

CHAPTER II

Literature Review

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2.1 Introduction:

An attempt is made here to review the existing literature on the subject of rural women entrepreneurship and the role of NGO in Rural Women Entrepreneurship. Any literature available on the rural women entrepreneurship and the Role of NGO in Rural Women Entrepreneurship varies from individual researchers to committee reports, empirical studies to descriptive works and the general to specific nature of studies. A brief review of literature in this concerned subject is given as follows:

2.2 Review of Literature:

Hisrich R.D.et.al. (1984)in their studies "The Women Entrepreneurs: Management Skill and Business problems" have found that access to capital is as one of the greatest difficulty for women while performing entrepreneurship. Women have lesser opportunities than men to gain access to credit for various reasons including lack of collateral, banks unwilling to accept household assets as collateral and negative attitude of bank and financial institutions officials to accept women, especially low income group women from rural areas as entrepreneurs.

Vinze M(1987), Shah H(1990),the studies made by them provides different insights into various problems faced by women entrepreneurs which described briefly and collectively as socio-cultural and psychological barriers, financial constraints, lack of access of latest and cost effective technology and adequate training, managerial constraints, lack of transport facility, lack of mobility, family responsibilities, limited choice of ideas, low level of production, lack of access to information, dissemination about market trends and various schemes of assistance etc.

Elavia(1993) in her research paper "Micro-Enterprise development for women: Challenges and Opportunities" reveal the catalytic role played by NGOs in reaching women entrepreneurship in micro enterprise sector making credit and other support services available to them. NGOs are looked upon as empowering agents involved in social and economic development by providing women opportunities to set up their

microenterprises by providing loans and other business services for entrepreneurship development.

M. Sarngadharan et.al. (1995), in their book "Women Entrepreneurship, Institutional support and Problems" come out with the findings that the women entrepreneurs in rural region of Kerala have been facing numerous problems in promoting and running their units. Shortage of working capital and high interest charged by banks were the two major problems which caused difficulties to women entrepreneurs. They also find it difficult to secure their raw material requirements from nearby and at reasonable prices. They were also facing power shortage problem, they had not been able to make full use of their production capacity. One of the greatest problem of them was marketing of their goods as they were facing competition from big units. They suggested that rural women entrepreneurs should be encouraged to start new ventures confidently, with more governmental support and using modern technology.

Punitha et.al.(1999), examined in "The problems faced by self employed women in Pondicherry rural region". The major problems were competition from better quality products, marketing problem. Difficulty in getting loans. The least problems faces by rural women were ignorance about schemes, distance from market and ignorance about agencies and institutions.

Mallika Das (2000) in her study "Women Entrepreneurs From India: Problems, Motivations and Success Factors" concluded that there are several factors which can initiate entrepreneurship characteristics among women, basic Entrepreneurial initiators are: personal motivations, socio-cultural factors, availability of ease finance, government schemes support and business environment. Observed in her study that most common reasons for success of women entrepreneurs is personal qualities such as hard work and perseverance. Some independent factors are market opportunity, family background, idea, challenge, and dream desire of status and economic independence. These factors vary according to parameters such as region, gender, age, family background, and work experience. Several surveys conducted in different parts of the world regarding women entrepreneurship management show that women have provided to be good entrepreneurs for the following reasons like Economic independence, establishing own credit idea.

social Identity, Achievement of excellence, Confidence, Status in society, Greater freedom and mobility etc.

Lal K(2000)states in his study “Problems faced by rural women Entrepreneurs” that women are submissive and incapable of independent thinking and decision making due to the age-old discrimination, deprivation and fragmented education, so as a result women can’t and do not take up entrepreneurship as a whole time job, which is the root cause of the rural women entrepreneurship.

Robinson (2001), "An examination of entrepreneurial motives and their influence on the way rural women small business owners manage their employees" stated that women's reasons for starting business are not always often driven by positive factors but also due to negative circumstances such as low family income, lack of employment opportunities, dissatisfaction with a current job or the need for flexible work etc. Women entrepreneurs are forced to take entrepreneurship in the absence of any other means of contributing to family income (D'Cruz, 2003) in his “Constraints on Women Entrepreneurship Development in Kerala: An Analysis of Familial, Social and Psychological Dimensions”.

Carter et al., (2004), “Size determinants of women-owned business: Choice or barriers to resources,” indicates that perhaps the most popular reason for starting a new business, financial success involves reasons that describe an individual’s intention to earn more money and achieve financial security.

