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Arpita Kumari Mishra
Reserch Scholar, Centre for
Women's Studies, University
of Hyderabad, India

Impact of capacity building on women entrepreneurs - A literature analysis

Arpita Kumari Mishra

Abstract

It is an established fact that more and more women are seeking economic opportunity and self-determination through enterprise creation. The growth of women's entrepreneurship is frequently cited on an anecdotal basis, and is increasingly covered and commented upon in the business circles and media. By most accounts, looking at a variety of surveys and statistical sources, it appears that between one-quarter and one-third of the formal sector businesses worldwide are owned and operated by women; the share of informal enterprises owned by women is even greater. (Jhabvala, 1999) Many studies have found that women entrepreneurs in developing countries have to face difficulties in assessing and competing in local market. (Van Vuuren and Groenewald, 2007; Bradley and Boles, 2003; Smith-Hunter, 2006; Greene, Hart, Gatewood, Bush and Carter, 2005; ^[23] Mc Clelland, Swail, Bell and Ibbotson, 2005). In this scenario, F.Stephen and Ammu Josephes has pointed out that such barriers includes the harsh economic realities of women's lives, male resistance to women's lack of access to literacy, numeracy and other functional skills. Thus the challenge in this century is to work towards the economic, social and political development, many question emerge about women's development in entrepreneurial contexts. These questions were also adopted by the 2000 OECD conference on women entrepreneurs in small and medium enterprise (OECD. 2000), which focused on improving knowledge about female entrepreneurship and its obstacles, fostering entrepreneurial culture and developing women-owned businesses. Taken together, it seems important to work towards: enhancing women's access to and control over productive endowment, increasing the productivity of women's labor and productive resources through expanding their access to extension services, credit, education, information and training and influencing the process of knowledge creation, and by increasing women's return to their labor and produce through expanding their access to commodity and labor markets and their ability to effectively bargain in the market place. Thus, the effort should be given to strengthen the capacities to claim their due share of resources and power within families and communities and vis-à-vis, the market place and government organization. This paper makes an attempt to review the empirical literature on capacity building. A sample of 48 academic publications on capacity building on women entrepreneurs across scholarly journals culled out from electronic searches of the academic databases and research journals constituted the main data for analysis. After clustering the studies, it was found that there is scarcity of literature in this direction. Preliminary analysis demonstrates that the studies focused on the organizational level, thus pointing out that there is a need for studies on the individual level. Implications for further studies in this direction are highlighted at the end.

Keywords: Entrepreneurs, Women Entrepreneurship, Capacity Building, Women-owned business, Entrepreneurship

Introduction

Capacity Building refers to action to create reform or support activities that facilitates sharing of experiences, knowledge and strategies and such sharing of actions demands and create networks. The capacity building efforts facilitate conscious rising and serve as site for interaction among women, thereby connecting women across spatial boundaries of home and the village. It is an alternative approach to appraising the success of development interventions. Challenges to women entrepreneurs cover a wide spectrum, including level of education; inter role conflicts emanating from greater parenting responsibilities, a dearth of financial assistance and socio-cultural constraints (Ghosh & Cheruvalath, 2007) ^[22]. Although men and women both experience personal problems women recoded more difficulties. This is especially true with regard to a lack of self-confidence and not being taken seriously by providers of funds when applying for funds (Bridge, O'Neill & Cromie, 2003). It is widely acknowledged that women have access to fewer resources than men. In this scenario, F. Stephen and Ammu Josephes has pointed out that such barriers includes the harsh economic realities of women's lives, male resistance to women's lack of access to literacy, numeracy and other functional skills. Thus the challenge in this century is to work towards the economic, social and political development, many

Correspondence

Arpita Kumari Mishra
Reserch Scholar, Centre for
Women's Studies, University
of Hyderabad, India.

question emerge about women's development in entrepreneurial contexts. Capacity building is very important for women entrepreneur because: the issue of capacity is critical and the scale of need is enormous, but appreciation of the problem is low: the link between needs and supply is weak; there is a lack of realistic funding; there is need for support for change; training institutions are isolated-communications are poor; development of teaching materials is inefficient and alternative ways of capacity building are not adequately recognized. (Lafontaine, 2000) ^[39]. Appropriate intervention for capacity building can be devised only if some initial insight has been gained into the general opportunities and constraints that woman entrepreneurs typically face.

Global Scenario

In recent years, the concept of capacity development has received unprecedented attention as a critical goal of international development policy. Though often vaguely defined and suggesting different people, the term capacity development has been widely used and accepted by many developments professional as a way to describe some of the critical roadblocks to reaching the millennium development goals and stimulating sustainable growth in the developing worlds. "Capacity Building" is included in the programs of most international organizations that work in development, the World Bank (World Bank), The United Nations (UN) and non-governmental organizations (NGOs) like Oxfam International. In the UNDP's 2008–2013 "strategic plan for development" capacity building is the "organization's core contribution to development." The UNDP promotes a capacity building approach to development in the 166 countries it is active in. Capacity building is wide range of different and innovative approaches that enables individual, organization, institutions and societies to perform well in what they want to achieve. And capacity building as a development paradigm is found in almost in many countries like in Africa, Bangladesh, Germany, Zimbabwe, Uganda, Kenya, Tanzania, Ghana, Indonesia, India, Vietnam, etc.

