

# Q&A

Rituparna Basu & Sarada Chatterjee

## Q. *What Barriers Do Women Face in Becoming High-Tech Entrepreneurs in Rural India?*

**A.** Diversity in India is not just about culture but includes a multitude of dimensions ranging from rural to urban and including both economic status and gender. Managing diversity can be challenging because formal and informal codes of conduct and culture often create meaningless distances that deter both economic and social progression. Such are the gender distances in India. In a country with a population that exceeds 1.3 billion people – approximately 48% of whom are women – female entrepreneurship stands at a dismal 10% of the total number entrepreneurs, and there is a considerable rural–urban gap (Saxena, 2016). Despite the country’s encouraging 30% representation at the level of corporate senior management, the 2015 Female Entrepreneurship Index released by The Global Entrepreneurship and Development Institute (GEDI, 2015) ranked India 70th out of 77 countries. This low rank indicates an unfavourable environment and hence low confidence around the existing ecosystem for female entrepreneurship in India.

However, any holistic index fails to capture the nature of the dichotomy that is prevalent in India. The Government of India (2016) estimates, based on the 6th economic census (2013–2014) published by the Ministry of Statistics and Programme Implementation, that there is 21% female ownership in agricultural proprietary establishments compared to just 13% in non-agricultural proprietary establishments. A closer look reveals that such estimates are often inflated, with reporting of ownership data over real entrepreneurial data. The domination of activities such as livestock rearing in agricultural establishments and that of education in the non-agricultural establishments reveals the sub-optimal level of female entrepreneurial activity in India across rural as well as urban sectors.

Hope comes in the form of success stories of female entrepreneurship, such as:

- *Kiran Mazumdar Shaw*, Founder and Chairperson of Biocon ([tinyurl.com/yal4lwsj](http://tinyurl.com/yal4lwsj))

- *Ekta Kapoor*, Joint Managing Director and Creative Director of Balaji Telefilms ([tinyurl.com/y9rdu22k](http://tinyurl.com/y9rdu22k))
- *Priya Paul*, Chairperson of Apeejay Surrendra Park Hotels ([tinyurl.com/yd8g5veg](http://tinyurl.com/yd8g5veg))
- *Ritu Kumar*, fashion designer ([ritukumar.com](http://ritukumar.com))
- *Shahnaz Husain*, CEO of Shahnaz Herbals Inc. ([shahnaz.in](http://shahnaz.in))
- *Ravina Raj Kohli*, CEO of Channel Nine ([tinyurl.com/ybvww6bd](http://tinyurl.com/ybvww6bd))
- *Lathika Pai*, Founder and Trustee of Sonder Connect, a platform to invest in and mentor women entrepreneurs ([sonderconnect.com](http://sonderconnect.com))

But the reality is that most well-known successes come with the urban advantage and enviable lineage of education and opportunity. Entrepreneurial success stories of *rural* origin are rare and exceptional. However, those exceptions are inspiring, such as:

- *Chetna Gala Sinha* ([tinyurl.com/yc9qh3r9](http://tinyurl.com/yc9qh3r9)), who founded the Mann Deshi Mahila Sahkari Bank ([mannadeshbank.com](http://mannadeshbank.com)) to empower female entrepreneurs through microfinancing and entrepreneurial support
- *Lalfakzuali*, a single mother who now is running a thriving handloom business ([tinyurl.com/y78ck68a](http://tinyurl.com/y78ck68a)), aided in part by the Milaap ([milaap.org](http://milaap.org)) crowdfunding platform for personal and social causes

In aiming to make such success stories the norm rather than the exception, the challenges are many. In this author’s view, the following primary barriers are facing potential female entrepreneurs in rural India:

1. *Patriarchy*: Despite progression across the various strata of the Indian society through more liberal customs and an easing of caste codes, the greatest de-

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terrent to potential female entrepreneurs, especially in the rural sectors, remains the ingrained male domination. Males as inherent heads of the family exercise their control over decisions and finances in particular. Cases of discrimination against females begin in childhood, starting from their basic education to food, nutrition, or any other opportunity. Unlike urban women, rural women are raised to look after the well-being of the family, bear and raise children, and perform household chores almost single handedly. This situation leaves little room for the entrepreneurial socialization of women in rural areas.

