

**Entrepreneurs in the Nonprofit Sector:  
A Study of Women Entrepreneurs of NGOs in India**

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## **Abstract**

Entrepreneurial activity attracts certain kinds of individuals. Such self-selection is not a random event, but is influenced by a variety of socio-economic factors as well as individual personal characteristics. In this context, this article examines women entrepreneurs in a particular segment of the nonprofit sector in India and looks for the socio-economic factors, personality characteristics and cultural factors that explain the self-selection into entrepreneurial activity in the nonprofit sector. We suggest that the characteristics that attract women into entrepreneurial activity will be different in the nonprofit and for-profit sectors. Our research confirms the findings by other scholars that suggest that nonprofit entrepreneurs receive a high payoff from promoting social causes. Our findings suggest that cultural factors such as social class may also play an important role. Furthermore, nonprofit entrepreneurs share certain characteristics with their counterparts in the for-profit sector. Notably, they are risk takers, come from financially secure backgrounds, have access to childcare and support for household duties, and place a high premium on independence.

## **Section 1. Introduction**

Women's nonprofit organizations have long played an important role in the lives of women in many parts of the world. In North America, prior to the influx of women into the workforce in the mid-twentieth century, many women found socially sanctioned work outside the home through congregations and other voluntary organizations. In India, well-educated and affluent women also found socially sanctioned work outside the homes in the voluntary sector. They worked as volunteers under the aegis of religious organizations and for many private social service nonprofits dedicated to the alleviation of poverty. Participation in nonprofits in India gave women an opportunity to enter the social and political spheres in ways denied to them by the for-profit and public sector.

Many important changes in women's lives are a direct result of the intervention of NGOs (nonprofits often referred to as NGOs in India). NGOs in India dealing with women's issues often focus on advocacy for women's rights or are directly involved in providing services for women. Although legislation in India does in most instances protect and promote women's rights (such as access to free education, prohibition of child labor, etc) NGO intervention aids in enforcing such rights. (Sinha and Commuri, 1998). Furthermore, NGO proliferation can often alter the political context in which women live and function (Fisher, 1998).

Many of the local NGOs that focus on issues related to women (and children) are founded by women (Carr, Chen and Jhabavala, 1996). In this research we focus on those women who pioneered these NGOs. We study these individual entrepreneurs, who successfully mobilized people and resources required to establish new NGOs. We ask the

following questions: What are the characteristics of female entrepreneurs in this sector? What motivates them? In what way do they differ from women entrepreneurs in the for-profit sector? And, are there any cultural factors relevant to entrepreneurship of NGOs in India?

We have chosen to study NGOs in the state of Maharashtra in India where women play an important role in initiating nonprofit organisations especially those related to gender issues (Jani & Pedroni, 1997). To focus on entrepreneurship for nonprofit organisations and gender related issues, we have chosen a sample of NGOs dealing primarily with women's issues in India that have been founded by women. These will include NGOs that deal with literacy, women's working conditions, day-care, health and reproductive rights, political participation, and employment--- issues that relate to the women and children.

## **Section 2. Literature Review: Characteristics of Women Entrepreneurs**

Many previous studies in the entrepreneurial literature have attempted to identify which individuals choose to be self-employed in the for-profit sector (Evans and Leighton, 1989; Schiller and Crewson, 1997; Brandstatter, 1997; Blanchflower and Oswald, 1998 to mention a few). There has been some work on the characteristics of women entrepreneurs in the for-profit sector (Blau and Robbins, 1989; Brush, 1992; Caputo and Dolinsky, 1998). The literature is rather thin on the characteristics of nonprofit entrepreneurs with a few exceptions, which however remains gender neutral in its analysis although the first two studies cited include female entrepreneurs in their samples or case studies (Young, 1983; Pilz, 1995; Bilodeau, and Slivinski, 1996).

Certain characteristics emerge for women entrepreneurs in the for-profit sector from the literature review. Women entrepreneurs, for example, are likely to have young children. To overcome childcare cost considerations and absenteeism of parental involvement, women with young children are likely to pursue self-employment. The greater the costs of childcare relative to the mother's wage potential the less likely the woman will seek employment outside the home. Self-employment affords many women flexibility in managing employment work, childcare and domestic work. Several studies have found a positive relationship between the presence of young children and self-employment (Blau and Robbins, 1989; Presser and Baldwin, 1980; Caputo and Dolinsky, 1998).

