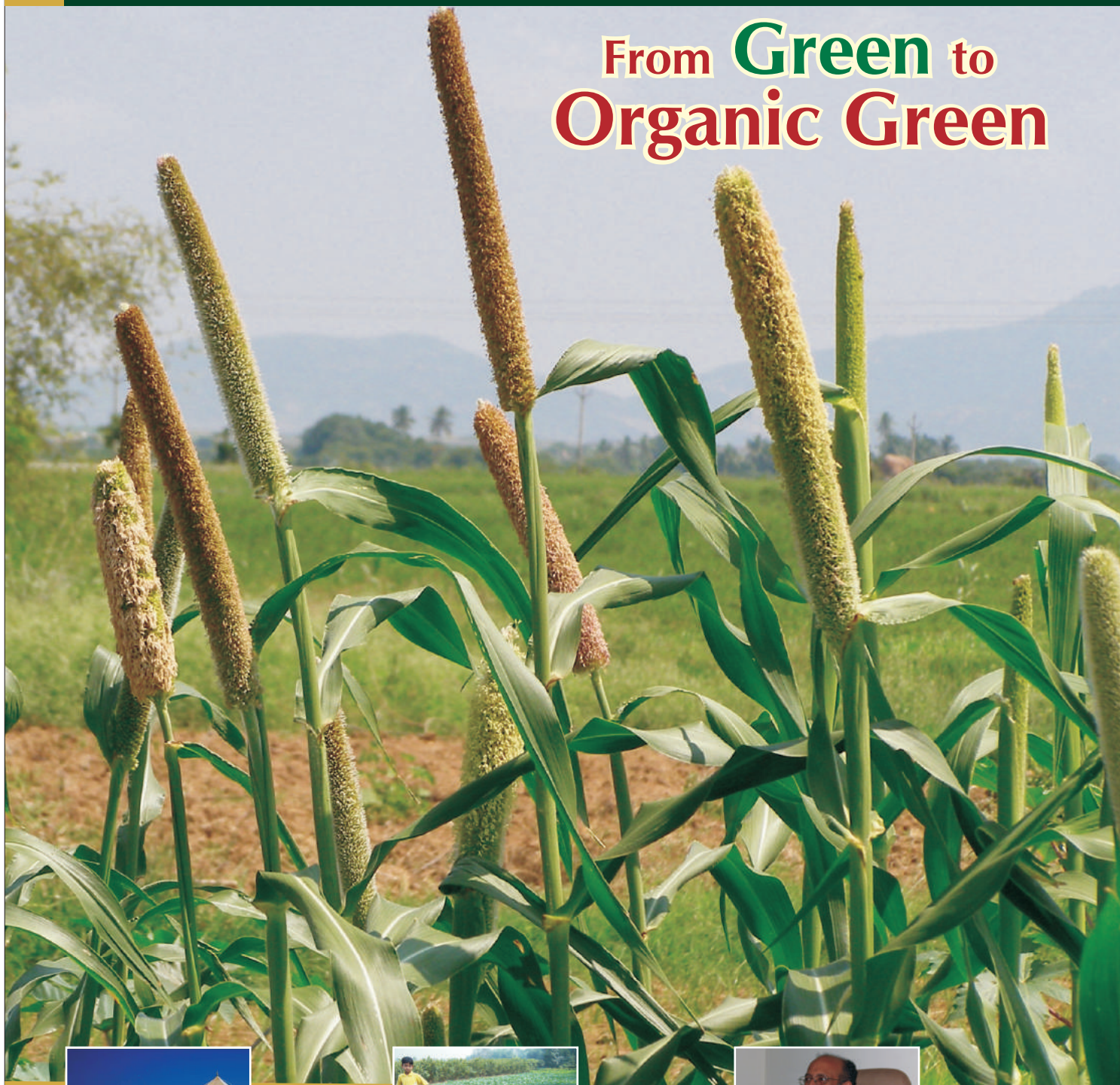


Jan - Mar 2008

Transforming India

..towards sustainable economic development and equitable growth

From Green to Organic Green



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Incredible
India



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V. Vivekanandan

Why Transforming India ?

Global changes in market places through integration are certainly spinning off and triggering many changes in the way the poor and we are living. Today the livelihoods are more dynamic. If few generations back it was easy for human beings to complete their journey of life complacently with just one activity today in our own life time we see that we end up with having at least doing 3-4 occupations. The poor in our country have discovered more than million ways to meet their ends. Most of these means are found to be more efficient, depend on meager resources, more eco friendly and are limited to addressing the basic needs. Research over the years has shown us that each livelihood is a system in itself. Some of the systems within which each one of us operate are individual family community nation, micro macro, production consumption and rural urban continuums. Peter Drucker in various strategic management papers also mentions that any system operates under structures like political, economic, social, environmental, legal, technological and legal. The stakeholders in any livelihood system are also many; right from the input suppliers to the consumers across the value chain. Therefore there are plenty of things to be understood and discussed.

As development professionals working in the field of livelihood consulting, we keep on meeting people from different streams: academic institutes, NGOs, CBOs, funding agencies, government officials, corporate and also other consultancies. Since the livelihood sector encompasses legal, social, political, environmental, cultural and economic issues, we realised that each actor has some understanding of any one or more issues relating to livelihood sector. Since we also have some experience and understanding of some issues, we decided to create a platform where we can synthesize the observations and learnings of all the involved actors and present it in a form which is suitable to create common understanding.

Hence the magazine, Transforming India. Livelihood is a very complex issue. In current scenario where market is assuming a very powerful place in the overall economic order, understanding the complexity of overall livelihood sector has become all the more important. The magazine is an attempt to understand the structures, various actors, and their relationships with them aim to overall development of the livelihood sector.

Transforming India: From bottom to top of the pyramid

It is high time for our society to look at the bottom of pyramid as a hub of opportunities and not just a cause of concern. By virtue of its size, it has potential to become a worthy target not only for developmental and political forces, but also for market forces, which have long ignored it. The need of the hour is to create a platform where amalgamation of opinions of all these forces can take place to transform the pyramid; this the rationale behind new quarterly magazine, **Transforming India**, launched by Access Livelihoods Consulting India (ALC India) Private Limited. The magazine was inaugurated by Mr. Jayesh Ranjan, Vice Chairman, HUDA in a simple ceremony organised on October 6, 2007 at Osmaniya University Centre for International Studies.



As per G.V. Krishnagopal, Editor, **Transforming India (TI)** aims to contribute towards equitable growth by sensitizing and influencing the 'haves' to facilitate progress of the 'have-nots'. Ultimately it aims creation of more conversant choices for planners, implementers and beneficiaries by sharing of knowledge and ideas.

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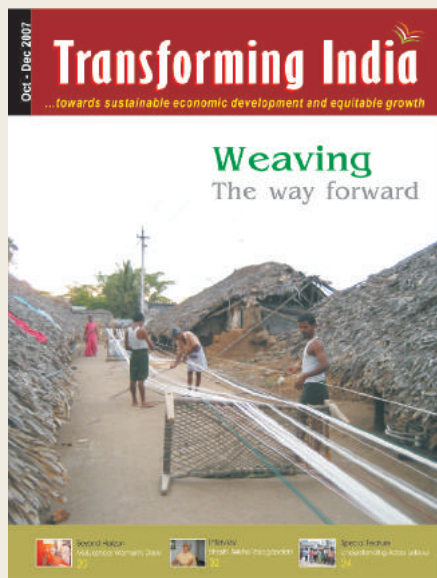
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Letters to Editor

TI Team



I must congratulate ALC India on releasing the publication and the intent there of. I have few comments on the magazine. Once you read the articles, the lack of language editing strikes you hard. The readability has to be improved many times. There are too many silly mistakes to be incidental or neglected. You also need to think a bit more about positioning of the magazine. Though all the articles in the first issues are relevant, the writing and editing will change the positioning. For example, cover story, "Weaving-the way forward" though excellent, the presentation and structure needs reasonable change depending on how you position 'TI'.

Ashis Sahu

At the outset, I would like to congratulate you for providing development workers a platform to share their views, perspectives and experience. Although several people across the country have been experimenting and innovating in designing development initiatives, their experience could not be shared easily for want of such a forum. I hope Transforming India will fill this gap. I have gone through all the articles in the Issue and find some of them thought provoking and inspiring to policy makers and programme implementers.

Dr. P Purushotham

Professor, National Institute Of Rural Development, Hyderabad

Interview with Ms. Shashi Rajagopalan is very engaging, but most articles are too long to sustain reader's interest.

You need to invest in a serious copy editor. Some ideas/concepts to transform India may also be included.

Muralidhar

The content of your magazine is excellent. I believe that your publication is valuable for development practitioners and others interested in this sector. Let me offer my congratulations to ALC India and your team for this publication.

Prof. K.L.Srivastava,

Centre for Social Initiative and Management (CSIM)

Many thanks for sending us a copy of your magazine which we think it is a worthy effort.

Priya Sen

DRAG

Transforming India(TI) makes an interesting reading.

G.N.S.Reddy

Baif Institute For Rural Development - Karnataka

At the first sight it looks quite interesting and informative and will be a very useful edition to our research and documentation centre and library.

B.T. Acharya

Vaikunthbhai Mehta Research Centre For Decentralised Industries

I am a software engineer. I read your magazine "Transforming India". I particularly liked the article "Young Entrepreneur". When I read the word entrepreneur, I thought that it would be about a famous personality. But I was impressed with the way a young guy from a small village was described as an entrepreneur. It gives confidence to the readers that even ordinary people can become entrepreneurs by making smart moves at right times and taking a few risks. Having written all this, I look at this magazine with a very optimistic approach.

G.Ravi Sandeep

Heartiest Congratulation to the TI team for transforming an idea in the form of a much-needed magazine. The cover story made an interesting read. The candid idea of covering different developmental issues was great. It would be really interesting if you can develop and publish weekly/fortnightly/monthly quantitative indicators or index covering important development issues. Also have some space for Agribusiness and Corporate Social responsibility ventures as well. Finally, all your articles were like fresh breath of air and provided food for thought.

Lavanya Kumar

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First of all, I would like to thank our readers for their encouragement and constructive feedback on the first issue of Transforming India. The universal opinion has been that it makes useful reading for development professionals. Some of the readers also expressed that it made a refreshing change to read about the possibilities and solutions available in the economic development of poor. Some of the readers also complained about articles being too long and serious. Definitely we are yet to discover how to make the content simpler to the common reader; however this particular feedback has triggered our thinking on how to enable TI to communicate in-depth analysis without banality and superfluous representation? As my ex-boss Shri Rama Reddy used to say, "The duty of good communicators is to present the facts as it is rather than making things appealing and attractive". Many magazines are good to read; they have sensational stories, eye-catching photographs and colourful graphs and statistics. But it is also true that attractiveness and appealing often distorts our ability to reflect on the facts. Through TI, we want to talk about issues of national importance, which demand in depth analysis. We also understand that we need to present the same analysis in simple and appealing manner. It is a tight rope that TI has to walk on. So should we continue with our agenda or should we follow the trend of instant gratification and feel good stories as being followed currently in Indian media?

One important feedback for TI is about major improvements required in language quality and overall readability. Language quality is an important challenge especially when we are relying on contributions from people who are working at the grassroots, actively engaged with the poor and are not the traditional writers and journalists. Finally all this should feel comfortable and happy reading TI. I am sure there is lot to learn from the formula of meaningful movies which are box office hits. Amir Khans latest movie "Taare Zamin Par" is a worthy example.

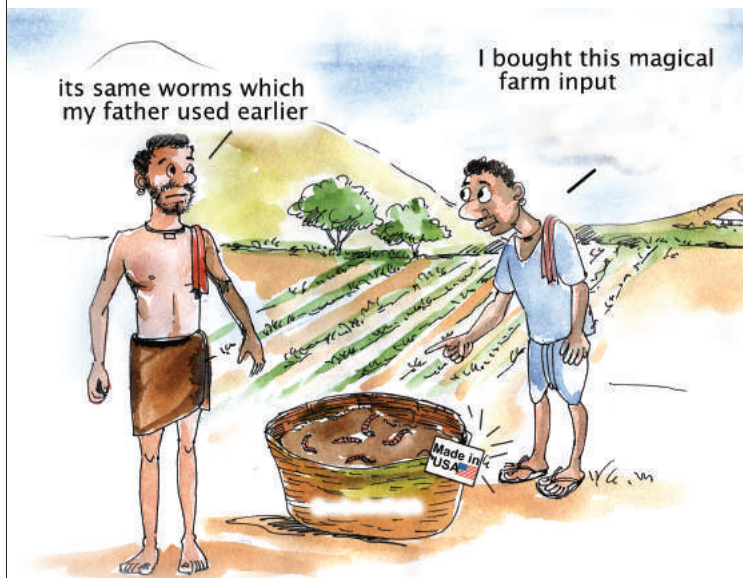
The final point raised by few well wishers is regarding the USP of TI. TI is not a news magazine. It has been started as a knowledge platform for all those who are interested in equitable growth and sustainable economic development. I guess it will take time to evolve its USP.

While all these issues remain to be resolved, in the second issue we have attempted to increase the variety in articles on the criteria of issues and geographical coverage. Our cover story talks about age old 'organic' agriculture practices which have suddenly come of the age and are in vogue with marketers, certifying agencies, scientists, academic institutions and voluntary organizations. The philosophy of organic cultivation is based on basic principles like cultivation in harmony with nature, crop rotation and diversity to maintain critical soil balances, integrated farming and dependence on local resources. All these principles have lots of meaning for small and marginal farmers. As rightly pointed in the article nearly 60% of dry land farming and a large part of tribal agriculture is still follow the age old practices. Its time to ensure these farming practices are respected and are not limited to just niche production and markets. It should be the next revolution from green to organic truly.

Continuing with our attempt to add more variety, we would look at the inter linkages of poverty, electricity and resource utilization in West Bengal, build perspectives on social enterprise and basin based livelihood planning approach and dwell intensively on the role of cooperatives in new economic order with Shri Vivekanandan (CEO, South Indian Fishermen's Federation). To make some of the concepts discussed in the magazine more relevant, we have also added related news items. From this issue onwards we are also adding a column on various important news headlines related to economic development spectrum that have appeared in various magazines, newspapers and websites. We hope the changes will be valuable to our readers.

We always associate hopes and expectations with the New Year. The TI team also expects that in the year 2008, it will establish itself as a valuable knowledge sharing platform for individuals interested in economic development of the poor. However, our immediate concern is to become self sufficient. We are experimenting with various revenue models to sustain the effort. Our current thinking is to largely depend on reader contributions, annual events and advertisement revenue. Hopefully we will discover whether this model is right in the year 2008. Signing off I wish all the readers a very happy and enriching new year and off course a fruitful association with TI. ■

Livelitooons



“Quotes”

“Indians live in a welfare state for the rich.”

----- **Pranab Bardhan** (Economics Professor at University of California) *on comparison of subsidy allocation of 10% of GDP for non-merit goods and services, accruing to rich while NREG costing less than 1% of GDP.*

“Maharashtra, Anhra Pradesh, Karnataka, Madhya Pradesh, Chattisgarh, and Kerala might be termed as the “Suicide SEZ.”

----- **P. Sainath** (Rural affairs editor, The Hindu) *on the five states accounting for two-thirds of 1.5 lakhs farm suicides*

“The government needs to be around but if you're sensitive to land/home losers and make them stakeholders, you can succeed as we did in our Salboni project”

----- **Biswadip Gupta** (JMD& CEO JSW Bengal Steel Plant) *on land acquisition process.*

“India can generate 45,000 MW power from wind, with much lesser costs than nuclear energy.”

---- **Sandeep Pandey** (Ramon Magsaysay Award winner) *on Indo-US nuclear deal.*

FACTS & FIGURES

Where India stands in 2007?

128th rank in the Human Development Index, as per United Nations Human Development Report.

120th rank in Gender Gap Report as per World Economic Forum

120th rank in Ease of Doing Business, out of 178 as per World Bank's annual report

105th rank, out of 128 countries in UNESCO's 2008 Education for All Global Monitoring Report

96th rank in the Global Hunger Index, out of 119 developing nations, as per International Food Policy Research Institute

57th rank in Corruption Ranking, out of 179 nations in the World Democracy Report

48th rank in Global Competitiveness Index released by the World Economic Forum

47th rank in Democracy Ranking, out of 179 nations in the World Democracy Report

4th rank in the Biggest Emitters of Carbon dioxide

Who is Social Entrepreneur?

G.V. Krishnagopal

A popular magazine in the country recently carried out an article claiming Mr Amitabha Sadangi running Global Easy Water Products whose business is manufacturing and marketing low cost drip irrigation, Mr Samit Gosh, Ujjivan, providing financial services to urban poor and Mr Ravinder Kumar of SAS Motors which is into manufacturing and selling of low cost tractors as social entrepreneurs.

The common thread that we can notice in these people is typically they are making money by carrying business with rural/urban poor at terms slightly better off than the traditional business people. So today, the microfinance industry does not think twice before claiming that they are contributing towards reduction of poverty. All they do is provide the same service as the next door money lender did for centuries at slightly better terms. So it is collateral less lending and marginal reduction in interest rates, which has made it possible for all those in the industry to claim to be messiahs of poor. Unfortunately we also forget that there have been many companies, which are financing the poor either through chit fund mechanisms or through other structures for long.

Today apart from financial services there are institutions that are replicating the roles of master craftsmen, local traders and labour contractors at a scale are being projected as social entrepreneurs. So their claim to contribution will be that they make money by providing better trade terms to rural producers and labourers.

Private social venture capitalists are helping the cause of new breed of social entrepreneurs with equity investments. Actually it is a win-win situation for the venture capitalist & the business men. The equity investments help enterprises to quickly scale up while venture capitalists are happy to make merry from the financial returns in the name of social returns.

What factors are giving credence to these enterprises? Well there are a variety of social enterprise contests being conducted by management institutes, banks and venture capitalists with big names who commemorate the work of these enterprises. To name a few - the world wide Global Social Venture Contest identified two projects from Asia round conducted by Indian School of Business as social enterprises. What were the project ideas? Well one was a patented agriculture equipment manufacturer and the other was low cost patent drug manufacturer. Secondly, organizations like

Ashoka Foundation which are forefront in recognizing innovative change makers are also subscribing to similar definitions. So globally there seems to be misuse of this term

Traditional social entrepreneurs have worked voluntarily in the 1960's to 1980's. As the sector developed and donor inflow increased; many voluntary organizations worked on public causes with limited salaries started to bring change in their areas of operations. Of course more than wise-utilization, donor money was seen as an opportunity to make quick money in the pretext of nearly absent legal framework and regulatory mechanism. Proliferation of voluntary organizations meant increased competition for donor resources and increased emphasis on sustainable change meant search for alternative models for developing the rural poor. Research by then had proved that grants and subsidies are often ineffective means to provide service to the poor. Further entry of professionals and changing economic order provided the alibi to push up the salaries within the voluntary sector.

Therefore, the deterioration of work standards and evolution in voluntary sector coupled with world wide push for new definition has remarkably influenced the way we are defining social entrepreneur. So today when Mr Mukesh Ambani in an interview claims that he is working for rural transformation there is little to be questioned upon. On that count Mr Shiv Kumar the man behind ITC e-choupal qualifies even more to be known as social entrepreneur. If one was to extend the definitions, the younger Ambani who provides low cost mobile connectivity and Dr Reddy who provides low cost drugs qualify for such recognition.

So what, if our current leaders of social enterprises present their wife's a personal jet as birthday gift and spend Rs 6,000 million for construction of their house. Or for that matter what's wrong when some MFIs have a turnover of Rs 7000 million and do not openly share their net profit, they are earning. It doesn't matter or rather we are happy to know that Mr William Basil of Fab India reports a business turnover of Rs 200 million.

So what factors define social entrepreneurship? Is it the purpose orientation, legal structure, area of operations, nature of business clientele, change strategy or a combination of all these, is something to be wondered about. Probably Prof CK Prahalad who had written case studies on models of business at the bottom of pyramid was more modest in his claims. Or was he too naïve not to have used the term 'social enterprises' is better left for the time to decide. ■

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Poverty, groundwater, electricity and agrarian politics: Understanding the linkages in West Bengal

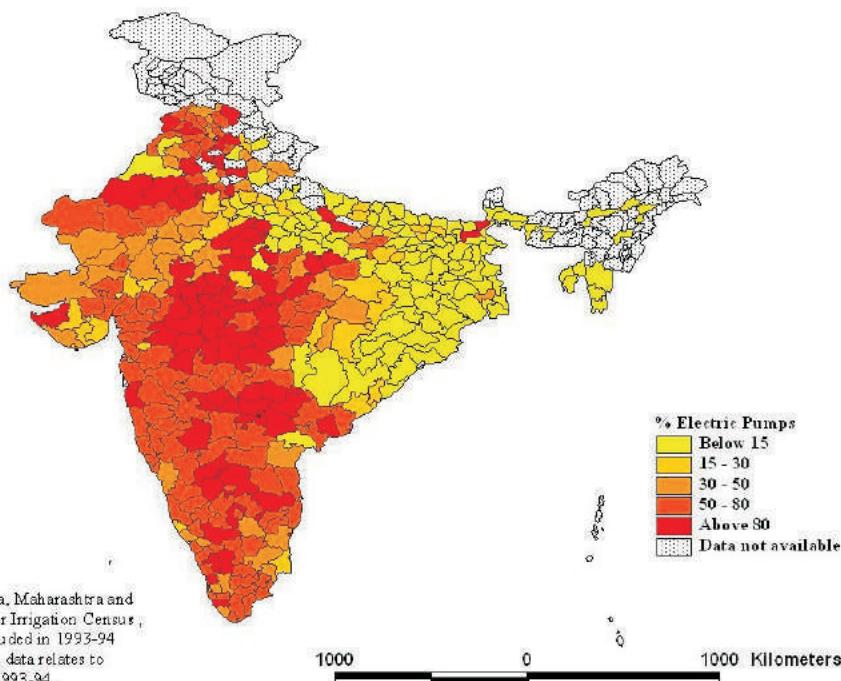
Aditi Mukherji

What has poverty got to do with groundwater and electricity? Intriguing, as the question seems, the answer is fairly straightforward. In regions of abundant rainfall and good alluvial aquifers, groundwater irrigation is a powerful tool for poverty alleviation. The power of groundwater to alleviate poverty becomes all the more effective if affordable electricity is provided to groundwater irrigators.

Eastern India (including eastern Uttar Pradesh, Bihar, West Bengal, Orissa and Assam) is one such region where provision of groundwater irrigation would have high poverty alleviating impacts. This was noted way back in 1984 by the Reserve Bank of India and later in the 1990s by the World Bank. Even in other parts of India, groundwater irrigation played an important role

in ushering in Green Revolution that in turn led to food self sufficiency. At present, groundwater irrigates over 60% of India's net irrigated area of 58 million ha or so and it contributes more to agricultural production than all other sources of irrigation put together. However, the downside of this has been increasingly unsustainable use in certain pockets of the country, though not in eastern India, where under-utilization of groundwater is a more pressing issue.

In the 1980s and early 1990s, many of the eastern states did see increased groundwater utilisation which in turn led to rapid agricultural growth in states like West Bengal. However, by the mid 1990s, the boom in groundwater irrigation in eastern India had halted, much as it did in other parts of arid and semi-arid India. While in these parts of India, the pace of groundwater development had decelerated as a result of groundwater depletion and over-exploitation, this was not the case for eastern India where ample rainfall and alluvial aquifers ensured that much of the groundwater was recharged. Yet, eastern India saw a decline in growth of irrigation wells and tubewells, which, may be largely attributed to the inappropriate policies such as rural de-electrification, removal of capital subsidies on



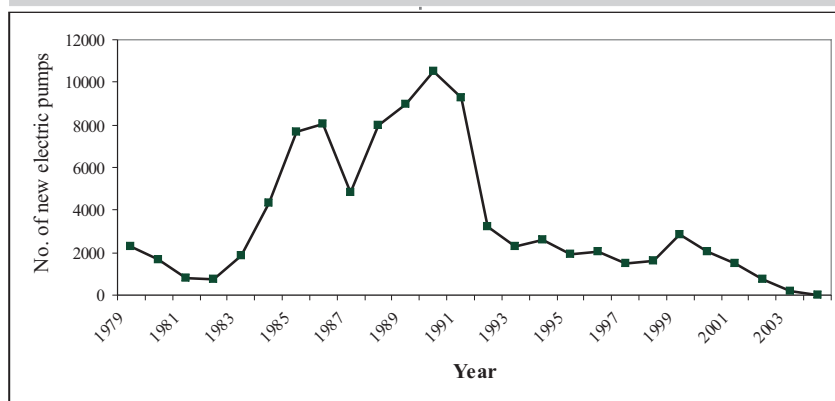
* Figures for Gujarat, Karnataka, Maharashtra and Tamil Nadu are based on Minor Irrigation Census, 1986 as they have not been included in 1993-94 MI Census. For the other states, data relates to 1993-94 based on MI Census, 1993-94.

electrification, complicated groundwater permit systems etc. To a certain extent, these policies were influenced by the dominant discourse in groundwater, viz. that of scarcity, depletion and over-exploitation, even though this discourse was not relevant for the water abundant eastern India. A part of the explanation also lies in agrarian politics, manifested by the presence or absence of farmers' lobbies. Let me elaborate upon these observations with concrete example

electric pumps to total pumps (10.1%) in the country, even lower than the neighbouring state of Bihar. In the 1980s and 1990s, lack of rural electrification did not matter much because diesel was cheap, subsidised and affordable. However, over the last few years or so, diesel prices have gone up tremendously (See: **Rising diesel prices, 1973 to 2005**) and in the process have put many groundwater irrigators out of business. Third, to compound the problem further, recent years have seen a slow down in rate of pump

negative effect on the growth in groundwater irrigation and consequently on the agricultural economy as a whole. Given that groundwater irrigation played a crucial role in agricultural development in the state and that agricultural growth is also positively related to poverty alleviation, any slowdown in the former without any compensating growth in other sectors leads to further poverty. And the ultimate result is somewhat of a paradox: economic groundwater scarcity and concentrated rural poverty in a land of abundant rainfall and groundwater.

Slow down in the pace of pump electrification in West Bengal, 1979 to 2004



Source: West Bengal State Electricity Board (WBSEB) Yearbook (several years)

Thus, as elaborated in the preceding paragraph, going by the policy making discourse in the state, it would seem as if the state were in the brink of a major groundwater disaster. Undoubtedly, the global notoriety created by arsenic contamination of groundwater explains part of this over cautious policies, but given that arsenic is largely a drinking water threat and may be taken care of, restrictive policies of the state are hardly justified. This is especially so because West Bengal has one of the higher poverty ratios in India and here groundwater can and did play an important poverty alleviating role. What then explains the 'conservationist' attitude of the state government vis-à-vis groundwater resources? Partly, as has been mentioned earlier, the dominant discourse on depletion and scarcity has influenced the policy discourse in West Bengal given the pre-eminence of the urban intelligentsia in

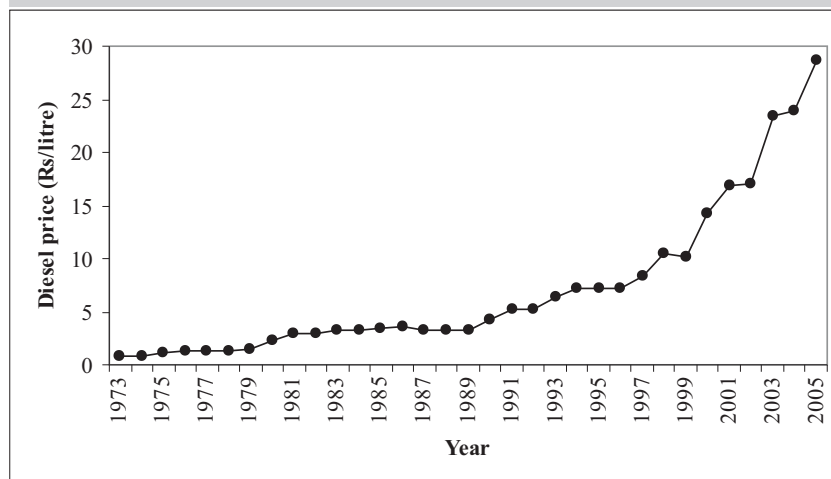
from West Bengal.