Capacity Building in Indian Scenario

Promotion of Small and medium sized entrepreneurs has been a conscious policy of the government at both the central and state levels. Support for Small and medium sized entrepreneurs in India have been fine-tuned over time and have been proactive–anticipating challenges and threats. In the five decades since independence, it has moved from protection to promotion and, lately, to facilitation and advocacy. Prior to the Economic Reforms of 1991, the focus of Small and medium sized entrepreneurs development policies was mainly on protection (reservation of items for exclusive production by SSIs, for example) and concessional incentives (such as tax rebates and subsidies). With liberalization and the opening up of the markets in 1991, this focus shifted to strengthening the competitive edge and capacity-building through facilitation and infrastructure. Major emphasis was placed on quality certification, technology upgrading, and market exposure. In India, with the popularity of liberal discourse on gender, 1990s saw a marked depoliticisation of capacity building efforts, influenced by the popularization of gender neutral and gender ameliorative training by bilateral aid agencies, the Indian government and some NGOs. Gender neutral training of women aims at strengthening skills of women in areas defined by gender based division of labour, with a view to increasing productivity and income of poor households. For example,

training of women on technical aspects of silkworm rearing and dairying, particularly in the area for which they are responsible as per the existing gender based division of labour. Gender ameliorative training, on the other hand, aims at strengthening capacities of women for improving their day-to-day condition, but not their long term position vis-à-vis men. Conventional entrepreneurship training of women is an example of gender ameliorative training. Such training programmes aim at teaching women the techno-managerial aspects of managing microenterprises and thereby improving their condition within families and in the markets. In India, there are several different providers, including governmental, nongovernmental, international and membership organization are providing support for the capacity building of women entrepreneurs. For example, SEWA, The Association of Women Entrepreneurs of Karnataka (AWAKE), FICCI [Federation of Indian Chambers of Commerce and Industry] Ladies Organization (FLO), Myrada, Mahila Samakhya, RUSEC in Tamil Nadu, TREAD (Trade Related Entrepreneurship assistance and Development, envisaged in 9th five year plan in which capacity building is one of the component for self-employed ventures by women), etc.

Literature Scan

The purpose of this paper is to review on a series of different streams of research that deal with the issues of women entrepreneurship and changes occurred through capacity building process, both from global and national scenario. The sample is compiled following extensive electronic searches of the popular academic databases and research journals. A sample of 48 scholarly publications constituted the main data for analytical purpose. After clustering the studies in the sample according to their main research areas, an attempt was made to analyze the studies so as to arrive at a direction for research in capacity building and its impact on women entrepreneurs; this would help the researchers and the practitioner as well in the area. The studies were content analyzed based on the content, methodology and the areas covered in the studies

Analysis

Capacity is the ability of individual, organization and societies to perform function, solve problem, and set and achieve goals. Capacity building builds on and harnesses rather than replaces indigenous capacity. It is thus based on learning and the acquisition of skills and resources among individual and organizations. This study was conducted to gain insights on the research interests of the scholars and the direction research has taken in the literature. Thus, literature on the subject was analyzed after clusters the article based on their content article were categorized and group for convenience in analysis. A majority of the articles were *research based* pointing to the fact that capacity building has an significant impact to entails the sustainable creation, utilization and retention of that capacity, in order to reduce poverty, enhance self-reliance and improve people's lives...which was found to be worthy of investigation by the scholars. No wonder, the studies were *empirical in nature* aimed at different geographies and sectors. Literature review touches upon the point that how capacity building acts as powerful tool to intervene the issued faced by women entrepreneurial process. A majority of studies were empirical in nature aiming at exploratory insights on the evolving concept, approaches, activities and practices. Literature majorly evidenced (35.41%) capacity building occurred primarily at the organizational level. The major