The traditional argument is that employment in the market imposes childcare costs for women that deter female participation in the labor force. It is assumed that self-employment with its flexibility in time and location can accommodate childcare needs at relatively low costs. Thus, if expected earnings from self-employment exceed the wages earned from employment less childcare costs, the woman is likely to choose to self-employment. Other authors have argued that there exists a non-pecuniary utility from the independence of being self-employed (Blanchflower and Oswald, 1998) which entrepreneurs' value and this affects their decision to seek self-employment.

Thus for a woman to choose self-employment:

$$\text{Market wage} - \text{cost of childcare} < E (\text{self-employed wage}) + U (\text{Independence})$$

[Where E= expected value and U = utility]

Nonprofit entrepreneurs, in addition to the above, obtain utility from promoting a cause in which they believe and to which they are emotionally connected (Young, 1983; Pilz, 1995). Along similar lines, Frank (1997) has shown that individuals have higher reservation wages for employment in a for-profit firm as compared to an NGO. This suggests that the market wage, in the case of a nonprofit entrepreneur would have to compensate them for the loss of utility on both counts. Thus the decision for a woman to be self-employed in a NGO would be based on the following:

Market wage - child care cost < E (self-employed wage) +U (promoting a cause)+ U (independence)

The expected (self-employed) earnings in NGOs is relatively low, due to the type of the NGOs selected and their charitable status where no surplus or residual can be distributed to the owners or managers (Preston, 1989). Thus, only an individual who is highly committed to the cause of the NGO and derives significantly high utility from founding such an organization would be likely to sacrifice relatively higher market wages to found an NGO.

If we assume that all potential entrepreneurs can command equal wages in the market and have equal childcare costs, then an individual with a positive utility from the output of the NGO will more likely choose self-employment than an individual seeking self-employment in the for-profit sector. A nonprofit entrepreneur will require higher market wage to accept employment in the market as compared to the for-profit entrepreneur, *ceteris paribus*.

Thus, despite the historical evidence of low monetary rewards in the nonprofit sector, we see a growth in the number of nonprofits. (Sen, 1998). As the above discussion indicates, that as long as some individuals have a positive utility associated for the mission of the NGO, then low monetary rewards in the nonprofit sector will not prevent them from choosing a nonprofit enterprise over employment or self-employment in the for profit sector.

Lack of financial capital is frequently mentioned as a constraint in starting an enterprise (Van Praag and Van Ophem, 1995). Inheritances and other financial assets that can contribute towards securing financial capital are found to positively affect decisions to seek self-employment (Blanchflower and Oswald, 1998). Household income was found to be an important factor affecting decisions for self-employment in the for-profit sector (Connelly, 1992). High household income can cushion the risk and also provide the necessary financial security in times when self-employment income is low.

Nonprofit organisations generally have smaller start up costs in terms of capital, budgets, and staff as compared to for-profit organisations (Pilz, 1995) The NGOs in this study are primarily service organizations that start on relatively very small budgets. The financial capital requirements are relatively small, and therefore the risk is rather limited as compared to the for-profit sector. Thus, we suggest that the financial capital of the household will have less influence in the women's decision to seek self-employment in service providing NGOs than in the for-profit sector. However, in both cases high household income can provide certain financial security that can promote

entrepreneurship. Thus the household's financial resources will affect decisions on self-employment in both sectors.

In a theoretical model of nonprofit entrepreneurs, Bilodeau and Slivinski (1996) suggest that individuals who choose to become nonprofit entrepreneurs will be those who incur relatively small private costs, or get a high private payoff from the mission of the nonprofit. They argue that if the public good produced by the NGO is one to which private contributions are relatively small, the entrepreneur is more likely to come from the center of the wealth distribution. This suggests that the entrepreneurs in our study should come from a middle income range, as they incur relatively small costs (little required in terms of capital) and receive a high utility from their actions and run NGOs to which private contributions are small.