West Bengal is a state of plentiful rainfall (1500 to 2500 cm of annually), rich alluvial aquifers and high groundwater potential of around 31 billion cubic meters (BCM). In terms of groundwater endowments per unit of net cultivable area, West Bengal ranks second only to the state of Assam. As per the estimation carried out by the Central Groundwater Board, 88 percent of all administrative blocks in the state were categorized as 'safe' blocks. This is in sharp contrast to states such as Punjab, Haryana, Gujarat, Tamil Nadu, Andhra Pradesh etc. However, paradoxically enough, the groundwater policies in West Bengal too are in sharp contrast with those of over-exploited states mentioned above. For one, farmers in West Bengal pay one of the highest electricity tariffs in India, while farmers in Punjab, Haryana, Tamil Nadu and Andhra Pradesh get electricity free of charge. Second, West Bengal has the lowest percentage of

electrification in the state mainly due to withdrawal of capital subsidy on electrification and necessity of procuring rather cumbersome clearance certificate from the State Water Investigation Directorate (SWID). All these policies have had a



Figure 2. Rising diesel price, 1973 to 2005



Source: www.indiastat.com downloaded on 12th July 2006 (at 2004 real prices based on GOI's wholesale price index downloaded from website <http://caindustry.nic.in> downloaded on 15th June 2006)

policy making and their pro-environmental sympathies and limited knowledge of rural realities. But by far the most important reason why these restrictive and anti-farmer policies have been implemented without causing any visible farmers' protest is the lack of credible farmers' lobby in the state. Krishak Sabha, a CPI(M) affiliated farmer's organisation is the only dominant farmers' group in the state and this has been co-opted by the ruling party. Given the centralised and strict discipline based party ethos of

the CPI(M), voices of dissent are rarely heard outside the closed door meetings of the party high command. Since Krishak Sabha fails to give voice to the farmer's grievances, these are rarely heard. Such pro-resource and anti-farmer policies would be well nigh impossible to impose in states in Punjab, Gujarat and Andhra Pradesh all of which have strong farmer's lobbies. Thus, it may be hypothesized that groundwater policies in India have much less to do with resources condition and everything to do with



By mid 90's Eastern India saw a decline in growth of irrigation wells and tubewells, which, may be largely attributed to the inappropriate policies such as rural de-electrification, removal of capital subsidies on electrification, complicated groundwater permit systems etc.

agrarian politics, manifested in terms of presence or absence of farmers' lobbies.

What then are the policy options, given the resource conditions and the political milieu? Given the rich groundwater resource condition in the state coupled with high rates of rural poverty, it may be credibly argued that increasing groundwater use through rapid rural electrification is one of the best ways of combating poverty. One often expressed concern is that encouraging groundwater irrigation through electrification leads to bankruptcy of the state electricity boards as has happened in Gujarat and Punjab. But it need not necessarily be so, provided that electricity is not given free of cost or subsidised, though a good case can be made of one time capital subsidy (and not operations and maintenance subsidy). West Bengal already has one of the highest flat rate tariffs in India and this has encouraged pro-active groundwater markets in the state. These groundwater markets provide access to irrigation to those who do not own any means of irrigation and have largely equitable and efficient outcomes. Continuing this high flat rate tariff along with easing the entire process of rural electrification and providing one time capital subsidy would encourage groundwater use and consequently make a dent in the high poverty figures in the state. Providing affordable electricity for agriculture would also make a good political move for the ruling Left Front coalition, given that recently they have come under increasing criticism for their anti-farmers land acquisition policies, the flash point of which is the ongoing Nandigram dispute. ■

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From green revolution to organic revolution

Archana Londhe

Padma, from Chowderipalli village of Nalgonda district in Andhra Pradesh and her husband were working as agricultural labourers. During the non- agricultural season, Padma's husband worked in Mumbai to supplement the family income. In 1995, they purchased 5 acres of land, but it was not cultivable as the fertile topsoil was absent and in one acre, the land was rocky. In 1997, they borrowed Rs 3000 and invested in growing sesame and horsegram crops. The crops failed.

In summer of 1998, with technical and financial assistance of PEACE, an NGO from Bhongir, Padma cleared her land, constructed earthen bunds to control rainwater run off, and applied tank silt to improve the fertility. She sowed maize and red gram as mixed cropping and used NPM (Non-Pesticidal Management) techniques to control pests. Her hard work paid off and in the kharif of 1998, she got a bumper red gram crop of 8 quintals.

In 2004, she earned net profit of Rs 23,500 (See: **Padma's Income and Expenditure in 2004**) and food grains, sufficient to feed her family for one year. She had constructed a farm pond for irrigation and had her own vermin-compost unit. Her income comprised of profits from dairying and sale of FYM. Padma had become self-sufficient and was not dependant on credit for agricultural investments. Today price of her land has increased to Rs 2-5 lakhs. This turn around has been made possible by various organic farming techniques followed by Padma. In her words, "Farmers must realise that in organic farming, yield is not very high, but it is sufficient to prevent hunger, poverty and debt trap."

Why organic farming?

Padma's story is not stand alone. There are almost 500,000 farmers in the country who are shifting to organic farming. The gains from green revolution have been proved unsustainable and unviable. (See: **What went wrong with**



green revolution)The agricultural productivity has reached a plateau.

The high cost of production compounded with small land holding size and competition from cheaper imports are making agriculture an unviable livelihood option. The air, soil and water pollution, caused by chemical

Padma's income and expenditure in 2004

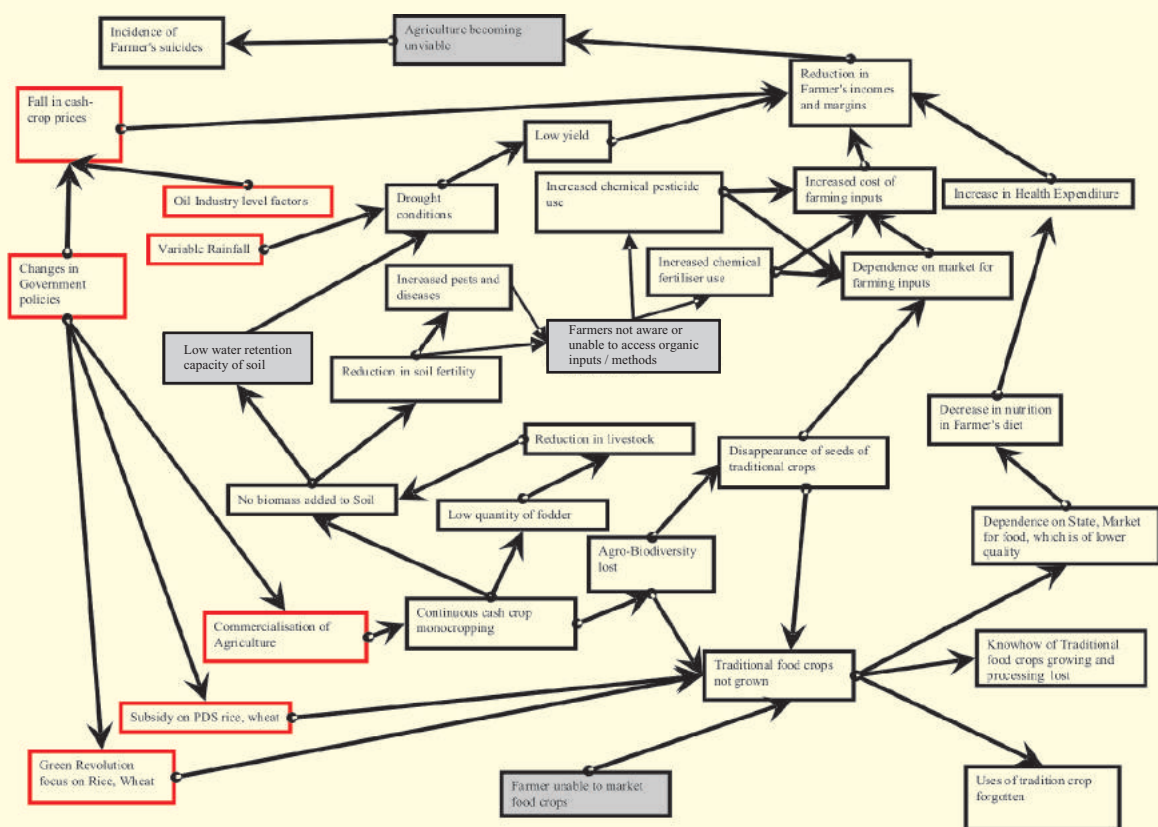
| Income (for 4 acres) | | In Rs. |
|----------------------------|-------------------------------------------------|---------------|
| Red Gram | (7 quintals * Rs 1500) | 10,500 |
| Maize | (7 quintals * Rs 500) | 3,500 |
| Sorghum | (2 quintals * Rs 700) | 1,400 |
| Sesame | (15 kg * Rs 20) | 300 |
| Custard apple | (10 baskets * Rs 100) | 1,000 |
| Sorghum straw | | 2,000 |
| Stylo grass | | 2,000 |
| Gongura | | 500 |
| Marigold flowers | | 500 |
| FYM | | 1800 |
| Milk | (120 litres per month * 12 months* Rs 10/litre) | 14,400 |
| TOTAL INCOME | | 37,900 |
| Expenditure (for 4 acres) | | In Rs. |
| Seed | | 500 |
| Ploughing | | 2,400 |
| Labour | (Rs 800* 12 months) | 9,600 |
| FYM | | 800 |
| Biopesticides | | 200 |
| Weeding | | 900 |
| TOTAL EXPENDITURE | | 14,400 |

(Padma saved on seed, ploughing and other labour costs as she used her own resources)

inputs has severely affected the lives of the villagers, their resources and the delicate food chain. All these reasons have compelled farmers, civil society and agricultural scientists to search for a farming system which ensures sustainability of the whole agricultural ecology and viability of production system. Among all farming systems, organic farming is gaining wide attention. The reasons being its low cost, high quality and healthy produce, cleaner environment and above all its suitability to traditional knowledge and local agro-climatic conditions. In organic farming, traditional practices of farming like crop rotations, mixed cropping are exercised in which inputs are in the form of available organic wastes and other biological material. Both the practices and inputs keep the soil in good health by increasing its organic content; control pest attack without polluting environment and food chain and also lead to better water use efficiency. All these factors not only reduce cost of production but also ensure sustainable production.

What went wrong with green revolution?

In 1968, green revolution was launched in India to increase the agricultural production. It was an expensive option for farmers due to its high reliance on external inputs like chemicals (fertilizers, pesticides and herbicides), seeds and mechanization. To meet the costs, farmers increased their borrowings and/or engaged in mono-cropping to gain dividends from commercialisation. Over the following years, the yield from the land increased, encouraging farmers to chemical-input based agriculture and hence more borrowing. In case of crop failure the debt remains and farmers will be forced to get additional yields and income in the next season. So he/she borrows more to invest and they are dragged into a vicious cycle. In addition, use of chemical fertilizers depleted organic content of the soil, making it infertile. The pesticides also started showing low effectiveness in curbing pest menace, due to the resistance developed by pests to the chemicals. Both these factors together lead to low yields, which adversely affected farmers as they were caught in the debt trap. Impact of chemical based farming and mono-cropping also resulted in food chain pollution and loss of traditional diversity of flora and fauna. After almost 39 years, it is tragic that Indian agriculture is now being marked by farmers' suicides and food scarcity. The whole chain of events and their impact can be understood from the following diagram:



Source: Tibaktu Collective

| Parameter | Potential Benefits of Organic Farming |
|--------------------|--------------------------------------------------------------------------------------------------------------------------------------------|
| Agriculture | Increased diversity, long term soil fertility, high food quality, reduced pest/disease, self reliant production system, stable production. |
| Environment | Reduced pollution, negligible soil erosion, wildlife protection, resilient agroecosystem compatibility of production with environment |
| Social conditions | Improved health, increased local employment, reduced rural migration, gender equality |
| Economic condition | Self-reliant economy, income security, increased returns, reduced cash investment, less risks |

Different stakeholders have different reasons to shift to organic farming. For farmers, the first and foremost reason is that it gives them more control over resources. Availability of inputs within the agricultural field makes them less vulnerable to market fluctuations, which decreases their dependence on borrowings. Energy savings on account of higher water use efficiency make them less susceptible to power cuts and tariffs. Secondly various studies have found that organic farming is more profitable and productive in small landholdings and in draught conditions, a common feature of Indian agricultural system. As per the observations of Timbaktu Collectives in Anantapur district of Andhra Pradesh, crops cultivated with only chemical fertilizers are known to be more susceptible to drought. In many cases, farmers have experienced complete crop failure, which is not the case with organic cultivation.

Impact of organic farming on costs and yield

| Practices | Duration of Practice | Effect on inputs cost | Impact on yield |
|-----------------------------------------------------------------------------------------|----------------------|-------------------------------------------------------------------------------------------------|-----------------------|
| Non Pesticidal Management alone | 3 years | 10% reduction | 10% increase in yield |
| Application of manure, oil cakes sheep penning, Tank silt and Non Pesticidal management | 5 years | 10% reduction (This is due to fact that organic means of fertility management Labour intensive) | 20% increase in yield |

Source: Timbaktu Collective

Thirdly, organic farming system is very similar to India's traditional system of agriculture. It is estimated that in 70% of the arable land, rain-fed or dry-farming is practiced. Of this only 20% of the dry-land farmers use chemical inputs, the rest rely upon manure and green compost for maintaining soil fertility. **Thus at least 56% of Indian farms can be considered as de-facto organic farms, where the agricultural practices and inputs are in alignment with the norms specified for organic farms.** Secondly, it is easier to train farmers about organic farming practices, as it is similar to our traditional farming practices.

For consumers, 'organic' is a labeling term, which is perceived as safer, healthier, environment-friendly and socially responsible. For traders 'organic' is yet another specialty product for niche markets which commands premium price. In the market of developed countries, (the



USA, the EU and Japan) 'organic' signifies those products which are certified as produced in accordance with certain legally defined standards and norms of organic farming. This market of 'certified organic' food, is rapidly growing where a handsome premium is paid for the certified organic products. According to a study by the US department of agriculture, consumers in the US and the European Union account for 95% of the world's retail sales of organic foods, estimated at more than \$30 billion. The demand for organic food is steadily increasing both in developed and developing countries, with annual average growth rate of 20-25%. Currently, in India 3.12 lakh hectares of land is certified under organic cultivation. The states of Maharashtra, Madhya Pradesh, Uttar Pradesh, Gujarat, Himachal Pradesh, Uttaranchal, Sikkim, Karnataka and Andhra Pradesh are in the forefront of organic farming. 50 % of its organic produce is exported, and the demand in international market is increasing. In 2006-07 exports from organic farm produce reached US\$ 83.08 million as against US\$ 26.4 million in 2005-06. This is considerably high when compared to the percentage of other agricultural products exported.

However there is a paradox. Even when all the factors seem to be conducive for farmers for transition to organic farming, the number of farmers practicing organic farming is just 500,000. The 3.12 lakhs hectares of certified organic land account for only 0.18% of total farming area. India ranks 33 in the world in terms of total land under organic cultivation and 88 in terms of the ratio of agricultural land under organic crops to total farming area. If conditions at both production and market sides are so conducive, why are farmers not shifting to full scale organic farming? The reasons can be many. Farmers fear to take the risk, as the support system for organic farming like marketing, credit facilities, capacity building etc are not yet developed. The loss of confidence in traditional knowledge is also one major issue. The encouragement from government in promoting organic farming is also not visible, as the subsidies on chemical fertilizers and

pesticides are still prevalent. Due to lack of awareness, the spread of organic movement is limited to the areas where civil societies are promoting organic farming.

Choice of market

One of the factors for lower extent of organic farming is lack of market push. The domestic market for organic products is not mature. The awareness about concept of organic farming is limited to a niche consumer group comprising urban, well educated class (See: **Indian Market for Organic Food**). On the other hand a large number of consumers purchase organic products, for reasons like better taste without full understanding of the concept. Here farmers have to make a decision regarding their target market. In India, since the norms relating to organic foods regulate only the organic exports and not the domestic organic food industry, they can sell the organic produce in local market, at prevailing

market prices, without any brand or certification. In such a scenario, the selling price remains the same as charged in the sale of chemically produced crop. The gains in such case are due to the cost saving of inputs. The farmers cannot charge a premium price for their produce, as it is not certified or branded.

Comparison of prices for organic and conventionally grown products in departmental stores in Mumbai

| Product | Organic (Price Rs. Per kg) | Conventional (Price Rs. Per kg) |
|---------|-------------------------------|------------------------------------|
| Rice | 32-110 | 15-60 |
| Wheat | 35-40 | 15-25 |
| Coffee | 475-1000 | 350-500 |
| Tea | 450-1300 | 250-500 |
| Spices | 400-1500 | 250-800 |
| Pulses | 50-75 | 25-40 |
| Fruits | 80-100 | 20-100 |

Source: ORG-Marg 2002

In second scenario, the farmers can get their produce certified and can sell at premium rates. The market here comprises of both domestic market and international market comprising niche consumer group ready to pay premium price. The certified produce receives higher price, but farmers also have to incur the cost of certification. The third party certification process involves exhaustive documentation and high costs which are beyond

the capacity of the small farmers.

Certification of organic products

Certification gives confidence to consumers that the product meets quality and process standards of organic production. The certification process requires adherence to certain standard practices and norms for production and cultivation, bio-dynamic preparation, plant protection techniques and other processing. All over the world, inspection and certification of organic foods is carried out on the basis of largely overlapping statutory certification norms and the voluntary/civil certification norms. The two alternative certification systems applied in India are: Third Party certification, Internal Control System (ICS) and Participatory Guarantee System (PGS). Third party certification is a well known internationally recognised certification system where individual farmers can get their produce certified. ICS is also internationally recognised certification system, where either farmers' collective or exporter hires a certification agency to annually inspect the farms and give confirmation that they adhere to all the norms of certification. In PGS, local or national market is targeted, involving farmers, traders and consumers in development and enforcement of quality assurance norms.

According to a study by Research Institute of Organic Culture and ACNielsen ORG-MARG (2003), cost, quality, lengthy procedure, availability of services, international validity and complications are identified as major constraints in the third party certification and ICS process. The high cost of certification is the biggest constraint. The process comprising

Certification cost

| Category | Fees (Rs) |
|------------------------------------|----------------------------------------------------|
| Small farmers and cooperatives | 12,000 per day+ 5000 Flat fee+ 5000/certificate |
| Estate manufacturers and exporters | 19,200 per day+ 5000 flat fee+ 5000/certificate |
| Large and medium sized processor | 16,800 per day+ 5000 Flat fee+ 5000/certificate |

Source: Research Institute of Organic Culture and ACNielsen ORG-MARG (2003)



INSTITUTE OF NATURAL ORGANIC AGRICULTURE

Activities

SERVICE PROVIDER.

- Internal Control System
- Technology And R&D Center For Organic Farming.
- Extension Of Appropriate Farming And Energy Technology.
- Soil Biological Fertility.
- Package Of Practice For Organic Crop Management.
- Mass Culturing And R & D On Agriculturally Useful Microbes.
- Composting And Soil Waste Management Technologies.
- R & D And Turn-key Projects For Waste Management.
- Maharashtra Govt. Registered Production Center For Vermicompost, Biofertilizers, Biopesticides.



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travel and inspection, report preparation and certification costs minimum of Rs 22,000. An example of a certification body operating from India is given below:

While these costs can be affordable for the industrial organic greenhouses, they are equal to or more than an entire year's income for the average small farmer. With such costs, third party certification process is not affordable to farmers. As per the National Programme for Organic Production (NPOP) (**See: Government's Initiatives**) launched by government,

financial support of Rs 10,000 per hectare is given to compensate for potential losses during conversion period and to support and develop infrastructure. The subsidized amount is not enough to cover the loss during conversion period. In ICS, if the exporter bears the cost of certification, farmers have to enter into contract farming. The farmers become dependant on exporters not just for the sale of produce but also for meeting cost of certification. In both the alternatives, farmers lose control over the process and their produce and

become vulnerable to exploitation and market fluctuations. Since the subsidy amount by government is also given to the certification agencies, they emerge as the biggest beneficiary of the certification process.

In such a scenario, PGS emerges as the most empowering and affordable certification mechanism for farmers. Due to its participatory nature and horizontal structure, less costly and more appropriate mechanisms are adopted by farmers. Here farmers are considered trustworthy and consumers are encouraged to seek out the producers.

Government's initiative

In October 2004, Department of Agriculture and Cooperation formulated a 'National Project on Organic Farming' to promote organic agriculture as part of an exercise to curb the use of chemical pesticides and make agricultural activity more eco-friendly Government with an outlay of Rs 57.05 crores. The specific objectives are as follows:

- Capacity building through service providers.
- Financial support for commercial production units for production of organic inputs
- Promotion, extension and market development of organic farming
- Putting in place a system of certification of organic produce.

Encouraged by the growing demand for certified organic products in international market, Agricultural & Processed Food Products Export Development Authority (APEDA), Ministry of Commerce & Industry is implementing National Programme for Organic Production (NPOP). The aims of the NPOP are:

- Providing the means to evaluate certification programmes for organic agriculture and products as per the approved criteria;
- Developing policies for the certification and development of organic products;
- Producing the National Standards for Organic Products (NSOP);
- Formulating the National Accreditation Policy and Programme (NAPP);
- Accrediting certification programmes to be operated by Inspection and Certification Agencies;
- Facilitating certification of organic products in conformity to the NSOPs;
- Developing regulations for the use of the National Organic Certification Mark;
- Encouraging the development of organic farming and organic processing.

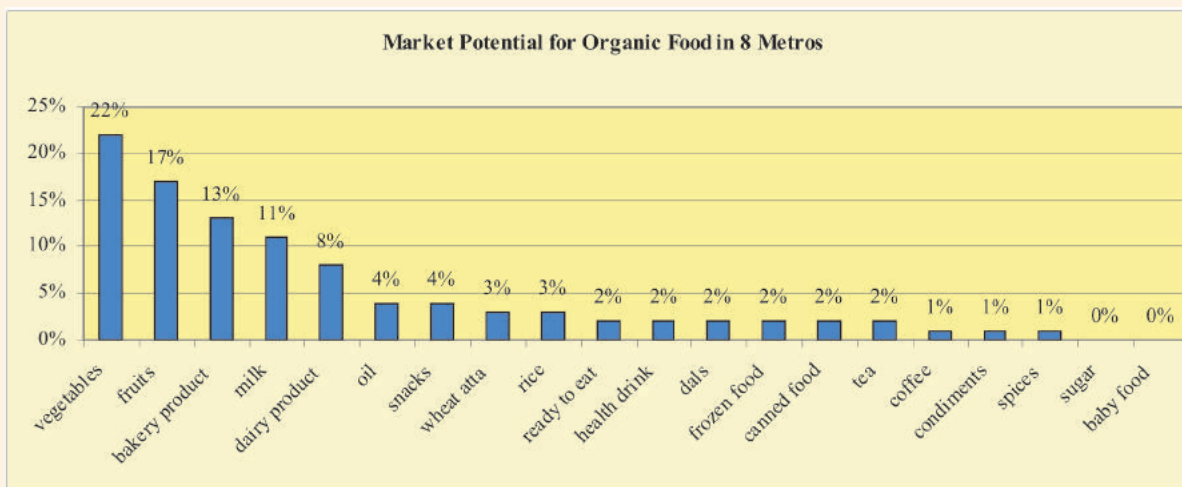
Apart from central government, five states namely Gujarat, Maharashtra, Karnataka, Madhya Pradesh and Uttaranchal have their state policies on organic farming. Andhra Pradesh is in the mid of drafting process. Himachal Pradesh has initiated a state level project on organic farming. The North-Eastern states have also prepared an elaborative plan for organic farming promotion. Kerala Government plans to convert 20% of cultivable land to organic farming each year, total conversion in five years. Interestingly, the state of Orissa, which has no policy for organic farming, has the largest organic farming production.

According to Director General of Foreign Trade, no organic product may be exported unless it is certified by an inspection and certifying agency, duly accredited by one of the accreditation agencies designated by Government of India. The accreditation agencies designated by the Centre include the APEDA (Agricultural and Processed Food Products Export Development Authority), the Tea Board, the Spices Board, the Coconut Development Board and the Directorate of Cashew and Cocoa. Under National Programme for Organic Production (NPOP) scheme of APEDA, Bureau Veritas Certification India Pvt Ltd, ECOCERT International, IMO India Pvt Ltd, INDOCERT, LACON GmbH, Natural Organic Certification Agency (NOCA), OneCert Asia Agri Certification Pvt Ltd, Uttaranchal State Organic Certification Agency (USOCA), APOF Organic Certification Agency (AOCA) and Rajasthan Organic Certification Agency (ROCA) have been accredited as certification agencies. To identify the certified organic products originally produced and originated from India, a logo "India Organic" is developed. The license to use the logo is granted to only those exporters or processors whose produce is duly certified by the official accreditation and certification agencies. APEDA, being an export promotion organisation, is involved in publicising the logo globally.

Indian market for organic food

Worldwide there is increasing demand for organic food. Compared to chemical based production, its sale is almost five times more. In India, its demand is gradually increasing among a niche consumer group, comprising of urban, educated consumers from middle to high income group. This pattern of demand can be attributed to low consumer awareness and limited supply, the later being a serious hindrance due to complications in required certification process.

According to a study conducted by **International Competence Centre For Organic Agriculture (ICCOA)** and **genus a.b** in top eight metros (Delhi, Calcutta, Ahemdabad, Mumbai, Pune, Hyderabad, Bangalore and Chennai). The market potential for organic food in these 8 metros is Rs 1462 crores, out of this 562 crore is available through modern retail. Market potential for India can be estimated at Rs 2300 crores. Delhi and Bangalore are top two cities in terms of market potential.



Due to the non-apparent differences between organic food and rest, consumers are not very clear about the concept of organic foods. This is evident from the finding that consumers claim to be the most aware of organic fruits and vegetables but not so aware of other food items like staples, beverages and other items. The usage pattern follows the pattern of awareness level. In terms of intention to purchase, organic food market can be considered mature for fruits and vegetables; ready for rice, milk, wheat and pulses and developing for rest of the items. Apart from the obvious factors like chemical free, naturally grown, fresh and healthy, consumers perceive organic products to be high priced, exotic and products enhanced for better nutrition. The source of information is newspapers, magazines, and material provided at stores. Low supply of organic products is cited as the major reason by consumers for low awareness level. Organic food is generally accessed out of curiosity or due to health problems. The branded products are preferred over non-branded products due to concern about adulteration, chemicals, loss of nutrients and vitamins during manufacturing and processing. Of all the 20 food items, consumers expressed very high concern level for vegetables, fruits and milk with respect to chemical content. In terms of willingness to pay more for organic food, it is found that consumers are ready to pay only 5-7% more for items of regular consumption and large usage, while organic products are available at a premium of 15-20%. The behaviour of organic market in the four regions is as follows:

| | Source of purchase | Purchase influencing Factors | Difficult to get organic products* |
|--------------------------|----------------------------------|------------------------------|------------------------------------|
| Delhi | Specialty stores and exhibitions | Advertisement | 45% |
| Kolkata | Exhibitions | Price | 70% |
| Ahemdabad, Pune & Mumbai | Supermarket chains | Advertisement | 38% |
| Bangalore, Hyderabad | Supermarket chains | Brand name | 35% |

*Percentage of respondents expressing the opinion.

