CHAPTER - II
THEORETICAL FRAMEWORK AND REVIEW OF LITERATURE

This chapter deals with review of the previous studies concerned to subject matter. In this chapter a brief review of research studies conducted by individual researchers and research institutions on empowerment of dalit women in India and also in Karnataka State will be presented.

At the outset, it is extremely important to note that the notion of women entrepreneurship is of fresh derivation. Though there have been more than a few instances of winning women entrepreneurs in the earth. A variety of school works have tinted this in order. A number of the reviews of the theoretical studies on entrepreneurship are available on top of.

2.1 Theoretical Framework

Joseph Schumpeter, (1950) is one of the founders of advance theories as well as notion of entrepreneurship. Silicon Valley may be one of the little spaces where business is motionless conscious of the ideas of Joseph Schumpeter. He is an Austrian economist who wrote about business cycles throughout the first half of the last century. He thought “The livelihood of free enterprise is ‘Creative Destruction’; companies mounting and declining would set free novelty and in the finish, make the economy stronger. Entrepreneurship forces “Creative Destruction” across markets and industries, concurrently creating new foodstuffs and business models. According to him, a woman industrialist is a human being who is eager and able to change the newest creation into a winning novelty. In this way, original obliteration is largely accountable
for the vitality of industry and long-run economic enlargement. In spite of Schumpeter’s early 20th century charity, “The conventional Micro Economic Hypothesis” had small room for women entrepreneurship in its theoretical framework. This study was presented at the “Annual Study Group Meeting of the Association of Christian Economists in Cambridge” on 7th July 2006. Schumpeter has said that “Necessity is the mother of Invention”, women entrepreneurship notion is built-in during the course of time. Joseph War. Schumpeter has seen both achievement and breakdown in his life. His commerce career included success but he recognized himself as bankrupt in 1924.

Klemke E. D., R. Hollinger and A. D. Kline, (Ed) (1980) have jointly experimental that, the ‘Behavioral Science’ encompass all the disciplines; travel around the behavior and connections among organisms in the normal world. The Behavioral Science also involves the methodical psychiatry and examination of person and mammal behavior from first to last proscribed and naturalistic untried observations and painstaking formulations. Women are now the overriding strength in small business possession and following in industries that were one time upon a time forbidden for women.

Boettke, Peter T. Leeson (2003) experiential that the women entrepreneurs may recognize that they are gifted to split a difficulty themselves. Perseverance and resolve are the three uniqueness of the world’s most unbeaten women entrepreneurs. They necessitate a high level of endurance for danger. They have to consider in themselves, from time to time next to huge probability. They have to be prepared to make a decision up the pieces and make over once more if at first they do not achieve incredible. The study has tinted that the Theory which describes
that Entrepreneurs emerge from the ‘Population on Demand’, is the mixture of opportunities and populace well-positioned to take benefit of entrepreneurs. Canada is a wealthy country in exceptional women entrepreneurs, large and tiny. The economic value shaped for country by this gifted and lively class of persons is extraordinary. Economists concur that the Canadian economy relies a great contract on strength of entrepreneurship, with a prevalence of small- and medium-sized companies manufacture up the mass of the economy. They contain ability, strength of brain, skill and synergy. They put into do their selected line of work to the highest global standards. They function their hold firms, big and minute. They dish up other companies, as long as much wanted professional flattering armed forces to a huge amount to numerous of the Canada’s triumphant small- and medium-sized enterprises. In this sight, the study things to see on both the distribution of in order obtainable to budding entrepreneurs and how ecological factors alter the speed of a society’s manufacture of entrepreneurs.