In the case of women entrepreneurs, the presence of a husband to share household related chores can influence the decision to be self-employed (Presser, 1989). In examining the presence of a husband on women entrepreneurs in India, we recognize that there exists a different living and family arrangement than those encountered in the studies mentioned above. In India, it is the social norm that a married couple will live with the husband's family in an 'extended' or 'joint' family arrangement, which involves shared domestic and financial responsibilities. Thus the husband's household role is augmented by the extended family structure of the household. Furthermore, upper and middle-income households may have access to relatively inexpensive labor to help with household and often child care chores. Thus the marital status and household living arrangements will affect the decision to seek self-employment.

Having an entrepreneurial husband is also found to influence and support the women's decision in becoming an entrepreneur. This occurs through mentoring, role modeling, and making available experience and knowledge in securing loans, dealing with regulations etc (Caputo and Dolinsky, 1998). The role of family members providing human capital has been found to positively affect a women's decision to become an entrepreneur (Cooper, Gimeno-Garcon and Woo, 1994). In the case of a nonprofit entrepreneur having a self-employed husband may act as a deterrent. We suggest that such influence will be an important factor in the decision to found a NGO, but in a different way, as we will explain later. A study by Hisrich (1986) found that the majority of women entrepreneurs in the for-profit sector in the USA, were married, from middle and upper middle-class families, and had a college degree and operated mostly service-related businesses. We expect that the entrepreneurs of NGOs who are successful in advocating for change will have training or previous experience in social issues and some educational qualifications to enhance their credibility.

In summary, the probability of seeking self-employment in the nonprofit sector for women may increase with the level of family income, with the number of young children present and household members assistance in the childcare and domestic duties, educational training or previous experience in related issues, and the mentoring role of family members. We suggest that the high non-pecuniary payoff from pursuing the mission of the NGO will likely be the single most important factor in NGO entrepreneurship given low expected monetary earnings. In the next section we discuss this issue further and other personal characteristics of the entrepreneur.

### Section 3. Personal and Cultural Characteristics of Nonprofit Entrepreneurs

Several authors have suggested that nonprofit managers and founders are different in many ways than their for-profit counterparts. They are often driven by motives other than profit and often self-select themselves into the nonprofit sector (Young, 1983; Weisbrod, 1988; Frank, 1996). This argument is often used in explaining the systemic wage differential between the nonprofit and for-profit sectors. It is suggested that there is a self-selection of individuals into the nonprofit sector who are sufficiently committed to the cause of the NGO, and therefore are willing to eschew monetary benefits in lieu of the non-monetary benefits of serving the cause of the NGO (Handy and Katz, 1998).

Weisbrod (1988) suggested that those choosing to work in the nonprofit sector (lawyers in particular) were not only motivated by income enhancement, but also public spiritedness manifested in work related to social justice issues. Dennis Young (1983) in "*If Not for Profit, for What?*" provides an interesting approach to different stereotypes of entrepreneurs in the nonprofit sector. He classifies his entrepreneurs by their 'primary source of satisfaction' and suggests types of individuals who are more likely to occur in the for-profit and nonprofit sectors. Young (1983) suggests that the entrepreneur likely to be attracted to the type of NGO in our study will be the '**believer**' whose principal source of satisfaction comes from the "pursuit of a cause or mission", or the '**professional**' whose principal source of satisfaction comes from the "acclaim of disciplinary peers".

Pilz (1995) finds that nonprofit entrepreneurs are driven by personal experiences, perceptions of community needs and desire to provide services to others. Nonprofit entrepreneurs are as likely as for-profit entrepreneurs in such characteristics as

willingness to take risk, self-directedness, leadership and innovation, however their focus is on what they can do for others.

McClelland and Watson (1973) suggest that different entrepreneurial skills are required in different sectors/industries, however that they share certain similar characteristics: talents in promoting ideas, organizing people and mobilizing resources. Brandstatter (1997) has suggested that entrepreneurs in the for-profit sector are emotionally stable and independent, and there is no a priori reason to expect for nonprofit entrepreneurs to be different in this respect.

There also exists an interdisciplinary literature on the cultural aspects of entrepreneurship in the for-profit sector (Berger, 1991). This literature departs from the usual literature and argues that that entrepreneurship is influenced not just by factors such as risks, capital constraints, expected earnings, but also by social forces such as morals, norms and values. This forms the context within which individuals pursue entrepreneurial opportunities.