Details of some of the civil societies working on promotion of organic farming

| Name of the Organisation | Areas of Intervention | Brief Description |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Navdanya A-60, Hauz Khas, New Delhi-110016, India Tel.: 91-11-26535422, 26968077 Fax: 91-11-26856795, 26562093 vshiva@vsnl.com www.navdanya.org</p> | Promotion and development, Organic produce outlets | Navdanya has so far trained 2,00,000 farmers, students, government officials, representatives of national as well as international NGO's and Voluntary organisations on biodiversity conservation and organic farming. |
| <p>Centre for Indian Knowledge Systems (CIKS) 30 Gandhi Mandapam Road, Kotturpuram, Chennai - 600085. TAMIL NADU. INDIA. Tel : 91-44-24471087 / 24475862 Fax : 91-044-24471114 ciksorg@gmail.com info@ciks.org www.ciks.org</p> | Organic vegetable gardening | Organic farming promotion through assistance on certification and marketing linkages to farmer. |
| <p>Institute for Integrated Rural Development (IIRD) IIRD Project Office 56, Kanchan Nagar Nakshatrawadi Aurangabad – 431002 Maharashtra, India Tel.: +91-240-2376828, 2376336 Fax: +91-240-2376866 info@iird.org.in</p> | Organic agriculture training, Local guarantee systems and promotion of Organic Bazaars | Institute for Integrated Rural Development (IIRD) is partnering with Central and State Governments, Universities and international development agencies in its efforts to promote organic farming. |
| <p>M.R. Morarka GDC Rural Research Foundation Vatika Road, Off Tonk Road, Jaipur-303905 Phone : 0141-2771100, 2771101 Fax : 0141 2770031 info@morarkango.com www.morarkango.com.</p> | Organic Agriculture development and promotion | This foundation is involved in development and promotion of organic agriculture in over 15 states in India, |

Conclusion

The market for organic food can be developed at two levels. The first one is 'niche market' which can be developed by creating awareness about certified organic, branding and selling through specialty stores. The second level is 'mass market'. The gain in promoting organic food in mass market are enormous, considering that all the consumers want safe, healthy products at affordable premium and 60% of Indian agriculture is still traditional and can be easily converted into organic. The difficulty in tapping this market is also very high, the reason being high cost of certification and quality assurance mechanisms. If these factors are made farmer friendly, the organic movement can take off in the country. Some of the steps required to be taken in this direction are noted as under:

Research & development: Government needs to emphasise on research and development on different aspects of organic farming. It requires same level of investments as were made in developing green revolution technologies.

Similarly dissemination of its findings and expertise also needs to be in alignment to ensure simultaneous application in the field.

Awareness: Awareness about organic farming needs to be created at both producer and consumer level. At production level, there is an urgent need to make the farmers confident about their traditional knowledge. The external inputs based production system has not only deskilled farmers but also researchers and government's agriculture support agencies. The organic farming can not be successful till all the three stakeholders are convinced about taking up organic farming. At next level, awareness about sourcing and preparation of organic inputs need to be created.

At consumer level, awareness about the concept of organic farming needs to be created. Consumers know the benefits of organically produced goods but information regarding factors differentiating them from chemically grown products need to be highlighted. To increase consumption, information about source of organic produce needs to be given.

Certification process: Considering the competitive advantage Indian farmers have in practicing organic farming, certification process should be simplified and made accessible to farmers. It will imply cutting down the costs and creating appropriate institutional structures for certification. Currently the benefit of government's subsidies is being enjoyed by certification agencies. PGS is a good option and it can be implemented with existing institutional form of PRIs. Such an institutional arrangement will remove the external certification agencies as emerging middlemen, lead to better information dissemination and involvement and the benefit of the subsidy will be routed to farmers. ■

We would like to acknowledge the contribution of Centre for Sustainable Agriculture, Timbuktu Collectives, PEACE, Bookline towards the cover story.

The new ecological revolution: Views of a practitioner

Dr. G. V. Ramanjaneyulu

The serious ecological and economic crisis in farming community in India and other countries has led to evolution of new models of agriculture. These models are based on sound ecological principles, making effective use of local resources and natural processes. Across India, lakhs of farmers are now switching over to these agro-ecological practices to sustain their livelihoods. These initiatives are called as ecological farming, natural farming or organic farming based on the focus, philosophies, clients and driving forces.

Characterising the new revolution: The primary objective of this new ecological revolution is internalising the inputs. It is based on principles of ecological farming viz., a) practising local cropping systems, b) maintaining crops and genetic diversity, c) sowing locally adopted seed, d) improving soil and crop ecology to maintain ecological balance of insects and microbes and e) using local resources effectively. These set of practices have evolved from reinterpreting the traditional farming practices with modern scientific learnings. These new practices and products have shown very promising results. Based on the location specific problems and available expertise, there were several starting points for this new revolution. There are numerous examples to substantiate this. Deccan Development Society (DDS), working in dryland areas of Medak district, initiated with millet based mixed cropping systems and moved on to seed conservation and ecological agriculture. Centre for Sustainable Agriculture (CSA), working in high commercial crop growing areas, focused on Non Pesticidal Management (NPM) that is based on farmers' knowledge and ecological practices to manage the pests. Similarly the natural farming initiatives by Sri Subash Palekar in Maharashtra, Karnataka and Punjab and Dr. Nammalvar in Tamil Nadu, used various desi (local) cow dung-based preparations to improve soil fertility and pest and disease management. System of Rice Cultivation, initiated in Madagascar and now practiced all over the world, including India, has shown that rice can be cultivated without ponding water and excessive use of chemical fertilisers and pesticides.

Scaling up: It took years to comprehend the underlying principles and processes of many small experiments and replicate them on a large scale. Currently, more than 10 lakh farmers across India are practising natural farming initiated by Sri Subash Palekar. In Andhra Pradesh NPM, promoted jointly by Society for Elimination of Rural Poverty (SERP), Mandal Mahila Samakhya and Sustainable Agriculture Network of NGOs assisted by CSA, is practiced in more than 7 lakh acres across 1650 villages. Similarly, there are lakhs of farmers who follow Dr. Nammalvar in Tamil Nadu. All these experiences have clearly shown that a) all the production inputs can be internalised into the farm and local resources, b) farmers' knowledge and skills can effectively replace external purchased inputs, c) productivity of crop and soil can be maintained and enhanced without astronomical quantities of inputs, d) the practices are simple and easy, and e) these models of agriculture can be easily scaled up provided appropriate support systems and institutional systems are in place.

Establishment's anti-response: Unfortunately, the mainstream agriculture establishments like Agriculture Universities, Research Institutes and Extension systems do not accept all these community



initiatives with a belief that they are unscientific. Many of the north eastern states and Uttaranchal have declared themselves as organic states but the practices of departments of Agriculture and Agriculture Universities in these states speak otherwise. They are still caught in the conventional reductionistic understanding of agriculture, see organic farming from the chemical lens and dismiss the merit of the models and methods. Despite the large-scale failure of the chemical green revolution, various agricultural institutions are promoting the new paradigm of genetically modified crops that are ecologically and economically damaging. There is a misconception that organic farming is high external input intensive and much more expensive than the chemical agriculture and is a fancy idea to cater to upmarket segments.

Trade in organic products: Since public interest in organic farming has grown rapidly, the ownership on the process of defining organic farming is no longer in the hands of farmers and the original philosophy of the movement seems to be threatened by a bureaucratic view of - "Standardized" organic farming. Today, many countries have established a certification and accreditation system for organic products. This is justified as a prerequisite to protect consumers' interest in organic foods and to prevent fraudulent trade practices in organic goods. However the certification process is very expensive and it is impossible for a small and marginal farmer to afford it. Many farmers' and civil society organisations are exploring new initiatives like Participatory Guarantee Systems with Internal Control Systems and self-declaration labels as alternatives to certification and accreditation.

The growing health awareness, understanding the risks of climate change, ecological and economic crisis with the modern external input agriculture and the large scale shift by the farmers to ecological farming will hopefully lead to policies by the government to promote this phenomenon. ■

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Timbaktu Organic-A case study

Ashis Panda

Timbaktu Organic is one of the implementation programmes in organic farming. The success of the initiative is yet to be ascertained. The processes followed can be changed as per the requirement.

The smallholder farmer of Anantapur district today is in an extreme distress situation. Over the last one decade, 758 farmers' suicides have been reported from Anantapur district. This crisis has been brought about by extreme indebtedness of the farmer, from the use of toxic agro-chemicals and the practice of continuous mono-cropping (groundnut in the case of Anantapur). Use of chemicals has led to increased input costs while yields have been stagnant. Depending on a single crop has increased production and market risks, in many cases the farmer losing an entire crop to poor rainfall, a pest attack or market price fluctuations.

In this context, the Timbaktu Collective, a voluntary organisation and the Adisakthi Mutually-aided Thrift Cooperative Society, a community-based organisation owned by 3200 rural women initiated a collaborative venture Timbaktu Organic, in 2005 in Anantapur district. Timbaktu Organic's overall purpose is to enhance the income and food security of dry land smallholder farmers of Anantapur district over 3.5 years and in the long term, improve their livelihood security through sustainable agriculture methods.

Timbaktu Organic would adopt the following strategies to achieve this purpose



- Promote diversification of the groundnut monocropping pattern through millets and pulses
- Promote eco-friendly organic farming methods that build on the traditional knowledge base of the farmers and utilise locally available resources such as biomass, livestock and labour
- Organise marketing support for the farmer's organic produce in both rural and urban markets

On the ground, Timbaktu Organic is managed by two teams the farming team that ensures the production of certified organic millets, pulses and oilseeds at better yields and lower costs to the farmer and the marketing team that ensures a minimum support price for the organic millets grown and a premium price for the organic oilseeds and pulses grown. While the overall program is managed by the Timbaktu Collective, the marketing component is governed by the Adisakthi Mutually-aided Cooperative Thrift Society, with management support from the Collective.

In brief, the activities that are required to be undertaken to implement such a program are explained below using the context of Timbaktu Organic:

Formation of organic farmer groups in villages

A group (sangha) of 20-30 interested farming families would be formed at village level. Each sangha would constitute both men and women members of the family. All the women farmers would compulsorily have to be part of the existing Mahasakthi MACTS network. Each sangha would choose 2 group leaders (one man and one woman) who would be jointly responsible for the overall work of the sangha. Each sangha is sub-divided further into groups of 4-6 farmers, called brindams. The subdivision would be based on the location of the land of the farmers, so members having contiguous patches of land close to each other are grouped together. The brindams are an important aspect of the certification system, as neighbouring farmers would be most aware about the use of chemicals in the farms around theirs. Each farmer would have to allocate at least 3 acres of their land under this program, of which at least 1 acre should be under a crop different from groundnut. Some of the alternate crop options are the various millets, castor, sunflower, redgram, cowpea and horsegram.

Set-up of village-level offices and identification of volunteers

Each sangha would have one office in the village, which would be used for organising meetings, storing records, assets and organic materials stock of the sangha, display of



the basic information of the sangha and activities taken up by them, and also show details of organic farming methods with photographs. Each sangha chooses one volunteer, who is based in the village, having farming background and is literate. The volunteer would be part of the block-level production teams. The volunteer would conduct the sangha meetings and provide information support to sangha members regarding program activities esp organic practices for soil fertility improvement and pest and disease management. The village volunteer would also monitor use, if any, of toxic chemicals that would bar the member from the sangha.

Collection of basic baseline data

Basic data about the farming families and their previous years' crop including economics details are collected, to compare the impact of the program.

Capacity building of farmers

Organic farming practices in soil fertility improvement and pest and disease management, land development, biomass development, seed selection and post harvest management of crops are some of main areas in which capacity building of farmers is organised. Capacity building is organised through trainings at both the central and village level, through exposure visits, through meetings with experienced organic farmers. Village demoplots are organised through interested farmers, in which organic practices including crop rotation with crops other than groundnut is carried out as a means of demonstrating model practices.

Organising seeds, organic inputs and credit support

Prior to the beginning of the season, seeds esp of crops other than groundnut, are

organised for the sanghas. The sangha members return the seed in double the quantity after the crop harvest and the seed is retained at the village office, which acts like a seed bank.

Organic inputs support is provided to farmers upto an amount of Rs. 2,000 an acre over the three year

project period. Primary activities for urine collection, compost preparation and soil development will be undertaken. Arrangements are made at the sangha level for sharing of cattle urine amongst farmers who do not own livestock.

Credit upto Rs. 3,000 an acre is provided at the time of sowing and at the time of harvest. These loans are routed through the Mahasakthi MACTS federation network in the village, as every member in the sangha is a member of the Mahasakthi network.

Cultivation of crops

Land preparation, application of organic manure, sowing, intercultivation and pest and disease management are the various farming operations undertaken till harvest. Regular brindam-wise visits are organised by the volunteer to monitor crop status in the farmers' fields. The yield of the crop both the main and intercrops is estimated just before the harvest. Yield estimation is a mandatory step in the certification process, as it helps to cross check at the time of procurement, that the quantity of a particular crop sold by the farmer is not more than the estimated yield.

Land and biomass development

Atleast a 1-2 months before the cultivation season begins soil and moisture conservation works are undertaken in the farmers' fields through the watershed development program or through the NREGA in the village. Trees suited for composting and organic preparations such as Gliricidia, Pongam, Neem, Sitaphal etc are planted at a density of about 100 plants per acre on the field bunds. These will also act as wind-breakers. Measures have to be taken to prevent browsing by goat/sheep and for survival during moisture stress periods.

Soil fertility improvement, pest and disease management

Various organic preparations for improving soil fertility and managing pests/diseases are promoted through the farmers' trainings. Some of these include Neem seed kernel extract, Jeevanmrutham, Panchagavya, Hand picking and burning of larvae etc.

Crop harvest

Estimation of total organic crop output achieved is recorded just after harvest of crop, in order to be able to measure improvement in yield. Various post-harvest management measures are followed for pest control and for preventing spread of aflatoxin in groundnut and other crops.

Organic certification

Organic certification of the sangha members' farms and crops is organised through the Participatory Guarantee System which is being promoted by the Organic Farming Association of India - Goa (www.ofai.org) and the Food and Agriculture Organisation United Nations New Delhi (FAO-UN). Details regarding the PGS system are available on www.pgsorganic.in and on the OFAI website.

In essence, on the ground, this certification system involves the following:

- Forming a small group of farmers and organising their subgroups on the basis of the location of their lands
- Signing of an agreement with each farmer about the commitments to be fulfilled by the organisation and the farmer regarding the program activities
- Signing of a pledge by the farmer, that he/she will follow farming practices in line with the PGS National Organic Standards
- 2 meetings in a month throughout the whole season, in which the use of chemicals by any farmer is discussed and verified by the village volunteer and respective brindam members and recorded in the sangha minutes. At the time of purchase, the farmer's record of chemicals use is checked.
- A diary is maintained for every farmer by the village volunteer, which records all details of the work done by the farmer on his/her farm, including use of chemicals if any. This record is checked in every sangha meeting.

Sangha records and documentation

Basic records relating to the work of each sangha are maintained by the volunteer such as a cash/bank book and a ledger, meeting minutes book, stock ledger, farmer diaries etc.

Purchase of organic produce

Organic certified produce of the sanghas is procured by Adisakthi Dharani, in collaboration with the sangha members at mutually agreed dates. Decision on the purchase price is made based on the prevailing prices in the markets nearest to the village. Purchase price varies based on the quality of the produce measured by the outturn% of the sample of the produce. Purchase of produce organised from sangha members at their doorstep and come under the organic certified category. Purchases is also organised from local farmers around CK Palli mostly for millets and groundnut pods on the basis of



a declaration of having grown organic by the farmer. These are classified as organic-not certified. The inflow and outflow of all the commodities therefore is maintained separately for each category.

Research study on impact of organic farming and millets cultivation

The farming component of the program has two main thrusts shifting to organic and diversification of the groundnut mono-cropping pattern with millet cultivation. Using the information in the farmer's diary and the baseline surveys, for year 0 (baseline), 1, 2 and 3, the impact of this program will be measured in terms of increased income through improved yield and reduced costs.

Program monitoring

The work of the marketing subteam is reviewed on a monthly basis by the Board

of the Adisakthi MACTS. The work of each subteam is reviewed by the production and marketing team coordinator through individual team meetings respectively. At the sangha level, the work is reviewed and planned through two meetings every month. A season-end review is also conducted with each sangha, which is followed by a workshop to prepare a yearly production plan for the next season. A marketing workshop is also conducted just prior to the procurement season, to look back and plan for the year to come.

Processing and storage

Post procurement, storage and processing are the two major operations before final sale of the produce. For this purpose, a storage and processing unit, of the capacity to store about 60tons of produce at any point of time was constructed. This included space for sundrying, space of grading and other labour-based operations and machine processing units for turning oilseeds into seeds and oil form, millets into rice, rava and flour form and pulses to its split form. A process journal and ledger is maintained to track the inflow and outflow of each commodity.

Building market linkages in rural and urban areas

The basic business model of the program is to improve income of the farmers and to organise primary processing of the produce into basic commodities such as rice, rava, flour, oil, nuts and dal, and market in branded retail packets to individual and small rural and urban customer groups such as retail stores, consumer networks, organic food processors, restaurants, trade fairs/exhibitions, rural self-help groups etc. This would generate an additional price premium of 10% for the farmers for their pulses and oilseeds and a minimum support price for their millets.

Millet food promotion

Diversification of the groundnut mono-cropping pattern with millets is a major focus of the program. A series of millet food workshops that involve preparation and serving of a number of a traditional

and modern millet recipes are organised through the season with the village level farmer groups. A small restaurant was also constructed in the central marketplace of CK Palli to serve millet food to the local populace on a regular basis. With market development support, millet baked items can be introduced through the retail outlets of the bakers.

Networking with organic sector actors

Implementing such a program involves constant contact with research institutions, farmer groups, organic sector networks and various suppliers of packing material and other assets required for running a business.

Raising funds towards working capital and fixed investment

Funds required for working capital (purchase, processing, storage and sale of produce) and fixed investment towards a storage and processing unit and processing machinery was raised from a group of Friends-of-Timbaktu as loans, investment by Adisakthi MACTS and loans from the local Canara Bank.

At an average gross profit margin of 15% (price minus variable cost), and a fixed cost (depreciation, interest, admin etc) of about Rs. 12Lakhs a year, the breakeven sales quantity works out to about Rs. 75 lakhs. This is a procurement of about Rs. 60 lakhs, a volume of about 240 tons of groundnut pods or redgram a year. At an average yield of 0.3 tons/acre, this works out to an area of 800 acres or about 250 farmers.

Organising legal clearances

Clearance from the local gram panchayat, registration from the district industries centre, factories department license registration, trademark registration, CST/VAT registration, license from civil supplies department for trading pulses, weights and measures department stamping of weighing machines are some of the legal clearances required.

Building the capacities of the Board of Directors of Adisakthi MACTS

Capacity building of the Board of Directors of Adisakthi MACTS who are the owners of the marketing venture, in all aspects of the program from production to marketing was organised through trainings, exposure visits and direct participation in program activities. ■

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Riding the wave of incredible India

Gouthami

The Banni grasslands of Kutch nestle a wonderful surprise. Tucked away, among the lush grasslands is a signboard that directs one to the 'Shaam-e- Sarhad resort'.

Shaam-e-Sarhad (“Sunset on the Border”) is quite unlike a regular 'resort'. Its USP lies in its simple mud structures embellished with mirror work, embroidered textiles and handicrafts. It is one of the 31 sites promoted under Endogenous Tourism Project (ETP) by the Ministry of Tourism, Government of India (MOT-GOI) and the United Nations Development Programme (UNDP).

Endogenous tourism in India was mooted in 2004 as a community owned and managed income generating activity. ETP aims to promote rural areas as happening tourist destinations, ensuring that income from such tourism remains within the community and is unexploited by hoteliers. Tourists are provided an unusual experience and can participate in a cultural exchange with the village community. To make ETP commercially viable and enhance community ownership, stress has been laid on community mobilisation, resort management and marketing.

Shaam-e-Sarhad

One of the criteria considered in choosing sites for ETP is the richness of local handicraft traditions. This factor has proven to be a major attraction to tourists. Hodka village, in Bhuj Taluka of Kutch District in Gujarat is one such example. The Kutch region is renowned worldwide for its handicrafts and Hodka is a thriving center for embroidery, leather work and mud work. Local NGOs and the Gram Panchayat have mobilised community efforts in implementation of design, planning, services and infrastructure creation. The main project



coordinator in Hodka is a local NGO named Kutch Mahila Vikas Sangathan (KMVS). KMVS initiated the ETP by bringing together other NGOs and the Gram Panchayat. The Gram Panchayat then appointed a committee of 17 members representing all sections of the village. As per the fund allocation, Rs 50 lakhs was used for creation of infrastructure (rooms and toilets for guests) and Rs 20 lakhs for training locals in hospitality management, guide services, marketing, project administration, etc.

The ETP proposes home-stays, however as villagers were uncomfortable with this idea a resort (Shaam-e-Sarhad) was suggested. The resort currently comprises 3 bhungas or huts, 6 twin tents and 2 family tents resembling a local hamlet. Construction was carried out after consulting the Committee, Hunnarshala Foundation, Shrujan Trust and KMVS. To a large extent, local material and craft mud, thatch, wood lacquer work, cloth, furniture, pottery etc were used in construction and interior design to give it an ethnic touch.



To provide services, youth from the village have been trained in hospitality skills and housekeeping services. Each family has been allotted the responsibility of providing a particular service (like laundry, milk provision, etc). Cultural entertainment is provided in turn by seven music troupes from the village. The project benefits 63 families in addition to artisans who sell handicrafts directly to tourists.

Management

Resort management is supervised by the village committee assisted by sub committees. One such sub-committee is the handicraft committee which works with the artisans to ensure product quality and fair pricing. Another committee is involved in promotion of cattle fairs highlighting the excellent quality of indigenous buffaloes.

Marketing plays an important role in promotion of tourism and is done at three levels marketing the concept of endogenous tourism, marketing the ETP site and marketing the overall region as a tourist destination. In case of Hodka, a combination of strategies has been used. To promote the concept of endogenous tourism, mailers have been sent to various NGOs in Kutch. A website named www.hodka.in has been created to promote the region. Several international websites such as responsibletravel.com, ecoclub.com, greentravel.com, etc. have been contacted to feature the Hodka ETP on

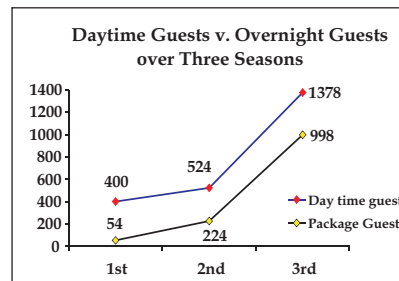
their sites. Travel writers have been invited to write about Hodka. Tourist groups to Kutch such as bird watchers, architects, photographers and craft lovers have also been specifically targeted.

Impact

From 2004 to 2006, Hodka ETP has completed three tourist seasons (October-March) with a total tourist influx of 3578. In the last season, Hodka ETP earned revenues close to Rs.4 lakhs which were distributed among 63 families. Of the total expenditure of Rs 8 lakhs, half the amount was used to pay villagers for their services.

The Hodka Tourism Committee is gradually gaining independence and only needs assistance in marketing. Currently preparations for a 'People's Charter for Sustainable Tourism' are underway to attenuate the harmful effects of tourism through careful analysis and planning.

This last process is an important component of endogenous tourism that needs to be addressed at the outset to ensure long term tourism sustainability. While there are several "hazards" of introducing tourism as a community livelihood initiative, these can be mitigated by working closely with the community and creating an understanding of these problems. Ideally communities should have an experience of working with NGOs and be empowered enough to debate,



analyse and tackle the issues arising from tourism.

Rural India needs sustainable livelihood opportunities that are both profitable and eco-friendly. Endogenous tourism is one such innovative step. It exhibits promise, not just as a community managed economic initiative but also in showcasing the incredible culture and crafts of India. ■

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New Tourism Avenues

Tourism industry is going through an interesting phase with addition of some new concepts of tourism like education tourism, ecotourism, active tourism and medical tourism. In education tourism, participants travel in a group with the purpose of engaging in a learning experience directly related to the location. It comprises various categories like heritage tourism, rural-farm tourism and student exchange between educational institutions. Eco tourism is environmentally responsible travel to relatively undisturbed natural areas, in order to enjoy and appreciate nature (and any accompanying cultural features - both past and present) that promotes conservation has low negative visitor impact, and provides for beneficially active socio-economic involvement of local populations. Active tourism shares similar aims as Ecotourism, but it differs in terms of location and way of visiting. It encompasses visiting local architecture, archaeological ruins, urban features and civilization products and diverse results of human creativity like local traditions, language, music, dancing or cooking. The fourth and the most profitable tourism concept for Indian economy is medical tourism. Medical tourism is an attractive option for overseas patients, in which they get medical care at less than one-fourth of the cost that would accrue in their own homeland.



River basin based livelihood approach

P R Choudhury

The article presents a case of river basin management system as a comprehensive and sustainable livelihood approach for democratically governed environment.

At individual level, a sustainable livelihood option should meet the economic and socio-cultural needs, lead to enhancement or at least maintenance of assets and capabilities and it should be able to cope with stress and shocks offered by externalities. However at community level, the diversity in livelihood options increases, which deepens the complexity in relations among different stakeholders, leading to conflicts over allocation of resources which ultimately puts the ecosystem in danger. In context of sustainable livelihood interventions, governance issues concerning inter-linkage of natural resources with different stakeholders are generally not comprehended from macro angle.

In this context, a case is being made about Integrated (or Inclusive) River Basin Management (IRBM) as a tool to ensure sustainable and equitable livelihood outcomes in a community managed and democratically governed environment. River basin is a basic unit for natural and human resource management within its natural limits.

The concept of integrated river basin management was evolved in the west as a response to the deteriorating water quality and competing water demand. In Indian context, it has potential to address the governance aspect of livelihood interventions. The management approach here involves production and maintenance of resource (Natural Resource Management, NRM), distribution of resources among stakeholders (Rights



and Governance, R&G) and ultimately resource absorption (Livelihood). This integrated approach results in comprehensive assessment of livelihood concerns by studying interaction of different resources with the social, economical, cultural, political systems and processes inside a logical unit area.

In a river basin, livelihood choices of different stakeholders get influenced by availability and access to basin-resources. Nature of use by one stakeholder influences the pattern and decision of use by another. Along the horizontal and vertical gradient of the basin the niches are defined and inter-linked. For example, in the vertical basin gradient, while the mining and forestry are livelihood options in upper catchments, agriculture and fishing are major livelihoods in delta and flood-plains. The promotion of these upper catchment's livelihoods have implication on delta livelihoods. Similarly, along the horizontal space, while the river channel and bed are source of livelihoods based on fisheries, navigation, sand mining and river-bed agriculture, the river banks offers options for livestock (grazing), brick kiln and vegetable based livelihoods.

There are also transient zones along/across the basin, which are often the centers of intense and diversified livelihood activities quite akin to diversities of ecological-ecotones and demographical-border areas. Such niche/zone approach to livelihood in basin context, offers scope to exploit the natural resources more optimally and rationally and gains from resource-synergies besides helping to avoid conflicting and competing outcomes.

There are also patterns and trends (spatial and sequential) in inter- and intra-basin movement of livelihoods vis-à-vis the availability and management of

basin's resources. For example, while upland unskilled communities migrate to deltas for agriculture and construction works, there is also in-migration to upper catchments mines by skilled workers from other parts and other basins. Understanding and capturing such patterns and trends in livelihood-movements, vis-à-vis the basin landscape, resources and management can make livelihood interventions in different basin locations more strategic and meaningful.

The changes in livelihood pattern in one geographic area are also triggered by developments or changes in resource managements and livelihoods in other locations. For example, construction of hydrological structures like dams, reservoirs or embankments, lead to change in livelihoods through displacement on-site and change availability of water for agriculture and fisheries off-site in downstream. Quite often changes associated with economic development at one basin location also leads to negative environmental or economic



implications in other locations. Examples are in downstream areas, where change in quality and quantity of water available for livelihoods is affected by livelihood activities like mining and industrialization at

upstream or changes like commercialization of agriculture or deforestation.

