

Democratising access to entrepreneurship as a means to restore agency in historically marginalised communities

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Abstract - Poverty and lack of economic opportunity affect roughly 25% of the Indian population (NITI Aayog). Challenges brought on by the COVID-19 pandemic, including job scarcity and movement restrictions are projected to have caused an additional 150-199 million Indian people to have fallen into poverty (IMF, 2021). This is exacerbated by systematic social inequalities and lack of viable economic opportunities for unskilled workers. More than 800 million Indians are either unemployed or underemployed. Given these constraints, it will take a person from an average low-income Indian family 7 generations to reach India's mean income of USD 1500 (WEF, 2020).

1. Problem

Poverty and lack of economic opportunity affect roughly 25% of the Indian population (NITI Aayog). Challenges brought on by the COVID-19 pandemic, including job scarcity and movement restrictions are projected to have caused an additional 150-199 million Indian people to have fallen into poverty (IMF, 2021). This is exacerbated by systematic social inequalities and lack of viable economic opportunities for unskilled workers. More than 800 million Indians are either unemployed or underemployed. Given these constraints, it will take a person from an average low-income Indian family 7 generations to reach India's mean income of USD 1500 (WEF, 2020).

Cash transfers are often seen as a direct and impactful way to immediately move families and communities out of extreme poverty. This, however, is not a sustainable long-term solution.

A 2018 research publication from Christopher Blattman and Sebastian Martinez studied the outcomes from Uganda's Youth Opportunities Program. In 2008, Uganda distributed USD 400 in direct cash transfers to hundreds of students. After four years, the transfers had led to a 57% increase in business assets and a 38% increase in earnings. Nine years later, however, the students who received the transfers were at the same level as the rest of the population, suggesting that the cash transfers did not provide "real, sustained earnings potential". Blattman and his team came to the conclusion that while cash transfers might help a community in the short run, real societal transformation is required to create long-lasting change.

Today, India's economically disadvantaged communities are in need of dignified work opportunities to successfully and sustainably change their circumstances. However, combatting generational poverty is not a problem that can be solved through subsidies, transfers and schemes - as Blattman discovered, solutions must actively include and empower the individuals and communities in need.

An under looked area of economic growth - especially for rural communities - is democratising entrepreneurship. Rural entrepreneurs can create unique products and offer services which are indigenous innovation and solutions to the local problems. With globalisation and technology, these entrepreneurs also have the avenue to link to global supply chains, thus bridging the rural-urban divide.

It is important to note that, on a per-capita basis, India has low rates of entrepreneurship in the formal economy. Between 2006 and 2016, the mean (median) number of new firms registered per year per 1000 workers was 0.10 (0.11). In contrast, the mean (median) entrepreneurial intensity for the United Kingdom and the United States was 12.22 (11.84) and 12.12 (11.81) respectively. In general, the entrepreneurial intensity is significantly higher for the developed economies.

Prior research has also made it clear that entrepreneurial activity has a significant positive impact on GDP. Specifically, a 10 percent increase in registration of new firms per year yields a 1.8 per cent increase in GDP. These results emphasise the importance of entrepreneurship as an engine of economic growth and change in India.

Given the out-sized importance of entrepreneurship, it's disappointing to note the state of rural entrepreneurship in India. We believe that right now is the best time to evangelise entrepreneurship as a pathway out of poverty in rural India.

First, smartphone ownership in rural India has increased significantly, connecting rural entrepreneurs to the global ecosystem. Today,

more than 50% of all rural households in India have a data-enabled smartphone. Second, UPI and Aadhar payment methods have connected rural India to the world, and together, enable instantaneous payments to millions of people at scale.

2. Solution

Project Vichar is a platform that allows rural Indians to use entrepreneurship to solve the problems they see in their communities. We provide our users with mentorship, connection to urban markets, technological resources and funding opportunities.