Nafziger and Terrell (1996) examine entrepreneurial characteristics for long-run survival of firms in India. Although they deal with for-profit firms, it is interesting to note that firms founded by entrepreneurs in higher castes are most likely to survive, but that increased education of the founding entrepreneur reduces the survival rate. This, they argue provides evidence that opportunities outside the firm are important in predicting firm survival. Another study of entrepreneurship in the for-profit sector in India shows that structural determinants such as religion, culture and socio- political conditions were as important in explaining the entrepreneur as were individual characteristics (Gupta,

1991). Although both these studies are based on for-profit entrepreneurs, similar factors, with relevant variations, may influence NGOs entrepreneurs. For our sample of entrepreneurs, which are from one geographical area in India, we believe, like Gupta (1991), that 'caste' will be an influential cultural determinant, although this aspect may not explain the gender differences among entrepreneurs.

To understand the relevance of 'caste' as a cultural influence, we briefly describe the caste system in India. First envisioned in the *Vedas* by Manu,<sup>1</sup> society was divided into four distinct categories of individuals: Brahmins, Vaisyas, Kshatriyas, and Shudras. This division represented the dominant mental attitudes of people. Such division explained broad differences amongst attitudes, behaviour and preferences which it was suggested would lead to a natural self-selection into four categories of professions.<sup>2</sup> Hence each caste represented a professional category: Brahmins the intellectuals, Vaisyas the traders, Kshatriyas the warriors, and Shudras the workers. For a variety of reasons, and over time these professions became rigid, hereditary and hierarchical within families and tribes, developing into an immutable caste system.<sup>3</sup>

Individuals are born into certain castes and due to the rigidity in the caste system there is no movement between castes. They are often pressured into family professions and those prescribed by 'caste' through societal norms and values and family. The rigidity and hierarchy of the caste helps shapes the attitudes, expectations and preferences. So although the mental attitudes of an individual born into the Vaisya caste may resemble that of a Brahmin, societal norms may not allow the Vaisya to become a priest, a profession reserved for a Brahmin<sup>4</sup> Thus, although the individual's mental attitudes may

not always be entirely predetermined by their caste, given a social system as hierarchical and immutable as the caste system, it can influence and constrain individuals' choices considerably. Caste, thereby becomes a cultural determinant that may often explain the choice (or lack thereof) of the person's profession.

Based on our discussion of the NGO entrepreneur earlier, it is likely that the Brahmins, the intellectuals, who are interested in issues of justice and norms are likely to receive significantly more utility from pursuing the mission of the NGOs. Highly intellectual and prone to preaching and sermonizing, the Brahmin makes a good advocate for social causes. We suggest that such an individual would be a likely candidate to found an NGO dealing with social justice issues.

Furthermore, there is a pragmatic reason why the Brahmin makes a good and effective NGO entrepreneur in pursuing work related to changing social perceptions. In the hierarchy of castes, the Brahmin ranks highest, and is therefore the most respected member of the society, generally feared and revered by the lower castes. Most of the work in the NGOs (in our study) is directed towards women who are poor and come from low castes, including the untouchables. A high-caste and educated Brahmin who pleads and advocates on the behalf of untouchables and other lower castes is more effective and acceptable in a society that is stratified by castes. The high status accorded to Brahmins helps to legitimize socially controversial issues that NGOs engage in, and serves to protect the NGO and its workers against some of the negative impacts of dealing with socially sensitive issues.

The discussion above suggests that the cultural factor such as caste may influence the decision to seek self-employment in an NGO in India along with the other characteristics suggested by Young (1983), McClelland and Watson (1973), Weisbrod (1988) and Pilz (1995), and the socio-economic characteristics suggested in Section 2.

#### **Section 4. Methodology**

There is no single database on NGOs in India that includes data on the founders, staff and organization. Using the Directory of Organizations working on Gender Issues published in 1996 by the Coordination Unit in New Delhi, nonprofit organizations in around the city of Pune (population 1.56 million in 1991) were initially identified. From this database we made a list of those organizations whose founders were listed as women and whose primary mission was related to women's issues. We did the latter by reading the 'objectives' and the 'areas of focus' listed for each organization. For example, if their 'objectives' were to produce educational materials and conduct research and training, we looked to the 'area of focus' to ascertain whether their objectives had a gender focus related to women. Although most of the NGOs dealt with issues related to rural women, many of the offices of NGOs were located in and around Pune. All of the NGOs in our sample were involved in providing services to women and children, and in advocating for women's rights.

