Annexure – 1: Social Enterprise studied in Qualitative Phase

Development Alternatives Group

Ever since its inception in 1982, Development Alternatives (DA) has acted as a research and action organisation, designing and delivering eco-solutions for the poor and the marginalized.

With a deep understanding of the rural market and a strong presence in the Indian heartland (Madhya Pradesh), its existence has been a credible and visible, both nationally and internationally, in addressing poverty challenges in a climate-sensitive environment.

A pioneer in sustainable development and the first social enterprise in India, DA realized the necessity of establishing several associated organisations working toward distinct goals that converge on the unified ambition of regenerating the environment and creating large-scale sustainable livelihoods.

Thus, a conglomerate called Development Alternatives Group was set up, comprising seven organisations. The non-profit Societies, such as the flagship entity Development Alternatives and TARA (Technology and Action for Rural Advancement) are responsible for research, innovation, policy, incubation of green businesses and technical support services. The for-profit companies, such as DESI Power, TARA Machines, TARAhaat, TATA Nirman Kendra and TARA Enviro are responsible for implementing the work of the DA Group at scale in business mode, all under the overall brand name of TARA.

The DA Group consists of following seven companies

Non-Profit Societies

Development Alternatives engages in scientific research and innovation, on-the-ground implementation of eco solutions as well as communication and policy influence.

Technology and Action for Rural Advancement (TARA) practices green business incubation and provides technical support services.
For-Profit Social Enterprises

*TARA Machines and Tech Services Private Limited* promotes sustainable technology solutions for small and medium enterprises. It markets green technology solutions for building construction, waste recycling and hand made paper production, delivering business solutions to a global network of micro, small and medium enterprises, specialising in eco concrete, eco-kilns, fly ash and recycling technology.

*TARahaat Information and Marketing Services Private Limited* creates micro-franchises to deliver IT-enabled education and skill building products to young job seekers.

*TARA Nirman Kendra* delivers environmentally friendly habitat products and services through a range of sustainable building technologies and advisory support.

*TARA Enviro* markets cutting-edge products designed for safe water and other vital resources.

*DESI Power Private Limited* promotes biomass energy-based “EmPower” models for rural electrification and enterprise creation.

This approach and decentralized structure have helped them to enable local entrepreneurial community and generate multipliers effect for its new initiatives.

The DA Group envisions a world where every citizen can live in security, with a dignified job and an assured income. They believe that the key to achieving this is the creation of the means for sustainable livelihoods in large numbers - providing the rural poor with jobs and decent incomes, giving meaning and dignity to life, producing goods and services for local markets and preserving the environment.

Self Employed Women Association (SEWA)

SEWA is a trade union registered in 1972. It is an organisation of poor, self-employed women workers. These are women who earn a living through their own labour or small businesses. They do not obtain regular salaried employment with welfare benefits like
workers in the organised sector. They are the unprotected labour force of our country. Constituting 93% of the labour force, these are workers of the unorganised sector. Of the female labour force in India, more than 94% are in the unorganised sector. However their work is not counted and hence remains invisible.

SEWA’s main goals are to organise women workers for full employment. Full employment means employment whereby workers obtain work security, income security, food security and social security (at least health care, child care and shelter). SEWA organises women to ensure that every family obtains full employment. By self-reliance we mean that women should be autonomous and self-reliant, individually and collectively, both economically and in terms of their decision-making ability.

SEWA Services

Supportive services like savings and credit, health care, child care, insurance, legal aid, capacity building and communication services are important needs of poor women. If women are to achieve their goals of full employment and self-reliance, these services are essential. Recognising the need for supportive services, SEWA has helped women take a number of initiatives in organising these services for themselves and their SEWA sisters. Many important lessons have been learnt in the process of organising supportive services for and by poor women. They provide these services in a decentralised and affordable manner, at the doorsteps of workers. Further, supportive services can be and are themselves a source of self-employment. For example, midwives charge for their services and creche workers collect fees for taking care of young children.

