems in women entrepreneurial development. They are not ready to leave their place for business activities and prefer staying only in their residential areas. These traits are important as entrepreneurs tend to start their businesses in their current local area and are thus disproportionately found in their region of birth (Dahl and Sorenson 2007).

### **3.3.6 Lack of Self-Confidence**

A strong mental outlook and an optimistic attitude amongst women create a fear of committing mistakes while doing their work (Cf. Goyal and Parkash 2011). The family members and the society are not willing to stand by women with entrepreneurial development potential. In such a situation, women should develop their self-confidence to handle this type of barriers, in spite of the fact that Indian women prefer a protected life to the development of their self-confidence. They are neither mentally nor economically self-reliant. Therefore, we should try to develop their confidence through moral support from society and family members.

### **3.3.7 Paradox of Entrepreneurial Skill & Finance**

There is paradox of "have and haven't" skills of entrepreneurship in Indian women belonging to economically poor and rich families. Women belonging to economically rich families have the capital support but they may not have good entrepreneurial skills, therefore outsourcing the activities. At the opposite side of society, many women from economically poor families have consistent entrepreneurial skills, but they have not any financial support from their families. We therefore believe that the problems of women entrepreneurship are hanging in the trap of this paradox.

## **4. NON-GOVERNMENTAL ORGANIZATION (NGO)**

The term originated from United Nations (UN), and is normally used to refer the organizations that are not a part of government and are not for profit organizations. The UN introduced the term NGO to distinguish between the participation of international private organizations and intergovernmental specialized agencies. According to the UN, all kinds of private organizations that are independent from government control can be recognized as NGO's. They cannot seek to diminish a nation's government in the shape of an opposing political party. NGO's also needed to be non-criminal and non-profit.

In the last several years, there has been an increasing role of NGOs in the economy in both developed and developing economies. NGOs are effective change agents in socio-economic sectors and international development. In 2003, the global NGO sector was a \$1.3 trillion industry, with estimated annual growth of 10%. Despite the above growth, there is little agreement on the definition and boundaries of entities constituting the sector. Therefore, there need to understand how the NGOs are defined and understood different contexts and its implication on NGO performance management. The NGOs in developing countries have not been comprehensively explored. The NGOs in developing countries play major role in bringing rural population to the main stream by providing opportunities to work and manage rural economy. Women are back bone of agrarian economy providing necessary labour force,

accessibility and understanding the local conditions better. In most of the developing economies NGOs mainly target women in launching their developmental and service projects due to the above factors.

#### **4.1 Government and Non-Governmental organization – The Bond beyond Boundaries**

A healthy relationship is only conceivable when both parties share common objectives. If the government's commitment on a particular issue is weak, NGOs will find dialogue and collaboration frustrating or even counter-productive. Likewise, repressive governments will be wary of NGOs which represent a social issue or victimized. In such situations, NGOs will probably prefer to chart their own course, giving all instruments of the state as wide a berth as possible. When a government endeavors to give greater weight to redressing gender or ethnic biases, to combating environmental degradation or to strengthening the more vulnerable regions, it is likely to find the current development mechanisms inadequate. Economic policy, the provision of services and infrastructure, regulations and market mechanisms are rarely targeted towards vulnerable groups.

#### **4.2 Entrepreneurial Initiative**

Entrepreneurial intention (EI) is one of the major contributing factors to the formation, growth and development of entrepreneurship as it promotes self reliance and brings about initiatives (Muhammad, Aliyu, & Ahmed, 2015). Initiatives inject vitality into economies as it explores the prospects of starting a new enterprise with adequate involvement towards initiating value to risk and thereby focusing on actual deliverables along with budgetary constraints (Biswas & Tortajada, 2018). Entrepreneurial intentions may affect entrepreneurial behavior and, subsequently, venture development and growth, but the more we study intentions, the more we need to look deeper at where intent actually arises (Kaffka & Krueger, 2018). Thus there is urgent need for understanding growth needs and challenges of nongovernmental organizations (Awasthy & Sharma, 2016) while initiating entrepreneurial activities.

#### **4.3 Entrepreneurial Organizing Syndrome**

Sustenance in entrepreneurial initiatives relies on organizing activities that enhances and improves inclusiveness among entrepreneurs (Metu, 2017). Interweaving distributed activity confirms the multi-dimensionality of entrepreneurial experience (Bruni & Perrotta, 2014). Further Self organizing is often accompanied by greater flexibility, better use of employees' creative capacities, increased quality of work life, and decreased employee absenteeism and turnover, eventually resulting in increased job satisfaction and organizational commitment. Hence organizing ability can conquer commitment with efficiency.

