New Economy Growth and Gender:
Examining the Impact of IT on Indian Women

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Introduction

India’s liberalization in the past 10 years has registered tremendous economical growth, with 8% CAGR in GDP, increase in per capita income of approximately 5%1.

This growth created more opportunity for everyone, but as women have traditionally taken on more manual, less value added work, their positions are in jeopardy with the introduction of mechanization and technology. Further, as trade liberalization opens the door to foreign competition, traditional industry structures have moved toward lower cost configuration to remain competitive. One example is in the textile industry, the largest modern industry that accounts for 14% of industrial production and contributes to 24% of Indian’s export, employees approximately 35 million people with a large percentage of female workers2. As lower cost competitors in other parts of Asia increase the cost pressure, old-fashion large mills have been replaced by smaller, decentralized power looms to improved cost efficiencies. Often those cost efficiencies are gained through low wage, part-time workers, mostly women, in unorganized sectors. Therefore although the traditional sectors, and indeed, the whole country, is gaining in export and

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1 CIA World Fact Book – India, January 2003
2 Gender Impact of WTO on Women’s Livelihood in India: Women Workers in the Textiles and Food Processing Industries, Centre for Social Research, 2003
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growing economically, it is uncertain how much the women workers’ situation within these industries has improved.

However, with the recent focus on Information Technology as India’s new growth vehicle, the impact of this new economy on women is less well understood. The paper will examine the affect of this digital economic revolution on Indian women.

Overview of Indian Women

India is a society steep in tradition, a tradition that defined dual roles for women. Woman is both a goddess to be worshipped for her fertility, as well as a lower subclass afforded with less rights and privileges. The patriarchal society expects women to devote themselves to home, with limited ability to work outside or take demanding jobs. Female offspring do not have equal rights to inherence, and in more old-fashioned areas, women are expected to eat left over after the men are done. The large number of “missing women”, which measures the gap between the actual female population and the theoretical based on population pattern, amount to 32 million, account for feticide and high mortality rate due to gender bias. These types of practices and values reflect the social sphere that constrains women in participating in the economical growth and achieving economical independence.

Although Indian women have long since achieved legal equality enabling equal access to education and voting rights, Indian women’s voice remains overwhelmingly unheard. With a female population of approximately 500 million, it is larger than the U.S., Canada, and USSR combined population. About half of Indian women are illiterate, one of the lowest in the world, compared to 76% of men, and a disproportionate percentage of population living below poverty line are women. Although women have one-third reserved seats in local self-

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3 Womens Statics, India NGOs, 2002
4 CIA World Fact Book - India, Jaunary 2003
governing bodies, less than 8% of Parliamentary seats, less than 6% of Cabinet positions, less than 4% of seats in High Courts and the Supreme Court, are occupied by women\textsuperscript{5}. India has one of the largest working female populations, rising from 13% in 1987 to 25% in 2001, yet only 3% of senior management position is occupied by women\textsuperscript{6}. In a recent article in Times of India, the alarmingly low ratio of female applicants to Indian Institute of Management in Bangalore (IIMB) cited social pressure on women to focus on marriage and family as the primary reason.

The economic liberalization touched primarily the elite, educated, and upper-middle class women in the urban areas, as they received access to education and opportunities, as well as exposed to Westernized roles of women. Examples such as Kiran Mazumdar-Shaw of Biocon and Indra Nooyi of PepsiCo are all from well-to-do families which provided access to higher education and empowered these women to fulfill personal goals. However, the feminist movement of the eighties has for the most part bypassed the women in the poor and rural communities, thus economic globalization has scant benefit for the majority female population.

\textbf{Information Technology}

\textsuperscript{5} Women Statics, India NGOs, 2002
\textsuperscript{6} Statics, A Businessworld Special; March 2002
India has been touted by every major publication around the world as the new powerhouse of information technology. Numerous studies have shown that the combination of favorable factors such as strong educational systems that produce impressive numbers of scientists and engineers annually, strong English ability, democratic constitution, and low wages, all helped to make India the object of envy around the world. Indian companies have shot to international prominence such as Infosys, Wipro, and have become global household names, handling business for world class companies such as J.P Morgan and GE. IT is expected to grow rapidly, reaching $57 billion annual export and employing 4 million

![India's Share of Global IT Boom](image)

![Growth prospects are accelerating...](image)

![Fed by booming exports of IT-related services...](image)

![A growing pool of tech graduates...](image)