Gray (1992) describes empowerment as “a procedure which begin with conscientising populace about their own slanted knowledge in family member to the experience of others and to the background within which their knowledge occurs” (Gray, 1992:16). More, it aims at create independence from side to side making populace conscious of their rights, raise awareness and the height of the significance of teaching. Gray (1992:33) condition that the “empowerment replica provide understanding of the way in which power imbalance the connections flanked by people and social systems, and they add insight into the power dynamics at work in determining which part of the system will do the adapting. Mal-adaptations occur when one system is empowered at the expense of another” (Gray, 1992:33) hence empowerment seeks to
change those social dynamics which dis-empower people, notably women and those that are marginalized. Saleeby (1997:8) points out that empowerment is a method aimed at assisting individuals, groups, families and communities in order to discover and extend the resources within them and on their environment. Kindervatter (1979) in Gray (1998:54) is of the opinion that empowerment seeks to gain an understanding and control over social, economic and political forces which lead to improvement of one’s social forces in the community. Gray (1998:54) summarizes empowerment as a ‘tool’ that enables people to believe in themselves, to gain control over their welfare, to be in charge over their environment and their situation, to achieve their full potential, to become involved in political change, to vigorously contribute and to take manage and possession from side to side collective exploit. Additional, empowerment income to be empower in arrange to be in a place to work out manage and have utmost access to authority.

Gray and van Rooyen (2002:194) encompass espouse a theory, the strength viewpoint that underpins empowerment as a ‘tool’ for group of populace growth. They situation that the Strengths Perspective regard clients as associates or participant in the helping process as it focus on the strengths, assets, skills, capacities, abilities, malleability and inner capital of customers. The words of the power Perspective empowers customers and views them as survivors since they turn out to be participant in and facilitate the helping process. The center principles of social work are reflect in the Strengths Perspective words, chiefly, admiration for populace and communal fairness for all.

Amartya K. Sen the well-known Nobel Laureate in Economics (1983 reprinted in 2007) has examined a few basic relations in discussing
the women’s issues in economic growth. He has pierced that: “conflicts of attention stuck flanked by men and women are different other conflict, such as class conflicts. Personnel and a capitalist do not typically live together under the same roof – sharing concerns and experiences and acting jointly. This aspect of ‘togetherness’ gives the gender conflict some very special characteristics”.

Sen has propagate the thought of ‘Women Agency’ as a approach of Women Empowerment, which he has devised as part of his most important payment into economics Viz., ‘Human Capability Approach to Development’. This new example of development is more widely discussed since 1990’s whereas Sen’s idea of ‘Women Agency’ is, though, not discussed. As a result, we propose to (a) clarify the Sen’s concept of ‘Women Agency ‘with a sight to transport out why the program of development or wellbeing of women could be and ahs to be dissimilar from men; (b) examine Sen’s views on how ‘Women Agency’ move toward could be used to empower women; and (c) be familiar with broad range of applicability of women organization idea in promote the goals of women empowerment both in urbanized and rising earth.

The idea of women organization as distinct by Amartya Sen imply acceptance of plan of communal bargain with a set of goals to be achieve which women think as very necessary and significant for empowerment. In information, Sen’s idea of ‘Women Agency’ is a practical tool resultant from the individuals overall’ evaluative space’ devise by him. The ‘Evaluative Space’ includes individual or personal ‘well-being’ and individual overall agency goals. According to A.K.Sen, the agency goals are necessary to attain one’s own beginning of happiness. To do this, Sen
says the goals will contain to be achieved, and to attain them liberty is essential. Thus Amartya Sen believes that the above dissimilarity can be practical to ‘Perspectives of happiness and the agency’. Consequently, the worldwide logical structure evolve by A.K.Sen to assess a person’s wellbeing include four concept Viz., (a) ‘Well-being achievement’; (b) ‘organization achievement’; (c) well-being freedom’ and (d) organization freedom’. These four concepts are, according to Amartya Sen, are connected to one more and are also dissimilar from each additional. An appraisal of all these four types of reimbursement entails, according to A.K.Sen different types of evaluative movements.

2.2 Review of Empirical Studies

Saujanya (2007) experiential that relative psychoanalysis of successful and ineffective SHGs in Gadag district of Karnataka. Five taluks of Gadag district were chosen for the study, from these taluks eight SHGs were chosen from those villages where highest number of SHGs were in service and from every SHG, 56 members were randomly select and the result of the study exposed that the profits generating activities in use up by the members of SHGs were farming (43.75 per cent), dairy (20.53 per cent), sheep education (19.64 per cent), goat education (16.07 per cent), couture, agarbatti (4.46 per cent each), roti, petty supermarket (3.57 per cent each), vermicelli, bangal auction, detergent (2.68 per cent each) and flower promotion (1.79 per cent).