To include NGOs that were established after 1996, we searched the telephone directories and approached larger NGOs in Pune for references. From this list we excluded those NGOs that did not deal with women's issues and whose founders were not women. We arrived at a final list of 26 NGOs (pre-1996 from the Directory of

Organizations working on Gender Issues, and post-1996 organizations from telephone directories and word of mouth) meeting the criteria for our study. These criteria were that the NGO was founded by a woman, who was currently alive, and that the NGO was involved in promoting women's issues.

We contacted the NGOs by telephone or letter and introduced the authors and the project. We followed this up by telephone calls to ascertain whether the founder of the organisation would agree to a 2-hour interview. Twenty of the NGOs (77%) agreed to participate in our study. We conducted in-depth interviews, which consisted of both a structured and unstructured interview. We encouraged the founders to speak to us about the chronology of the founding of the NGOs and probed into what motivated their decisions. We used two instruments, one for organizational characteristics (the data was collected for another study) and one for the characteristics of the founder which included self-evaluation. We also conducted follow-up interviews with the staff in order to ascertain more information on programs and look at financial and other relevant documentation. In some cases, we needed to use further follow-up interviews or telephone calls to complete missing information and to triangulate the data where necessary.

In this paper we will report the findings on the characteristics of the entrepreneur to verify if there are certain characteristics more likely to be found in a NGO entrepreneur. Based on the discussion above, we expect that a 'typical' NGO entrepreneur will start an NGO for several reasons. Although we believe that socio-economic characteristics may be influential, they may not be sufficient in predicting the likelihood

of women taking up self-employment in the nonprofit sector. We believe that the essential criteria are a personal conviction that the issues are important and a commitment to further the cause of women. This will be evident from their self-evaluation but also from their professional and family background that will have helped shaped their worldview and indicated their preferences for such causes.

Since our sample of women are from India, we believe that caste, as an indicator both of family background and individual characteristics, will play an important role in the choice of profession and behavior. Socio-economical determinants such as income, education, number of young children and the role of the husband (and the extended family) in parenting and household chores, will also be important in determining who will likely be an entrepreneur. However, given that our study is exploratory in nature and that our sample is small (20 observations) and limited to one geographical area, it is not possible to generalize our findings. We can simply indicate any trends that may be worth further study.

## **Section 5. Findings**

Childcare arrangements/costs: For the women who had children (15/20), childcare *costs* per se were not an issue in choosing self-employment. Living in extended families (all 10 women with young or school age children lived in extended families) allowed the women to have flexible schedules of caring for children and attending to domestic duties. Of the others, five of the women had adult children when they founded the NGO; the five had no children. This suggests, that although childcare is an issue for women entering self-employment, it does not enter the decision making in the way suggested by the equations

presented in Section 2. These equations may apply more frequently in western societies where such family arrangements are absent. The implication from this finding is that women in India may not choose self-employment due to high childcare costs of working in the market, but due to other issues such as expected earnings, utility of independence or the utility obtained from furthering a personal conviction.

Previous experience and role models. All but six women had worked as social workers, either professionally or in volunteer capacity prior to founding the NGO. The founders came from a variety of family backgrounds, however, many of them (17/20) share one thing in common: Parents as role models who were highly influential in shaping their values regarding issues of social justice. Parental influence played an important role in the entrepreneurs pursuing social work professionally or on a volunteer basis. All our respondents had participated as volunteers in social movements and had experience as activists for change. This experience and training gave them insights into current social issues and ways in which change could be achieved.

Caste: One of the entrepreneurs is a Christian and therefore excluded from the caste classification that is relevant only to Hindus in India. The remaining nineteen entrepreneurs are Hindus where the caste system is relevant. Of these 15 / 19 (79%) are Brahmins, 4/19 are Maharatas, (a sub caste of the Kshatriya), and 1/19 is a Dalit (a sub caste of the Sudra).

Income: Most of the founders came from either upper (6) or middle income groups (11), only three of the entrepreneurs came from the lower income groups.