Poornima Charantimath (2009) in her “Entrepreneurship Development Small Business Enterprises”, pointed that strong desire to do something positive is an inbuilt quality of entrepreneurial women, who is capable of contributing values in both family and social life. With the advent of media, women are aware of their own traits, rights and also the work situations. Many women start a business due to some traumatic event, such as divorce, discrimination due to pregnancy or the corporate glass ceiling, the health of a family member, or economic reasons such as a layoff. But a new talent pool of women entrepreneurs is forming today, as more women opt to leave corporate world to chart their own destinies. The reasons for women becoming entrepreneur are Innovative thinking, New challenges and opportunities, For self fulfillment , Employment generation,

Freedom to take own decision and be independent ,Government policies and procedure, Family occupation, Need for additional income and for the Self identity and their social status etc.

Kumari, et. al.(2010) conducted their study work in the rural areas “Problems Faced by Rural Women Entrepreneurs of Rajasthan”, the results of the study indicate lack of supportive network, financial and marketing problems were the major problem areas for rural women entrepreneurs and major de-motivator for other women to initiate entrepreneurial activity. In her study she also emphasize on the role of women entrepreneurs, as they have been making a significant impact in all segments of the economy in India, However, it is potentially empowering and liberating only if it provides women an opportunity to improve their well-being and enhance their capabilities. On the other hand, if it is driven by distress and is low public support than it may only increase women drudgery. The small and medium enterprises led by women experiencing some major challenges and constraint.

Sathiabama. K (2010) in her research work “Rural Women Empowerment and Entrepreneurship Development” remarked that the rural women are having basic indigenous knowledge, skill, potential and resources to establish and manage enterprise. Now, what is the need is knowledge regarding accessibility to loans, various funding agencies procedure regarding certification, awareness on government welfare programmes, motivation, technical skill and support from family, government and other organization. More over Formation and strengthening of rural women Entrepreneurs network must be encouraged.

Sujata Mukharji(2010) concluding in her research paper “Women entrepreneurship development : The catalytic role of NGOs” that there are three major phases in the entrepreneurial process –creating, nurturing and nourishing – for same women and men. But women business owners face hurdles of different magnitude and dimension. owing to social and cultural reasons, which men business owners do not have to face. For promoting entrepreneurship in women from low income group, rigorous efforts have to be made to formulate and launch a consortium of non-governmental and governmental organizations working for women entrepreneurship. The women entrepreneur revealed

that the support provided by the NGOs was mainly in the areas of finance, training, marketing and acquisition of market place in order to start and sustain their business. According to entrepreneurs NGOs help them to identifying the right sources of purchasing raw material and proper location for business, market area for sale of goods, obtaining finance with no collateral and providing training and other technical assistance to set up business.

S. Vargheese et. al.(2011) in their study “A Study on the Factors Motivating Women to become Entrepreneurs in Tirunelveli District” concluded that women become entrepreneurs due to several factors which may be grouped under “Pull factors” and “Push factors”. Pull factors refer to the urge in women to undertake ventures with an inclination to start a business. Women entering business, driven by financial need due to family circumstances are said to be influenced by push factors. factors influencing the women to become entrepreneurs that can influence their decision were identified such as economic independence, dissatisfaction with existing job, unemployment, seeking challenge, self interest, self prestige, traditional , employment opportunities, financial assistance, technical knowledge, encouragement from family members, use of idle funds, infrastructural facilities, entrepreneurial experience, market potentials, family members interest, social status and family background.

Anita Mehta (2011) in their study “Rural Women Entrepreneurship in India: Opportunities and challenges” concluded that rural women are not so aware and literate as to handle all the legal and other formalities involving in loan taking and establishing an Industrial Unit. They also lack confidence in their ability to run the entrepreneurship. They need capacity building and training in functional areas such as finance, literacy skills, marketing, production and managerial skills. The only urgent need is to create a favorable atmosphere to increase self employment for women and over all developments of the country. Thus, there are bright prospects for rural women entrepreneurship in India.

S.Vijay(2011) concluded in his article “Problems and Prospects of Women entrepreneurs in India in the era of globalization” stated that Women have the potential and the determination to set up, uphold and supervise their own enterprises in a very systematic manner. Appropriate support and encouragement from the Society in general and family

members in particular is required to help them scale new heights in their business ventures. The right kind of assistance from family, society and Government can make these Women Entrepreneurs a part of the mainstream of national economy and they can contribute to the economic progress of India in this era of globalization.

S.Khanka(2011)in his book “Entrepreneurship Development” highlighted how women successfully become entrepreneurs by managing their personal and professional life and how family support plays role in there empowerment. According to him a women entrepreneur is a confident, innovative and creative woman capable of achieving economic independence individually but they have to face two sets of problems. viz., problems of entrepreneurs and problems specific to women entrepreneurs such as Stiff competition, problem of finance, scarcity of raw material, lake of education, family ties, Male-Dominated Society, low risk-bearing ability etc. According to him, addition to that problems shortage of power supply, social attitude, low need of achievement, high cost of production and socio-economic constraints holding women back from entering into entrepreneurship in rural areas. Efforts are on at the government and voluntary agencies to tap unrecognized and unaccounted for strength of these women to integrate them in the process of entrepreneurship development.