thrust that capacity building provides to organizations is to develop skills and resources so that they can achieve their objectives and serve their stakeholders more effectively. The capacity building activities include improved governance (accountability systems and leadership), administration (human resource, financial management, and legal matters), planning (positioning, strategy development, innovation, project management-including project initiation, development and implementation), improving access to funding and income (marketing, fundraising, procurement and income generation) and more effective delivery of services (sector specific skills, partnership and collaboration, advocacy and policy change). Scholars (22.91%) also highlighted the impact of capacity building on women entrepreneurs and there are case studies are found in this direction. Literature raised different issues, some of which are common to all, others where comparisons and contrasts can be drawn. In particular in terms of what can be learnt about: Our understanding of capacity and capacity building; how we go about building, developing and mobilizing capacities; how we use evaluation in capacity development programmes and processes. There are several components of capacity building which helps women entrepreneurs to establish and run entrepreneurs successfully. Some of them are: build up self-confidence; provide guidance to women entrepreneurs to start and management of enterprise; promote women entrepreneurs' opportunities and capacity to effectively participate in the economy, including low-income women and women in small and remote villages; it provides examples on how the private sector can encourage and build the capacity of women entrepreneurs; expanding their access to extension service credit, education, information and training and influence the process of knowledge creation; investment in building the productive capacity of women entrepreneurs through networks, training which can pull women out of poverty, increase efficiency and empower them to engage in local, national and international markets; helps women improve their marketing activities in order to strengthen the export competitiveness of products and services of their small and micro enterprises; capacity building does not begin and end with Ngos, or with donors nor with "civil society" Rather, capacity building involves the whole network of relationships in society: within, between, and among households, neighborhood, grassroots or community based organization, union, training institutions, research bodies, government ministries, the private sector, NGOs and donor agencies-whether official or non-governmental with creating new relationships of mutuality and reciprocity within a given society and beyond and promote the setting up of funds for women-owned businesses, to improve their capacity to take advantage of global and regional trade agreements. Some of the literature reviewed (16.66%) define the concept of capacity building, advocate for capacity-building, equated capacity building with training and described the approaches to capacity building. It was interesting to note from the literature that capacity building from a strategic, statewide perspective is complex. There are many dimensions to capacity building, which are further complicated by the variations of geography. Donors themselves contribute to this complexity, creating a patchwork of funding and approaches based on their particular interests, geographies and philosophies. Literature (10.44%) has also pointed out that analysis of capacity and capacity building approached are carried out through three different levels of analysis. The individual (human skill), the organizational and the institutional. The

recognition of the relation between these three dimensions or levels is fundamental in the emerging paradigm for capacity building among the international donor community.

Some literature (6.25%) suggested that Capacity building indicators acquire operational value when they refer to concrete development objectives and the actors towards which capacity building project are directed. In abstraction, indicators lose analytic utility thus, to build indicators it is essential to address two central questions: capacity for what? And capacity for whom? Indicators of capacity of a statistical agency for example, will be different from indicators of organizational capacity of public bureaucracies.

Quite a few studies (8.33%) also emphasis on relevance of gender equality to capacity building, in which discussed about the feminist framework used for capacity building of women entrepreneurs. Feminist capacity development provides an opportunity to open up the frameworks and policies of capacity building and development to gender issues. We have cautioned against a gender=women approach to feminist capacity development so that the interplay between the private and the public spheres of people's lives are brought to the forefront of discussing the necessary capabilities for overcoming disparities. The paper draws attention to four contributions of feminist capacity development, 1) enabling the personal inside the notion of individual capacity; 2) supporting women organizing, and not organizing women; 3) stimulating learning and well-being of society as a whole, not just among women; and 4) trying new roles, often with a basis in leadership. These four contributions show that gender equality matters to the core capabilities envisioned by capacity development strategies and assessments. Some examples were cited from a few countries but realistically, recognize that this work is just starting and learn as more capacity development efforts come under the gender lens.

The literature, however, is scanty relating to the issues and impact of capacity building on women entrepreneurs in particularly both in the developed and developing context. Overall, the studies revolved around 6 major areas - the concept and approaches of capacity building, research studies, case studies/surveys, evaluations/impact studies, country specific studies and capacity building from feminist angle.

Conclusion

An attempt has been made in this paper to review the literature on capacity building and its impact on women entrepreneurs'. It is an established fact that more and more women are seeking economic opportunity and self-determination through enterprise creation. The issue of poverty particularly affecting women from economically and socially marginalized group and the second the broader issue of human rights violation affecting all groups of women are the two major problems seemed to confront women in the context of the globalization of the economy. Thus the challenge in this century is to work towards the economic, social and political development, many questions emerge about women's development in entrepreneurial contexts. Some of the questions merit attention relate to women transforming small business leadership in ways that may challenge traditional understandings of work, learning, career, and success; personal needs women meet through leading their own businesses; the kinds of knowledge do they value, and the way in which they develop this knowledge while growing a business; women's choices shaped by and shaping the changing dynamics and cultural discourses of their local socio-economic contexts? These issues were also adopted by

the 2000 OECD conference on women entrepreneurs in small and medium enterprise (OECD, 2000), which focused on improving knowledge about female entrepreneurship and its obstacles, fostering entrepreneurial culture and developing women-owned businesses. The assumption is not that women do not have any capacity and that it therefore needs to be 'built' from scratch. Rather, women learn each day through the very process of struggling for survival, security and autonomy. However women's learning can be enhanced if appropriate facilitated through external intervention. In this connection, the concept of capacity building explains how training and networking initiatives can serve as a possible route to building courage and confidence among women. However studies with larger sample in the developed and the developing context exploring the major role of capacity building in general and for women entrepreneurs provide contents of the studies with a new approach would provide clarity on certain issues concerning capacity building.

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