Also, women are ready to pay for the services and in fact, this results in the financial viability of the supportive services. They do not have to be totally dependent on subsidies and grants. Some supportive services like savings and credit, health and child care have formed their own co-operatives. These cooperatives have gained operational self sufficiency.
SEWA bank has achieved financial viability for many years now, while the other cooperatives are steadily moving towards this.

- Sewa Bank
- Legal Services
- Health Care
- Capacity building of Sewa Members
- Child Care
- Housing and Infrastructure
- VimoSEWA (SEWA Insurance)
- Video Sewa

**Goonj**

Goonj is a social enterprise which collects discarded clothes, processes it through its value chain (which employs a community for the sorting, cleaning and tailoring), and distributes it as clothing, sanitary pads or other useful items through a unique community self-development scheme.

It is run by a five-member governing body, with 150 full-time employees and nine offices in 21 Indian states. It receives support from Non-governmental organizations, Corporations, and a large network of volunteers. The network has grown to over 250 partner groups like grassroots organizations, Ashoka Fellows, Indian Army, CBOS, Social Activists, Panchayat etc.

The main initiatives of the organization includes following unique programs.

**Cloth For work (Vastrasaman)**

Village communities are motivated to identify the pressing development needs of their own area and in return for their labour they are given clothes, as motivation not as charity. Cloth for Work' has helped many unemployed youth in villages. It has encouraged villagers to address their own development issues.
Over 900 development activities have been taken up under Cloth for work initiative, in the last 2 years. From repairing roads to recharging water ponds, building bamboo bridges to digging wells.

School to School (Chehek, Computer Centre, Aganwadi)

School to school collects old books, bags and shoes from the city and reaches out to students in villages. Under the initiative called “chehek” Goonj supplies a basic school kit to schools in the rural areas. They also supply stationeries and toys to Aganwadi to motivate children to study and attend school. Computer centre have also been set up with the help of material donated to Goonj

Not Just A Piece of Cloth

Under this programme, unused cotton cloth is converted into clean cloth napkins, to be used by women during their menstrual periods.

Forty-two different grassroots organizations across 10 states of India are working with GOONJ on this issue.

This initiative was a big turning point in the history of Goonj as it was awarded and recognised globally for this initiative. It received World Bank’s Development Marketplace award, Changemaker’s Innovation award, Lien i3 challenge award and few other awards for this initiative.

From 1st April 2012 to 31st January 2013 37042 packets of napkins were dispatched.

This initiative is not only about supplying the napkins to the women in the rural areas but also to make them aware of this issue. Over 150 meetings were held in villages across India, talking to village women about the taboos and related health and hygiene issues. Awareness is created through:

- Meetings and discussions
• Exhibitions

• Leaflets

More than 200 collection camps were held in various metros. 13 Grassroots organizations and village women were trained in replicating the napkin production as an employment generation activity.

Rahat

Under this initiative the cloth and other materials are supplied to disaster affected areas and distributed in winters to the needy. Under this initiative relief materials are supplied to the flood victims, Earthquake victims and other disaster victims. Currently the relief material under this scheme is supplied to Assam, Bihar and West Bengal. Rahat-Winters is an initiative which began from the very inception of Goonj to clothe the needy during extreme winters.

Recycling

Every material collected by Goonj is converted into useful product for use. Last strands/shreds of clothes, paper, torn clothes, audio tapes and other material, after sorting wearable and usable material, is recycled.

Nidan

Nidan was registered in the year 1996 under the Societies Registration Act, 1860 by Arbind Singh. Nidan’s prime target has been migrant labourers, street vendors and rag-pickers who do not benefit from any statutory protection against various types of systemic exploitation and remain outside the preview of various labour welfare and protection policies and programmes. Nidan has been intensively working in the state of Bihar, Rajasthan, Delhi and Jharkhand.
Origin

In 1995, armed with a High Court order, the State Government of Bihar undertook a massive anti-encroachment drive. Poor vendors were the ‘soft target’ and the administration focused on their eviction without taking any steps to rehabilitate them. They suffered more because of their unorganized nature. This senseless step evinced interest in those who were, then, part of Adithi. It was decided to galvanize this unorganized section and offer them formidable clout to raise their voice against state’s indifference and hostile stance.