2. *Financing issues:* The majority of women in rural India suffer from inadequate financial resources, personal savings, and tangible security due to their over-dependence on males owing to the dominant male culture. Access to external funds become a tall order for these women because the banks and financial institutions are averse to extending credit facilities to women on the assumption of their early discontinuation succumbing to social and family pressures.
3. *Illiteracy and language barriers:* The most recent census (Government of India, 2011) estimates the female literacy rate in India at a little more than 65% overall, with certain parts of rural India reporting much lower rates. Lack of education and skill training for rural women represent a huge problem that stifles empowerment and independence. Illiteracy among rural women often restricts their approach and scope for knowledge advancement, making them shy and suffer from low self-esteem and self-confidence. Digital illiteracy also limits their access to technology.
4. *Low risk tolerance:* The age-old patriarchal norms described above result in economic dependence and the protected nature of women's lives in rural India, preventing them from entering the high-risk world of business because they are tied to their roles of running a household life. Attitudes of risk aversion coupled with their financial constraints, low education levels, lack of role models, motherhood, and low self-confidence add further to their conditioned instinct of staying cocooned in their traditional roles.
5. *Lack of infrastructure and corruption:* Modern facilities and infrastructure are largely unavailable in a majority of rural areas, which impedes the overall entrepreneurial activity. Basic materials for setting

up an office are also absent on many occasions. Over-dependence on corrupt intermediaries (*middlemen*) make it even more difficult for women to implement their ideas and work with dignity. A lack of sales and marketing professionals in rural areas also impedes the success of such ventures.

6. *Poor support network and low mobility:* Rural women are pretty much cut out from the zone of action. The present ecosystem in rural areas lacks connectivity and networking opportunities for the women who might benefit by interacting and learning from successful female entrepreneurs sharing their ideas and their journey. Advisory services or mentoring are rarely available. There is hardly any motivation at play due to the lack of social acceptance of women entrepreneurs. Social norms and their family responsibilities also restrict their mobility and hence their efforts.
7. *Competition:* Imperfect organizational setups by first-time female entrepreneurs often face a sharp blow from stiff competition from their male counterparts. Most of them are oblivious to formal urban setups and face a huge challenge in scaling up their venture and reaping returns.

The challenges above are interrelated and couple up with one another to make it difficult for the women in rural India to come out of the protected environment – to start thinking outside the box to create something new and undertake activities that they have never done before. Specifically for technology entrepreneurship, the biggest impediments are those of illiteracy and a lack of education and skill, which restricts women, preventing them from being able to think concretely about how they will set up and then later manage the operation. Most of them are ill-equipped in terms of the finance and handling their “go to market” strategies. Indeed, as the case in Box 1 illustrates, women in rural India must overcome daunting challenges to realize their entrepreneurial aspirations.

### Policies and Prospects

Recognizing the need to propagate and develop women entrepreneurship in India, the government has taken up various measures from time to time. From the mid-1980s the five-year plans were constituted with special chapters on “the integration of women in development” that suggested more inclusion of women in training, development, and decision making.

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### Box 1. The case of an aspiring entrepreneur

*Although the details have been altered for purposes of confidentiality and illustration, this case demonstrates typical challenges facing women in rural India today.*

Consider Geeta, a 24-year-old woman living in a remote village at Bankura, a rural district in West Bengal, India. She is somewhat fortunate, being the youngest of four sisters in the family, and could resist marriage while the elder three were all “married off” as soon as they turned 18. Geeta’s mother hand embroiders sarees, and following the untimely death of her husband, found that her meagre income barely covers the household expenses. Thus, her mother could not support Geeta’s education beyond class 12 (high school) because her younger brother, who is now 16 years old, needed to continue his studies. Unlike most girls of her age, who would have started their family by now, Geeta works as a casual worker in the “Anganvadi”, which is type of centre to support rural mothers and provide childcare services India that were started by the Indian government in 1975 as part of the Integrated Child Development Services program (ICDS; [tinyurl.com/yaqe4728](http://tinyurl.com/yaqe4728)) to combat child hunger and malnutrition. In the evenings, she tutors class 3-4 students in the neighbourhood to help provide for her brother’s education and other household expenses. Her mother knows that, without Geeta, her son would have to stop his education, so she does not pressure Geeta towards marriage.