Natural disasters affect livelihoods substantially and are quite often referred as the vulnerability traps in the context of sustainable livelihood. Under IRBM approach, comprehending natural disasters and their management preparation to ensure sustainable livelihood can become easier.

Design of livelihood strategy must capture the governance and management aspects of resource utilization and its relation with livelihood pattern for different stakeholders. The most important aspect of inclusive river basin management is its governance by basin stakeholders in a participatory democratic framework evolved through series of informed dialogues and negotiations among multi-stakeholders about basin issues and future management options. In that context the basin livelihoods not only get appreciated in the holistic multi-disciplinary set up, but also are accommodated in a sustainable, equitable and democratic governance framework. ■

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Integrated river basin management approach: The Mekong way

The Mekong river basin includes parts of China, Myanmar and Viet Nam, nearly one third of Thailand and most of Cambodia and Lao PDR. Population growth, along with renewed political stability after decades of conflict, has accelerated resource exploitation in the Mekong river basin. The Mekong river basin is one of the most dynamic, productive and diverse river basins in the world. It is home to approximately 65 million inhabitants, most of them are rural poor with livelihoods directly dependent on the availability of water for the production of food. Agriculture, along with fishing and forestry employs 85% of the people living in the basin many at the subsistence level (Mekong River Commission, 2003).

Considering the importance of the river's contribution towards the livelihoods of a large number of people and acknowledging an integrated approach for the river basin management the Mekong River Commission was formed on 5 April 1995 by an agreement between the governments of Cambodia, Lao PDR, Thailand and Viet Nam. The four countries signed the Agreement on the Cooperation for the Sustainable Development of the Mekong River Basin and agreed on joint management of their shared water resources and development of the economic potential of the river. In 1996 China and Myanmar became the Dialogue Partners of the MRC and the countries now work together within a cooperation framework.

The growing need for adopting an integrated basin management approach for the Mekong River is to address food insecurity, rural poverty, environmental degradation, threats to biodiversity, and tensions among multiple users makes the river basin a good choice for the Challenge Program on Water and Food. The Challenge Program will help Mekong communities and their governments share water on equitable and sustainable basis. Science-based multi-country basin management will contribute to balancing biodiversity conservation with economic progress for all.

(Source: <http://www.mrcmekong.org/>)

Untangling the cotton yarn

Vijaya Switha

“Cotton yarn” conjures up myriad pictures of mammoth-sized mills to a handloom weaver working on a large loom to a politician in a white garb. Cotton yarn has political and economic connotations that influence the survival of handloom industry and is marked by balancing the conflicting interests among the different actors mentioned above. This article explores the intervention points in the problem-chain of cotton yarn.

Cotton yarn constitutes 50% of the cost of the handloom cloth and thus plays a decisive role in changing the economics of cloth production and livelihood of weavers. Currently, there are more than 6.5 million handloom weavers in India and 90% of them are cotton handloom weavers. The powerloom sector employs another 4.8 million weavers across the country. The key issues of concern in cotton yarn sector specifically related to handloom weavers are: price distortions, dependence on the middle-men for supply and quality and accessibility of the yarn to supplying institutions. Price distortion adversely affects the handloom weavers who depend on intermediaries like traders, master weavers for the supply of yarn. Since the demand for handlooms is highly price sensitive, especially for lower and middle-class customers, any increase in the yarn price is passed on to the weavers as wage deduction, by the master weavers. Compounding these problems are the subsidy-oriented government interventions that encourage malpractices. To untangle the problems in yarn for handloom weavers, the interventions have to consistently focus on price, technology, channel of supply, institutional structure and government policies

Thrust on exports, subsidizing domestic hank yarn production and disparate supply chain distorts the structure of yarn trade leading to mal-practices by traders/spinners in the supply-chain.

The knots

Policies, technology, supply-chain issues that lead to price distortions/volatility have mainly contributed to the existing scenario in handloom sub-sector.

Policies

While Cone yarn produced by spinning mills has demand across globe, hank yarn, used for handlooms, has only domestic demand. Hank yarn obligation forces the spinning mills to earmark 40% of the yarn produced for handloom. This obligation affects business interest of spinning mills, as they have to incur higher cost for reeling the cone-yarn into hank and considering its local and limited demand, it does not lead to economy of scale. Counter to hank yarn obligation, there is another order, which directs the spinning mills to export 8 times the subsidy availed for importing machinery. The mills are obliged to export due to this rule, though it is also more profitable due to higher margins. Hence, on one hand through hank yarn obligation, government is endeavoring to direct yarn flows in handloom sector, on the other, it is encouraging exports. Hence, the un-tangling of the yarn has to start from the government policy level.

Technology

Yarn meant for cone and hank is separated at the initial stages itself. The spinning mills invest in reeling machines to unwind the cone yarn into hank yarn. Though the mills say that there is extra cost involved in reeling cone into hank, in reality the costs work out to be lower as the quality of yarn used for making hank yarn is inferior than “for export” cone yarn. Though the tax exemptions on hank yarn make it attractive, the technology mismatch leads to illegal practices by spinners declaring cone yarn as hank.

Spinning mills require a minimum investment of 12 crores for 12,000 spindle capacity. Hank yarn is produced on an order basis in some of the small-scale mills. Each automatic spinning machine costs Rs.1 crore with 64 cones capacity. There is more demand for

¹ “Compendium of Textile Statistics”, 2005, Ministry of Textiles

² Spinning mills produce yarn for powerlooms or for weaving on machines and for exports. The quality, production process, demand and margin for yarn required for handlooms and mechanized weaving or for exports are different. Traditionally yarn required for khadi (hand-spun & hand-woven) was produced locally on Charkas. With industrialization, spinning was centralized and cotton varieties were standardized to suit mechanized spinning resulting in loss of cotton suitable for handlooms (machine spun & hand woven) & Khadi. Government introduced Hank Yarn Obligation to enable weavers/institutions to have access to cotton yarn.

³ As told by spinners in Andhra Pradesh

automatic spinning machines where the breakages in the yarn are smoothened and hence the yarn is of superior quality. Local variety of spinning machines are available at lower costs, i.e. Rs.35, 000 but are manually operated. The problem lies in forcing the mills that are scale-sensitive and are meant for different yarn production to supply to handlooms.

Prices

A study by The South India Textile Research Association says that for the past five years (except in one quarter in 2004), the prices of cotton yarn have remained unchanged. However, the hank yarn prices have fluctuated widely in these years. Secondly, the price of hank yarn has not moved in tandem with cone yarn indicating supply-chain distortions and a demand-supply mismatch. Price of the yarn has two core components - cost of production and supply-chain distortions. Cost of production is predominantly influenced by price of cotton and the technology that is being used. The current technology, as described above, is mostly suited for large-scale, export-oriented mill production. In the coming years it is predicted that the export of cotton is going to increase with no complementary increase in cotton yields. This will further squeeze the domestic yarn supply and prices, eventually affecting the weavers.

Supply-chain

The spinning mills tie-up with private traders and give them area rights in turn for “monopoly” deposits. These deposits can run up to Rs.10 Lakhs based on the quantum of business transacted by the trader. Many of the large spinning mills do not directly deal with the individual weavers. The monopoly rights of the traders lead to exploitation of the weavers/institutions through price and information distortions. Thus, correcting the supply chain link calls for removing the trader, abolishing the mill nexus while exploring the possibility of tying-up with mills directly.

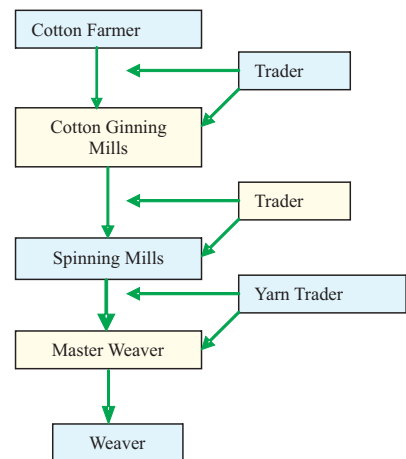
Untying

The pointers for solution have to be integrated such that changes in the spheres of technology, financing the weavers, correcting the supply channel and appropriate institutional structure have to be dovetailed to arrive at market-oriented, equity based solution for all the actors involved in yarn production.

- De-scaling the technology to suit decentralized handloom weaving
- Community owned reeling technology can be explored after thorough cost-benefit analysis
- Developing market-information systems to enable weavers/weaver institutions to have access to yarn price and availability details
- Developing risk management instruments for mitigating price volatility in cotton yarn
- Strengthening conventional systems like yarn banks to build a cushion against price and access risks
- Improving the access to finance for improving the holding capacity of the weavers/weaver institutions
- Government policies to be tuned to address the raw material needs of the weavers outside cooperative structure
- Building the stake of weavers/weaver institutions in the mills

Any intervention aimed at correcting the anomalies in the hank yarn supply to handloom weavers should be non-regimental, tweaked to suite market-realities, involve structural changes and treat weavers as market actors and not beneficiaries.

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Any intervention aimed at correcting the anomalies in the hank yarn supply to handloom weavers should be non-regimental, tweaked to suite market-realities, involve structural changes and treat weavers as market actors and not beneficiaries. ■

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NEWS on November 12, 2007

Yarn market subdued on low demand: Due to the appreciating rupee, yarns and cloth exports have nose-dived. Non-feasibility of yarn exports has forced the spinning fraternity to divert majority of the capacities to the domestic market, which was already over burdened with surplus stocks. In the case of cotton yarn, prices are steady but textiles mills are not buying much as they feel prices are high. Besides, exports are also subdued. However, according to a cotton yarn traders, volumes have been improving at the current price since last fortnight. Meanwhile Bombay Yarn Merchants' Association was planning a trading ring for yarn brokers with latest technology. Currently, trading takes place in the open.

⁴ The results of the initiative on decentralized spinning are not yet clear and public. If the results are encouraging, such an initiative can at least solve the problem of accessibility.

⁵ Monopoly deposits are the amount given as surety by the trader to the mills for agency-ship. Sometimes the arrangements are formal in the form of dealership whereas most of the times there is a tacit understanding between spinner and traders and also between traders not to tread in each others business regions by directly dealing with the end customer

NREGA social audit: Whom to blame the tool or the user?

TI Team

The article highlights the prerequisites to ensure social audit as a tool ensuring effective implementation of National Rural Employment Guarantee Act (NREGA). It draws lessons from social audit exercise conducted in Anantapur district in Andhra Pradesh during 31st August 2006 to 9th September 2006.

One of the significant developments in the past 60 years of India's performance, as a democratic nation, is the growing demand for state to be more accountable and responsive. The change is seen in form of introduction of laws such as RTI Act and 73rd Amendment of the constitution which require state to be more accountable and give space for decentralized governance. In order to play more active role in encouraging community participation in evaluation of its activities, executive and legislature are using the tools Social Audit

Origin of Social Audit

The concept of social audit originated in the 1970s, as a corporate act by business organisations in response to consumer and environmental movements. The idea behind social audits was to make business organisations socially responsible to the community. Social audits incorporate social goals that may not be monetarily quantifiable & that are not included in normal financial audits. There is a distinction in the role of social audits as a tool in commercial organizations and in not-for-profit organisations. In not-for-profit organizations, social goals are the primary purpose and business activities are means to achieve the primary purpose. On the other hand, in the business world, economic profit is the primary motive and social goals are just a peripheral requirement to maintain goodwill. Thus for not-for-profit organisations, social audit is a tool to ensure effective implementation of projects, so that their primary purpose is better achieved.

Social Audit can be defined as a systematic and regular monitoring process, in which stakeholders assess impact of an organization's functioning (programs/projects) in meeting its non-financial objectives. In context of government's development projects, social audit gives opportunity to stakeholders to analyze the initiatives, by sharing information on utilization of financial and non-financial resources by public agencies, through a public platform. It is a

democratic local governance process to improve the efficiency and effectiveness of a project by assessment of financial, physical and process gaps. The success of a social audit exercise depends on the level of information shared, level of community participation and the follow-up action taken to remove the inefficiencies.

Seemingly, social audit appears to be an effective tool to bring transparency and accountability in evaluation. It is being considered as talisman by government and is being widely used in various community development projects. However, there are many prerequisites which needs to be carefully worked upon to make social audit as a true and reliable evaluation process of government projects. The currents practices as observed in Anantapur district gives rise to many doubts regarding the motives behind the process, mode of implementation, level of community participation and the extent of corrective actions taken.

There are eight key principles of social audit: regularity,



comprehensiveness, multi-perspective, participatory, multidirectional, comparative, verification and disclosure. In the following paragraph we will analyze the social audit exercise of Andhra Pradesh Rural Employment Guarantee Scheme (APREGS) in respect of these eight principles:

1. Regular: The first principle requires social audit to be conducted as a regular process, to embed the concept of accountability in the culture of organisation. In reality, social audit was conducted by way of 'padyatra' in a campaign mode in the initial stages of APREGS to take corrective measures. The logic and utility of conducting the exercise through "Padyatra" got diluted as the Padyatris were too tired to undertake social audit and also they were not able to educate the villages due to paucity of time and knowledge.



2. Comprehensive: The process should cover all the aspects of working of the scheme. The process of social audit was defined as well as limited to the checking of documents and Gram Sabha (public hearing) at the end of the audit. The organizational, systemic and long-term view was missing. Therefore long-term ramifications of whether useful assets are getting created, problems in the process followed for NREGA implementation and other non-financial parameters like effective targeting are all ignored. No process indicators were mentioned in the checklist developed by the government to capture impact, inclusion and accessibility issues. The focus for accountability was limited to the contractual employees at the lowest level while officials at higher levels who are more responsible for the state of NREGA implementation like Block Development Officers, District Development Officers and others remained inaccessible.

For NREGA social audit to be comprehensive a techno managerial component is very important however the set of stakeholders involved in it do not have sufficient knowledge of the same. Obviously the aspects related to effectiveness and efficiency is overlooked. What get to some extent reviewed is whether the desired impact is being generated.

3. Multi-perspective, multi-dimensional and participatory: The social audit should reflect views of all the stakeholders involved with or affected by the project. It should also lead to giving and sharing of feedback. This is achieved by constituting a committee having representatives from

all the stakeholder groups. This committee plays the role of facilitation and compilation. For Andhra Pradesh REGS (APREGS), PRIs are entrusted with the responsibilities of reviewing planning and executions of village development plans. The biggest flaw in the exercise was that it was initiated by the government and was implemented by NGOs. The beneficiaries, the biggest stakeholder of the project had no role except for passive participation. The community participation in the Gram Sabhas was not even 30% of the total population of the target beneficiaries. Sufficient induction of PRIs on their role in conducting the exercise, in terms of their right to question the officials for discrepancies was not imparted. Instead, the process, for the first time, helped them to learn about the scheme. The NGOs played the role of facilitation with whatever limited understanding.

4. Comparative: Ideally, social audit requires creation of norms and benchmarks to compare and evaluate performance. In context of asset creation, quality parameters for the assets and work procedure had not been developed. Similarly, the technical parameters of the asset were not shared with the community. No consolidated asset register was maintained at any level. There was also absence of performance indicators to measure and compare performance of Programme officers, Technical assistants, Field Coordinators and Village secretaries.

5. Verification: The principle requires verification of social accounts by a person or agency having no vested interest in the project. Since the social audit exercise was initiated by

government, without building capacity of beneficiary group as prime stakeholder, there is question mark on the resultant corrective action taken in the exercise. The exercise thus became a tool to gain political mileage and not a democratic governance process.

6. Disclosure: The audited accounts should be disclosed to stakeholders and wider community for greater transparency and accountability. In this case, documents like muster rolls, job cards and list of works were checked, as the accounts was not maintained and also the committee did not have capacity to check such accounts.

The most crucial part in social audit is the assumption that people will voice against disorder to protect their interests. However, for poor who are dependent on the hierarchical structures within the society for subsistence it is not easy to voice concerns. Often even more important is the fact that the poor are happy to get little lesser if it is easy money which government is obliged to give. So both cooption of the poor in to the self interest web and their long entrenched relations do not allow them to demonstrate the desired behavior to make social audit effective.

This exercise is just an indicator of how in absence of informed and empowered stakeholders, the process of social auditing loses its relevance. Investment in the capacities of the Panchayat and community was not built and there seems to be no strategy for the systematic awareness creation, developing monitoring capacities on the part of NGO/government. Secondly in absence of corrective action and punitive action against defaulters what is use of social audit? The danger however lies when the credibility of the stakeholders in bringing out the discrepancies is under doubt. How social audit is useful if the beneficiaries are part of the corruption and have vested interests in covering up the discrepancies and what steps should be taken against such stakeholders? ■

Archana Londhe
G.V. Krishnagopal, Vijaya Switha

Shri Mahila Griha Udyog Lijjat Papad An organisation that symbolises women's strength

V.Madhusudan

Shri Mahila Griha Udyog, the manufacturers of the famous Lijjat Papad, is a unique organisation owned and managed wholly by women. The organisation with a current membership of 40,000, has over the past 48 years promoted self-reliance & self-confidence in its members. This article enunciates the unimaginable success scripted by its unassuming members with their firm belief in strong ethical business principles while relentlessly pursuing the mission of providing livelihoods to its members.

The story

It all began on the 15th March, 1959 with the production of four packets of Papads by a group of seven ladies with a meagre investment of eighty rupees. This set the tone for what is now a Rs. 470 Crores organisation with 67 Branches and 35 Divisions all over India. Membership has also expanded from the initial 7 bens (women members) from Mumbai to over 40,000 bens across India. Today, Lijjat papads are exported to countries like UK, USA, Middle East Countries, Thailand, Singapore, Hongkong, Holland, Australia and others. Firmly adhering to its core values for the past forty years, Lijjat has ensured that every process runs smoothly, members earn a comfortable profit, agents get their due share, consumers get the assurance of quality at a good price and society benefits from its donations to various causes.

The institution was commenced with the objective of providing employment to women and enabling them to earn a decent and dignified living. Like any enterprise, Lijjat had its crests and



troughs. The faith and patience of the members were put to test at the initial stages on several occasions.

The enterprise started on a borrowed sum of Rs. 80 from Chaganlal Karamsi Parekh, a member of the Servants of India Society and a social worker. They started manufacturing operations by taking over a loss-making papad making venture. To promote the policy of self-sufficiency, they refused acceptance of grants even during the initial difficult years when they managed on small earnings.

The turning point came in 1966 when Lijjat was registered under the Bombay Public Trust Act and as well as the Societies Registration Act. It also obtained recognition from Khadi & Village Industries Commission (KVIC) as a village industry. KVIC granted it a working capital of Rs. 6 lakhs (0.6 million) and allowed certain tax exemptions. After that there was no looking back and Lijjat papad became a household name.

The success of this all-women institution can be attributed to various factors.

Strong business model

In the early years of inception itself, the women framed a strong business model. Recognizing that their product was a low-skilled, labour intensive product, they had adopted a low-cost, decentralised production and centralised pricing, quality control and marketing strategy. The decentralised production model enabled Lijjat to rapidly respond to market demand, while its low cost model prevented competitors from eating into its market share.

Decentralised production

Recognizing that the activity of papad production is almost a household activity, it was left to the individual member to choose the job she wanted to perform. Every job was given equal importance and the members were free to choose between rolling papads, packing or preparing the dough. Those with clean houses and spaces to dry the papads took up rolling while others tended to kneading the dough, packaging or quality testing. The bens could take dough home and roll them into papads during their free time. This system contributed to the low overheads as the institution could save on the space requirements for production.

Currently each member is expected, as also bound by the pledge, to roll out a minimum of three kilograms of papad daily. A new member, after about 15 days of on-the-job training, starts achieving this target in about five to six hours and goes on to roll out one kilogram per hour after some months.

Centralised activities

The branch system ensures that every activity happens within its own ambit. A Branch is responsible for all activities ranging from production, packaging, collection and distribution of vanai (rolling charges) and profit for its particular geographical region. Testing for quality and packaging of papads are done at every branch. The supervisors constantly check for the quality and weight of papads. All the branches are autonomous units for the purpose of profitability, and the profit or loss as the case may be of such unit, is borne by the members of that branch by increasing or decreasing their rolling charges accordingly. Everyone gets an equal share of profit, irrespective of who does what work, irrespective of seniority or responsibility. A committee of twenty one members decides how the profits are to be distributed.

Payment is made on a daily basis. Each branch calculates its profit and divides it equally among all its members. Vanai charges (rolling) differ from branch to branch, between Rs 14 and Rs 18 per kilogram depending on the profit of the branch. Members earn around Rs. 2000- Rs.2500 a month for roughly 6 hours of work a day from home. Packed papads (For domestic market papads are sealed in plastic bags (gatta bags) 200gms x 25 pkts which weighs about 5 kg and for exports it is sealed in boxes and each box contains 80 pkts of 200gms, which weighs around 16.5 kgs) from each centre is transported to the depot for that area. Each depot stocks production from the nearby three to four branches - roughly about 400 boxes.

Quality consciousness

Uncompromising quality consciousness has been of paramount importance to Lijjat. Raw material procurement which

Underlying Principles of SMGULP

- Voluntary Membership
- No-grant based business model
- Business with ethics
- Values of a family
- Not forgetting the core mission

is the key to quality maintenance, is centralised and handled by the central office in Mumbai. It is then distributed across the 62 branches to ensure the consistent quality of Lijjat Papad. While



the grinding of flour at branches helps reduce costs, the central office directs the branches on mixing of various ingredients for papad making. During production, every ben rolls the papad to the same specification and every lot of papad has to pass the stringent quality standards as specified by the head office. Any deviations in quality, for example, difference in salt contents, etc, would mean immediate disposal of the entire lot even if it means huge losses.

Pricing of the products is also done at the head office. The pricing is the same across India and it factors in the cost of raw materials, transport, taxes, distributors commission, profit percentage and so on. Marketing is a centralised function in Lijjat. The branch offices are responsible for setting targets for monthly production and marketing. Each Lijjat centre has clearly delineated marketing territory to avoid competition amongst centres. Commission agents are attached to almost all Lijjat Centres and they account for a major part of the Lijjat sales. The advertisement expenses are around 15% of the selling expenses.

Mission orientation

Valuing people and understanding their problems has created for Lijjat a sound and sustainable business model. In living up to its mission of generating self-employment, a source of livelihoods and dignity to women, Lijjat has consciously shunned mechanisation at the production level, and members produce papads manually.

Member centrality

The Lijjat story is one of teamwork and profit-sharing. Employees, numbering about 5,000 including the chairperson herself, are in no way superior to members, and are therefore expected to

behave accordingly. All decisions, major or minor, are based on consensus among members. Members share the same values and democratic frame. Including members from every community, every religion, every language strengthens the organisation. There is no place for feelings of pity, sympathy or charity among members. The primary value that holds the institution firmly is a sense of self-dignity and respect. The organisation acts as a universal sisterhood that understands the pressures women face every day from the family and society. Leaving the organization is voluntary. No member sister can be asked to leave unless or until she goes against the organizational principles. There is no fixed retirement age at Lijjat.

The growth of the Lijjat is often examined in the larger canvas of women's empowerment. The organization has undertaken various efforts to promote literacy and computer education for member-sisters and their families. A literacy campaign for sister members began through literacy classes at Girgaum on June 18, 1999. Later, the managing committee decided to start such classes in all its branches. From 1980 onwards, Lijjat commenced granting the Chhaganbapa Smruti Scholarships to the daughters of the member-sisters. The member-sisters used their organization as a medium to promote their and their families' welfare. In the Valod centre they set up an educational and hobby centre for the rural women. Orientation courses in typing, cooking, sewing, knitting and toy making as well as other courses like child welfare, first aid and hygiene were taught. The first ever pucca (tarred) road in Valod to be built and inaugurated in 1979 was with the help of the Lijjat,



Valod branch. At behest of Mother Teresa, the member-sisters also took part in some activities of Asha Dhan, an institution to care for destitute women.

Sound expansion strategy

Lijjat expanded operations in other parts of the country through a strategy of replicating the standard operating structure and procedures of the Mumbai model. The decentralised production model enabled Lijjat to rapidly respond to market demand, while its low cost model kept competitors from corroding its market share. The mode of replication is also extremely systematic wherein few experienced members physically relocate to the new site. The team then works through a checklist that includes finding adequate premises, selecting and training core staff, training new members and establishing the physical and financial systems. This can last for a period of several months. If one or more of the team members deputed from the head office need to return to Mumbai before the systems are fully functional, new volunteers replace them to complete the job. This parenting period generally lasts 6 months or such time that the new unit is able to run its own-affairs efficiently. When the new branch stabilizes, it nurtures additional branches in a similar manner. Members are deputed to spread out and are given the responsibility of ensuring proper functioning of the unit. Thus, the in-

house method of expansion through replication ensures both training and parenting support to new units. This is the key to the high level of standardisation that Lijjat has been able to achieve.

With growth, Lijjat has diversified its product portfolio and promoted many new products. Besides its world famous papads it currently has flour division, masala division, printing division, advertising division, khakhra division, chapati division, polypropylene division, bakery division and detergent division. The various products manufactured range from papads, khakhras, appalams, masalas, vadis, gehu atta, bakery products, chapatis, SASA detergent powder, SASA detergent cake (Tikia), SASA Nilam detergent powder and SASA liquid detergent. They have also meticulously planned their human resources development by selecting and training the more competent members to manage affairs in its modern Polypropylene, Sasa detergent & cake and printing divisions.

Social contribution

On several occasions, the Lijjat bens have undertaken social service activities such as distribution of nutritious food for



poor children, donation of money for conducting community marriages, institution of prize-money for spread of primary education, blood donation drives, organization of health camps, plantation drives and even donations to Government bodies. Lijjat undertook the rehabilitation of Chincholi (Jogan), an earthquake affected village in the Maharashtra's Latur district. The institution provided the finance and

supervised construction of fifty-eight houses in the village. Member-sisters donated money from their daily vanai (wage). After the 2001 Gujarat earthquake, all the branches of Lijjat donated Rs 4.8 million, including Rs 1 million from the central office. Lijjat built forty houses for the rehabilitation of the people of Bhujpur (Bhachau) in Kutch District.

Future challenges

Lijjat has to be constantly think and plan for the future ahead. There are a few important challenges they might have to grapple with:

1 While mission orientation ensures that production happens manually, Lijjat must also be cautious of the extent of mechanisation thereby decreasing cost of production for other companies. They may have to look for part mechanisation and part manual production

2. The current pricing must also factor in a part of the rising costs of the raw materials like the pulses, masalas and transportation costs.

3. Customer Education about the uniqueness in their products to counter the imitations which are flooding the markets

Replicable potentiality

The model is replicable into other sectors, which require labour intensive but simple production processes with minimum use of technology. The caution is how to adapt the model to create and maintain the quality standards as well as ensure concomitant sales of the produce. The 'development of market power' is a key factor which Lijjat has been able to enjoy through its brand equity. Any replicable model should aim in building the same for success in the medium term of about ten years. ■

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Inspiring entrepreneurs

TI Team

India is currently in a phase where it can potentially reap the benefits of demographic dividends, as 40% of the population is in the age group of 15-35. However, this might well be a mirage



Anirban

if we look at the rising unemployment levels in country. Fortunately there are young professionals like Anirban Gupta (XIMB), Nidhi Arora (XIMB) and Arindam Dasgupta (IRMA), who are relentlessly working towards their mission of creating entrepreneurs among the youth of lower and middle class society. These three young development

professionals are the brains behind *Dhriiti*, a social enterprise, a term they prefer to use for their organisation. They believe that the problem of unemployment can be solved by promoting self-employment and entrepreneurship. *Dhriiti* works with young adults across socio economic backgrounds, developing their entrepreneurial skills so that they can be successful entrepreneurs in the future. It also works on developing the complete value chain to allow small & micro enterprises to grow and flourish.

Its Entrepreneurship Development Cell (EDC) aims to develop entrepreneurial skills. It has also established Micro Enterprise Development and Management division (MEDM), which collaborates with grassroots level organizations in setting up sustainable enterprises. It also acts as the training ground for enhancing the skills of the potential entrepreneurs. The third important component of its EDC is the Research and Facilitation Cell (RFC) which provides value added services to existing SMEs (Small and Medium Enterprise) and other promoting organizations.