Around the same time Ela Bhatt of SEWA was trying to galvanize the civil society institutions to include issues of unorganized street vendors. She shared her concern with Viji Srinivasan who followed this by an important consultation with various like minded individuals/institutions. The response was electrifying and people expressed solidarity with this unorganized section of the society. Organization of street vendors became a project of Adithi.

Coincidentally, Adithi was undergoing restructuring and Viji found this an opportune time to get an organization dedicated to this cause. So what began like a project of Adithi was immediately registered as an independent institution – issues of the street vendors being one of the key agenda.

The initial support

Both Adithi and SEWA were the rallying points as they espoused the issues and stood by it. In Nidan they found a young institution with young collective leadership committed to the cause. They nurtured and hand held systematically and offered all the capacity building opportunities for the young cadre. More than financial security they offered them tools and scientific methodologies to conduct their activities in a scientific manner.
First things to happen

To have good grasp of the issues Nidan initiated a large scale survey of street vendors of Patna covering nearly 6000 street vendors. As it was a large scale survey street vendors from all over the city came in contact with the Nidan team. The exposure helped the team understand the situation of street vendors in particular and urban poor in general quite well. As a result, a very different relationship with the people was established and people responded very well. The survey, besides others, revealed the complex exploitative informal lending mechanism to urban poor. Only 44 out of 5,960 respondents had ever been sanctioned a bank loan. Everywhere there was a craving for friendly institutional finance. This offered an apt opportunity and Nidan’s tryst with micro credit and access to finance for the poor began here and at this point.

Evolving institutions for and by the poor-SHG

Self-help groups (SHGs) have become familiar names, now, but it was not so during the mid nineties. Nidan started with three Self –help groups way back in 1997, not to access subsidy of the government, but it was an institution of the poor to help them express their collective clout. This turned the poor from a position of ‘insignificance’ to the status of being ‘credit worthy’. This was an opportunity to shed their stigma off. Response to SHGs was substantial and the three SHG’s created substantial ripple to spread to three more blocks of Patna, Danapur, Phulwarisharif and Patna City. This prompted the banks coming forward with credit support and beginning with a paltry sum of Rs 47,000 to 47 women vendors in 1997 the banks acknowledged their credentials of credit worthiness by developing strong partnership. By 1999 Nidan spread to Fatuah block of Patna.

Credentials consolidates

Year 2000 saw Nidan’s spreading to other districts – Vaishali and Katihar. The focus over saving and credit continued with women being key target. The credentials and track attracted institutional support to an unbelievable mark – Rs. 58, 00,000 credit support from Rashtriya Mahila Kosh proved a quantum jump. Sanctioning first loan of Rs.58
lakhs to any new partner was a history for RMK. The support was followed by another support of Rs. 60, 00,000 in the year 2004 from **Rashtriya Mahila Kosh.** This created a bolstering impact and Nidan moved to Muzaffarpur and Samastipur. Credibility of Nidan attained significant height and it took little time to decide –should Nidan move to the national capital-Delhi. Nidan made its presence in Delhi in 2004 followed by Rajsthan and Jharkhand (Bokaro). Presently there are more than 4800 Self-help Groups being nurtured and promoted by Nidan.

**Strengthening and consolidating the initial agenda**

The agenda started with organizing the informal workers beginning with street vendors. The organization has taken various forms – market committees, neighbourhood groups, self help groups, federations, co-operatives, registered society and trade union and when need arose network and coalitions. Nidan, in fact, took a very consistent and progressive approach to organizing informal workers and its efforts have led to around 50 such organizations having been registered and functioning. They have their independent existence and are at different stages of sustainability. Lot of innovative and interesting efforts have gone into organizing and promoting the workers organizations. Many forms of trainings have been organized and many interesting IEC materials, aimed at promoting organizations of informal workers, have been brought out.

**Spreading out of Bihar**

The work with street vendors took Nidan to different parts of the country – it was applauded all over that an organisation based out of Patna is trying to shape the cities across the country.