Geeta dreams of founding a computer course centre in the village to spread computer literacy. But there is no one to help her with her idea, and she has no clue how she will manage the finances. When she spoke to the bank officials, they asked her umpteen questions about her guarantee, her marriage plans, etc. Moreover, despite her interest in the technology, she has no formal training in computer skills. How will she manage? She remains clueless and quite depressed because everyone ridicules her for being too ambitious. They say she should instead get married and start a family. For an aspiring entrepreneur like Geeta, the problem is not the zeal or the motivation, rather she is bound by circumstances. She lacks formal training to turn her dream into reality, and cannot access the mentoring that could help her get on the right track.

Initiatives such as the Prime Minister’s *Rojgar Yojana* (Employment Scheme) ([tinyurl.com/y7ognw9o](http://tinyurl.com/y7ognw9o)) were launched by the Government of India in 1993 to specifically provide self-employment opportunities to unemployed youth and women. Later, discontinuation and reintroduction of the scheme also took place to suit changing needs specific to rural and semi-urban populations with a broader agenda of creating youth employment opportunities.

A host of specific schemes by nationalized banks, such as Punjab National Bank’s *Mahila Udyam Nidhi* (Women’s Venture Fund) ([tinyurl.com/y8ak5xhb](http://tinyurl.com/y8ak5xhb)) were introduced to assist women entrepreneurs in setting up projects in the small-scale sector. The *Mahila Vikas Nidhi* (Women’s Development Fund) ([tinyurl.com/yajwqj3](http://tinyurl.com/yajwqj3)) was specially designed to provide training and employment opportunities through the creation of necessary infrastructure and by encouraging women in rural areas to start their ventures.

An award-winning state-oriented initiative, the *Kanyashree Prakalpa* (Kanyashree Project) ([tinyurl.com/](http://tinyurl.com/)

[yaqwja6x](http://tinyurl.com/yaqwja6x)), was started in Bengal to help 3.4 million rural girls and encourage their families stand against child marriage and support education for their daughters.

The results of these initiatives have been slow to appear but have been encouraging, including the gradual entrepreneurial socialization of rural females starting their micro-enterprises in spinning, weaving, handlooms, handicrafts and other areas. Yet, the representation of rural women entrepreneurs in technology remains poor due to lack of technical and financial support.

### Conclusion

Government initiatives and interventions are important ways of mobilizing the development process and empowering the female population in rural India. However, it is time to reflect on what is working and focus on the positives over the negatives. The ecosystem is still in the making and we understand that it will be characterized by highly complex interlinks. Research in the field is also multi-faceted and often ambiguous.

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Hence, a generic framework based on entrepreneurial education and research which may be applicable in the urban context (e.g., Basu, 2014) may not work in the rural context. Looking at the gravity of the social/cultural challenges that operate at the root level of the challenges for potential rural women entrepreneurs would need an ecosystem that would work around changing the mindset of the general masses.

A well-sequenced action plan around policies in marriage arrangements, access to education, business taxation, incubation programs, adequate incentives, etc. should be aligned to create an enabling environment for rural women entrepreneurs. Channels for spillovers from urban activation should also be encouraged, especially in the context of high-tech entrepreneurship, which normally requires a developed ecosystem. Networks that offer funding, role models, mentors, and other resources, with a rural–urban connection, will bring in long-term stability of the ecosystem. Here, media would have an important role to play in raising the awareness and bringing the rural women entrepreneur's success stories to the limelight. The changes or the impact would not arrive overnight, but sustained efforts are bound to bring results. Awareness would instill conviction that would pave way for action to take the nation to its next level of rural female entrepreneurship.

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**Citation:** Basu, R., & Chatterjee, S. 2017. Q&A. What Barriers Do Women Face in Becoming High-Tech Entrepreneurs in Rural India. *Technology Innovation Management Review*, 8(1): 33–36.  
<http://doi.org/10.22215/timreview/1132>



**Keywords:** women, entrepreneurship, rural, technology, India, barriers, challenges

## Academic Affiliations and Funding Acknowledgements



The Federal Economic Development Agency for Southern Ontario (FedDev Ontario; [feddevontario.gc.ca](http://feddevontario.gc.ca)) is part of the Innovation, Science and Economic Development portfolio and one of six regional development agencies, each of which helps to address key economic challenges by providing regionally-tailored programs, services, knowledge and expertise.

- *The TIM Review receives partial funding from FedDev Ontario's Investing in Regional Diversification initiative.*



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- *The TIM Review is published in association with and receives partial funding from the TIM program.*