#### **4.4 Entrepreneurial Operation**

For successful entrepreneurs with a bent of mind towards entrepreneurial Society relies on entrepreneurial mindset (Rasca, Deaconu, & True, 2018). Entrepreneurial competencies with actions, learning and development programs can lead to desired goals (Rașcă & Deaconu, 2018). But for this sociality in existing entrepreneurial environment must serve entrepreneurial activities in full swing (Jaewon, 2018). Therefore for successful entrepreneurial performance; successful entrepreneurial operation is the key (Cho & Lee, 2018).

To brief the above, many argue that the voluntary sector may be better placed to articulate the needs of the weak, to provide services and development in remote areas, to encourage the changes in attitudes and practices necessary to curtail discrimination, to identify and redress threats to the environment, and to nurture the productive capacity of the most vulnerable groups such as the disabled or the landless. The strength of the voluntary sector differs among countries; however, a strong voluntary sector does not guarantee a high degree of interaction among the various organizations. There can be a rigid divide between voluntary organizations and the public and private sectors. It appears (Tandon-1991) that where the interaction is high the climate is most favorable for employment generation, poverty reduction and other social priorities, though cause and effect may be difficult to separate. Whether a strong nongovernmental organization sector encourages governments to pursue such priorities, or assists them attain their objectives, this vehicle of civil society has potential importance which has hitherto been largely neglected. NGOs need a healthy relationship with the public to meet their goals. Foundations and charities use sophisticated public relations campaigns to raise funds and employ standard lobbying techniques with governments. Interest groups may be of political importance because of their ability to influence social and political outcomes. It is always advised that GO and NGO should maintain good relationship for the good of the society as a whole.

## **5. WAY AHEAD FOR RURAL ENTREPRENEURS – FUTURE SCOPE FOR RESEARCH**

Empowering women particularly rural women remain a challenge. Micro enterprises in rural area can help to meet these challenges. Micro-enterprises not only enhance national productivity, generate employment but also help to develop economic independence, personal and social capability among rural women like Economic empowerment, improve standard of living, Self-confidence, and enhance awareness, Sense of achievements, increasing social interaction, Involvement in solving problems related to women and community, increasing participation level in gram sabha meeting and Improvement in leadership qualities.

Though, rural women entrepreneurs have limited opportunities, they have been supported by the government to take up the challenge of nation building and to empower through various programmes. Some of these are Crashed Scheme for Rural Development, Food for Work Programme, National Rural Employment Programme, Regional Rural Development Centers, Entrepreneurship Development institute of India, Bank of Technology, Rural Innovation Funding, and Social Rural Entrepreneurship etc.

Women entrepreneurs also face many obstacles specifically in marketing their products. Indian rural market, if properly explored through the women entrepreneurs, offers unique opportunities to develop a strong network of rural enterprises. There are several trades which can be started at village levels and their initiation into production of good quality and high value products – from flowers to handicrafts, as a step in their economic emancipation. With increased educational opportunities; the women in India need to get more organized into small groups through sustained efforts. Government should draw up a plan the Indian Women Entrepreneurs to work more on empowering women entrepreneurs through training and capacity building programs. If our universities and institutions join this resolve with increasing focus on including business education to women, the future will see more women entrepreneurs. In the coming years one of the biggest challenges to the world will be retaining the rural population by employing them in some kind of activity. Thus, this study lays foundation for future scope of research for women entrepreneurial capabilities in rural market.

## **6. SUGGESTIONS**

- a). Literacy and training assistance is needed for the poor women to benefit from rural marketing programmes.
- b). Diversified use of microfinance would be effective to improve the status of women entrepreneurs in rural market.
- c). Suitable products with proper staffing pattern for the SHGs should be provided.
- d). Many SHGs suffer from absence of financial discipline and internal controls. These can be avoided only through structured practices and a good system.
- e). Economic empowerment of SHGs can be made by educating them, creating awareness about the social evils, public private partnership, development programmes utilizing IT.
- f). SHGs are to be encouraged to get PCs, which can be used to display their products either as pop ups or as advertisements or in the portals of e-commerce companies.

## **7. CONCLUSION**

Women entrepreneurs may be as women are group of women who initiate, organize and, run a business enterprise woman who innovate, imitate or adopt a business activity are called “women entrepreneurs”. The women entrepreneurs based on women participation in equity and employment of a business **enterprise can therefore be** termed as women empowered. This eventually can be galvanized to the fullest potential by non -governmental organizations towards successful business ventures.

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