Rana and Masood (2011) ”Emergence of women-owned businesses in India-insight” concluded that there are various hindrance in the success of women entrepreneurs like finance, marketing work place facilities, social constrains etc. It is perhaps for these reasons that government bodies, NGOs, social scientists, researchers and international agencies have started showing interest in the issues related to entrepreneurship among women so there has been much progress in the training and development of women entrepreneurs With the emergence and growth of their businesses, they have contributed to the Indian economy & society; these women entrepreneurs have entered many industries and sectors. Many of the earlier obstacles to their success have been removed, yet some still remain. Further, within public policy and academic programs. Women entrepreneurs can play powerful role in confidence building and creating awareness in other women to promote self-reliance.

M.S.Kabir (2011) in his “Advancement of Rural Poor Women through Small Entrepreneurship Development: The Case of Bangladesh” concluded that women of today are surely more conscious, alert and active about their duties, rights and freedom, and educational attainment is assisting the process. The Major reason for women’s subordinate status is the fact that they are not only economically exploited but also socio-culturally oppressed. On the basis of findings of the study it may be concluded that adoption of comprehensive approach of socioeconomic development through involvement of rural women with small enterprise led to increase income, higher level of employment and increased participation of women in decision making process. From the findings of the study also concluded that by practicing different enterprises, the rural women were able to contribute additional income to their families. With the assistance of different government and non-government organizations they got some financial and technical support to carry out their enterprises.

Desai V. (2011) concluded in his book ”Small scale Industries and Entrepreneurship” women have lot of outstanding qualities as an entrepreneur like they accept challenges, they are hard worker, ambitious, skilful, Intelligent, Adventurous, Motivator and determined. Women in rural areas have to face not only resistance or reservation from men but also from elderly women who are orthodox in their attitude. Though in rural areas women are working along with men since times immemorial, their contributions in monetary terms remains unaccounted for or given very low value. Women are having capabilities but training is needed.

Jyoti Bhal(2012) in her research paper “Status of Women Entrepreneurship in Rural India”, that in spite of various entrepreneurship development programmer launched by the Govt. and non-government agencies, the entrepreneurs are encountering a number of problems for establishing economically viable small- scale units. Women contribute significantly to the running of family businesses mostly in the form of unpaid effort and skills. Programmer meant to reach women entrepreneurs can succeed only if they take note of this paradox as well as of the familial and social conditioning that reduces the confidence, independence and mobility of women. Therefore, instead of just schemes like financial and developmental as fake hope for entrepreneurship development an intensive training needs to be provided to the women and youth in rural India and create an

entrepreneurship training system as per integrated rural development program. Organizations specially NGOs at grass root level, should approach entrepreneurship with a professional outlook by focusing on it as an alternative form of employment to tackle the existing underemployment and unemployment problem among women from the low income group.

Ajay Sharma et.al.(2012) in the paper “Micro Enterprise development and Rural Women Entrepreneurship: way for economic empowerment”. Concluded that there are several factors which can initiate entrepreneurship characteristics among women, most common reasons for success of women entrepreneurs is personal qualities such as hard work and perseverance. Some independent factors are market opportunity, family background, idea, challenge, and dream desire of status and economic independence. These factors vary according to parameters such as region, gender, age, family background, and work experience. Women entrepreneurship management show that women have provided to be good entrepreneurs for the following reasons, economic independence, establishing own credit idea. Social Identity, Achievement of excellence. Confidence, Status in society, Greater freedom and mobility etc.

2.3 Conclusion: As per above references, many researchers have done the various studies on Rural Women Entrepreneurship in which they specify the different problems faced by rural women as an entrepreneur. Most of the researchers focus on the problems like socio-cultural barriers, access of finance, Male-Dominated Society, lack of access of latest and cost effective technology and adequate training, family responsibilities, marketing problem of products etc. Some of researchers try to find out the rural women's reasons for starting business or motivational factors behind the entrepreneurship among them, their views and findings of studies are different. Common several factors which may be grouped under “Pull factors” and “Push factors”. Pull factors refer to the urge in women to start a business and push factors are said to be which the women are driven by financial need due to family circumstances. While this study deals with the important role played by NGOs in reaching women entrepreneurship in rural sector, making credit and other support services available to them, with reference to Maandeshi Foundation. The Next chapter deals with conceptual framework..

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