In the past one year, *Dhriiti* has conducted approximately 25 workshops with schools, colleges and other institutions to



Nidhi

sensitize the youth with the culture of entrepreneurship and enterprise development. *Dhriiti* has been successfully running the entrepreneurship chapters in two schools in Delhi. It is an intensive modular training programme aiming at not only building entrepreneurial skills but also allowing the participants to practice what they learn through live projects. The

training is imparted using a unique methodology of activities, simulation games and experiential learning. To develop entrepreneurs among youth involved in non-

formal education, Its "Ek Naya Aasman" programme follows a capacity building approach and aims at providing guidance, support and linkages for converting the ideas into sustainable business ventures. Out of the 52 participants trained in first batch of



this programme, 5 have already set up their ventures while others are actively working on the business plans to set up their ventures. Under its MEDM division, 17 Arecanut leaf plate manufacturing units have been set up for which *Dhriiti* has provided technical, financial, training and marketing support. *Dhriiti* has successfully developed machines suited to the raw material and climatic conditions of the state and has mobilized the first set of entrepreneurs to take up the manufacturing units. *Dhriiti* wants to make Arecanut a 100 crore industry for rural Assam in years to come.



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Festival Livelihoods

Rajankumar Baral



Festivals bring freshness, colours and a rich collection of pleasant memories. The moments of festivities are marked with offerings, flowers and decoration, gatherings and celebrations and a variety of clothes, food, dance and music to choose from.

For every moment of festivity, we purchase lots of items from stores, roadside stall, and mobile vendors. We decorate our homes with diya, plastic and natural flowers, balloons, stuffed/ wooden/ earthen doles, terracotta products. We adorn ourselves with jewellery, mehendi and flowers. And for children, it is time to enjoy with bamboo flutes, balloons, sugar candies, toys and food items available on sale.

We thank divinity, the bounty of nature, the rich tradition and our forefathers. But we rarely wonder about the livelihoods of the vendors, the ones adding colours to these festivities by selling different items and utilities. Where do these roadside/ mobile vendors come from? What do they do at other times? Whether these seasonal businesses are enough to fill their stomach, to send their children to school? What these festivals mean to them? Do they get time to celebrate or the festivals only provide them an opportune time to earn better? How do their families celebrate the festivals?

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Next-door entrepreneur - Ramesh

G. Satyadeva Prasad

One need not study engineering or MBA to comprehend the logistics and forecasting involved in running the flower bouquet business. The story of Mr. Ramesh, who is educated upto third class only, is an example. He is running the most unpredictable daily flower bouquet business quite successfully.

The initial steps

Ramesh started his career in 1996 where he assisted his uncle in running the flower selling center at liberty center at Himayat nagar in Hyderabad. In those days, there was not much demand for flower bouquets. Most of the business was of flower sales only.

After working for 3 years at his uncle's shop, Ramesh along with his brother Kishore started flower bouquet shop near universal bakers in Himayat nagar with an investment of Rs. 3,000. This amount includes wooden stand for keeping the flower bouquets, raw materials used in the flower bouquets viz., flowers, baskets, polythene covers, jurbaras etc and scissors, cutters which are used for making the flower bouquets. In those days the average turnover per day used to be around Rs. 400.

Investment

In 1998, Ramesh decided to start his own flower bouquet shop. He made an investment of Rs 5000 in purchase of an iron stand. He preferred iron stand over wooden stand due to its durability.

Location and timings

He has located his center just beside a junction in the busy Himayat nagar area to have more visibility and access to the customers. His center is open through out the day from 7:00 in the morning to 10:00 in the evening. Ramesh purchases all the raw materials between 11:00 to

12:00 Noon. During off peak time of the day i.e. from 1200 noon to 400 PM, he crafts the flower bouquets for the evening. During that time his assistant takes care of transactions at the center. In summer season, he crafts the flower bouquets in the evening to prevent it from withering due to heat.

Raw material procurement

Initially, Ramesh used to purchase all his material from traders within 2-3 kms radius. Later, on analyzing the costs, he realised that it made sense to go as far as 5-6 kms and from a single whole sale trader. Ramesh now purchases all raw materials used for flower bouquets from his regular shop near Moazzam Jahi Market, popular as Jambagh, which is popular for flower business. He always purchases 20% extra raw materials than estimated business.

Working capital-inventory cycle

The average working capital required for one time purchase of raw materials is approximately Rs.2000. Depending on the demand for flower bouquets, the frequency of raw material purchase varies from one day to 3 days. Ramesh is managing the working capital requirements on his own.



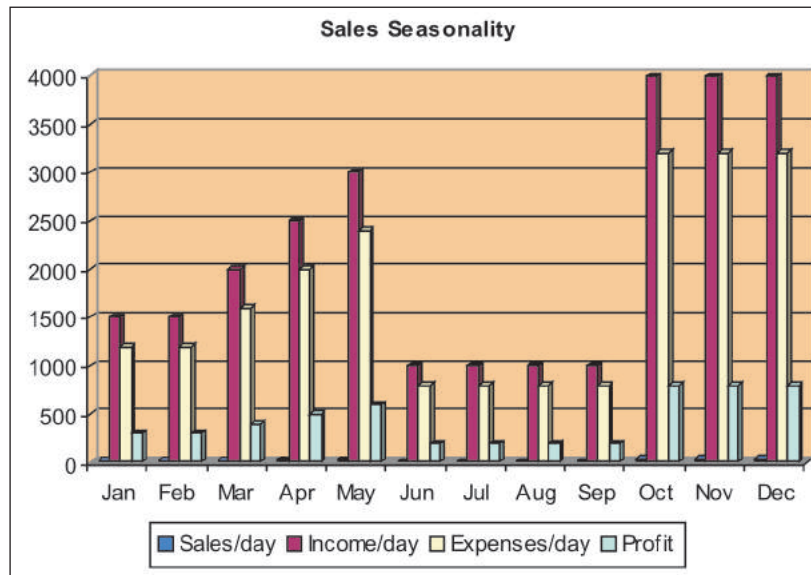
Turnover and margins

The average turnover on any normal day is Rs. 600- 800 and on any good occasion it goes up to Rs. 2000 per day. He offers best possible price to the customers. The costing of an ordinary flower bouquet priced Rs. 75 comes to Rs.65. Thereby he sells the bouquets at only 15% to 30% profit margin.

| Expenses Break-up | | | | |
|-------------------|-------------------------------------------------------------|-------|-----------|------------|
| S.No. | Particulars | Units | Unit Cost | Total Cost |
| 1. | Flower Basket | 1 | 15 | 15 |
| 2. | Roses | 4 | 5 | 20 |
| 3. | Gladilas | 4 | 4 | 16 |
| 4. | Golden Rods (Bunch) | .25 | 20 | 5 |
| 5. | Polythene1 | 2 | 2 | 2 |
| 6. | Plastic Pot | 1 | 2 | 2 |
| 7. | Other Cost (Transportation of raw material, labour etc.) | | | 5 |
| Total | | | | 65 |

Many customers after inquiring from other vendors come back to him due to his cost competitiveness. Every day, in addition to the regular varieties, Ramesh prepares one new variety to attract the attention of the customers.

Generally he keeps 17 to 18 flower bouquets of different varieties for display. If the bouquets are sold early, he immediately prepares with the available raw materials in order to grab the opportunity.



Customer profile

In Ramesh's opinion, there are two types of customers for the flower bouquets viz., quality conscious and general customers. Quality conscious customers look for high quality variety flower bouquets and not bothered about price where as general customers is more price conscious. To cater to both

categories of customers, Ramesh keeps flower bouquets ranging between Rs. 75 to Rs.250 at his centre.

Seasonality in demand

His demand peaks during festivals and other celebrated days (valentine day, mother's day etc). As the business has seasonal variations, Ramesh always looks for alternatives to increase sales. He undertakes special decoration orders for marriages, birthdays, inaugurations etc. He has developed an album containing different types of flower decorations. Once order is received, he hires professional decorator at Rs. 400 per day.

Risks in business

As the location he has chosen comes under MCH purview, some times he was forced to close his center for few days. To avoid this hassle, he is contemplating renting a place. He is in the process of mobilising the advance amount of Rs.100,000 for that purpose.



Innovations and the way forward

In his view, there have been lots of changes in the mindset of the customers when compared to past days. People are gifting flower bouquets for a variety of occasions like for greeting, congratulatory messages, hospital recovery messages and for expressing feelings. He is very optimistic that the flower business will increase even further.

Conclusion

If one observes carefully, there are four critical aspects in running the flower bouquet business viz., understanding seasonal variation and accurate daily demand estimation accordingly, cost competitiveness, presentation of the shop and bouquets which includes visibility and availability of appealing varieties of flowers. Ramesh has taken care of all these aspects and conducting his business very intelligently. ■

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Cooperatives in the market era

An interview with Mr. V. Vivekanandan

Mr. V.Vivekanandan has been associated with the South Indian Federation of Fishermen Societies (SIFFS), Trivandrum, since last 25 years. SIFFS is the apex body of a three-tier structure of autonomous organisations of artisanal, small-scale fishworkers in the coastal districts of the maritime States of Kerala, Tamil Nadu, Pondicherry and Andhra Pradesh. As the first professional working with SIFFS, he has played an instrumental role in improving the technology and credit financing aspects of small-scale fisheries sector. In interview with Mr.G.V. Krishnagopal (ALC India), Mr. Vivekanandan talks about his views on the role of cooperatives in the current economic order; impact of policy implications and entry of private players on the cooperative business model and overall challenges and opportunities faced by cooperatives in maintaining their role as an instrument of bringing equitable and sustainable economic development.

What is the relevance of cooperatives in today's rapidly changing and globalized economy?

In some way the relevance is higher today than ever before, because we are moving into a paradigm dominated by market. The market is little bit euphoric and even NGO's have to bid on



development plans. Market orientation is pushing everybody to look at things competitively. In this situation small producers have to come together and work as collectives to find their place in the market. Otherwise they will get wiped out. The need for rural producers, especially primary producers, in organizing themselves on co-operative lines is becoming even more essential & critical.

Is this true only for primary producers or for any category as well?

Unfortunately my experience was more with producers and so I definitely think of primary producers but I suppose in principle, small groups involved in any activity may find the co-operative option very good to get economies of scale and survive in the market. But I have not really thought through any implications for service sector and other kind of areas.

The Indian cooperative experience is not really good and it is certainly not fashionable to talk with or prescribe someone about it. What do you think about it?

Yes, it has got a bad name in general. However, I would also say that co-operative as an instrument for poverty alleviation and to help the small groups seems to be regaining ground after a long break. Somewhere in the 80's, cooperatives went out of fashion with both policy makers and voluntary organizations ignoring them. Of course, it is the failure of the cooperative sector itself that caused this. Still, if the slogan "cooperatives have failed, but cooperatives must succeed" went out of vogue, it led to emergence of the Self Help Group option. The SHG is

another form of cooperative action but it is a very specific form, which has suddenly become popular. You know, people like us who work with cooperatives have to recognise that organizing cooperative interventions seem to require lot more effort, lot more resources and much more long term work & planning than organizing SHGs. So SHGs seem to have attracted all the human resources in development in the country. It seems to have become the panacea for all problems. You talk to some government officials, and its all about self help groups. The SHG movement to a large extent has taken that mind space that co-operatives occupied earlier. However, in a small way, a rethink is starting as there is a feeling that we have reached the limits to which SHGs can be used for poverty alleviation. Many are feeling that microcredit can only take you thus far and no further.

Promoting cooperatives in the present economic order is difficult. It is well known that we are operating in a capitalist paradigm. For cooperatives the structure does not allow private investment to flow as equity. Given this scenario where it is difficult to raise capital, how do cooperatives stand chance to flourish?

You are right up to a point. It is a genuine problem that cooperatives face and there is a struggle in raising resources. But it also depends on what role you visualize for cooperatives in economic change. Coops did have a role in socialistic countries. The socialist world went for collectives and cooperatives, for production, marketing and many things like that. There is also a genuine cooperative impulse even in well developed

“Cooperatives can function pretty well in a capitalistic system if they find their niche.”

capitalistic countries. Cooperatives seem to have a role in both Socialist and Capitalist paradigms. Cooperatives can function pretty well in a capitalistic system, if they find their niche. Perhaps, one can argue that genuine cooperation has more of a role under Capitalism than under Socialism, as

The journey so far...

On graduating from Institute of Rural Management (IRMA) in 1982, Mr. V.Vivekanandan joined the South Indian Federation of Fishermen Societies (SIFFS), Trivandrum, at its outset. For two years he worked as its Marketing Manager and in his words, “learnt a lot about fish markets”. In 1985, he was re-designated the Chief Executive and became its first professional administrative head. After leading SIFFS for eleven years as its CEO, he took a 4 year sabbatical (1996- 2000) to undertake studies and consultancy work in the development field but continued to work closely with SIFFS. In 2000 he rejoined SIFFS as its CEO. As the first professional working with SIFFS, he was involved in responding to ideas and demands from primary societies and started some successful programmes:

- Development and commercialisation of a wide range of boat models in marine plywood and fiberglass as alternatives to country boats. Development of a network of 18 boat yards manufacturing these boats.
- Direct import of Out Board Motors and spares and running a network of 25 service stations along the south Indian coast.
- R&D initiatives in artificial reefs, fishing gear improvements and marine safety.
- Organising primary fish marketing societies and district federations in many parts of south India
- Running a microcredit programme (the largest in the Indian fisheries sector) with a current portfolio size of Rs. 7 crores.

He also experimented in fish marketing, export, scientific classification of fish, and has initiated a community based fisheries management in Nagapattinam district. He has also been involved in lobbying and advocacy on fisheries issues including human rights of fishermen detained for trespassing into international waters. Post tsunami, Vivekanandan played an instrumental role in relief and rehabilitation work that included construction of 2000 houses in Tamil Nadu, distribution of over 700 boats, repair of 1000 boats and 1800 motors.

He has worked extensively on various studies on fisheries at the national and international level. One such study is on the changes in seafood legislation and its impact on the poor in India in collaboration with the Natural Resources Institute (NRI), U.K. He has authored important papers such as 'Socio-economic and political dimensions of shrimp culture development in India: The case of Andhra Pradesh', which was presented at the second international symposium on sustainable aquaculture at Oslo, Norway and 'Reservoirs of hope: fishermen take the initiative in central India' for DEEP (FAO periodical), October 1995. He has been an FAO consultant and served as member of various state level task forces. His current engagements are with the Planning Commission task force on technology transfer in fisheries, with the TN Government working group on Fisheries for the 11th plan and as member of the Board of Governors of the IRMA.

collective action was often forced in Socialist countries. Cooperatives had played a major role in protecting the small people in Western Europe before the emergence of the post war welfare state. However, whether cooperatives are only required in the transition to a mature capitalist system or have a permanent role to play is debatable. Though there are still many cooperatives in developed countries, the extent to which they differ from large corporations is difficult to say as a result of the increasing coporationisation of the cooperatives. In India, cooperatives have the potential to play a huge role and for a long time to come.

Now, lack of capital can be an issue. For

instance, huge retail chains are coming up (Reliance, Food World). If we are seeing them as our competitors, then we don't have enough capital to compete. The coop structure will not give us scope to go to the market and raise that kind of money. But with limited investment, we can collectively pool in our produce and start negotiating with Reliance or Food World and try to get the best prices. Producer coops can position themselves in the middle of the chain and hold some kind of control over the produce. That's also one kind of cooperative action. One of the problems of conceptualising cooperatives in India is result of enormous success of Amul which means cooperatives have been

South Indian Federation of Fishermen Societies (SIFFS)

The origin of the network dates back to the seventies, when the resettled fish workers in Trivendrum, faced the problem of marketing their fish catches. Controlled by merchants and middlemen, the marketing system involved the exploitative method of beach auctions. Confronted with this, the fish workers with the assistance of a team of social workers took over a dormant co-operative society that had been registered in the village earlier and started operations formally. This was the first fish marketing society called Marianad Matsya Utpadaka Co-operative Society (MUCS). The society was marketing-oriented, with membership open only to active fish workers who managed the society themselves. The three core activities of the MUCS are marketing of fish caught by members, providing credit for renewal of fishing equipment and promoting savings. Over the years, number of cooperative societies increased, and South Indian Federation of Fishermen Societies (SIFFS) was constituted as the apex body. As the spread of cooperatives increased in neighbouring districts, the district level federations were formed with SIFFS as apex body. The objectives of SIFFS are:

- Producer control over fish marketing and inputs
- Livelihood protection and enhancement using appropriate technology
- Policy research and advocacy
- Resource management
- Alternative employment and strengthening of women's livelihoods

The responsibilities of this three tier organisation are distributed as follows:

Primary Societies

- Fish Marketing
- Provision of credit for asset replacement from external sources (banks) and from own sources (accumulated profits at the primary level)
- Promotion of savings
- Insurance for members (under govt. Schemes)
- Other welfare activities

District Federations

- Monitoring and support services to primary societies
- Liaison with regional offices of banks for credit
- Liaison with Funding Agencies for developmental support
- Marketing support to societies
- Marketing of fishing inputs
- Welfare schemes

SIFFS

- Technology Development and Dissemination
- Boat Building and repair services
- Import and distribution of outboard motors and repair services
- Import and distribution of outboard motors and repair services
- Credit programme for members.
- Extension of Primary Societies Network
- Marketing of fish and fish products
- Running of Ice plants for ice supply
- Albezzia Plantations for Kattumaram timber supply
- Studies, Research, Documentation and Publication
- Advocacy and Lobbying
- Support to fisherwomens groups

With over 6,000 member fishermen, organised through 100 primary societies in eight districts of Southern peninsular India, SIFFS over the last two decades has kept its focus on strengthening the artisanal fisheries. Today, over 50,000 fish workers including non-members are availing these services. In 2003-04, the network of SIFFS reported an annual fish sales turnover of Rs.36.85 crores.

SIFFS is democratically managed. The Chairman and Vice-Chairman are necessarily fishermen elected from the primary- and district-level organisations, according to the charter of SIFFS. The paramount policy making body of SIFFS is the General Body, which consists of six representatives from the member federation and one representative from an associate member federation.

typecasted as end to end solutions. From producer to consumer, cooperatives are expected to take over the entire value chain. The Amul model has not really succeeded in other commodities, at least to the same extent. For creating end to end solutions a large scale effort with enormous capital like Operation Flood initiated by NDDDB is needed. I don't know if that kind of option is available to any of us. I keep saying that the Operation Flood strategy is not for ordinary mortals like us. It is the brilliance and amazing ability of Dr. Kurien to manipulate the environment, to create the space, to transform a commodity grant into capital for setting up a cooperative intervention that resulted in Operation Flood. It is unbelievable what he has done. It may not possible for anybody else to repeat it. It isn't a replicable strategy. While thinking big, Kurien style is fine, most of us are better off thinking small and working within our limitations.

“One of the problems of conceptualising cooperatives in India is result of enormous success of AMUL which means cooperatives have been typecasted as end to end solutions.”

Now we have the producers' company act. Do you think this kind of legal structure will help cooperatives?

Very much. In fact, look at the reason why we have this Act. The Co-operative Act is a state level act and by the time you have Mutually Aided Cooperatives Societies (MACS) act in all the states, it might take many generations. Even then we have the example of Andhra Pradesh with the Govt trying to undo what it had done earlier. That is why having the space to register a cooperative organization under a Central Act like the Companies' Act is an important innovation. It is however worth recognizing the limitation of the Producer Company Act. It is most suited for cooperative interventions at a higher level or where the size of the business is sufficiently large. It is not suitable for a village coop. So, good state level laws are still relevant even after the availability of the Producer Company form.

However, having legal instruments for registering genuine cooperatives does not ensure that cooperatives will automatically emerge and be successful. Co-operatives don't just emerge on their own; there is a need for creative agents in the society & economy promoting co-operatives. Cooperatives emerge when there is some good leadership within the potential group or there is a good promoting agency like the NDDDB or CDF. While cooperative coming up due to good leaders inside a prospective group is welcome, it is necessary to have promoting agencies if we need cooperatives to make a widespread impact and reach out to all prospective groups. The absence of good promoting agencies seems to be a major gap wherever we have good cooperative laws.

The state has always been



predominant promoter for co-operatives, although cooperatives are part of civil society. And so there is an internal dilemma for the government, which is that they can never make a civil society institution strong enough to fight its own inefficiencies and politics. At one point in the growth of civil society institutions they tend to bargain certain spaces from the state. The state will not be willing to spare rather preferring to co-opt institutions, which has led to the death. After 50 - 60 years of such experience today again we see whole lot of government projects coming up across the country promoting co-operatives in different forms. What do you have to say about it?

Yes this is a problem. The experience is wherever there are civil society innovations that are successful,

including collective interventions, the state then picks up the ideas and tries to replicate and upscale them. One can argue that this is good. Unfortunately, the state intervention often mutilates the original idea and kills the spirit behind it. In Kerala, where I am based, this process is clearly visible. The Kerala Government doesn't believe in the autonomy of civil society at all. It believes that civil society exists as an entity to feed government with ideas and it is for the government to do everything. This is true to varying degrees in the other states. The state has a serious legitimacy and credibility problem as it is unable to creatively address issues of poverty. It is forced to hijack civil society ideas and interventions and poach on civil society spaces for its own credibility and survival. This is definitely a major hurdle for cooperative development in India.

Of late, equitable and sustainable economic development is supposed to be promoted by new generation social entrepreneurs who establish private companies offering slightly better terms than the traditional middle men (money lenders, traders, master craftsperson). These companies seem to scale up very rapidly (currently 80% of micro finance sector is dominated by Non Banking Financial Companies) due to access to private capital. I don't think this will lead to systemic changes offering better lives to poor. What is your opinion?

I think you are right. The excitement about the co-operatives has been lost and there is a need to recreate that. Unless it is re-created, the co-operatives will not get people to work for them or get financial support. There is definitely a shift towards the social entrepreneur model. However, one has to realize that even now there are people trying to promote cooperatives of different forms, especially within the NGOs and government projects. But definitely there is a need to influence the policies of government, financial institutions & international agencies in favour of cooperatives

Getting back to your suggestion that the cooperatives have to find their niche and operate as producers

linked with large corporate organizations who market the produce, isn't it true that we are leaving the cream of margin to the corporates?

I feel it is important for the co-operatives to occupy the retail market space. Otherwise, the less remunerative production processes are left with cooperatives.

Cooperatives operate well where economies of scale favour services like supply of inputs and marketing. You are right that often the margins are actually at the end of the chain, the retail end. To what extent the co-operatives can do good job occupying that space is difficult to say. The Kerala government is officially against all big retail chains but where are they putting the money? They are putting their money in government owned or government controlled consumer co-operative network, public distribution systems & related fair price shops. And the result is ridiculous. We have Big Bazaar which is offering many products below maximum retail price and making profits while the government is

"The day that production system gets centralized, there will be dominance of one or two retail players in the market".

pumping in money to compete in that space and making losses.

At the same time, the producers in co-operative institutions are unable to say that we will occupy that space. So it is not clear how it is going to be done. The consumer co-operative movement is completely promoted and controlled by government and it does not have any life. I don't know that there is real genuine significant co-operatives consumers' movement.

One can visualize a system where consumer co-operatives can link up with the producer cooperatives. A system of trading giving good returns to the small producers needs to be in place. Yes, this is definitely a challenge, but at the moment when you still have the retail chains in their infancy, it seems they are our allies. They create a possibility to cut a few links in the chain

and give better returns to producers. But somewhere down the line, if they get rid of rest of the competition and take over the entire consumer space the producers can get squeezed out the way Walmart has done in the US. There are risks in the long run, but we cannot also forget that small producers are at the moment losing more at the first point of sale wherein a credit-market nexus is ensuring very low prices.

Simple market logic indicates that the initial enthusiasm of multiple players in any activity will soon boil down to one or two players.

That kind of situation is going to emerge. Trade part of the economy of scale is very much dependant on the production side. The more industrialized and manufacture oriented we become; the greater is the chance of retail chains to dominate. For instance, in Trivandrum, where I reside, we have Reliance, Food World and also own local home grown "Margin Free" network which is a private enterprise selling goods below MRP. All these chains source lot of local snacks and commodities which are produced in a decentralised way today. There you find big chains have no big advantage. They have advantage in selling goods manufactured on scale. For example, the rate at which Big Bazaar sells Philips CFL bulbs cannot be matched by Margin Free as they cannot order the same volume of goods. Another example of the advantages of scale is the purchase of ship loads of Korean handsets by Reliance. However, there are still a large number of products manufactured in our country in a local and decentralized manner. In such products, the big chains have no advantage. However, over time, the decentralized production systems will decline. The day that production system gets centralized, there will be dominance of one or two retail players in the market. This is something that may have to be tackled through good public policy promoting competition and discouraging monopolies.

Let us look at the agriculture sector. The government is consistently making policies for ensuring food security rather than protecting farmers' interests. Sharad Pawar has

been repeatedly talking about contract farming, which is about industrializing entire production system. There are also trends of small producers being pushed out due to low margins and labour availability at the village level. In many ways the capitalists are creating that agenda for centralized production models.

Our whole agriculture situation is messy. We also have too much of variation in terms of situation across the country to generalise. Policy advocacy that comes from one region or section may make lots of sense to agriculture producers in that region or section, but doesn't make sense to other regions or sections. Government's intervention has been significant in providing support prices in certain commodities and subsidies in provision of inputs. This has over the period reduced the farmer's independent thinking capability. The dependence on the state system is so high that one doesn't know whether the state should withdraw because it has created such a dependency. But if it withdraws we may see all sorts of collapses taking place. We have created a mess by this kind of paternalistic state policy. We need some kind of policy environment which enables the farmers to be more market oriented, and there should be some incentives for small producers to continue to produce and operate. Herein lies the importance of promoting cooperatives for small and marginal producers. Land policy is another big issue in agriculture. It is very difficult to take a stand on how the sale and acquisitions of land be regulated. Where farmers have become very commercial like in Punjab and Haryana, there is the demand to deregulate land sale and allow market forces to work. In other areas where farmers are still in a very weak situation, the opening up of land markets will certainly dispossess a large number of families of their only asset.

I think capitalists are pushing models which give them more control.

No doubt about that. I think that's where we need to have a very pragmatic approach and think in a non-ideological way. Trying to fight against the market

per se is meaningless. We need to strategise on how to influence markets and create space for the poor. Fighting for rights need to go hand in hand with empowering the poor to participate effectively in the market. Here the example of marine fisheries sector is useful. While there are fishermen unions fighting constantly to protect the access of small fishermen to fish resources, there is also the serious attempt to organize fishermen cooperatives to improve their power in the market.

There is strong economic rationale for small producers to survive in primary production sector like fisheries. If we wipe them out we are actually harming our national interests, because of the nature of the resource and environmental issues involved. We can catch almost 75-80% of the total resource available with small fishing boats using eco-friendly fishing methods in India. Large boats create negative externalities; throw more people out of jobs, etc. This is clearly a sector that small producer cooperatives can play a vital role in strengthening this natural advantage that small production systems have in the diverse tropical eco-systems.

25 years back when I started working with SIFFS, ours was a federation of just 10-12 cooperatives in one district. We were trying to pool together our produce from all the societies and deal directly with an exporting house which had processing facilities, for only those species. There were some exporters willing to deal with us up to a point purely on business lines. They used to think, "These people have a supply source and a committed loyal group". A few of them could understand and see this is helping fishermen, so why don't we help them? Partly, a little bit of concern and quite a lot of business sense. Couple of them even used us, so that they can deal with their suppliers a bit more harshly.

At that time we had requested Marine Product Export Development Authority, a government body largely dependent and controlled by export houses, to comment on whether the price we are getting from the export companies is right. We thought that



they will give us this information. They said," No. You have to be a registered export body to get the prices". We were not given the export price details.