Suneetha (2007) deliberate the profits generating behavior from side to side DWCRA programme in Kodumur mandal of Kurnool district in Andhra Pradesh and establish that 8.57 per cent of beneficiary had undertaken palm mat weaving, sheep education was taken up by 7.90 per
cent, trycart (7.54 per cent), handloom weaving (6.89 per cent), cobbler (6.73 per cent), stone cutting implement (6.44 per cent), off the rack garment (6.06 per cent), thunga mat weaving (5.02 per cent), bullock cart (4.22 per cent), cloth commerce (3.78 per cent), leaf plate making (3.58 per cent), vegetable transaction (3.27 per cent), stone wounding (2.53 per cent), couture cut pieces (2.34 per cent), infra manufacturing (2.17 per cent), bullock tyre cart (2.08 per cent), petty shop (1.90 per cent), Milch animal (1.85 per cent), kirani shop (1.72 per cent), fruit transaction (1.40 per cent), lime ablaze (1.35 per cent), other activities (9.42 per cent).

Manimekalai and Rajeswari (2002) conduct study at Tiruchirapalli and Karur districts of Tamil Nadu experiential that the women members of SHGs were wedded. However, approximately 14 per cent of enterprises were sprint by widows who got no maintain from their families and had ongoing enterprises for their endurance.

Annapurna (2004) in his learns on empowerment of women through SHGs concerned in post-harvest behavior in Dharwad, Gadag Uttara Kannada districts of Karnataka. From these chosen districts 159 women members from 30 SHGs were elected for the revise. The researcher establishes that uppermost percentage of the respondents were conjugal (88.00 %), least proportion of them were single (1.90 %), widows (8.20 %) and alienated (1.90 %).

Bharathi (2005) in her study on appraisal of SHGs promote under NATP on empowerment of women in farming in Dharwad and Gadag districts of Karnataka, for the study, a sample of 120 respondents was chosen by purposive example method from the four villages among the villages elected by the NATP. The canvasser pointed that greater part of
women (87.5 per cent) were conjugal, 9.2 per cent of them were widows and only a miniature per cent (3.3 per cent) of them were unattached.

Bharathi (2005) conduct a study on appraisal of SHGs promoted under NATP on empowerment of women in farming in Dharwad and Gadag districts of Karnataka, reported that majority of respondents (57.5 per cent) belonged to nuclear families and 42.5 per cent belonged to combined families.

Samuel (2006) conduct a learn on empowerment of women from side to side micro finance. The study was conducted in Kodaikanal taluk of Dindigul district. From the taluk six villages were chosen based on uppermost number of SHGs, from each of the selected villages, five groups were selected based on income generating activities and from each group three members were selected, thus a total of 90 members from 30 groups formed the example size and she establish that 91.2 per cent of the members belong to nuclear family and 8.8 per cent were belong to combined relations.

Sasi Prabha (2009) in her study on “Micro-Finance in Rights-Based Integrated Rural Development” Integrated Rural Development of Weaker Sections in India/WIDA is an NGO operational with tribals and other susceptible communities in Koraput and Malkengiri Districts of Orissa. Their aim is "to escort the poor on a long term basis to fulfill the programmes of ability structure, group of people organization, empowerment and sustainable development through a methodically designed process of human potential development, natural resource development and the development of people made resources." WIDA currently covers 250 villages with a package of Integrated Rural
Development Programmes: teaching for development, health and nutrition, individual, community, leadership training, cadre building, skills and technology training, training on women rights and issues. Capacity-building for women’s group investments and a rotating capital fund as mechanism of micro-finance are part of this programme.