Project Vichar started as an ethnographic research in the village of Raghurajpur, near the temple town of Puri, in Odisha, one of the poorest states in India. Raghurajpur houses some of the world's most talented artisans, who have engaged in Pattachitra for generations (Pattachitra refers to an art form where intricate drawings are etched by hand on leaves).

Working with the villagers, we conducted hours of interviews and identified the 3 key areas where the villagers wanted to see improvements:

- Commercial Innovations
- Farming Innovations
- Educational Innovations

Once the key challenges were identified, we enabled the villagers in Raghurajpur to come up with entrepreneurial ideas that could solve these issues. Unlike typical non-profit interventions, we wanted to improve the agency of the community to solve their own problems. Prior research has shown that this leads to a more robust, long-lasting impact.

Wherever we needed, we trained the villagers to fill any skill gaps that might exist. For example, we built online stores for our users and trained them on how to maintain the stores. We connected Raghurajpur's villagers to clients in urban India (for sale of Pattachitra artworks) and led to an average 20% increase in our users' monthly incomes.

Similarly, in villages around Bengal and Bihar, we distributed micro-grants to enable women entrepreneurs. These grants were unrestricted and unconditional, enabling women to use them to build enterprises of any kind. The women were trained to find business opportunities in their local communities. At the end of the 3-month pilot, all entrepreneurs launched enterprises such as handicraft centers and schools to train other young women.

Fundamentally, Project Vichar believes in two key things:

- To create a long-lasting impact, you have to amplify a community's agency to solve their own problems.
- Entrepreneurship is the best way to move people out of poverty at scale. It allows you to earn money by solving problems for your community, and the earned financial privilege enables critical social mobility.

Throughout our deployments in 3 states in India (Bihar, Odisha and West Bengal), we deployed INR 350,000 in funds in rural India. The entirety of this fund was raised from quizzes I hosted with my friends. Titled the Big Bang Quiz, I hosted over a dozen different editions over the year, and over 500 students across India participated in the quiz remotely. I personally designed every question in the quiz and you can view some of my favourite questions here:

I am also attaching a few screenshots of the Project Vichar app below, so you can see how the app was built. The app was translated into many local languages, including Hindi, Odia, Bengali and Bhojपुरी.

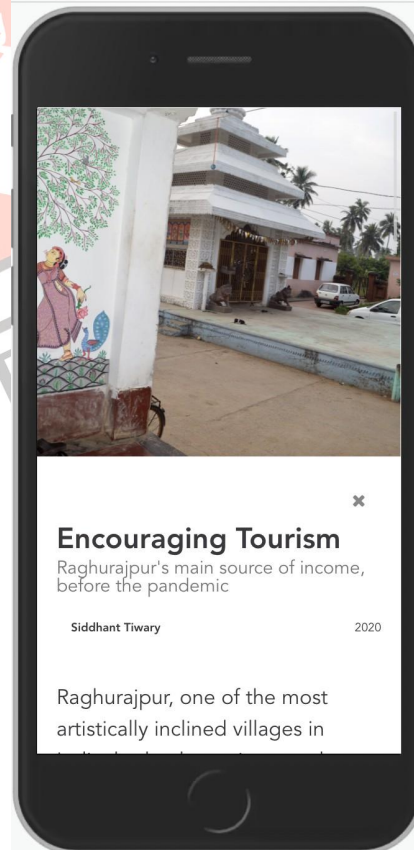
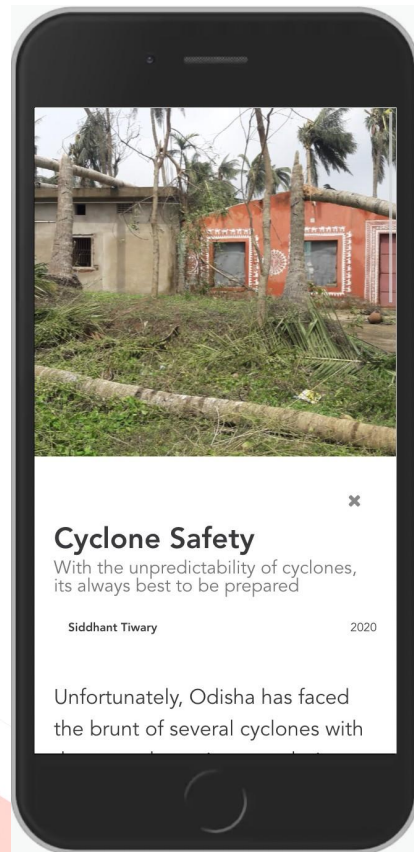
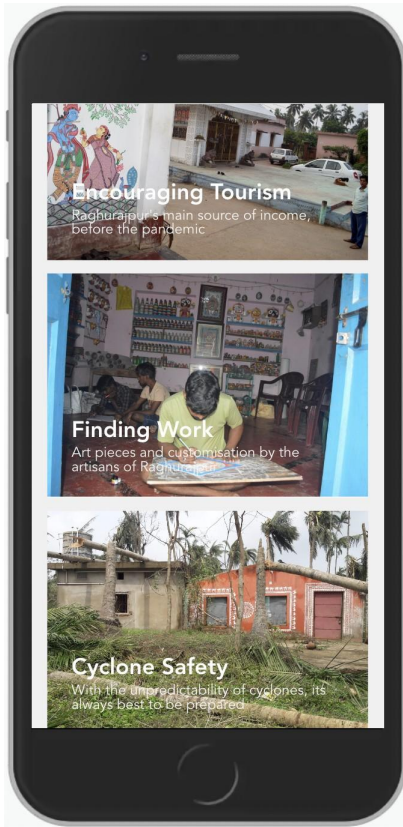