Education. Most of the entrepreneurs, 90% had a university degree (18/20), of whom 13 had post graduate degrees. This suggests that the market wage that these individuals could command is relatively higher than the earnings from the NGOs. Their choice of self-employment is not because of lack of opportunities to be gainfully employed in the market.

Age at founding: 24- 60; organizational age 3- 35

Values: Our findings indicate that in our sample of women entrepreneurs all (20) had a high commitment to women's issues and professed feminist beliefs. We may therefore infer that they received high utility from undertaking NGO entrepreneurship that advanced their worldview.

Personal characteristics: They all (20) saw themselves as hardworking and were persistent in achieving their goals. Many saw themselves as self confident (19/20) and extroverted (16/20), which enabled them to marshal resources and deal with many levels of bureaucracy, especially at the rural level where traditionally women were not expected to partake in public or political action. Other characteristics of entrepreneurship: risk taking (16/20) and ambitious (13/20), were also present.

### **Motivations**

Need to serve others: When asked to state (from a list of 15 items) what motivated the respondents to seek self-employment, they all (20/20) felt the 'need to serve others' and believed they could best do so under the aegis of a NGO.

Needs in community: A high proportion of the women (16/20) were motivated by finding needs related to women in the community that had been ignored or needed political or

judicial action to resolve. Given that all (20/20) of our respondents see themselves as feminists, women's issues were most appealing to them and their sense of social justice. Self-actualization: Starting a NGO dealing with women's issues was a process of 'self-actualization,' for 15/20 entrepreneurs. It gave them an opportunity to act on their own values and beliefs regarding women's issues. In this sense they received a high levels of utility in self-employment.

To achieve change: Since all of them had some previous experience in social movements, and many came from families that were also involved in issues of social justice, it is not surprising that 16/20 stated that they were motivated to found the NGO in order 'to achieve change'.

Over half the respondents said that creating the NGO allowed them to enhance their social connections, and 'try something new' and half said that they were 'expected to do social service' by their peers. Less than half mentioned the desire for independence as a motivating factor, which suggests that unlike the for-profit sector, independence may not contribute significantly to utility of self-employment.

The sample of 20 does not lend it self to statistical testing, however, it may point to trends regarding the NGO entrepreneurs vis-a-vis their counterparts in the for profit sector. We compare our findings to those in the literature stated in Section 2 in Table 1.

## **Section 6. Conclusion**

Can we say anything in particular about entrepreneurs in the nonprofit sector, in particular women entrepreneurs of NGOs in India? Given the limitation of our data, it is

difficult to generalize, nevertheless, we suggest that the data points in a certain direction and some conclusions can be drawn, however tentative. We offer the conclusions with the usual caveats regarding a small sample and its limitations and suggestions that further research is required to validate the results.

The salient factor in our study is the difference in what provides utility to the nonprofit and for-profit entrepreneur. Earnings and independence seem to be secondary to pursuing the mission of the NGO in the case of the nonprofit entrepreneur. The reverse seems true for the for-profit entrepreneur.

The number of young children does not affect women nonprofit in their decision to start an NGO. It is not that the women are immune to childcare and domestic responsibilities. All the women with young children who started NGOs stated that they had help from either their husband or family members that gave them the flexibility to pursue their goals of starting and running the NGO. It did not seem that their choice to seek self-employment versus other employment was contingent on childcare costs as such childcare arrangements were inherent in their 'extended' family structures and would have been available for other kinds of employment as well.

The entrepreneurs are socially conscious individuals who are aware of the social injustices and desire to work for change in this area. Parental role models and early professional and volunteer experience served to motivate many of these women to pioneer NGOs to pursue social justice. As feminists it is not surprising that they choose to start NGOs addressing women's issues.

They described themselves as persistent, hardworking and willing to take risks.

They were self confident, extroverted, healthy, and energetic and all of them felt that their inter-personal skills were paramount in starting NGOs, especially as many resources had to be mobilized through the help of friends, members, and volunteers.

A significant proportion of them was Brahmins and when seen in the cultural context it is not a surprise. In India, despite the many attempts to rid society of the ramifications of the caste system, the system continues to operate subtly (and not so subtly) at many levels. The elite in India is the educated Brahmins, which is the highest caste<sup>5</sup>. They enjoy certain privileges of social connections amongst themselves and are respected by others as leaders and intellectuals. Since starting a NGO requires an unusual reliance on friends, family members, and the local community to mobilize resources, being educated and belonging to a high caste gives you certain social connections to facilitate resource mobilization.