The first serious project of Nidan outside Bihar was the Solid Waste Management project with the Jaipur Municipal Corporation. Nidan was approached by SAIL to start a waste management project in Bokaro and this took Nidan to Jharkhand where we have taken different programs. Nidan opened office in Delhi in 2007 and as in initial intervention helped street vendors in various markets of Delhi to organize as market association and
become member of NASVI. Setting up thrift and credit co-operative followed soon so also other programs. Nidan offices were opened in Haryana and Uttar Pradesh later

**KNIDS Green Pvt. Ltd**

KNIDS Green Pvt. Ltd is the for profit division of the hybrid model of Kaushalya Foundation. Kaushlendra Kumar, founder of Knids Green Pvt. Ltd started Kaushalya Foundation (KF) in 2007. It focuses on mobilizing and organizing informal and fragmented vegetable sector (resource poor vegetable growers, vegetable vendors, and farm laborers) of Bihar. The goal of the foundation is to create opportunities of gainful and dignified self-employment for the families dependent on agriculture sector, especially disadvantaged sections (Farmers, farm labourers, agriculture produce vendors and many others), ensuring sustainable livelihood, enriched environment, improved quality of life and good human values.

KF is reorienting the vegetable supply chain to reduce wastage, price spread and lead time of vegetable to reach the customers. KF is getting overwhelming response from farmers, vegetable vendors and customers. The number of farmers and vendors associated with the organization has increased to 6,000 and 600 respectively. This number is growing exponentially with increasing awareness level.

KF took the holistic view of the vegetable supply chain and organized the two far ends of the chain. It is working towards integrating the informal vegetable supply chain by taking the following steps

- Organizing the farmers and forming a group for collective and planned farming.
- Establishing and creating the supply chain infrastructure.
- Organizing the vegetable vendors and forming a marketing group.
- Linking the marketing and farming group.
- Advocating the agriculture training to the women in the rural area (most of agriculture laborers are women).
• Using the latest technology in the agriculture and its supply chain.
• Providing crop protection services through the pesticide companies.
• Providing social, finance and information security.
  • Uniform and identity card to the vendors.
  • Identity cards to the vegetable growers.
  • Insurance and credit facilities to the small and marginal farmers and vendors.

SammaaN Foundation

Mr. Irfan Alam, the founder & chairman of SammaaN Foundation, started SammaaN on March 5, 2007 (under section 25 of the Indian Companies act 1956) on its mission to organize rickshaw pullers on a business platform and free them from the vicious cycle of poverty and exploitation. According to Dasra report (2011) on Cycle rickshaw pullers, they are amongst the poorest employed urban dwellers. This emphasizes the importance of SammaaN’s work.

They have achieved some success in their mission. Today, SammaaN is working directly with 1,50,000 rickshaw pullers and has a registered base of more than 500,000 potential beneficiaries.
Annexure – 2: Questionnaire

Indian Social Enterprises in Livelihood Sector: A Study of Their Challenge

(Decision Makers’ response sheet)

By

Bhawna Anjaly

Birla Institute of Management Technology

This study is meant for academic purposes and it is being carried out by the above mentioned researcher for the fulfillment of the requirement of the doctoral degree in Philosophy. No individual responses will be disclosed or used against the respondent.
About you

Your name:

Age

Designation:

Academic Qualification:

Organisation name:

Address:

Email Address:

Contact Number:

Please describe the work of your organisation in less than 50 words.

(This will help us in putting your organization in category for subsequent analysis)

__________________________________________________________________________________

__________________________________________________________________________________

__________________________________________________________________________________

__________________________________________________________________________________

The age of the organization is ___________ years (from the start of operation)

Date of registration _________________

The geographical region(s) it is working in are ____________________________________________

What is the legal structure of your organization?