Figure 1-5: Figure 1 shows the “issues” screen of the Vichar app where villagers can submit issues they see around their villages, and describe their thoughts. Figure 2 and 3 show specific issue pages in English. Figure4 shows an issue page in Odia and Figure 5 shows the ‘submit solution’ page in Hindi

Finally, I believe that Project Vichar lays the blueprint of creating sustainable impact in rural India at scale. Using the power of entrepreneurship, we are able to help communities find solutions to their own problems. This enables large-scale societal transformation.

1. A Blueprint For Impact : For Stakeholders in the Ecosystem

From our research and work, we narrowed our execution down to 8 steps that can really boost a rural area’s chances of propelling its entrepreneurship scene:

Step 1: Interviewing a varied demographic from the area helps give a better understanding of the situation and their problems. It is important to have a diverse demographic. We recommend having a detailed interview with your participants. Please ensure gender-diversity within your demographic.

A list of questions we used is provided below:

Introduction : To start off, a simple introduction shall be necessary.

1) What is your name ?
2) What is your age?
3) What was your final level of education (Eg – 10th, 12th, or college)
4) Do you have any family, and if so do you stay with them?
5) What is your current occupation, and how long have you been in it
6) What was your previous occupation
7) What was your previous occupation?
8) Is there anything you are currently interested in learning? (Trade or craft)

Motivations : Questions to find out their motivations behind starting their work

9) When did you think of the idea to start your business?
10) How did you come up with the idea (e.g – family business, saw online etc)?
11) Are there people you saw that did this work and (follow up) how and why did it make you want to get into this line of

work or trade
12) Why not do the “village’s conventional job” instead, what made you want to do your own work and work for yourself?
13) Did you identify a problem that you initially started trying to solve, and if so, how prevalent is that problem in your village as of now
14) What is your village’s biggest problem, and (follow up) how has it changed over the past 5 years (Eg – has it increased or decreased)

Means and Methods : Questions that give an insight into the thought and actual creation of the business

15) What does your business do?
16) When did you start it?
17) Please explain how you started “planning” your business?
18) How did you go about doing the finances and money aspect of the business?
19) What is your plan for the scholarship money and how are you going to use it? (follow up) Did you know from before what you wanted to do with the money, and if so how did you plan it?
20) When and why did you finally decide to start your business, from the planning to executing stage? (follow up) How exactly did you begin executing your business idea?