Furthermore, many of the issues that the NGOs take on are deeply embedded in the traditional, cultural and religious fabric of the society, and it is often extremely difficult to rally the support of local communities in the rural areas. Women who take a stand against the local practices are often subject to harassment from the community, and receive little or no support from the local police when filing complaints or seeking help from local public agencies. Thus educated, self confident, and affluent Brahmin women, from the respected echelons of society, are more likely to succeed in dealing with local bureaucracies and the police in socially controversial issues.

Thus it is likely that the women entrepreneur of NGOs dealing with socially sensitive and controversial issues is an educated individual from middle to upper income

household who is dedicated to the mission of the NGO. She has mentoring parents and is motivated by a desire to help others and to achieve change in society. Being of a high caste, she is respected, can mobilize resources, is sufficiently independent, risk taking and, has access to living arrangements that help her with the domestic and child care chores.

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## Appendix 1

The early Vedanta writings emphasize and categorize the different mental attitudes found in society that are roughly categorized by the castes:

- The Brahmin is distinguished by a nature that is contemplative, reflective, and that seeks to harmonize with the world and environment. The Brahmin maintains clarity of thinking, is creative, and prefers to preach and sermonize. An unwavering firmness in the search for knowledge and pursuit of truth and justice guides the Brahmin's actions and emotions.
- The Kshatriyas will wield a weapon to protect principles and the country. A Kshatriya has an attitude of contest and dispute, and can withstand struggle and strife, will not easily give in, and maintains an aggressive pursuit of duty and responsibility to his/her vocation.
- The Vaisya has a mercenary attitude manifested in quid pro quo mentality. S/he primarily thinks in terms of transactions - give and take - gain or loss. The Vaisya has an ambitious and avaricious nature that is suited to trade and commerce.
- The Shudra lacks any of the above skills and ambitions and is more inclined to manual labor and other menial jobs. Devoid of higher vision or mission, lacking in creativity, the Shudra often acts mechanistically.

**Table 1**

Source	Category	Sector	Finding	Comment
(MacPherson 1988, Connelly, 1992) Hisrich, 1986	High household income Upper and middle income	For-profit	6/20 upper income 11/20 middle income	Low capital costs in starting NGO
Presser, 1989	Presence of a husband to share household chores and child care	For-profit	13/20 married in early years; 5/20 childless; 5/20 adult children. 10/10 with young children lived in extended families.	Extended household arrangements in lieu having a husband as relevant factor
Cooper, et al 1994	Parental role as entrepreneurs	For-profit	17/20 had parents involved in social justice issues	Parental role differs in nonprofit and for-profits.
Blanchflower and Oswald 1998	Professional independence as a source of utility in self-employment	For-profit	7/20 stated independence as a motivation for founding an NGO	Utility of independence is less influential in choosing self-employment –NGO
Caputo and Dolinsky 1998	Self-employed husband	For-profit	4/20 had a self –employed husband	Not a factor of influence in NGO
Hisrich 1986	College degree	For-profit	14/20 post graduates 4/20 college graduates	High education levels may suggest potentially high salaries in for-profit sector
Nafziger and Terrell, 1996	High caste, longer survival rate	For-profit	Where caste is relevant (19), 14/19 were high caste	Not examined for survival.
Gupta 1991	Specific Caste	For-profit	14 /19 were Brahmins (1 Christian)	Similar finding adjusted for caste
	High education reduces survival rate, increased opportunity costs	For-profit	18/20 have high education levels -Survival rates not examined.	Reservation employment wages for NGO founders significantly higher
Pilz, 1995	To serve others	Nonprofit	20/20	Strong consensus
	Need in community	Nonprofit	16/20	Through personal experiences
	Personal experiences	Nonprofit	20/20	All the women had either volunteered or worked in area related to NGO
	Low aversion to risk (risk takers)	Nonprofit	16/20	Similar findings as for profit and nonprofit literature
Bilodeau and Silvinski, 1996	Middle income range	Nonprofit	11/20 –middle 6/20 upper income	Only 2 came from low income
	High payoff from the mission of the nonprofit	Nonprofit	20/20	Utility from the mission of the NGO is high
Young, 1983	Believer	Nonprofit	20/20	Believe in cause
	Professional	Nonprofit	6/20	Seeking enhanced reputation or status