Richard L. Meyer (2001) experiential that the microfinance can donate to poverty mitigation and food safety. It does this from side to side supplying loan, investments and other monetary services that augment investment, diminish the cost of self-insurance, and supply to consumption smooth. India has extended microfinance, but it has not yet urbanized a strong system capable of serving huge numbers of deprived in a sustainable style. Unquestionably, the legacy of directed credit with its top-down approach to lending and the prevalence of highly subsidized state and national poverty projects and programmes retard the development of true market-oriented rural microfinance. The policy of supporting SHG linkages with banks has value in a nation with a large bank system, but it should not be the only model confident. Additional efforts are wanted to create and nurture spirited MFIs willing to trial with other models.

Stanley Fischer (2003) experiential that the microfinance can assist to people for eradicating scarcity, but also can be an successful plan to reach other Millennium Development Goals, particularly those relating to promoting children’s education, civilizing health outcomes for women and children, and empowering women. Improvements in these areas can be unrelenting only when household have greater than before salary and greater manage over financial resources.
James Copestake, Susan Johnson and Katie Wright (2002) highlight that microfinance armed forces add to development by adding worth (benefits to society exceed costs). They condition that the key equation is whether costs of stipulation are less than the benefits (net of transaction costs) to clients. If they are, then business is likely, with benefits shared between provider and user according to the price that is struck between them. The scope for commerce can be improved by lowering the cost of provision of the armed forces, as well as by developing new crop that better serve the needs of customers.

Lakshmanaswamy.T (2009) in the study of “Financing the deprived and marginalised: Financial institutions Vs Micro Finance” has attempted to study the limited role of financial institutions in inspiring the deprived and weaker sections and tried to assess the significance of microfinance and its role and effects on the deprived. The commercial financial institution is praise constrained because of the in order asymmetries and collateral supplies. The microfinance programmes check the defaults through joint liability group lending. The paper has put forth the point that the financial institutions are well located to undertake redeployment of gains from economic reform through microfinance schemes. From side to side the microfinance the commercial banks could oppose the security supplies and through joint liability group lend the non-payment could be abridged. The monitoring costs, informational asymmetries and enforcement problems could also be minimize. The sustained supply of credits by the financial institution to the microfinance programmes will make sure their sustainability and greater outreach. The refund of loans by the group could also make sure financial sustainability for the banks as well as entrepreneur, ultimately most important to steady profits basis for the weaker section.
Anitha.H.S and Ashok D.Revankar (2007) in their study of “Micro-credit through self-help groups for rural development” experimental that the success of these self-help groups not only enhanced the economic status of the women worried, but there is also a drastic change in their social status. SHGs developed human dignity among the deprived and women. Women was no one previous but an important person at the present. In the procedure of rural growth SHGs certainly have a prospect role to engage in recreation.

Laxmisha A.S and Shyamsundar (2009) in their study on “Micro-Finance and Self Help Groups in Karnataka” opined that the SHGs have been charitable enormous reimbursement since micro-credit has surely been playing its major role in poverty lessening. Although the group is growing fast, the achievements are still scanty. To reinforce this sector, the union government has moot the micro-financial division Bill 2007. The supplies of this bill, if implement in letter and strength as a part of more concerted efforts, certainly assist to reach the ‘unreached’. Also, the policy recommendations be supposed to be implemented in toto. Come what might!.

Aditya Kumar Patra (2009) in his study of “Self Help Groups and Micro-Finance – A Synergic Integration for Rural Development” correctly experiential that the linking of SHGs to micro finance is of current source. The contemptible and subsidized acclaim is not enough rather what the deprived really need is better right of entry to these services and products. Therefore, it was felt that alternative policies, systems and events related to investments, loan crop, complementary armed forces and delivery device is essential to fulfill the aspirations of
the poorest of the deprived in general and women in exacting. There has been a whole rethinking at the financial strategy level on how to make the rural financial system feasible and access welcoming for the deprived. The stress therefore was on civilizing the access of deprived to micro finance quite than just micro credit.