Recently, the same MPEDA, has taken the initiative to link us up directly with export houses. They called quite a few exporters in Kerala and our society representatives and organised a Producer-Export Meet in Cochin. Both sides realized they have a lot in common. For one, both are faced with a crisis. For producers, fish production is stagnating and its economics is turning unfavourable due to increasing input prices. For exporters, their production is also stagnating due to raw material shortage and they are also struggling to export due to rupee value appreciation. Both ends are saying we are the guys investing the money. The producer is investing money in boats, motors and nets which is quite a substantial amount at that level. At the other end there is exporter who invests huge sum in export infrastructure, facing all the risks of fluctuation, competing in international market. The middleman in the chain is not affected by any of the risks but he is making margins. These people are the one enjoying all the benefits. So, it makes a lot of sense for producers to deal directly with the exporters and cut down the chain length.

In long run I can't say how the interest of small fishermen will be protected, but at the moment, in this transition phase, I can see this kind of a link between small fishermen and export companies very useful. Reliance is also saying why we should deal with middlemen and not directly with producer. So there is win-win situation where big capital is saying why small producers should go through this chain,

if they can organize themselves, we are ready to deal. So there will be sectors where small producers' organisation will have strong logic for existence. These groups, we need to identify and strengthen. There are others who can not survive as small producers, because there is no inherent advantage in the emerging economy. So somewhere we need to be pragmatic in the choice of our group and not say that every body should have cooperatives.

Capitalism is not just an economic order but also a social order promoting individualism. They are mutually connected.

If the economy transforms, the society transforms. Cooperatives don't have much meaning now in developed countries. You have quite a few cooperative banks, but you look closely, they are no different from private banks. So in that kind of advanced capitalistic system, I suppose it may not make too much of sense to keep saying that we have to have cooperatives. But definitely, at the moment, the capitalistic transformation is not denying space for cooperatives. There are new spaces emerging which we need to tap.

In urban areas, you have a large middle class and a large number of young professionals. Many of them are increasingly open to new messages. For instance, they are ready to pay a high price for organic products. Many of them are willing to do something for poor. During tsunami rehabilitation, the extent of voluntary contribution was mostly limited to a couple of fortnights. We could not get volunteers for long term. However from Bangalore, many software professionals were willing to work voluntarily in the weekends. Hundreds of software professionals came every weekend to work for nearly one year.

As the purchasing capacity goes up, there are lots of messages one can give. So we are not looking at a bleak picture where everything is commercial and self centered. There are still human values which one can tap. So who is going to tap that space, organize the producers, create the niche in the market? That creative element is missing. So even in a capitalistic

environment, the civil society space can be enriched if we are able to attract professionals and get the involved in development work.

The brain drain that is taking place internally is an important constraint for cooperatives and development work. The human resource required for development work is becoming scarce. You need to have large professional setup, large funds and good pay, then you can get human resources. When you are doing some work on small scale, there is lots of voluntary spirit. However, when you scale up, it becomes challenge to attract human resources with the same spirit. That's where institutions like Institute of Rural Management (IRMA) have a role but seem to be struggling. If you divide development organisations arbitrarily into three levels, there are very few people who actually manage to work at grass root level. Then you have other end where people work in donor agencies, advocacy, and in consultancy agencies. And there are some people at middle level. We need a pyramid where a lot more people are working at grass root level. Instead, it is in support roles or higher levels that lots of professionals are moving into. So lack of qualified human resource is critical constraint for cooperative initiatives.

Earlier there were solutions in form of IRMA, PRADAN for providing human resources for coops and people's organisations. In the new century I am not finding new ideas. Many of the institutes which claim to be in rural management are moving into the space mainly because it's a new business interest. There are enough corporate agencies to pick you up, new donors to pick you up, enough support organisations to pick you up. It is the placement and salary that are the main attraction of such institutions. That logic is not sufficient to create grass root level change. So attracting talent to work at grass root level is the biggest challenge for cooperatives. Financial resources per se is not as much as hurdle as human resources. If we can further

"Lack of qualified human resource is critical constraint for cooperative initiatives"

develop and strengthen structures which provide human resources for such initiatives, then there is possibility for cooperatives and development field in general.

As discussed, the state has done more harm to the cooperatives. The role of the state, if one understands the NDDDB model, is to promote a board which in turn promotes cooperatives for producers interest and also look at consumer's or food security of the entire country. Those kind of independent boards are one time agenda. Such kind of boards at national level working at scale is what are you trying to suggest should be promoted by state?

I don't know. I think the leadership for such transformation should come from civil society and not from the state. The state should be wise enough to provide that space. Now National Dairy Development Board (NDDDB) is classic example of a civil society initiative actually co-opting the state, getting a Govt. stamp. But it is once again a non-replicable model. Though it got state recognition, became formally part of state, it was able to maintain its autonomy due to the extraordinary brilliance of an individual. He was able to substantially insulate the system from the outside world. Even then he had to make many compromises with the state to keep that autonomy. Even that level of success is not available to others. He was successful because of his personality, second because he independently mobilized funds. It's not easy for anybody else to do that. Recently, I visited the newly formed National Fisheries Development Board. They claimed that the whole model is supposed to be influenced by NDDDB but if you look at it, the essence and the spirit of the NDDDB is completely missing. It is an autonomous government body but it believes in just formulating schemes and spending money. It has a huge budget to spend, so they are only in the business of providing money with more flexibility than a government department. There is no clarity on sector development or promotion. There is no focus on cooperatives at all.

One of the problems in cooperatives

is that the producer orientation is so high that the HR policies are either completely neglected or are not favourable to staff. For example the staff is not paid well. So how do we look at this HR issue, which corporate agencies have tackled very well? Has the cooperatives evolved? How do we change that orientation?

There are many issues in this. One is absence of good education support system for the cooperatives. The role that NDDDB played for the dairy sector, that kind of mentoring role is required. It is not easy to internalize such a support system within the cooperative itself. That is where you need outside talent. You need human resource at two or three levels when you are trying to develop a new system or a new initiative. First, at the primary level and second is at higher level, in unions and federation level. At the primary level, we need good human resources when you are experimenting and setting up a new system. Subsequently, one can manage very well with local staff who need not be paid large salaries and can be well trained to do their job. They are good for the maintenance function of the cooperatives. We need talent where the creative element is needed and for that you will have to pay well. You also need more qualified people at higher levels of the cooperative structure. Here the role of external support agencies becomes very relevant.

Some ten years back I was seriously attempting the idea of a PRADAN model for fisheries. I didn't have the energy to pursue the idea. As per the original PRADAN model, it was not to be a NGO doing its own projects. PRADAN was in the business of putting together a group of professionals who will go and work at grassroots. Somewhere down the line, due to some problems, they withdrew from this business. I believe that is a role that is still relevant. NDDDB also, to some extent, played that role. It had a pool of human resources which was made available to the dairy cooperatives.

More than coops being unable to afford professionals, it is the unwillingness to pay that is a problem in many situations. It is not easy for a rural

producer representative, who rises to the level of state cooperative head, to see the need to pay high salaries. It is a genuine psychological thing. Even in the Mulukanoor Agriculture Cooperative I find, their policy is very clear. They employ only locals. It may work in that milieu. The model is already developed, the question is only about running it. The 'sons of the soil policy' is not a good policy for a larger cooperative trying to break into the market. I think you need outsiders; you need multi-class, multi-caste, multi-cultural environment in the organisation. The internal institutional environment in the cooperative is very stifling. The culture is not at all open and exciting, but very narrow. This is a constraint for inducing professionals and retaining them.

I think there is another problem in the producer cooperatives, which I have faced; it is the problem of insulating management from governance. The governance role is very difficult for producers to play effectively. Either they trust you and give you a completely free hand. Or they sit on top of you and give you no freedom or space. So it's a kind of extreme situation where professionalizing of cooperatives becomes very difficult. Another problem in governance is, because these are all local institutions, most of the staff is from the local area. People in the governance and the staff are neighbors and are equal at a social level. The dynamics of the relationship between the Board members and lower staff can affect the ability of professionals to manage the workforce in a professional manner, because of lots of politics, groups, and interference.

Talking further about the human resource, good leadership at the helm is very important. I think the successful co-operatives were led by mostly the nationalist leaders who had participated in freedom movement of the country. These were leaders who were ready to forgo personal interest before the collective cause. So how do we develop that kind of leadership?

Not easy, I think it may also vary according to the social group with

which we are dealing. In our own fisher folk habitations, the social structure is less stratified, which is a little different from stratified agrarian system. So that is one good factor for cooperation. The negative factor is nobody is the automatic choice for leadership. Nobody's leadership gets accepted and so there is greater willingness to accept outside leadership than from within. So it seems to me that for many of the co-operatives which come up, they need some amount of external intervention. So one can say government's initial intervention in the form of a paternalistic registrar during the colonial era was not totally wrong. The need for a support structure, the need for some kind of monitoring and all that was very clear. It's only that the nature of state has changed. In our current political system, the cooperatives become part of vote bank politics and hence are attractive for politicians to control using state power. Hence, the support system set up by the state cannot play the role originally visualized. What we need is a civil society led support system for cooperatives if we have to develop good leaders and good cooperatives.

Co-operatives are an instrument for equitable development as equity is the central principle. Is equitable development a utopia?

Not a utopia. However, we should not overdo the equity part. Co-operatives are business organisations and whoever is in that business is for their benefit. You do not form cooperatives for altruistic reasons but for mutual benefit. Hence there will be a limit to which equitable development will be the agenda of a cooperative. You will find that coop membership in one point of time was from a very vulnerable in the society. Therefore their further development & getting more money is desirable. But somewhere down the line this membership group may not necessary represent the weakest even in that sector. You have issues like who is the producer: the farmer or the labourer. The owner of the commodity is the



farmer who owns the land, but who is actually producing the commodity? So you end up with lot of contradictions. So you cannot have a very romantic notion about linking cooperatives with the equity. Where the external creative element is involved in using co-operatives as an instrument for equity, it needs to recognize the limits of a cooperative and keep making creative interventions in tune with the changes taking place within the cooperative and outside it. Just setting up one co-operative, making it viable & thinking that the system over time will continue to be equitable is not a pragmatic approach. Equity cannot be taken for granted.

The principle criticism of the current economic order is inequitable wealth distribution and so cooperatives are an alternative. So for the producer there a little bit of wealth added. So don't you think it is the solution to the equity development?

Yes, but only up to a point. If you look at why we want to work on co-operatives, it is definitely for increasing equity in the system, or let us say, making it less inequitable. But you know what often we are looking at is not necessarily equity. The whole question is about how we define equity. We are seeing co-operatives as a way of protecting certain poor groups & to sustain their livelihoods. In that sense coops contribute to equity. However, coops may not have significant influence on the larger system in terms of equity. It is very difficult for the co-operative itself to tackle the issue of equity prevailing in the society at large. The economic

policies of the state are still determined at a different level and one doubts whether coops can generate the kind of consciousness necessary to make the entire system more equitable.

So you think it is about finding out a niche for the entire co-operative movement and looking at development of these equitable structures that is very important. Is this what are going to be ingredients?

But very clearly many of these ingredients are missing now. When some one is getting ready to organize a cooperative, we have one ingredient available. However, a suitable law may not be available or a support system in place. I think there are just too many parameters which need to be acted on simultaneously. So it looks like a mind boggling challenge to make the co-operative movement really functional across the country, tapping the opportunities emerging in the market.

Some personal questions - Since passing out of IRMA, you have been working with SIFFS. If you have to restart your work, would you start in same fashion or would you do something differently?

May be I would have separated the functions of cooperative promotion and the business of running cooperatives. It is always better to have a separate NGO or organization for promoting cooperatives while the cooperatives themselves concentrate on provision of better services to their members. SIFFS ended up doing both things together and complicated matters.

With your current accumulated knowledge if you were to start afresh as a 24 year old professional what would have done differently?

There are limitations in the training we get from IRMA and NDDDB. I think we get a good business orientation. But we do not know enough on how to manage the processes - development process. I feel that my educational background has biased me towards techno-managerial interventions. If I had an opportunity to start fresh, I would like to be able to handle processes better and find more balance between organization building and sectoral intervention. ■

"The 'sons of the soil policy' is not a good policy for a larger cooperative trying to break into the market. The role that NDDDB and CDF played for the dairy sector, that kind of mentoring role is required."

Will life change for Dhanua?

Ranjan Kumar Baral

“The bright light of the city was my hope. Thirty years ago, I left my village in Keonjhar to fulfill the dream for a better tomorrow, to have regular two meals a day and a good life. Now I have a thatched house, few clothes, utensils and a son who is working as a wage labour; same as me. He has a similar dream that I have carried with me all these years. Will he realize his dream, babu to have regular two meals a day and a good life?”

This is what Dhanua, 63 laments to author, who was doing a study on livelihoods of slum dwellers. Dhanua's family is one of the fourteen hundred families living in Patharabandha slum located in a prime location of Bhubaneswar city. 75% of population in the slum is either illiterate or at the most studied up to high school level. A large number of them are tribal; migrated to Bhubaneswar in last 20-30 years. The slum dwellers in the study area have less livelihoods choices and diversification. 98.3% of them are involved in informal sector, and 60% of them work as daily wage labour.

About 33% of the households have a monthly income of less than Rs 2000 and 68% have less than Rs 3000. To make the scenario worse the dependency ratio is very high (3:1). Around two-third of the earning members have only one source of income. 27 % of them are trained in job skill through NGO led projects. However a very small percentage is using that skill in furthering their livelihoods as the respondents joined the training programs for the stipend. For example out of total respondents, 40% got tailoring training, but only 5% are actually engaged in tailoring. The skilled respondents do not have necessary tools and technological support to utilize their skills. To the surprise of this author they gave very less weightage to lack of production tools (nine) and lack of technical knowledge (five) as the probable causes of poverty in a scale of one-nine when one is the most important cause of poverty. They feel unavailability of regular work is the most important cause of their poverty.

Interestingly most of them (70%) are saving in some way or other. The practice of saving money has been increased in last 7-8 years after the initiative of CYSD-PLAN to mobilize dwellers to form self-help groups with 20-30 households in each group. Now there are 23 such groups. CYSD-PLAN though it's Mahila Sammitee (Women's organization) gives logistic support to them. Again the Sahara India is flexible in collection and their agent collects money door to door daily or monthly. But access to other financial services like credit, insurance and remittances is limited.

The slum dwellers are vulnerable for a variety of reasons namely unauthorized nature of settlement, uncertain work availability, low wage rates and harassment at work. The fear of eviction, fire and exploitation by thikadars are regular nightmares for the community.

The asset pentagon drawn out of analysis indicates the dwellers' major asset is financial followed by human capita, social capital, physical capital and natural capital. Low level of income and education, unsatisfactory health facilities, lack of physical assets such as access to infrastructure and basic amenities, negligible natural resource base, social inequality; make the livelihoods of the dwellers vulnerable.

| Occupations | Primary | Secondary |
|----------------------------------------|---------|-----------|
| | % | % |
| Daily Wage Labour | 29.8 | 13.2 |
| Construction Workers | 12.4 | 0.0 |
| Livestock | 11.6 | 0.0 |
| Industrial Laborers | 9.0 | 0.0 |
| Making & selling Handia (country beer) | 8.3 | 28.9 |
| Small Trade/Business | 7.4 | 0.0 |
| Sewing | 6.6 | 5.6 |
| Carpentry | 3.3 | 0.6 |
| Street Vending | 3.3 | 13.8 |
| Rickshaw Puller | 3.3 | 0.0 |
| Service (Salaried) | 1.7 | 0.0 |
| Van Puller | 1.7 | 0.0 |
| Household Servant | 0.8 | 0.0 |
| Bakery | 0.8 | 0.0 |
| Repairing | 0.0 | 18.4 |
| Total | 100.0 | 100.0 |

Source: Field survey, 2004.



Recommendations

The following recommendation can be made for the slum community to make their livelihoods secure and sustainable.

- As most of the dwellers are unskilled they should be trained with various employment generation skills. NGOs along with the existing Patharabandha Vasti Development Committee can take initiative for these type of skill trainings. Then tie up could be made with industries, hotels and offices where they can be employed.
- As a large chunk of dwellers work (around 60%) as daily labours/ industrial labours; an association for labours should be formed in the slum, which would enable the labours living in the slum to upgrade their networking, enhances bargaining power; provide a platform to raise their voice. The labour association could be initiated by the existing Patharabandha Vasti Development Committee and facilitated by NGOs working in the slum or the city government. The association would work to optimize labours human resource return and provide access to wide range of basic services and other services like

information, awareness building, access to financial services.

- For the cattle raisers (numbering around 80 families owning 100 cattle), a milk collection center could be set up and linked with the OMFED (Orissa State Cooperative Milk Producers' Federation Ltd.). Now the cattle raisers have to sell milk in the market themselves. Through this market linkage they can save manpower and benefit more from economies of scale.
- There is demand for home-managers, as residential colonies exist around the slum. Women could be trained for rendering this type of services.
- Micro-credit facility could be provided to the dwellers. Now this is working with the initiative of CYSD-PLAN but not effectively. Another way to do this is formation of small neighborhood groups who could form "rotating credit association". Each participant have to deposit a small amount of money regularly in the association's "savings account" and every weekend (or fortnightly/monthly as decided by the members) each member can take loan (amount same for all).
- The existing Patharabandha Vasti Development Committee could

take initiative with the support from the local councilor for a dialogue with the city government over issues of legal status for their land. This will also help the dwellers to get 'identity' which is required to get rations and other facilities from schemes implemented by different Government programs. This would also build their political asset. All these are required for strengthening their livelihoods.

Does life change for a poor like Dhanua? No, if the half-hearted effort by the government agencies will go on in the name of slum development; donor led time bound programs by NGOs and 'election-bound' promises by politicians overshadows the real problem to be surfaced, identified and treated holistically. The answer is yes, if the city government set-forth an inclusive and holistic approach to recognize the plights of these Dhanuas and intervene as per the recommendations made in this study. Of course these recommendations are indicative in nature and not exclusive and 'one-shot' solution. Hopefully we will see a different Dhanua in our next visit to the Patharabandha slum community! ■

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Challenges in the skills development program for youth

G.V. Sarat Kumar

“Worried about a growing mismatch between the skills of a young population and the nature of jobs they would be required to fill, the Union government has proposed spending a hefty Rs31,000 crore on skills development over the next five years as part of a National Skills Development Mission, according to a draft of the 11th Plan”- Livemint.com

‘India’s Vocational training institutes are producing 6 million students every year. That’s miniscule of the 88.5 million people in the 15-29 age group needing such training. Industry says less than half of the six million people who have received vocational training are in the employable category.’-Business Standard November 29, 2007

With India being the nation of youth, there is a tremendous potential to harness their energy for progress of the country. But, as can be observed from the above articles, the progress can be jeopardized by the inferior skills quality of youth emerging out of our vocational institutes. Thereby, suddenly skill development is the burning topic for all.

The skill development trainings are job-oriented trainings that have been traditionally provided by government through the Industrial Training Institutes (ITIs) for youth who have cleared matriculation. While there is gross mismatch in the demand versus supply of vocational training institutes (1,500 compared to China’s 1,00,000), the quality of trainings is also questionable. Added to this, there is a large group of children in India who drop out even before reaching standard nine. Providing short (3 - 6 months) focused and specific job-oriented courses is fast emerging as an alternative.

Various private training providers have been providing such trainings. The Government too has realized the importance and relevance of such courses. It is planning unprecedented investments in skill development trainings. The 11th Plan has set an ambitious target of creating 70 million jobs between 2007 and 2012. US\$ 280 million credit provided by World Bank is being earmarked towards

helping the government to improve the vocational training system through policy reforms and by making the design and delivery of training more demand responsive in 400 eligible Industrial Training Institutes (ITIs). The industrial conglomerates like CII and NASSCOM are actively pursuing this agenda foreseeing an imminent disaster in the industry should this not be addressed immediately.

Will all these investments be productive? Are these investments mere knee jerk reactions or look to shape the future? Will there be an enhancement in skills of the youth and support them long-term and are they in line with the expectations of the youth? Will the industry be able to capitalize on the skill dollar? There are few imminent questions that are staring at us. The answers lie in the way the programs are and will be conceptualized, implemented and monitored. The current scenario doesn’t seem too rosy and this article explores the challenges and possible strategies.

Macro investments: Short-term vs strategic

While the current investments by the government are mostly to offset the immediate requirement of the industry, the government must also think on long-term returns on its investment. With current pace of mechanization and technological advancements, many jobs are fast losing their relevance. The government must therefore focus on providing metaskills or multiple skills. It also must have a long-term strategy of periodic reskilling the youth to cope with the changing scenario of jobs. Government is the

In Germany, a law was passed in 1969 that regulated and unified the vocational training system and codified the shared responsibility of the state, the unions, associations and chambers of trade and industry. In 2001, 51% of all young people under 22 had completed an apprenticeship. In 2004 the government signed a pledge with industrial unions that all companies except very small ones must take on apprentices.

only institution that can think on these lines.

The government while making financial investments must also ensure the participation of the industry in the entire process. While it is imperative to seek inputs on course content from the industry, it should also be involved in classroom session delivery and apprenticeship for the youth.



Preoperative investments: Scale vs quality

The systematic and substantial preoperative investments in training human resources, developing curricula, conducting market study, counseling the students on the duration of course, nature, location of and income from potential jobs and providing dedicated and competent faculty are non-negotiables for these programs. However, these initial important steps to ensure a common understanding among all the stakeholders are distinctly missing. Many private training providers are entering the fray to train large numbers of youth with an intention to rake in the moolah. Number of training providers are not emphasising on the process and candidates are selected in haste only to complete the requirement of enrolment without gauging their interest in the program. This results in lack of interest of youth and their drop-outs during the course. Clarity and transparency can be found wanting if the training providers do not follow the systems and the methods diligently. Industry, during the market survey, must also be willing to provide a letter of intent to participate in the placements that would enhance the credibility of the training provider in the community.

Nature of jobs: Urban vs rural

The current vocational traigeared up to the requirement of the industries that are operating mostly inings are n the urban and peri-urban areas. There is a

serious debate if it is promoting mindless migration and aggravating the inferior quality of life and subsistence economy. While the fact is rural to urban migration is inevitable , still a substantial proportion of youth reside in villages and contribute to rural economy. Skill upgradation courses in primary sectors like agriculture, promotion of artisans must be conceptualized to realise potential of rural youth. With industries eyeing at rural areas for procurement and marketing, a variety of jobs like paravets, insurance agents, marketing agents for fertilizer companies, para-health workers, para-education workers etc can be made available to the youth in the villages. Specific strategies of catering to those who are willing to migrate and for those who are planning to stay back in rural areas will be critical for the effectiveness of the vocational trainings.

Final destination-is it all picture perfect?

Many times, on joining a company the students are in for a shock since things are ver different from what the are promised during pre-placement interactions. The place of work, working conditions, working hours and even the wages may be different. This creates high dissent and leads to drop out from the industry. The onus lies on the industry and the government to provide the required security. The quality and the nature of jobs-security, safety, and adherence to various labour

In Australia, vocational education and training is provided through the Vocational Education and Training (VET) system by Registered Training Organisations. This system encompasses both public and private providers in a national training framework consisting of the Australian Quality Training Framework, Australian Qualifications Framework and Industry Training Packages that define the assessment standards for the different vocational qualifications.

laws are important areas of intervention for the state. The training providers must ensure that during the classroom component, frequent industry tours and visits are organized for the youth to interact with the employees and comprehend the industry environment. Post-placement interactions of the training providers with industry and youth are important to ensure trust building process.

Where is accreditation and certification?

The most critical of all the questions currently- is there any agency in the country which can do an independent assessment of the quality of programs conducted by the training providers. Professionals who have undergone courses with Microsoft and Oracle are certified and have credibility in the market because of their certification. In skill trainings too, an independent assessment body comprising representatives from the industry and government should assess the quality and certify the training providers. The candidates must also be provided a certificate by this body on successful completion of the course which is given preference over the ones who do not have it.

While many of these concerns are being raised at different platforms, addressing them on a warfooting will only ensure that we realise the dream of deriving the demographic dividends of a young population.■

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Mobile Phone

G. Satyadev Prasad

In 1990s, when mobile phone technology was introduced in India nobody imagined that it would revolutionize the economic and social life in India. Mobile phone has become a new tool to improve productivity. In the words of Dr Jeffery Sachs, "This technology is remarkably empowering, especially for remote areas where the ability to communicate is vital." The role played by mobile phone technology in improving livelihood opportunities is the central theme of the article.

The mobile development study conducted by Nokia reveals that, when members of the urban or rural poor acquire a mobile phone number, they are able to reconfigure their social and business networks in new ways that are advantageous to them; and they are able to gain access to new clientele who may contact and contract them remotely without having to be physically co-located in the informal sectors of the city where their everyday trade is normally conducted. Mobile phone technology is benefiting not just high-end white collared personnel but a



large number of self-employed people with income as low as 100 dollars per month. They include street vendors, couriers, plumbers, carpenters, taxi-auto rickshaw drivers, beauticians, maids, cooks and construction workers, are benefiting from mobile access. The technology is helping them to manage and coordinate resources, modes of production and client relationships at multiple sites simultaneously. It ensures direct access to the updated information to producers/service providers, which subsequently help them to take market related decisions even when they are in transit. Some of the examples of transformation brought by mobile technology in livelihoods are as follows:

Cochin's Fishermen: Better prices through mobile phone

The fishermen in Cochin are using mobile phones to interact with their bosses and brokers about the day's catch. As the coverage is available nearly 15-20 kilometers into the sea, the fishermen are able to take decisions even before they reach the shore. This is helping them to maximize their returns. Through mobile phone fishermen are able to check prices at several markets before selling as the fish prices vary widely among the 17 landing spots around Cochin. Before mobile phones, pricing decisions were made on the basis of guesswork. The maximization of returns is obvious from a fisherman's statement, "We turned down an offer of Rs 3,000 for our catch in favor of a 12,000 Rs bid elsewhere." Fishermen are also able to improve the communication by introduction of GPS (Global Positioning System) and mobile phones.

Shyam Telecom: A win-win situation

The case of Shyam Telecom, a mobile phone company which operates in the state of Rajasthan, is a novel approach to drive up business and to help the poor at the same time.

The company has come up with the idea of mobile public calling office, dubbed Chalta Flirta PCO. It comprises of a fleet of hand-pedalled rickshaws, equipped with a mobile phone, battery, billing machine and printer. The rickshaw drivers, numbering around 200, are largely drawn from those at the margins of society - the disabled and women. Drivers pedal these mobile payphones throughout Jaipur and its hinterland and earn a commission of 20% on every call, amounting Rs 6,000 to 9,000 per month. The company charges nothing for the initial set-up costs though the investment required is Rs 75,000 for purchase of tricycle and equipment. The company gets traffic on its

network, the driver gets a commission and the consumers get access to affordable mode of communication.

Alerting Farmers: SMS as messenger

"aAQUA", a scheme developed by the Indian Institute of Technology, Mumbai, is helping farmers by providing advance warning about drought, pestilence and cyclonic storms. Farmers are using SMS messages to receive alerts and get response from experts and fellow farmers about everything from projected rainfall patterns, disease forecasts for plants and animals and to how to milk buffaloes more efficiently.

In another case in Maharashtra, farmers of Warana sugar cane cooperative from 75 villages are using mobile phones to access data ranging from tracking output of each farmer to getting their pay counterfoil. Farmers now have access to information 24 hours a day from any location, including the fields where they work

Some of the mobile phone applications are at the pilot testing stage. One such trail is local-language text message service to 200 farmers in five markets in the state of Maharashtra. Earlier, farmers used to turn up at the local market to sell their produce. Half the time, they were not aware of the prices at the neighbouring market, so there was gap in information. They used to lose a lot of money as a result. Information of five markets on the crops is helping farmers get the best price. In another pilot scheme, farmers are able to receive accurate weather forecasts and local price information direct to their mobile phones so as to decide on when to sow their crops and when to take their produce to market. Now farmers need not rely on ancient rituals and other practices to ascertain the annual onset of the unpredictable monsoon rains.