Obstacles faced: Questions that give us an idea of the problems they face

21) What was one obstacle you faced before planning your business?
22) What are some obstacles you faced during the planning and execution of your business(Eg – no money to start, social stigma etc) and (follow up) How did you overcome these obstacles
23) Are you currently facing some issues, if so, could you elaborate on them (follow up) what do you have planned for the future of the business and how did you think of what to do in the future with your business?
24) Do you need help with your business currently, and if you do in which particular aspect would you need help?
25) What are your expectations of some future obstacles? (follow up) Do you already have an idea as to how you may face them?
26) What are some issues that are prevalent in your village and how has it changed over the last 5 years
27) Has the government helped you or the village in any way over the last 5 years, and if so how have they helped you

Step 2) Finding or in some instances, creating a group of interested entrepreneurs or even members of the village interested in finding solutions and problem-solving on another level. Having a group of motivated and ideating rural citizens can accelerate the process and be incubated to increase the chances of the venture’s success

Step 3) Interviewing the villagers should result in the identification of a few key issues. This is very important as it can pivot the direction the villagers move in, the problems they solve and the solutions they come up with. They should be selected and identified in order of impact, with the ones having the most impact getting the higher preference, because it is possible to have several problems with some being out of reach and others relevant but not as significant.

Step 4) Defining the problem and setting achievable yet ambitious aims or goals. In order to get solutions from the public, it is important to better their understanding of the issue and help them with any clarifications or doubts they might have. NOTE – When defining an issue, especially in the case of encouraging rural Entrepreneurship, it is very important to arrive at a problem/problem area that has potential to generate revenue, though it may be relatively small in the beginning.

Step 5) Starting the ideation phase can often be the most difficult of all steps in this blueprint, however, the entire project depends on how it goes and thus can decide the direction the village moves in. Promoting ideation is fundamental in igniting the entrepreneurial spirit of the village, which can be done through campaigning, raising awareness, talking to key members of the community or even having simple talks or seminars about the topic.

Step 6) Education helps breed an environment of self-sufficiency, which leads to ideas that keep the village economy as the central focus. Rural entrepreneurs can create ventures that help build both the local economy and their incomes. Teaching rural entrepreneurs on how to come up with ideas and how to plan and execute them, so that when they do receive valid funding, they would know what to do with it.

Step 7) Receiving funding. Once you have worked with your selected villagers and built the idea, we need to work on a pitch deck. A pitch deck is a 10-15 slide document that better describes the idea and the business plan. We recommend connecting villagers to 2-3 friendly investors who can help them improve their pitches and build self-confidence. Delhi Government’s Business Blasters intervention is an excellent example of training people from peri-urban and rural backgrounds to build entrepreneurial rigour. Thankfully, India has a robust rural-focused VC industry. We highly

recommend organisations like Villgro and Social Alpha, among other social impact incubators.

Step 8) Finally, in order to make any venture succeed we need continuous advice and mentorship from experienced entrepreneurs and experts in the field. This is your most important role as an enabler of the ecosystem. Most of the time these “experienced entrepreneurs” are from NGOs or business owners - people who have successfully done something similar.

The blueprint isn’t a fixed syntax to encourage rural entrepreneurship, but it’s more of a designed route. There can be instances where steps are skipped or even missed. We at Project Vichar, applied our learnings from across India into this blueprint, because we strongly believe in the impact that rural entrepreneurship can have in raising the standard of living of communities across India. We hope that active stakeholders such as government organisations, NGOs and private organisations make effective use of this knowledge.



Figures 6-8 : Slices of life from our partner village, Raghurajpur

Conclusion

Democratising entrepreneurship can transform the face of rural India. It can enable large-scale societal transformation and herald a future of incredible social mobility for our villagers. It is our responsibility that we work with and work for the most vulnerable members of our communities. By building more entrepreneurial, ecosystem-building projects like Project Vichar to rural India, we can truly build a more equitable country. I look forward to having your support in this import journey!