Sujithkumar.P.S (2009) the study free “Micro Finance and Rural Livelihood diversification”, analyzed the role of micro finance in livelihood security of the rural community. He argued that the micro finance programmes have the possible to address the evils of the rural households in several customs. Banks alone can’s satisfy the credit needs of the rural population more over banks prefer to lend to large venture than rural households because of a variety of reasons. In this context micro finance through self-help groups is the answer for economies like India. Micro finance programmes make easy rural livelihood to keep a diversify income outline. The process of living diversification in rural area has to be strengthening to reduce the risk and uncertainty in the income earning capacity of rural people and to smoothen the income flow so that the rural poverty can be brought down and the levels of living can be enhanced. As a result of growing credit of this, increased attention has begun to be paid in recent years to the development of policies and programmes for diversifying the rural economy with a view to creating employment opportunities in rural non-farm activities and micro finance institution can play a major position.

Rangappa.K.B and Miss Renuka Bai (2009)in their study on “Performance Evaluation of SHGs in Micro-financing – A Case Study in Tholahunse Village of Davangere District” opined that the performance of SHGs in promoting members participation in bank transaction as well
as inculcating saving behavior among the members is very much reasonable. Thus, SHGs could become the effectual conduit for accomplish the distributive object of monetary strategy.

Manoj.P.K (2009) opined that the micro finance is fast up-and-coming the world more as an effective instrument for poverty mitigation, evenhanded and inclusive growth, and women empowerment. In India, there has been imposing growth in micro-finance activities over the three decades or additional. Microfinance of the kind of SHG Bank Linkage replica has been establish to be of the most popular kind in the Indian background.

Vetrivel.S.C & S. Chandra Kumarmangalam (2010) they together experiential that “Role of Microfinance Institutions in Rural Development” observed that deprived recognition. Deficiency. This military them to have a loan of from local moneylenders at excessive interest rates. A lot of revolutionary institutional mechanism has been urbanized.

Naresh Singh’s (2009) study “Building Social Capital through Micro-Finance: A viewpoint on the Growth of Micro-Finance Sector with Special Reference to India” is based on the basis that scarcity has its own society. Social system and sub-system of this public are built on development. The rich are develop the underprivileged by putting them into a debt-trap of money-lending system. This system exists everywhere in the world wherever poverty exists. The poor nation need money for their continuous existence and as a result of it they become the part of the vicious circle of poverty where at one time they approach
to the moneylenders and the other times to formal monetary institutions. Micro-finance is a meddling based on social intermediation in which underprivileged people can mobilize their savings, link it with credit and finally become casual. It results in building social capital. In the present paper an attempt has been made to understand the growth of micro-finance at global level in general and in India in particular and how micro-finance sector can make a payment considerably for building social capital. From the review of writing on micro-finance, it has been revealed that there is a high demand of micro-finance all over the world. Moreover, micro-finance is not limited to rural society or developing countries only; it is equally applicable to urban civilization and developed country as well. In India, the need for micro-finance is higher as the demand for credit to start micro-enterprises by the deprived citizens could not be met by the institutional initiatives of rural finance up to large scale.

Due to the failure of percolation theory of social development, poor people are highly dependent on non-institutional sources of credit. Financial Achilles' heel of the Jajmani System also gave way to amplified non-institutional sources of credit. It all happened in the face of the high opportunities of employment creation that lie in agriculture sector and RNFS (rural non-farm sector). Enlargement of micro-finance in India has been in response to the failure of institutional initiative of pastoral credit and exploitation emotionally implicated with familiar system of credit. Knowledge from the achievement of Grameen Bank - Bangladesh, many NGOs in India came forward to promote micro-finance. At in attendance about 1000 NGOs are implement micro-finance projects in India. Some of them are leading
MFIs (micro-finance institutions) in concert the role of social intermediation and structure social intermediation. These MFIs have adopted different strategies of people’s livelihood through micro-finance let go. These strategies have also been discussed in this article.

Mihir Shah, Rangu Rao and P.S. Vijay Shankar (2005) in their study of “Rural Credit in 20th Century India An feeling of History and perspective” practical that the rural credit in 20th century India find a extraordinary durability in the evils faced by the disadvantaged all through this period. These include dependence on usurious moneylenders and the deed of a powerfully unfair grid of interlock, flawed markets.