A study conducted in Africa reveals that an increase in 10 mobile phones per 100 people could increase the GDP growth by 0.6% in rural Africa

In addition to the above illustrated applications, there can be other potential uses of the mobile phone. Mobile phones have a role in

- (i) accessing market information,
- (ii) coordinating travel and transport,
- (iii) increasing remunerative workdays,
- and (iv) managing remote activities.

Mobile phones are already being used in rural areas as a tool for financial transactions by swapping airtime for goods and services. Critical market information is being made available to the buyers and sellers of commodities. Through mobile phones people are now able to manage bank transactions and make payments.

CAM - 'complete end-to-end mobile application framework' designed for 'disconnected' rural areas has been developed by Ekgaon, a technology and management services firm for independent rural communities. CAM can be used to provide a variety of user-friendly and accessible information services to rural users using mobile phones. It offers offline networking, using SMS and other protocols.

In India, public transport is not available in 45% of villages and only 1% of Indian households own a vehicle. Similarly, finding cost-effective, reliable, and safe ways to transport goods and services to market is a major problem for small businesses in rural communities. Mobile communications allow a number of rural farmers and traders to optimize transport as well as travel by sharing or distributing its costs. Mobile communication is being used to create and co-ordinate car sharing schemes amongst villages, and provide real-time information about public transport services and the ability to make request stops.

Mobile phones can significantly change the logistical issues faced by rural traders and home entrepreneurs, by affording mobile-based ordering systems, delivery requests, and the ability to make more reliable and advance arrangements with business partners or clients.

In addition to the immediate business consequences of mobile phones, other economic effects of mobile phones that arise as a consequence of their social impact. These include (i) increased credibility, (ii) strengthened business networks (iii) leveraging of social networks for business.



However, the access to mobile phones in rural areas is the major limiting factor although the mobile market is growing very fast. One in five Indian's will own a phone by the end of 2007. By the end of 2008, three quarters of India's population will be covered by a mobile network. There were 149.5 million subscribers at the end of December 2006, according to the Telecom Regulatory Authority of India (TRAI) in Delhi. But in the rural areas only 23 million people have access to mobiles. 650 million people engaged in agriculture own less than 2 percent of the mobile phones.

Hence there is role to be played by players at different levels like government, mobile industry and NGOs. Local and state government needs to integrate their telecom regulatory, tax and rural development policies, and provide incentives to increase services in rural and far flung areas. The mobile industry needs to increase the connectivity in the rural areas by lowering prices and costs of ownership and localise the mobile experience with relevant applications and services. The NGO can play critical role of mediating between state and industry actors and grass root communities. They can contribute in initial investment of setting up the technology. The cost can be cut down by organising various communities into suitable institutional structures (formation of closed user group comprising cooperative members, shg members etc). NGOs can also contribute in developing local content relevant for each user group and its dissemination through mobile technology. ■

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World Bank Projects

T..I. Team

| | | |
|---------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|
| Name of the project | : ANDHRA PRADESH RURAL POVERTY REDUCTION PROJECT | 1 |
| Approval Date | : 20-Feb-03, Closing Date : 30-Sep-08 | |
| Amount (in \$) | : \$150 million | |
| Implementing Agency | : Society for the Elimination of Rural Poverty (SERP), Government of Andhra Pradesh | |
| Project Component | : <ul style="list-style-type: none"> ■ Institution and human capital development ■ Establishing a Community Investment Fund (CIF) designed to transfer financial and technical resources to Community Based Organizations (CBOs) and local governments to support subprojects in (i) social development, (ii) community-level infrastructure, (iii) income-generation and livelihood improvements, and (iv) land purchases and development, and (v) water resource management ■ Support to pilot programs ■ Educational support for out-of-school children and dropouts ■ Support to persons with disabilities; and ■ Support for project management to the main implementing agency, SERP. | |
| Location | : 15 districts in Andhra Pradesh: | |
| Name of the project | : ANDHRA PRADESH COMMUNITY FORESTRY PROJECT | 2 |
| Approval Date | : 12/14/2004, Closing Date : 31-March-08 | |
| Amount (in \$) | : \$108 million | |
| Implementing Agency | : Assam Rural Infrastructure and Agricultural Services Project Society, Government of Assam | |
| Project Component | : <ul style="list-style-type: none"> ■ Investment Grant Scheme -- Addressing the constraint of capital with focus on private minor irrigation, farm mechanization, and fish production. ■ Agricultural Services and Market Chain Development -- Addressing the constraints of market-linked technology transfer. Focus on extension system reforms, upgrading programs for livestock and fish, improved marketing services, formation of milk cooperatives, and, pilots in forestry and sericulture. ⌘ Infrastructure Development -- Addressing the constraint of rural road network and market infrastructure. | |
| Location | : 15 districts in Andhra Pradesh: | |
| Name of the project | : CHHATTISGARH DISTRICT RURAL POVERTY REDUCTION PROJECT | 3 |
| Approval Date | : 4/25/2002, Closing Date : 1/31/2009 | |
| Amount (in \$) | : \$98.9 million | |
| Implementing Agency | : Jal Samvardhane Yojana Sangha and the Minor Irrigation Section of the Department of Water Resources, Government of Karnataka | |
| Project Component | : <ul style="list-style-type: none"> ■ Establishing an enabling environment for the sustainable, decentralized management of tank systems ■ Strengthening community-based institutions; and ■ Undertaking tank system improvements | |
| Location | : 2,000 tank systems in Karnataka. | |
| Name of the project | : MAHARASHTRA WATER SECTOR IMPROVEMENT PROJECT | 4 |
| Approval Date | : 6/23/2005, Closing Date : 9/30/2011 | |
| Amount (in \$) | : \$325 million | |
| Implementing Agency | : Water Resources Department, Government of Maharashtra | |
| Project Component | : <ul style="list-style-type: none"> ■ Water sector institutional restructuring and capacity building ■ Improving irrigation service delivery and management • Innovative pilots | |
| Location | : Across the state | |

| | | |
|----------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|
| Name of the project | : Maharashtra Rural Water Supply and Sanitation 'Jalswarajya' Project | 5 |
| Approval Date | : 8/26/2003, Closing Date : 9/30/2009 | |
| Amount (in \$) | : \$181 million | |
| Implementing Agency | : Water Supply and Sanitation Department, Government of Maharashtra | |
| Project Component | : <ul style="list-style-type: none"> ■ Community development & infrastructure building ■ Institutional strengthening ■ Sector development and strengthening ■ Piloting new initiatives | |
| Location | : 2,800 gram panchayats in 26 districts. | |
| Name of the project | : Rajasthan District Poverty Initiatives Project | 6 |
| Approval Date | : 4/25/2000, Closing Date : 12/31/2007 | |
| Amount (in \$) | : \$100.5 million | |
| Implementing Agency | : Rural Development Department, Government of Rajasthan | |
| Project Component | : <ul style="list-style-type: none"> ■ Financing activities that mobilize, organize and strengthen the capacities of the poor. ■ Providing community investment funds to be used for creating infrastructure and providing services and technologies needed or demanded by the poor. ■ Project management | |
| Location | : 7 districts in Rajasthan. | |
| Name of the project | : Tamil Nadu Empowerment and Poverty Reduction Project | 7 |
| Approval Date | : 7/12/2005, Closing Date : 9/30/2011 | |
| Amount (in \$) | : \$120 million | |
| Implementing Agency | : Government of Tamil Nadu | |
| Project Component | : <ul style="list-style-type: none"> ■ Build institutional capacity, synergize and strengthen pro-poor local institutions and fund productive livelihood related investments at the village level. ■ Support and strengthen the project teams and support organizations at the state and district levels and build institutional linkages and livelihood options for enhanced sustainability of the livelihoods. ■ Facilitate overall co-ordination, implementation, monitoring and learning of the project at state and district levels | |
| Location | : 2,300 village panchayats of 15 districts in Tamil Nadu | |
| Name of the project | : Uttaranchal Decentralized Watershed Development Project | 8 |
| Approval Date | : 5/20/2004, Closing Date : 3/31/2012 | |
| Amount (in \$) | : \$69.6 million | |
| Implementing Agency | : Agriculture and Rural Development, Government of Uttaranchal | |
| Project Component | : <ul style="list-style-type: none"> ■ Promoting community-driven decision-making and financing a participatory watershed planning at the village level ■ Enhancing livelihood opportunities – through (i) improvements in the farming system, increasing the role of the private sector in input supply and support services, increasing the participation of farmers in the choice of technologies. (ii) value-add and marketing support (iii) income-generating activities for vulnerable groups; and ■ Capacity building -- of gram panchayats and local community institutions. | |
| Location | : 300,000 ha in about 450 gram panchayats spread across about 19 blocks in Uttaranchal | |
| Name of the project | : BIHAR RURAL LIVELIHOOD PROJECT | 9 |
| Approval Date | : 6/14/2007, Closing Date : 10/31/2012 | |
| Amount (in \$) | : \$63 million | |
| Implementing Agency | : Agriculture & Rural Development (SASDA) | |
| Project Component | : <ul style="list-style-type: none"> ■ The project would primarily focus on livelihood enhancement of the rural poor through SHGs, Cooperative/Federation of SHGs, Producers' or Commodity Group. These livelihood initiatives include access and negotiate better services, credit and assets from public and private sector agencies and financial organizations and establishing forward and backward linkage of marketing for the group involved in a particular sector/sub-sector/commodity. | |
| Location | : 776 village Panchayats covering 4,000 villages in 6 districts of Bihar. | |

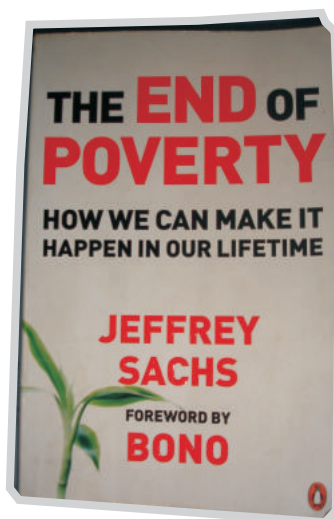
The End of Poverty

Surya Joseph, Independent Consultant

'The End of Poverty' by Jeffrey Sachs is a pastiche of memoirs, economic history and development economics. With an optimistic title, the book sets out to examine the developing world, poverty, international relationships, global organisations and solutions to poverty eradication.

As the title suggests, Jeffrey Sachs asserts in the book that extreme poverty can be ended in our time - "the wealth of the rich world, the power of today's vast storehouses of knowledge and the declining fraction of the world that needs help to escape from poverty all make the end of poverty a realistic possibility by the year 2025".

In the book, Sachs traces world economic history through the period of Modern Economic Growth (MEG) and the industrial revolution. In the countries, especially the western countries, that experienced MEG, it resulted in urbanization, education, healthier populations, changes in family structure and lower fertility rates. These countries however used their beginner's advantage for military, territorial and economic conquests impoverishing the colonies and leading to the wide economic chasms we observe today. Countries that were slow to catch the growth wagon were impeded by geographical barriers, fiscal traps, wretched governance, cultural barriers, geopolitics and scientific stagnation.



Sachs accuses poverty of fostering terrorism, disease, over-population and environmental devastation. On the other hand he also rebukes developed countries for failing to provide the aid they had committed to. "This year our country (USA) will spend approximately 510 billion on the military, more than all the rest of the world's military combined. We will spend in Africa about 3.5 billion dollars total. That's the choice that we're making as a country right now. It's not the choice that's going to

get us to real security." Through statements like these Sachs reinforces that world security can be provided with a "war on poverty" and not a "war on terror".

The year 2002 has seen the advent of a new era in development economics with the proclamation of the eight Millennium Development Goals (MDGs) by the United Nations. The Millennium Development Goals are:

1. eradicate extreme poverty and hunger
2. achieve universal primary education
3. promote gender equality & empower women
4. reduce child mortality
5. improve maternal health
6. combat HIV/AIDS, malaria and other diseases
7. ensure environmental sustainability
8. develop a global partnership for development

To meet these goals, Sachs stresses that low income countries adopt a specially designed Poverty Reduction Strategy (PRS). Each PRS is to have five components differential diagnosis, investment plan, financial plan, donor plan and public management plan. Sachs argues that if each country's problems are diagnosed with tools of "Clinical economics" and if aid can finance its treatment, poverty can be eradicated. The five points he moots are-

- Economies must be treated as complex interrelated systems
- Development workers should learn the art of differential diagnosis
- Economies should be treated in "global family terms"- they must be understood in context of international relationships and treaties, external trade, debt, etc.
- Constant monitoring and reevaluation of treatment strategies.
- Maintenance of ethical and professional standards by development practitioners.

The poor countries face structural challenges that can be combated with investment in six kinds of capital -human capital (education, skills), business capital (machinery), infrastructure, natural capital (arable land, bio diversity), public institutional capital (judicial systems, governments) and knowledge capital. Foreign aid is the mortar needed to fill the capital gap in poor countries between their investment needs and their capital stock. If foreign aid is substantial and regular, then the capital stock of the poor country can rise sufficiently to lift households above subsistence levels and provide a self sustaining growth curve through enhanced household saving and public investments supported by a larger tax base. In this way aid becomes an investment tool that

breaks the vicious cycle of poverty.

Furthermore, Sachs strongly insists that the global community should cancel third world debts, demolish trade barriers for poor countries and promote technological research for development, suited to third world conditions. This approach to development will include elements of top-down control whereby the UN would coordinate all efforts, and decentralized planning whereby poor countries will decide resource allocation and budgets. Bretton Woods institutions have long blamed poverty on poor governance, excessive governmental market intervention, excessive government spending and nationalisation of assets. Their "Structural Adjustment Programs (SAPs)" failed to take into account the necessary underlying structural factors that would propel economic growth in the third world, focusing instead on opening up economies, freeing trade and reducing governmental ownership. With MDGs and the consequent PRSs the emphasis on the belief that successful economic policy programs must be founded on strong country ownership, strong institutional support from the IMF and World Bank is necessary.

Sachs has many critics who state that his utopian thesis skims over reality. Sachs has indeed, overlooked many factors that

hamper poverty eradication- first world commitment towards adequate and regular aid, excessive corruption, trading cartels that exclude the poor, high transaction costs faced by poor countries, disincentives for research and development in the third world, inefficient governmental policies, political infighting and lack of commitment to honor contracts and economic reforms. Another point is his attribution of a greater affirmative role to the UN than can be perceived in today's political scenario. The UN is hobbled by the veto powers brandished by the members of the Security Council, American hegemony, internecine squabbles and weakness in enforcing strategies among autonomous states. To involve rich countries that are engaged in perpetual wars over oil, territory and ideology in altruism endeavors, is a daunting task. Economic development can only follow where there is a strong, stable and well governed political system committed to people's welfare.

Despite these drawbacks it must be said that Sachs is a powerful voice fighting for a world free of poverty. 'The end of poverty' is stimulating and thought provoking. The book is a "must read" for development policy makers and practitioners. ■

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CONTRIBUTION REQUEST

Dear All,

The magazine has been receiving encouraging reviews and feedbacks from all quarters. This encouragement is our source of motivation to publish further issues. The magazine is taking a non-partisan and non-patronising approach. In the very first issue we have demonstrated our commitment to the quality of the magazine and in the coming issues, the bar will only be raised. However, we received contributions from very few organizations. The investments in the magazine are substantial. As an organization policy, the magazine will mostly depend on contributions from the readers and cross-subsidisation through events and conventions of ALC India, advertisements fulfilling development organizations requirements and only a small part through grant. Therefore, we require each one of you, who is convinced about the relevance of Transforming India for the development of the poor, to take upon them the responsibility to contribute to the magazine.

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Website snapshot:traidcraft

DSRC Murthy

With the mission of “fighting poverty through trade”, www.traidcraft.org.uk is an attempt to promote fair trade practices.

Primary producers in developing countries find it difficult to directly market their produce as they lack the knowledge, resources and time to do so. Although primary producers intrinsically know that direct marketing (eliminating the middle man) yields higher returns, this step requires a large capital investment, good understanding of market conditions and risk bearing capacity. Without effective marketing support primary producers barely obtain minimum support prices for their produce from governments and are cut out of the profits that traders earn. To bridge this gap and provide support to primary producers a number of fair trade organisations have sprung up worldwide in recent years. These organisations target niche international markets and enable primary producers to trade directly with consumers on the basis of fair business principles, ensuring quality standards.

Traidcraft is a UK based, leading fair trade organisation established with the mission of “*fighting poverty through trade*”. An excerpt from their website says “established in 1979 as a Christian response to poverty, we are the UK's leading fair trade organisation and we run development programmes in some of the poorest countries in the world, and campaign in the UK and internationally to bring about trade justice”.

Traidcraft is an acronym for *trade, aid and craft*. It is an association of three organisations Traidcraft Public Limited Company, Traidcraft Exchange and Traidcraft Foundation. The organisation enables rural producers and craftsmen to become key stakeholders in their businesses, thus ensuring their continuing development.

Website

Traidcraft's website www.traidcraft.org.uk gives a comprehensive understanding about fair trade and traidcraft. Organisational information is categorised under different links; Apart from the *Home page*, there are links on *About Fair Trade*, *News & Events*, *Buying Fair Trade*, *International Development*, *Job Vacancies*, *Get Involved*, and *Resources*. Information is presented in a simple, user friendly manner.

Provisions to purchase items or donate (with payment modes) online are also available. A variety of payment modes is available. Despite being one of the world's leading fair trade organisations, Traidcraft does not have any retail outlets. To shop online one must register as a customer. The shop-online



web page provides categorical information on each product which makes shopping an easy task. Another interesting strategy adopted by Traidcraft is the enlistment of schools and churches as market channels for fair trade.

The News and events title links one to the latest events in the fair trade sector and in Traidcraft. A “Press Room” link serves as a guide to press releases, spokespeople, producer stories and key facts about fair trade. Spots for job vacancies, schools and churches are on the left corner of the home page. Clicking on the schools link informs one about Traidcrafts involvement and activities with schools. A link www.fairtrade.org.uk/schools has been provided on the last of page, for any school which desires to convert to a Fairtrade School.

The website attractively presents comprehensive information about Traidcraft and fair-trade. Simple language, concise description of items, product photos, details and rates, commissions to fair traders, etc, are furnished in a straightforward manner. One of the strengths of website is availability of Traidcrafts policies regarding conflict of interest, the environment, purchase and complaints. However detailed examination of the website has exposed a few drawbacks:

- A leading organisation like Traidcraft that has linkages with producer groups in over thirty developing countries, is expected to collaborate with a large number of producer groups. Instead one finds an abysmally low figure of 100 producer groups. Also, these groups are not defined clearly in terms of their size and location
- Traidcraft must expand its general product range. In an era where customer satisfaction is all important, Traidcraft does not have a product return policy for a dissatisfied customer.

Conclusion

Traidcraft is a therefore a “*T R I A D*”, of three organisations fighting poverty in an organised way, by coordinating & distributing work amongst themselves. Every new organisation embarking on the development of their own website ought to first view this website for its well executed design & comprehensive display of information. ■

DSRC Murthy, Programme Associate, Chitrika,
Murthydsr@gmail.com

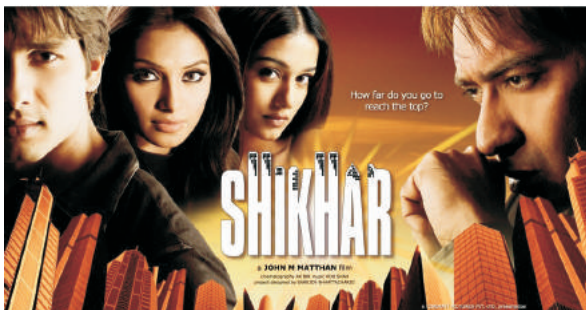
Dreams Unlimited

Archana Londhe

Like economic growth, now dreams are also expected to follow geometrical progression. Recently, I came across one such dream in the form of a glitzy brochure advertising an upcoming township in the outskirts of my city. It promised luxurious apartments, with swimming pool, gymnasium, recreation area, parks, restaurants and multiplex; amidst unspoiled natural beauty. The area was surrounded by lush green forests. The brochure also hinted construction of a flyover connecting the township with the airport. I could not have asked more from my perfect house!!

The brochure however reminded me of a movie "Shikhar". The movie deals with the ill effects of a businessman's dream of making money on the lives of displaced tribals. It is a story of a greedy, ambitious businessman, GG, who wants to realise his dream of constructing a posh township at any cost. To this end, he does not hesitate to manipulate the law of the land. The construction of the dream city however halts when a businessman-turned- social activist, Guruji, puts a stay order on environmental grounds. For me, the biggest revelation of the movie is the level of manipulations involved in business projects. The movie depicts corporate-politics-investor nexus, where each party is ready to go to any extent to maximize the gains. GG bribes rural development minister, not only to get a free hand in the project but also to show off his political clout to the investors. The rural development minister in turn threatens to withdraw support to the ruling government to get green signal for the project. The ruling party very conveniently gets rid of the minister on the opportune moment. In the whole process, investors keep on shifting their stand on the project as per their convenience.

The movie didn't work well at the box-office. The reasons were many; weak screenplay, bad editing etc. However, even if it were devoid of these faults, would it have appealed to an average movie-goer? Perhaps not. The idea of constructing a



township , a SEZ or a new industrial plant appears appealing to a urban dweller but its impact on displacing the lesser privileged are often over-looked. This aspect perhaps achieves a nuisance value. It becomes an event occurring in some corner of the country, not directly affecting our routine life. The glitzy brochures do not mention them; it is assumed that they must be living a good life with the compensation amount. In the movie, the promise of 'better life', takes the tribal to the slums of the city, where they start living in a 10 by 10 square feet room. Soon their money runs out and the socio-cultural structure of the tribal society starts falling apart. As shown in the movie, women are forced into prostitution, men indulge in gambling and drinking and children resort to begging and stealing. The loss of roots not just makes them economically vulnerable but they also tend to lose their identity by virtue of loss of culture and social network. In real life, I am not sure what predicament is faced by the displaced. As per an estimate since 1950s, 40 million people have been displaced under different development projects. If we assume that the movie is not an exaggeration and depicts reality, one can imagine what benefits of 'development' these 40 million lives must have enjoyed by now?

The movie also highlights the scheming involved in designing development policies, in implementing the projects and most important of all the development reverie created by politicians in manipulating people. The displaced people are given space in the slum for the deposit of Rs 10,000, which accounts for one-third of the compensation amount. In recent times, cases of Nandigram (TATA deal), Jagathsingpur (Posco deal) and Penn (Reliance) were in news where people are aggressively opposing SEZs. They trust neither government nor corporate. The reason is very simple. The level of efforts shown in planning and designing the SEZs is never visible in design of rehabilitation and compensation policies. The best example is the compensatory land is always distributed to those who have pattas (land ownership papers) of the original land. No compensation is planned for the landless people, assuming that only loss of a valuable asset jeopardizes livelihood. Such landless, unskilled people become vote bank for the political parties and the beneficiaries for corporate social responsibility programmes.

The brochure is still lying with me. If I buy that house, I will fulfill my long cherished dream. I will join the coveted list of successful people of my family. I am not sure now, how many dreams will be ruined in the pursuit. ■

Archana Londhe, Independent Consultant
archanasarat@gmail.com

Livelihood: Last quarter

TI-Team

M.S. Swaminathan plans to introduce bill on the 'Management of Climate Change'

The bill will seek to develop a national strategy to assess local vulnerabilities to climate change and suggest adaptive strategies. One woman and one male member in every Panchayat will be prepared as 'climate managers' so that they become well-versed to handle the flood or drought situations.

APCO on its way to cross the Rs. 150-crore turnover mark

The turnover of Andhra Pradesh State Handloom Weavers' Cooperative Society (APCO) has been made possible by government order, increased efforts to sell products and Rs. 50-crore loan from the National Cooperative Development Corporation. Clearing of its dues to primary weavers' cooperative societies within a month and a 20-per cent rise in weavers' wages reflects its robust growth.

Grocery bill: What is farmers' share?

Farmers get just half the price that consumers pay for their produce, according to a study, undertaken by the Multi Commodity Exchange in August 2006 in four products chana, urad, tur (pigeon pea) and wheat. Margins for traders, intermediaries, processors and others account for nearly half of the cost footed by the consumer. As per the study, a farm product changes hands at least five times before it reaches the consumer from the farmer. In the process, mostly, value-addition to the product takes place only twice, with the other intermediaries looking just to add to their margins. The margin earned by brokers, millers, canvassing agents, wholesalers and retailers put together is between 38 per cent for a product like chana (gram) and 67 per cent for urad (black matpe).

Himachal Pradesh and Uttarakhand: New sources of energy

Himachal Pradesh and Uttarakhand have a major role in delivering India's ambitious national hydropower programme of 50,000 MW by 2012, and private participation is critical to meet this target both in terms of investment and resources, says a World Bank study. The world bank study, commissioned by Himachal Pradesh and Uttaranchal in January 2007, has recommended a basin-wise approach in Sutlej and Alaknanda river basins which will optimise energy production and minimise environmental and social impacts. This is as opposed to project-wise approach. The study was carried out by Australia-based Hydro Tasmania consultants for the World Bank. Some of the key recommendations are upstream storage, benefit sharing between different stakeholders and having a plan for Catchment Area Treatment. This would involve collaboration among governments and the private/public developers to create uniform and available data for yield assessment. It would also mean adopting standardised methods and use of the model to maximise energy output. The study suggests benefit sharing in which the States should consider a mechanism to dedicate a portion of the 12 per cent "free power" royalty into a targeted fund for social and economic development activities in the host regions with involvement of "community leaders."

Farmers' suicides: Indebtedness is not the reason

An expert group constituted by central government, has presented following findings on the present state of agricultural indebtedness in the country:

- The root cause of farmers' suicides is not indebtedness but reasons like stagnation in agriculture, increasing production and marketing risks, collapse of the extension system and a growing institutional vacuum, and lack of livelihood opportunities are found to be the primary causes.
- Average household borrowings by themselves have not been excessive.
- In the wake of modernisation and expansion, the credit needs of agriculture have expanded enormously.
- The deficiencies in agricultural credit are banks not meeting their targets, poor performance of co-operatives and regional rural banks.
- In the long term interests of the financial system, a positive repayment culture for bank loans should be encouraged. Those who repay promptly must be rewarded.

Rural projects get World Bank loan of \$ 944 million

Of the total sanctioned loan amount, \$ 600 million is for boosting rural cooperative credit projects, \$ 280 million for supporting 400 ITIs over four years and \$ 64 million for water tank management projects in Karnataka.

ICICI's rural loans dip 50%

After suffering losses in its warehouse receipts financing business, ICICI has been reviewing processes for rural loans. Its strategy for rural retail, through microfinance institutions, commodity based financing and farmer equipment financing continues to look at growth.

How Malawi underwent a turnaround?

In 2005, Malawi's corn harvest failed and almost 45% of its population needed emergency food aid. In 2007, it has reached a stage where it is selling more corn to the World Food Program than any other country in southern Africa with exports to Zimbabwe. The reason cited for the turnaround is Malawi government's successful use of subsidies for

Google commits to produce one gigawatt of renewable energy capacity at a cost cheaper than coal through renewable energy projects.

fertilizers. However the major question is why Malawi reached at the brink of famine at first place? Since 1980's World Bank was pushing Malawi to eliminate fertilizer subsidy entirely, increase production of export oriented cash crops and import food grains. The World Bank's policy however

resulted in a disaster. After the 2005 harvest, Bingu wa Mutharika, Malawi's newly elected president, decided to follow what the West practiced, not what it preached. He reinstated and deepened fertilizer subsidies. The subsidized fertilizer together with good rains resulted in record-breaking corn harvests in 2006 and 2007.