1) Section 25 company  2) Public Limited Company  3) Private Limited Company

4) Cooperative Society  5) Trust
6) If others, please specify ________________________

What is the source of funding for your organization?

   a) Single ______________________

   b) Multiple (Please mention major three sources)

      i)____________________

      ii)____________________

      iii)____________________

1. What do you perceive your organization to be?

   a. Start-up  b. Growth Phase  c. Mature

2. Do you think that regular training can improve employee’s skill set?

   a) Strongly Disagree  b) Disagree  c) Neutral  d) Agree  e) Strongly Agree

3. Do you think Lack of interactive platform is the main obstacles in identifying right channel partners?

   a) Strongly Disagree  b) Disagree  c) Neutral  d) Agree  e) Strongly Agree

4. The exit plan of funding agency should be laid-out before hand?

   a) Strongly Disagree  b) Disagree  c) Neutral  d) Agree  e) Strongly Agree

5. One should take money from someone who has deep understanding of the area of operation of the organization

   a) Strongly Disagree  b) Disagree  c) Neutral  d) Agree  e) Strongly Agree
6. The newly developed funding options (convertible debt, quasi equity etc.) are there to help the organizations
   a) Strongly Disagree  b) Disagree  c) Neutral  d) Agree  e) Strongly Agree

7. Working in collaboration with government can be time consuming?
   a) Strongly Disagree  b) Disagree  c) Neutral  d) Agree  e) Strongly Agree

8. Do you think having good social network facilitates business progression?
   a) Strongly Disagree  b) Disagree  c) Neutral  d) Agree  e) Strongly Agree

9. Do you think employees should be allowed to take decisions on own?
   a) Strongly Disagree  b) Disagree  c) Neutral  d) Agree  e) Strongly Agree

10. The time and effort required for project based funding have an adverse effect on organizational mission
    a) Strongly Disagree  b) Disagree  c) Neutral  d) Agree  e) Strongly Agree

11. Financial Sustainability and mission fulfillment has a trade-off between them
    a) Strongly Disagree  b) Disagree  c) Neutral  d) Agree  e) Strongly Agree

12. Is profit making conscience biting?
    a) Strongly Disagree  b) Disagree  c) Neutral  d) Agree  e) Strongly Agree

13. Have people declined the offer to work because it is a start-up or a Social Enterprise?
    a) No, I have not met anyone like this         b) No, I don’t think so  c) I don’t know
       d) Yes, I think so                             e) Yes, I know many

14. Do you think many people are working in this sector only because of some personal constrains of their own?
    a. No, I have not met anyone like this        b. No, I don’t think so  c. I don’t know
       d. Yes, I think so                           e. Yes, I know many

15. Do you feel government provides adequate support?
    a) Strongly Disagree  b) Disagree  c) Neutral  d) Agree  e) Strongly Agree
16. How will you rate your knowledge about Government schemes?
   a) Not at all aware   b) Hardly aware   c) Somewhat aware   d) Very much aware   e) Fully aware

17. Is there a mechanism for documentation of the output (reports and impact assessment projects)?
   a) No   b) Not Sure   c) Yes

18. Do you have a mechanism for periodic financial review of the organization?
   a) No   b) Not Sure   c) Yes

19. Do you have a third party audit of your organization?
   a) No   b) Not Sure   c) Yes

20. Lack of proper HR processes can hinder mission achievement
   a) Strongly Disagree   b) Disagree   c) Neutral   d) Agree   e) Strongly Agree

21. Diversifying into unrelated new services for your beneficiaries is appropriate for social enterprise?
   a) Strongly Disagree   b) Disagree   c) Neutral   d) Agree   e) Strongly Agree

22. Working in one geographical region is better than working in different geographical regions?
   a) Strongly Disagree   b) Disagree   c) Neutral   d) Agree   e) Strongly Agree

23. The diversification in to new geographical regions is a good method of scaling up?
   a) Strongly Disagree   b) Disagree   c) Neutral   d) Agree   e) Strongly Agree

24. Older organizations can gain beneficiaries’ trust quicker than the newer organizations?
   a) Strongly Disagree   b) Disagree   c) Neutral   d) Agree   e) Strongly Agree

25. Local social enterprises have better hold on beneficiary than National social enterprises
   a) Strongly Disagree   b) Disagree   c) Neutral   d) Agree   e) Strongly Agree