We eloquent the hypothetical and chronological container for nationalization of banks and supply data of its optimistic accident on rural credit and growth. Convinced excesses led to reform unleash in the 1990s. This did enlarge bank prosperity but at the cost of the deprived and of rearward region. While the MFI mock-up of microfinance is indefensible, the SHG-Bank Linkage move toward can make an optimistic impact on safe haven and empowerment of the deprived. Much more than microfinance is required to conquer the problems that have persisted over the last 100 years.

Naveen K Shetty(2009) in the study of “The Microfinance Promise In Financial Inclusion And Welfare Of The Poor: proof From Karnataka, India” experiential that Microcredit is a new totaling to India’s poverty-alleviation policy. Of late, there has been a pattern shift from microcredit to microfinance. This study examine the guarantee of microfinance in the adding of unlucky, who have been left outside the scale of formal financial markets for a long era of time. The study also
examines the impact of microfinance-plus armed forces on the people economy of the member. This paper uses main data on household member of microfinance programme in the state of Karnataka. We find that a majority of the example households in the pre-microfinance programme were vulnerable to both access the financial and non-financial services. In the post-microfinance intrusion, a large number of the affiliate households are able to right of admission the microfinance-plus armed forces and it has healthier the income, employment, assets, family expenditure, accommodation state and empowerment of the poor. Strategy recommendation includes delivery of microfinance-plus armed forces to the marginalized and vulnerable unlucky at a smallest amount cost will have wider crash on the socio-economic well-being of the disadvantaged.

Tripathy.K.K (2010) experiential in his studies of “Micro-Credit intervention and poverty alleviation” that Microfinance, which includes micro investments, is progressively on the rise as one of the most effective strategy to alleviate poverty. It can professionally generate employment and maintain the income of the households by giving them possibility of work. Although micro credit institution is capable armaments in the war against rural poverty they alone cannot counteract non physical symptoms of poverty which divest the deprived of a full social survival. Efforts are needed to endorse and make stronger micro finance institution to optimize their war alongside poverty.

Niels Hermes Robert Lensink (2012) in the study of “Impact of Microfinance: A Critical Survey” opined that, it is unclear whether microfinance add to a decrease in scarcity or is the most well-organized method to decrease scarcity with no extra measures in area such as
education, health and infrastructure. The entry of commercial banks in to microfinance may supplement the competition for traditional microfinance institutions and decrease lending to the core poor, even if it get better monetary sustainability.

Soundarapandian.M (2013) in the study of “Microfinance for rural entrepreneurs – Issues and Strategies” pragmatic that though there is a optimistic growth rate of SHGs in states but in stipulations of the improvement rate of SHGs there is a wide difference in the middle of state. Linkages of banks with SHGs are established not possible for this difference.

Smita Mehrotra and Sunita Mathur (2014) have empirical that the study of “Growth of Institutional Credit” that over the years institutional source of money have spin out to be a most important spring of rural funding. To match up and harmonize the execution of institutional agencies, NABARD was set up in 1982 as a refinance and apex institution. Commercial banks have surpassed the cooperatives in providing rural praise in the recent past. Some new scheme as the Kisan Credit Card and Self Help Group Bank Linkage Programme have been devise to generate rural credit more easy to get to farmers. With the gradual add to in country income and agricultural exports the next few years would witness a considerable increase in the stress for rural credit. These modify may require involvement of monetary agencies or groups such as SHGs. This will call for better refinance facilities from NABARD and correct reserve management at the central and local stage.

2.3 Research Gaps

The review of writing presented above reveal that research on
country women empowerment is in short supply and sprinkled with only a few in-depth studies of very limited nature. It also reveal that present is wide scope for investigate on women entrepreneurship particularly in developing countries like India. Till now only few studies have touch upon upliftment of women through micro credit. As a result, this study mainly related to upliftment of women through micro credit. It is the right time to study about the progress and performance of rural women entrepreneurs under altering global situation. Only few studies have taken an incorporated view of the concept of rural dalit women empowerment in regional importance by the researchers about the above stated topic even in Karnataka in general and in Mysore district in particular. In order to fill this gap the present study is undertaken.

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