SALE: Buy a river and a dam for Rs 1000 crore in Maharashtra

In Maharashtra, government does not have money to complete the Deogarh dam on the Nira river. So the water resource minister has decided to sell 208-km stretch of river the Nira and the Deogarh dam for

Rs 1000 crore, It will be the first major privatisation of a river and a dam in the country where

BRAC and ASA, plan to enter India's micro finance market with their comprehensive Economic Development Programme.

the private player can manage the river and supply water for irrigation and domestic use for profit on a BOT (build, operate, transfer) basis. The Maharashtra government will ensure that private player provides water at 'reasonable' price. ■

Transforming Initiatives

When Fishermen say, "Less can be more"

Depletion of marine resources due to over fishing and pollution caused by fishing gear is a common problem across the world. However, the fishermen in Lira harbour of Spain have embarked upon a radical plan to safeguard their fishery: they are asking to catch less. They want to establish a marine reserve along their stretch of coast, where fishing will be prohibited at certain places and in certain seasons of the year. After four years of preparatory work, the Lira fishermen hope to have their reserve established soon. They will regulate and police it themselves; and perhaps, over a period of time, add to the evidence that in fisheries less can be more.

The less catch however, does not mean less earning But all is not so rosy. Clearly, not every consumer is willing to spend for fishermen. The next attempt is to make sure that they receive a higher price per fish to ensure that there is less pressure to catch more. Currently, a big slice of the final market price is commanded by middlemen who may not care where the fish comes from or how it is caught. Hence, the establishment of Lonxanet, a co-operative venture which aims to remove the financial reason to over-fish. Lonxanet offers certified authentic Galician produce to buyers, who are ready to pay premium price for fish caught by traditional means. The buyers include "ecological restaurants." By making sustainability a part of the certifying process, Lonxanet ensures that if fishermen want to continue reaping the rewards, they must harvest the shrimps, crab and hake with techniques that leave stocks healthy. By supplying certified fishes to the niche market, Lonxanet aims to return about 90% of the final price to the fisherman.

It is time selecting the supplier, or shell out the premium for the clean bill of ecological health that comes with these selected products. It is also doubtful whether the Lonxanet approach could work on large-scale open-water fisheries.

However, combining the concepts of certification and marine reserves may be a model for the truly sustainable fishery. So next time, when you visit Spain, have a taste of authentic Galician fishes from Lonxanet and reward the conscious fishermen.

(Source: <http://news.bbc.co.uk/2/hi/science/nature/7067795.stm>)

Enterprising farmer breaks the myth

There are very few farmers in India who are adventurous enough to try and raise new crops. Mr. P. Elango is one such farmer who decided to break out of the cycle of growing regular crops (paddy, sugarcane and vegetables). This 34-year old farmer from Coimbatore district in Tamil Nadu, has been successful in growing cut flower variety named gerbera in his 24 cent land (about 1000 sq.mt) in a poly house. Mr. Elango says, "Even if I had planted sugarcane like my ancestors, I would have been able to get only Rs. 70,000 as gross income in year. But now I am able to earn Rs.45,000 as gross income in about 3 months." He spent his own money as he was refused bank loans on the grounds that cut flower cannot be grown in plains, which is unlike the cool climate of hilly regions required for their luxurious growth. While he could manage a subsidy of Rs. 3.25 lakhs from the National Horticulture Mission, he had to spend nearly Rs. 9 lakhs of his own for investing in buying plants, soil, sprinklers, fog machines and on erecting a polyhouse.

(Source: <http://www.hindu.com/seta/2007/11/01/stories/2007110151222400.htm>)

To be fashionably Green

The ugly duckling turning in to a beautiful swan is a good fairytale. And that's what is happening to the old discarded polythene bags. A startup Conserve HRP, is training rag pickers to convert the discarded polythene bags into fashionable carry bags and accessories to be sold in 3,500 retail stores in Europe, Middle East and China. ■

(Source: www.newventuresindia.org)

Unorganised Sector Workers' Social Security Act, 2007

The Expert

The National Common Minimum Programme of the Government of India states that “The UPA Government is firmly committed to ensure the welfare and well-being of all workers, particularly those in the unorganized sector who constitute 93% of our workforce”. Earlier, the Second National Commission on Labour submitted its report to the Government in June 2002, which inter-alia, contained elements of legislation to ensure a minimum level of protection to the workers in the unorganized sector. This Bill draws upon these recommendations and has given statutory shape to National Common Minimum Programme's commitments. The main objective of the Act is to provide for social security and welfare of unorganized sector workers and to provide for other matters connected there with or incidental thereto. Check your understanding of the act with the quiz below:

- Q1.** A home-based worker is an „unorganized sector worker. True or False?
- Q2.** According to the Bill, the State Government may formulate and notify, from time to time, suitable welfare schemes for different sections of unorganized

sector workers, including schemes relating to which of the following item(s)?

- a) Provident fund
 b) Funeral assistance
 c) Educational schemes for children
 d) Non of the above
 e) All of the above
- Q3.** The National Social Security Advisory Board shall consist of members from different spheres that includes few unorganized sector workers. True or False?
- Q4.** Who will recommend to the Central Government suitable schemes for different sections of unorganized sector workers?
- Q5.** Under the Social Security Schemes for the unorganized sector workers; there is a special health insurance scheme for handloom weavers. True or False?
- Q6.** The State Social Security Advisory Boards will have a term of ___ years?
- Q7.** To avail social security benefits the unorganized sector workers have to get registered. What is the minimum age bar to get registered?
- Q8.** A self-declaration that he/she is an unorganized sector worker is necessary for getting registered. True or False
- Q9.** Who will issue identity card for the registered unorganized sector workers?
 a) District administration
 b) State administration
 c) Central Government
 d) None of the above
- Q10.** Who will have the power to make rules for the purposes of carrying out the objects of the Bill?
 a) Only the Central Government
 b) Only the State Government
 c) Both the Central and the State Government
 d) None of the above

ANSWERS

1. True
 2. E
 3. True
 4. The National Social Security Advisory Board
 5. True
 6. Three
 7. Fourteen
 8. True
 9. District administration
 10. C

Q. I am working in a reputed national level NGO and have more than five years of experience in the livelihoods sector. My work experience is largely of implementation in nature. I have a desire to work as a livelihoods consultant. How my grassroots experience going to help me for a consultancy job?

Mr. Pranab Gupta, Lucknow

A. Having grassroots experience will definitely be helpful to become a livelihood consultant. Your experience is of considerable value which can convince the employer. This will be useful in performance in consultancies in view that you can relate things to field realities thus bringing practicality to it. As livelihoods and related promotional interventions operate both at macro and micro levels and you will be operating in consultancies at macro level, dovetailing your micro perspective will be very meaningful. This will also help in doing activities like field evaluations, research etc with ease. You can also bring in and relate dimensions of institutions, resources, poverty, gender, and environment etc into different aspects of projects like project design, formulation, evaluation and most importantly trainings.

Q. I am a graduate (B.A.) from a poor family. My family holds BPL card given by the Government. Now I wish to start a small enterprise (auto workshop) for which I need at least Rs 50,000 as loan. Whom I should approach? What are the sources for this kind of small loans?

Mr. Hitesh Shah, Rajkot

A. There are two aspects in it which are equally important. One is that you need to make business plan for the enterprise with details of financial, marketing, operations and this has to be developed into a proposal. The proposal should give clear picture of the business, financial requirement (like fixed capital, working capital, proportion of loan and own money in investment etc), time line, viability, feasibility, activity plan, required expertise/skill etc.

Different sources for this small loan are government schemes, public sector banks, private banks and NGOs. After comparing the terms of these different sources, you should decide which one best suit to your business proposal. State Bank of India (SBI), Bank of Baroda etc provide various funding schemes like Working capital finance, term loans to support capital expenditures for setting up new ventures as also for expansion, renovation, Project finance, Term finance etc.

Under government, there are special schemes like PMRY and others under agencies like DRDA, SC Corporation,

BC Corporation, ITDAs, District Industrial Centres etc. Apart from this, there are state supported institutes like Small Industries Development Organisation (SIDO), National Small Industries Corporation Ltd (NSIC), National Institute for Micro, Small and Medium Enterprises. Apart from financial services like Equipment financing, Financing through syndication with banks, they also provide technical services. Concerned State Financial Corporations (SFCs) offer schemes like Term Loan, Equipment Finance, Asset Credit, Short Term Loan, Working Capital, Finance for Market Activities, Credit Linked Capital Subsidy etc.

Q. My native place is a big village where most of the people are engaged in agricultural activities. As one of the literate person from the village, I am thinking of setting up a cooperative society of farmers which will serve them for betterment of their livelihoods. But I am confused about how to mobilise the farmers in my village for a cooperative. How to involve them in the process and win their confidence?

Mr. Vinod Holker, Wardha

A. For this, you first need to assess the common need of the farmers in the village. This can be a gap/constraint like low productivity, less income, inadequate availability of quality inputs in time, inadequate credit, inadequate market linkages etc which is coming in the way of improving their livelihoods. Then you have to assess the need and benefits of coming together for a cooperative to overcome that gaps, educate farmers on the cost of acting individually, incremental benefits of joining in the cooperative. The message of different demanded services that the cooperative will provide to the farmers vis-à-vis others has to be communicated clearly. The mobilization can happen in many ways like awareness creation, trainings, exposure visits to successful areas, Kalajatha, street plays etc.

Readers can ask any question related to Economic Development and Equity and our expert will answer.

Data Entry Workers

Shakil Ahmad

With the dawn of the “*Information Age*”, organizations now process vast amount of information. This task is handled by Data entry workers also known as electronic data processors, keypunch technicians, and transcribers. Their duties include keying in text, data entry into computers, office machinery operation and clerical duties.

Word processors are data entry workers who record, edit, store and revise reports, letters, mailing labels, statistical tables, forms and other text material. At the entry-level they begin by keying headings on letters, addressing envelopes or preparing standard forms on computers. As they gain experience, they are assigned tasks requiring a higher degree of accuracy and independent judgment. Senior word processors work on highly technical material, plan and key complicated statistical tables, combine and rearrange materials from different sources or prepare master copies. *Data entry keyers* usually input lists of items, numbers or other data into computers. They also manipulate existing data; edit current information or proof-read entries into a database. Customer records, medical records and membership lists are some examples of data sources.

Training, qualifications and advancements

Employers often hire high school graduates with a minimum 40-45 wpm typing speed. The employers expect the applicants to have training or experience in word processing or data entry tasks. Spelling, punctuation, and grammar skills are as important as familiarity with standard office equipment and procedures.

Aspiring candidates should be well versed in word processing, spreadsheet and database management computer software packages. High schools, community colleges, business schools, agencies offering data entry crash courses and government supported training are considered training centers.

There are two profiles of Data entry workers: novices and those seeking employment after a break (example: women reapplying after extended maternal leave and retirees). This initial work serves as a stepping stone to better paying jobs and increased responsibilities. Large companies and government agencies usually provide training programs for skill enhancement and career growth.

Working conditions

Data entry workers normally work a standard 40-hour week in clean offices. They face occupational health hazards related to sedentary postures, repetitive stress injuries and exposure to high ambient noise levels.

Employment

Data entry workers held about 525,000 jobs in 2004 and were employed in every economic sector. Of these, 330,000 were data entry keyers and 194,000 were word processors. Twenty percent of

data entry workers held jobs in firms providing administrative and support services and word processing agencies. Another twenty percent worked for the State or local governments.

Job outlook

Job prospects are more favorable to those with technical skills and, expertise in prevailing software applications. Data entry workers should continuously upgrade their skills to remain marketable.

Data entry workers are affected by introduction of new technologies; however levels of job security vary among workers. As software development for data entry keyers tends to be expensive, they are less affected by job cuts than word processors or typists. ■

Online language learning resources

Fluency in the English language is a necessity in today's world. There are several online services to help one in acquiring this skill. Some of these online tutors include:

1. Kantalk (<http://www.kantalk.com>) is an innovative service that improves spoken English. It also has hyperlinks to social networking sites and popular services (such as e-mail, Skype, Youtube) which can enhance communication skills. One can record audio files by reading texts and share the file with others, acquainting yourself with a variety of accents and pronunciations. Another notable feature of Kantalk is the use of videos and transcriptions that provide an excellent means of testing one's listening and comprehension abilities.
2. TalkEnglish (<http://www.talkenglish.com>), is a service that hosts a variety of free lessons categorized as 'Business English,' 'Travel English,' 'Interview English' etc, to help users enrich specific English communication skills.
3. Some of the podcasts like BusinessEnglish Pod (<http://www.businessenglishpod.com>) and the videovocab (<http://www.businessenglishpod.com/videovocab>) provides weekly videocasts of important business terminology. Englishcaster (<http://www.englishcaster.com>) links to several podcast services and other English language learning resources. Word2word (<http://www.word2word.com>) hosts links to a variety of language resources under categories such as 'Free online language courses' and 'Real audio language stations.'

RISK MANAGER

Location: India

Organization: Swadhaar FinAccess

Requirements: Minimum qualification of BS/BA in economics, industrial engineering, finance, mathematics, statistics, or business is required; A Masters (MBA or related) in same fields will be an added advantage; Background in financial analysis with statistics or programming is ideal; Minimum prior experience of 2 years in credit risk modeling/analysis in the financial services sector. Advanced statistical skills, credit risk modeling/analysis, data mining, financial knowledge; Clear understanding of portfolio risks related to vintage and delinquency trends; Knowledge of market and operational risks; Basic accounting knowledge, basic marketing skills, knowledge of operational processes, product specific knowledge, computer/technical skills.

How to apply: Send their applications to: Shubha Gupta (sgupta@unitus.com)

Last Date: 2nd Mar 2008

Source: <http://microfinancegateway.org/content/jobs>

STATE COORDINATOR- BIHAR & ORISSA

Location: Munger, Bihar & Bhubhaneswar, Orissa

Organization: Action for Social Advancement (ASA)

Requirements: Bachelors or Masters degree in Engineering(Agriculture or civil)/Agriculture/Social Sciences/Rural Management 8-10 years of experience in grassroots implementation of watershed and water resources development projects & understanding of state and national NRM policies/guidelines, ability to liaison with government, funding agencies, ability to manage programme budget, ability to travel extensively, written & verbal communication and sound knowledge of computer operation and accounting software

Mode of Selection: The candidates shall have to qualify through the written test, Psychometric test, group discussion and personal interview.

How to apply: Send our resume and application to Programme Leader-HR through email at

jayanthi@asabhopal.org

Last Date: January 15, 2008

(Reference: DevNetJobs.org) or through surface mail at:

Action for Social Advancement (ASA)
E-5/A, Girish Kunj, Above State Bank of Indore (Shahpura Branch), Bhopal-462 016, Madhya Pradesh

Timbaktu Collective (TC), a voluntary organization, has been operating in Anantpur district since 1990s. The Collective works in 140 villages serving about 45,000 marginalized people with particular focus on women, children, youth and disabled. Its key interventions in its project area are in thrift and credit, NRM, organic farming, watersheds and capacity building. For further details please visit timbaktu.org. Timbaktu Collective is currently looking for people for the below mentioned posts.

PROJECT MANGER-DAIRY

Job Description

The selected person will be responsible for achieving the targets set out for the Dairy Project and reports to the Secretary, Timbaktu Collectives. The person shall coordinate all the efforts, mobilize resources, ensure project planning an implementation and see that the dairy plant emerges successfully.

Eligibility and Other Terms

1. Preferably B.Tech Dairy Technology
2. Preferably MBA/MSW from reputed institutes like IIRM, XISS, IRMA, IIFM, XIMB rural etc.
3. Experience in working in rural areas on community based projects
4. Shall be willing to be located at Chennakotapalli Village, Anantapur District, AP

Remuneration

Likely pay Rs 20, 000 to Rs 25, 000 per month

PROJECT MANGER-ORGANIC FARMING

Job Description

The selected person will be responsible for achieving the targets set out for the Organic Farming Project. The person shall coordinate all the efforts, mobilize resources, ensure project planning and implementation of the organic farming project. She/He will report to the Secretary, Timbaktu Collectives.

Eligibility and Other Terms

1. MBA/MSW from reputed institutes like IIRM, IRMA, IIFM, XIMB rural etc.
2. Experience in managing large community based livelihoods projects.
3. Experience in working on organic farming sector preferable.
4. Shall be willing to be located at Chennakotapalli Village, Anantapur District, AP

Remuneration

Likely pay Rs 15, 000 to Rs 20, 000 per month

How to Apply

The persons interested must apply with their latest CV at the earliest to **Access Livelihoods Consulting India Pvt Ltd**, 12-5-12/4/1, Vijayapuri Colony, Tarnaka, Hyderabad or Email at alc_india@yahoo.com or saratkumar24@gmail.com

INDIAN SCHOOL OF LIVELIHOOD PROMOTION

- (1) **Fundamentals of Livelihood Promotion- Phase II**
 Date : 15th to 19th January 08
 Venue : PRI, Deoghar, Jharkhand
 Contact : Mr. Dhruv Sengupta
 0651-2241874
- (2) **Strategies for Livelihood Promotion- Phase II**
 Date : 7th to 11th January 08
 Venue : Karnataka, Mysore
 Contact : Ms. Nirmala
 080-32986350

SA-DHAN

- (1) **Annual Policy Conference**
 Date : 29th February-1st March 08
 Venue : Sa-Dhan, New Delhi
 Contact :

[Http://www.sa-dhan.net/AnnualpolicyConferenceMarch08.doc](http://www.sa-dhan.net/AnnualpolicyConferenceMarch08.doc)

PRIA

- (1) **Vth International Conference on Citizenship & Governance**
 Date : 27th-29th February 08
 Venue : YMCA, New Delhi
 Contact : Dr. Ranjita Mohanty
 Co-ordinator

[Http://www.pria.org/userfiles/events/219362592007_Call%20for%20Paper%20-%202008%20Conference.pdf](http://www.pria.org/userfiles/events/219362592007_Call%20for%20Paper%20-%202008%20Conference.pdf)

CII

- (1) **iTalent 2007**
 Date : 8th-9th February 08
 Venue : Tidel Park, Chennai
- (2) **Banking Tech Summit**
 Date : 14th February 08
 Venue : Mumbai

[Http://cii.in/event_details.php?menu_id=81&events_id=246&events_type=2](http://cii.in/event_details.php?menu_id=81&events_id=246&events_type=2)

FICCI

- (1) **4th Energy Technology Forum 2008**
 Date : 10-11th January 08
 Venue : The Leela, Mumbai

<http://www.ficci.com/events/events.htm>

MICROFINANCE GATEWAY

- (1) **International Conference on Microfinance- ICOMFI 2007**
 Date : 23-25th January 08
 Venue : Dept. of Commerce, Pondicherry
 Contact : Dr. D.Lazar, Conference Director
 ICOMFI 2007
- (2) **Business Development Service Providers for Micro Enterprise & Micro Finance**
 Date : 7th to 11th Jan'08
 Venue : EDI, Ahmedabad
 Contact : Mr. Manoj Mishra
 Programme Director

[Http://www.microfinancegateway.org/content/calendar/list?view=search&start_month=01&start_year=2008&end_month=03&end_year=2008&dir_region=&dir_type=&Submit=Search](http://www.microfinancegateway.org/content/calendar/list?view=search&start_month=01&start_year=2008&end_month=03&end_year=2008&dir_region=&dir_type=&Submit=Search)

BIRD, Lucknow

- (1) **Programme on Accounting Concepts & Analysis of Financial Statements**
 Date : 14-16th January 08
 Venue : Burd, Lucknow
 Contact : Sri Vivek Sinha
- (2) **Programme on Credit Risk Management**
 Date : 21st-24th January 2008
 Venue : Burd, Lucknow
 Contact : Sri. S.V. Namlekar
- (3) **Programme on Business Development & Profit Planning**
 Date : 25th-29th February 2008
 Venue : Burd, Lucknow
 Contact : Sri V.D. Bohra
- (4) **Programme On Enabling SHGs members to Graduate to Microenterprises**
 Date : 14th-18th January 08
 Venue : Burd, Lucknow
 Contact : Sri P.C. Choudhri
- (5) **Programme on Financial management of Microfinance Institutions**
 Date : 4th-8th February 08
 Venue : Burd, Lucknow
 Contact : Sri K.R. Iyer
- (6) **Programme on Credit Aspects in Rural Development**
 Date : 11th 15th February 08
 Venue : Burd, Lucknow
 Contact : Sri P.C. Choudhri

[Http://www.birdindia.com/](http://www.birdindia.com/)

**NATIONAL INSTITUTE FOR MICRO, SMALL AND
MEDIUM ENTERPRISES**

(1) **Workshop on Good Governance for SME:
Opportunities and Challenges**

Date : 8th February 08
Venue : Yousufguda, Hyderabad

(2) **National Workshop on Effective Implementation of
Self-Employment Programmes**

Date : 3rd - 14th March 08
Venue : Yousufguda, Hyderabad

<http://www.nimsme.org/main.php?p=seminars>
CENTRE FOR INDUSTRIAL PLANNING AND DEVELOPMENT(C-IPD)

**NATIONAL RESOURCE CENTRE FOR CLUSTER
DEVELOPMENT (NRCD)**

(1) **Experience Sharing Workshop on SFURTI**

Date : 6th-8th February 08
Venue : Yousufguda, Hyderabad

nimsme NGO NETWORK (N-CUBE)

(1) **National Seminar on SHG Livelihood by
Marketing Strategies**

Date : 14th March 08
Venue : Yousufguda, Hyderabad



Access Livelihoods Consulting (ALC) India

Announces National Level Training Program on

Pro Poor Commodity Marketing

16th - 19th January 2008, Hyderabad

As a next step after promotion of saving and credit groups across the country many NGOs, Government Organizations and other agencies are experimenting with livelihoods interventions around commodity marketing.

Commodity marketing is a key function for several livelihoods dependent on agriculture, agri allied like horticulture, livestock, fisheries, forest produce and artisans. Market integration & global changes are influencing the way the commodities are managed locally. With growth in large retail chains and processing industries attempts to reduce intermediation and integrate the supply chain are being initiated. Commodity exchanges and futures markets have enabled private investments to flow in commodity markets influencing the way we market. It is these trends that become challenges for collectives of poor in managing commodity initiatives.

This program therefore targets at imparting latest knowledge and in understanding how collectives can be promoted and developed to manage commodities and market for the poor. It will help in understanding measures for improving supply chain efficiencies and quality management across the chain.

The objectives of the programme are:

- To understand the basics of effective commodity marketing and supply chain management
- To prepare business and intervention plan for promoting collective enterprises dealing commodity marketing and management enabling producers get their rightful share
- To understand the process of nurturing commodity marketing and value addition collectives.

Who should attend?

Senior and middle level managers & development professionals from Government organisations, NGOs, CBOs, financing institutions, and donors who are promoting cooperatives. This will also useful for Corporate who are looking for tie-up at producers end.

For registration and further details please contact:

Mr. Ranjan Kumar Baral (09440901141)

Access Livelihoods Consulting India Private Limited

12-5-12/4/1, Vijaypuri, Tamaka, Secunderabad 500 017. Tel. 040 27001147.

E-mail: <rkbaral@gmail.com>, alc_india@yahoo.co.in Web: www.accesslivelihoods.org

The TATA Family

The Tatas, one of India's leading industrialist families have been honored in Pennsylvania with the prestigious Carnegie Medal of Philanthropy widely billed the 'Nobel Prize of Philanthropy'. The family and its trusts have supported myriad causes such as science, medicine, social services, health, civil society and governance, rural welfare, performing arts, education and child welfare. The Tata family's funding has also established pioneering institutions in social sciences, cancer research and treatment and tropical disease research. The Tata's altruism stems from their firm conviction that private wealth should be utilized to promote public welfare.



Nobel Peace Prize for IPCC and Al Gore

The Intergovernmental Panel on Climate Change (IPCC) and Albert Arnold Gore Jr. (Al Gore) received the Nobel Peace Prize for their efforts in acquiring and disseminating information on man-made climate change and in laying the foundations for effective countermeasures.

In its formal citation, the Nobel committee described Mr. Gore as “the single individual who has done the most to create greater worldwide understanding of the measures that need to be adopted.” His strong commitment, reflected in political activity, lectures, films and books, has strengthened the activism against climate change.

The committee also lauded the IPCC for creating “an ever-broader informed consensus about the connection between human activities and global warming.” The IPCC is an intergovernmental body of 2,000 scientists that is considered the world's leading authority on climate change.

The Gharat Power Man

A *gharat* or water mill is a common sight in the Himalayan region. These mills were traditionally used to grind food grains. Shri Anil Joshi visualized the energy potential behind these mills and upgraded 150 watermills to generate electricity. One watermill generates almost 5 mW of electricity that helps light 50 households. The 500,000 water mills dotting the entire Himalayan region have the potential to produce as much as 2500mW of power.

Anil Joshi's initiative has helped villages generate self sustaining, cheap, eco-friendly electricity with zero-carbon emission. These are small but important strides towards the solution of global energy problems.





Access Livelihoods Consulting (ALC) India
A Management Consulting Organisation
For promotion of Sustainable Livelihoods for the Poor

The mission of ALC India is to fulfill the need for affordable, timely and quality professional consulting services to the individuals, business, government, non government and community based organisations in order to promote sustainable livelihoods for poor there by creating equitable share and control over growing economy.

ALC India provides varied kinds of consultancy services to support the needs and efforts in the development of poor, especially for enhancing their livelihoods.

| Livelihoods Services | Development Services | Management Services |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> ◆ Promotion of farm, off farm and non farm livelihoods ◆ Implementation of pilots and livelihood initiatives ◆ Livelihood studies including feasibility and market studies ◆ ICT based technical support services | <ul style="list-style-type: none"> ◆ Capacity building services ◆ Institution building services ◆ Publications, documentation and communication materials ◆ Impact assessment and process monitoring ◆ Development audits | <ul style="list-style-type: none"> ◆ Strategic planning services ◆ Project and operation management services ◆ Management information system development ◆ Human resource management services Marketing services |

So far ALC India has provided consulting services to more than 30 organisations covering almost 18 states in India. The category wise major organisations services so far are as follows:

| Livelihoods Services | Development Services | Management Services |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> ◆ Christian Children Fund, Bangalore. ◆ International water Management Institute, Hyderabad ◆ Timbaktu Collective, Anantpur ◆ World Vision India, Ballia ◆ Centre for Micro Finance, Jaipur | <ul style="list-style-type: none"> ◆ Sir Ratan Tata Trust, Mumbai ◆ Society for Elimination of Rural Poverty, Hyderabad ◆ Basix, Hyderabad ◆ Chitrika, Hyderabad ◆ World Vision India (Lucknow, Kottayam, Hyderabad, Gowhati, Chennai) ◆ WINGS, Hyderabad ◆ Rural Development Trust, Ananthpur | <ul style="list-style-type: none"> ◆ APMAS, Hyderabad ◆ Urmul Sethu, Bikaner ◆ Centre for Collective Development, Hyderabad ◆ Federation of Farmers Association, Hyderabad ◆ NR International, Delhi ◆ BLESS, Pondicherry |

For further details contact

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 Ph: 040-27001147, Mobile: +91-9440901140/1/2/3/4/5/7
 Email: alc_india@yahoo.co.in; web: www.accesslivelihoods.org

Chitrika^{***}...

Who are we???



Chitrika, a Hyderabad based not-for-profit organisation established in the year 2005 by a group Of young rural management professionals to provide handholding support to the artisan communities.

Our values....

- Working on the artisan not on “art”
- Integrated value-chain approach
- Working on “mass”
- Working through business models for business



What are we???



- Enabling artisans to create their own institutions
- Enable artisans to link to technology, finance, market, raw material and policies
- Alternative livelihoods creation
 - Within the value-chain
 - New opportunities
- Capacity building

Our first step....



Promoted a 23 member handloom weavers cooperative in Devaravalasa village, G. Sigadam Mandal of Srikakulam district. The cooperative is able to make a profit of 0.17 lakhs during the first year business operations.

Aiming to extend the reach to one lakh artisans by 2015.

Chitrika (An artisan support organisation)

12 5 12/4/1, VJR Street, Vijaypuri, TARNAKA, Secunderabad 500 017

Tel.040 27001147; e-mail: chitrika@gmail.com