**Table 2: Characteristics of Entrepreneurs**

No	Age at Founding	NGO Age	Marital Status	Educational	Profession	Children Age at founding	Income	Caste
1	24	3	Married	PG	Social Work	NIL	M	Brahmin
2	26	17	Separated	PG	Social Work	1/1	L	Dalit
3	55	3	Widow	PG	Social Work	3/ 20-26	M	Brahmin
4	37	15	Married	G	Physiotherapist	2/ 7, 10	U	Brahmin
5	40	14	Divorced	G	Journalist-editor	2/ 5,7	M	Brahmin
6	36	3	Married	PG	Social Work	2/ 10, 12	M	Brahmin
7	31	11	Married	PG	Social Work	2/ 10, 12	M	Brahmin
8	61	4	Married	PG	Social Work	2/13,19	M	Brahmin
9	40	9	Single	PG	Social Work	Nil	M	Brahmin
10	35	3	Married	PG	Social Work	2/16,18	L	Maratha
11	45	20	Single	PG	Social Work	Nil	M	Christian
12	35	19	Married	PG	Social Work	2/11, 13	U	Brahmin
13	25	35	Widow	G	Social Work	1/7	U	Brahmin
14	35	19	Single	PG	Teacher/ Social Work	Nil	U	Brahmin
15	24	6	Married	G	Lawyer	Nil	M	Maratha
16	45	9	Married	PG	Self Employed	20/19	M	Maratha
17	65	5	Married	PG	Banker	25/32	M	Brahmin
18	35	7	Married	S	Social Work	1	U	Brahmin
19	25	13	Separated	S	Social Work	20/27	L	Maratha
20	45	12	Married	G	Dentist		U	Brahmin

S= school; G= university/college graduate; PG = post graduate

U= upper income; M= middle income; L= lower income

**Table 3: Personal Characteristics, Motivations and Skills as Self reported by Entrepreneurs**

<b>Personal Characteristics of Entrepreneurs N=20</b>	
<b>Commitment to a cause</b>	20
Endurance, energy & health	17
<b>Self confidence</b>	<b>19</b>
<b>Outgoing</b>	<b>16</b>
Ambitious	13
Risk taker	16
<b>Persistent</b>	<b>20</b>
<b>Hardworking</b>	<b>20</b>
<b>Feminist beliefs</b>	20
<b>Motivations of Entrepreneurs N=20</b>	
<b>Self actualization</b>	15
<b>Desire to serve others</b>	20
<b>Desire to achieve change</b>	16
<b>Desire for independence</b>	7
<b>Discovering a niche</b>	<b>16</b>
Reduce financial vulnerability	5
Social connections	13
Reputation/status	6
Expected to do social service	9
Try something new	9
Availability of funds	1
Loneliness	2
<b>Skills/ Experience of Entrepreneurs N=20</b>	
Political affiliation	6
<b>Education</b>	<b>16</b>
Business skills	10
Administrative skills	14
<b>Interpersonal skills</b>	<b>18</b>
Leadership roles	10
Nonprofit experience	12



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Endnotes

<sup>1</sup> The Vedas is an ancient Aryan religious scripture composed between 1300-1000 BC

<sup>2</sup> A quote from the *Vedas*: summarizes this quite well:

You are what your vasanas are,  
As your vasanas are, so are your thoughts,  
As your thoughts are, so are your wishes,  
As your wishes are, so are your actions,  
As your actions are, so is your life.

(Vasanas are the core and intimate desires of a person)

<sup>3</sup> Membership in the caste is hereditary and fixed for life. Consciousness of caste membership is emphasized by caste name, and the relative prestige of different castes is well established and jealously guarded. Since the last five or six decades the caste system no longer remains a barrier to entry for many professions.

<sup>4</sup> See Appendix 1 for details on mental characteristics of the different castes

<sup>5</sup> Due to progressive affirmative action programs, many of the Kshatriyas and Shudras are achieving social and financial status in India. Hence the Marathas and Dalits are increasingly found in many of the elite professions and have achieved political power and social standing in many parts of India.