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## Rural B-School Empowers Indian Women

**For less than three cents a day, largely uneducated women are learning how to invest their money and run their own profitable businesses**

by [Nandini Lakshman](#)

On the first day of a 10-day business course, 15 women are gathered in an 8-by-10-foot classroom in western India, absorbing the nuances of finance. Teaching in the local Marathi language, the female instructor peppers her talk with examples to explain investments, credit, profit and loss, and market accessibility. The advanced finance course also will cover such topics as how to start a business, marketing techniques, loan options for seed capital, and determining selling prices for products. And then there's a mandatory session on building confidence.

It's B-school, with a difference. Those who have enrolled are a far cry from typical management students anywhere else in the world. There's a sheep and goat herder, a bangle vendor, a tea seller, a daily wage laborer, and even a homemaker. And the cost is not the thousands of dollars that a standard B-school charges—but the equivalent of \$2.50 for the entire course.

### A Vehicle for Independence

The Maan Deshi Udyogini Business School for rural women, founded by economist and farmer Chetna Gala Sinha last December, is gradually becoming a symbol of empowerment for women at the bottom of the economic pyramid. Situated in the dry region enveloping Mhaswad and Vaduj villages, 270 miles (430 kilometers) from Mumbai, the school is targeted at school dropouts and women without formal education.

For Gala, 48, the B-school is a logical extension of her nongovernment organization, Mann Vikas Samajik Sanstha and the associated Maan Deshi Mahila Sarkari Bank, set up a decade ago to give microloans to women. Apart from offering weekly and fortnightly credit and savings schemes to predominantly daily wage-earning customers, the bank, run by women, provides daily loans to purchase fruits and vegetables for resale. With a local microfinance community in place, Gala expects the B-school, which is spawning entrepreneurs, to boost the bank's loans (see [BusinessWeek.com](#), 5/2/06, "[Microfinance: Services the Poor Can Count On](#)").

"The school is a vehicle which equips poor women to achieve financial independence and self-sufficiency," says Gala, who is known in the village by such affectionate terms as Chetnabhabhi, or Chetnadidi, which means "older sister."

## Putting Women's Savings to Work

A once-prosperous village with cotton fields and a robust handloom weaving industry, erratic rainfall has reduced Mhaswad to a land of daily-wage laborers and shepherds. With most of the men migrating to Mumbai or other villages for better opportunities, the women are left to fend for the families. Gala, who moved to Mhaswad from Mumbai after marrying a local farmer activist, began working with local women.

Gala noticed that the poor women were not only repaying their microloans, they were also saving 1.5 cents to 60 cents a week from their daily wages, which typically range from 75 cents to \$2. With no institutional saving products available, the women, who worked as daily laborers or vegetable vendors, put the surplus money in tin boxes they quietly buried in the sand around their dwellings to shield them from avaricious or drunken husbands. Or the women deposited their savings with the neighborhood grocer, who often cheated them, according to Sakhubai Lokhande, who weaves thread for brooms.

Today the school offers 19 skill-development courses, including computer training, bag making, English-language training, and financial literacy instruction. A free counseling session helps tap the interest and possible skill sets of the women; they are then encouraged to take the requisite course. Course lengths vary from just a day to 10 days, and schedules are often adjusted to suit the women. The fees range from 2.5 cents a day for a basic finance course to \$2.50 for 10 days of computer training or advanced finance, and diplomas are awarded after completion.

## Minting Successful Entrepreneurs

The trainers, handpicked by Gala and her five-member executive board, undergo rigorous training in Pune, 120 miles (200 kilometers) away. They do not earn a salary, but, depending on the course, they get 40% to 70% of the fees paid by a student, with Maan Deshi retaining the balance. "That way, even the trainers are motivated to get more students to the school," says program coordinator Padma Kuber.

Clearly, the rate at which Maan Deshi churns out entrepreneurs could give even Ivy League B-schools indigestion. In just six months, it has trained 466 students, and Gala hopes to reach out to neighboring village women through a mobile B-school. In the southern Indian state of Karnataka, she has got the Deshpande Foundation, set up by Gururaj Deshpande, chairman of Sycamore Networks ([SCMR](#)), to sponsor the mobile B-school (see [BusinessWeek.com](#), 8/22/06, "[India's Banks Are Big on Microfinance](#)").

It was a financial planning course that the semiliterate Aruna Gaikwad, 29, signed up for when she wanted to expand her fruit vending business from retail to wholesale. "I knew how to calculate, but had no clue about the demand-supply in the market," says the diminutive Gaikwad. She now fixes the price for the produce based on the current market demand and supply. How does she calculate this? With her eyes shut, the answer is straight out of an economics text book: "We were taught to compare the quantity of fruit sold in the previous week, and accordingly calculate the demand and supply, and fix the price." She also buys the raw material depending on the availability of capital.

When avian flu wiped out Vanita Pise's family poultry business, the doe-eyed housewife decided to become the bread earner for her 18-member extended family. Defying her husband, she took a \$330 loan from the Maan Deshi bank to buy a machine to make disposable paper cups. With the men in her house rarely earning, she slogs day and night on her machine to churn out 5,000 cups a day. Pise, who has won a national award for her work and now wants to include paper plates in her portfolio, makes \$67 a month. She has joined the B-school to master the art of making cotton bags. "I also want to learn candle making to supplement my income. I am having fun learning and earning," she says.

### **Planting Networking Seeds**

Gala, an alumna of Yale's World Fellows Program, brings an infectious sense of fun and pride in women's empowerment to her annual return trip to campus. Her impassioned presentations in New Haven have attracted students of developmental studies from foreign universities to intern at her B-school. With the school still in its infancy, six interns from the U.S. and Spain—four just for the summer—have their work cut out for them, from developing a marketing curriculum and human-resource policy to monitoring and writing impact assessment reports.

"When the women here have no access to any knowledge, all this makes a big difference," says Natalie Burton, an American from Johns Hopkins' School of Advanced International Studies in Washington, who is on a two-month stay to help the B-school run more like a business.

That's already happening. Currently operating from five makeshift rooms in two locations, Gala has purchased 1.25 acres in the village to build a residential B-school "so that we can be more professional."

Meanwhile, Gala is being wooed by Indian and foreign banks, insurance companies, and even mobile handset makers, who want to sell their services and products to her rural entrepreneurs. Knowing well that only a lack of money can derail her B-school, Gala is leveraging every opportunity to generate funds.

When HSBC ([HBC](#)) recently wanted to work closely with Maan Deshi Bank and offered a \$110,000 microfinance loan at 9% interest, she requested them to step in as a sponsor with a \$17,000 grant for the B-school. They did. "Why not," Gala says, "when it's a passport to a better future for the women."

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