26. You are forced to work with less number of staff?
   a) Strongly Disagree   b) Disagree   c) Neutral   d) Agree   e) Strongly Agree
27. Have people declined the offer to work because it is a start-up or a Social Enterprise?
   a) No, I have not met anyone like this  b) No, I don’t think so  c) I don’t know
   d) Yes, I think so    e) Yes, I know many

28. The attrition rate in your organization is high?
   a) No           b) Not Sure           c) Yes

29. Phase wise funding is more suitable than one time funding?
   a) Strongly Disagree  b) Disagree  c) Neutral  d) Agree  e) Strongly Agree

30. Equity based funding is better than debt based funding?
   a) Strongly Disagree  b) Disagree  c) Neutral  d) Agree  e) Strongly Agree

31. Are you aware of the newly developed funding options (convertible debt, quasi equity etc)?
   a) No           b) Not Sure           c) Yes

32. Do you believe creating such social network depends on decision makers (Management Team)?
   a) Strongly Disagree  b) Disagree  c) Neutral  d) Agree  e) Strongly Agree

33. Do you believe that selection of channel partners is crucial for the success of organization
   a) Strongly Disagree  b) Disagree  c) Neutral  d) Agree  e) Strongly Agree

34. Do you think it is justified to expect return on investment comparable as other commercial venture?
   a) Strongly Disagree  b) Disagree  c) Neutral  d) Agree  e) Strongly Agree

35. Social Entrepreneurs should focus only on social change not on the profit
   a) Strongly Disagree  b) Disagree  c) Neutral  d) Agree  e) Strongly Agree

36. Involving in different projects raises the risk of mission drift
   a) Strongly Disagree  b) Disagree  c) Neutral  d) Agree  e) Strongly Agree
37. Do you think that 'scaling-up with speed' and 'mission fulfillment' has a trade-off between them?
   a) Strongly Disagree   b) Disagree   c) Neutral   d) Agree   e) Strongly Agree

38. Have you tried to identify the right channel partners?
   a) No   b) Not Sure   c) Yes

39. Is replication through collaborate with local entrepreneurs is a good way of scaling up?
   a) Strongly Disagree   b) Disagree   c) Neutral   d) Agree   e) Strongly Agree

40. Partnership with Local NGOs/SHGs makes the scaling-up easier than operating own
   a) Strongly Disagree   b) Disagree   c) Neutral   d) Agree   e) Strongly Agree

41. The quality of your product/service is same or better than the commercially available product/service
   a) Strongly Disagree   b) Disagree   c) Neutral   d) Agree   e) Strongly Agree

42. Do you think it is justified to compare your product/service with other commercial players’ product/service?
   a) Strongly Disagree   b) Disagree   c) Neutral   d) Agree   e) Strongly Agree

43. It is fine to ask for high price for your product/service as you are working for higher cause?
   a) Strongly Disagree   b) Disagree   c) Neutral   d) Agree   e) Strongly Agree

44. What is the % increase in the no. of beneficiary for last 4 years?
   a. 0 to 20%   b. 21% to 40%   c. 41 to 60%   d. 61 to 80%   e. 81 to 100%

45. What has been the % increase in the beneficiary households’ income in the last 4 years?
   a. 0 to 20%   b. 21% to 40%   c. 41 to 60%   d. 61 to 80%   e. 81 to 100%

46. Do you have well defined criteria for output measurement?
   a) No   b) Not Sure   c) Yes

47. Keeping a track of financial impact created is easier than assessing social impact
   a) Strongly Disagree   b) Disagree   c) Neutral   d) Agree   e) Strongly Agree
48. Community funded ventures have higher loyalty from the beneficiary than externally funded project
   a) Strongly Disagree   b) Disagree   c) Neutral   d) Agree   e) Strongly Agree

49. Do you feel females are more committed than males for work
   a) Strongly Disagree   b) Disagree   c) Neutral   d) Agree   e) Strongly Agree

50. The higher level of engagement with beneficiary group will lead to more loyalty from them?
   a) Strongly Disagree   b) Disagree   c) Neutral   d) Agree   e) Strongly Agree

51. For involving the community, it is important to convince the group leaders?
   a) Strongly Disagree   b) Disagree   c) Neutral   d) Agree   e) Strongly Agree