![And a swelling workforce](image)
Women in IT

In the first phase of IT revolution, women mostly found jobs in the lower end work such as data entry and word processing, and assembly of electronic components. However, as manufacturing advances and manual jobs become obsolete, new opportunities in services such as information processing, software development, and call center support. Visit any of the Wipro Spectramind call center operation or walk through Infosys’s Bangalore campus, one sees many Indian women in traditional garbs of sari or salwar-kameez, on the phone answering a Dell customer’s question or managing the outsourcing transition for American Express. It is undeniable that Indian women have made significant inroad into the higher value added segments of the IT industry. There are estimated 38% of female software programmers, largest of any demography. However, it is believed that female programmers at times face discrimination in compensation and promotion.

Impact on entrepreneurship

The proliferation of IT has had a secondary affect on the women of India through enabling entrepreneurship. Middle class women can now use the web as a medium to conduct small businesses out of their homes, earning supplemental incomes while attending to family needs. The emerging trend can be clearly seen in the growing popularity of social support organizations for female entrepreneurs, such as the Federation of Indian Women Entrepreneurs, Commonwealth Business Women’s Network, Association of Women Entrepreneurs in Karnataka, and Golden Jubilee Biotech Park for Women in Siruseri. Those organizations focus on providing technology training and sharing

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7 India: The Growth Imperative; McKinsey Global Institute Report; September 2001
8 Statistics, NASSCOM, 2001
best business practices to mentor members, as well as provide social support to nurture the entrepreneurial environment.

**Impact on Rural Communities**

With the increasing wealth in the elite and middle class, more attention have turned to the underprivileged rural areas where over 300 million people live below poverty line. With a traditional value emphasizing helping others in need, the upper and middle class who have benefited from the IT economy start to give back to the communities in need. Corporations such as Infosys have taken the issues to heart and formed the Infosys Foundation, together with organizations such as Women Empowerment Project (WEP) work to improve the lives of the rural communities. To eradicate poverty, women were identified as the most critical change agents. Research show that raising a woman’s income through training, education, and micro-credit lending raises household income, and improve overall living standards of the community. As a result, numerous NGO’s, both domestic and international, are working to train, mentor, and finance poor females in the form of Self Help Group (SHG), where small group of poor women from the nearby village apply for micro-financing from available sources and use the loan towards income generating activities. One program through the Chennai (Madras) Working Women’s Forum currently serves 230,000 poor women with loans to start their own businesses. Overall, WWF estimated membership of over 500,000 members\(^9\). According to a 1999 study, only 1% of poor women have access to credit, therefore this ability to obtain loan is a tremendous help in the first step towards financial independence.

In addition, the deployment of IT infrastructure allows the rural communities to obtain necessary information to help improve quality of life. For example, farmers can use the web or mobile phone to learn the spot price of the agriculture commodity, which will help them in the price negotiation and reach

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\(^9\) David H. Wells, The Dichotomy in Indian Women’s Lives, 2002
wider customer base. The rural community can also use the web to access health and educational information to assist in addressing the needs of villagers.

**Conclusion**

Although India’s patriarchal societal views will take many years to change, more and more Indian women are engaged in business enterprises, multi-national careers, and have better opportunities because of the availability of goods, information, and capital as facilitated by the growth of IT. The elite class women will continue to benefit directly from the increased opportunities created by the overall economic growth, while middle class women enjoy the secondary benefit of using IT as a tool for economical opportunities. The rural communities feel the trickle down affect as increased numbers of NGO’s focuses on using IT to raise the living standards of the inhabitants. The tradition of activism and collective organization combined with the new tools of information technology will help Indian women to achieve self-reliance and self-respect through entrepreneurship and economic independence.

As an increasing numbers of successful Indian female entrepreneurs come to prominence, they become aspirational role models for the young girls. The Indian society will gradually adjusting to the new role of women, that of an independent, talented individual with the same capability and responsibility as men, and thus entitled to the same rights and privileges. However, the successful woman will also need to take care of home, as well as contribute to the society. The paragon that exemplifies this role is Mrs. Murthy of Infosys Foundation. An outstanding computer programmer who helped her husband found the US$11 billion market cap company, she raised two children while authoring several books on a wide range of subjects. Since retiring from Infosys at her husband’s request, she now devotes all her time and energy in helping the poor through Infosys Foundation. This amazing woman epitomizes the high standards required of the modern Indian woman in the age of IT. IT provide
Indian women of all segments a means to gain economic independence, obtain self respect, and find their voices to be heard.
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