

SFI Podcast

Ajit Kanitkar - Social Enterprises and Rural Livelihoods

D: Welcome to the Small Farm Income Podcast series. In each episode, we will be covering a specific theme in relation to sustainability, livelihood, and civic action issues in India. Today we are in conversation with Dr. Ajit to understand his views on the idea of social enterprise. Dr. Ajit is working as a senior researcher with VikasAnvesh Foundation. Earlier he was with Ford Foundation. He has also worked earlier with the Swiss Agency on Development & Cooperation and has taught at the Institute of Rural Management - Anand. His research interest includes the management of social enterprises and cooperatives. He has published extensively in professional journals including three books under the theme of 'Entrepreneurship and Management of Cooperatives'. He recently co-edited a book titled 'Farming Futures - Emerging Social Enterprises in India'. Dr. Ajit, we are very happy to have you here with us.

A: Thank You.

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D: Starting with the term social enterprises, what according to you are the defining features of Social Enterprise?

A: Thank you again, for this opportunity. The theme of social enterprise as a form of organization is being discussed recently and when I say recently I mean for the last 15 to 20 years. But in the last 10 years, there has been quite an active discussion in literature among practitioners and among donor agencies and NGOs and so on and so forth. So if one would look at the timeline so to say, different timelines after 1947-50, one could see the emergence of a particular form of organization. So let's say during the 50s and 60s, broadly, I am sort of classifying the last 70 years broadly as I would see as researcher, they were the year of cooperatives. So cooperatives were seen as the best form of organization to reach out to the excluded to the marginalised to the farmers, to the tribals, to the women and therefore that was considered as the best form of organization. So that continued for about the first 20-25 years in all walks of life, be it dairy, be it credit, be it cooperative, fertilizer cooperatives so on and so forth. Around the 70s one would see that there was a large emergence of the non-governmental sector – the NGO sector or civil society sector as one would say. It is not to say that there were no NGOs or civil society organisations in pre-independence or immediately after independence. There were a large number of NGOs as well. In fact, Mahatma Gandhi himself through the Congress of that time promoted a large number of civil society organisations for the promotion of Khadi, so on and so forth. But probably the decade of 70s and 80s saw the emergence of civil society organisations and you also have private sector organisations coming in a big way. The momentum sort of shifted to I would say self-help groups, the federation of women, the federation of farmers, farmers groups in let's say in the decade of 80s and 90s. And again while this was going on the private sector was on its own and then came the watershed moment of 1990. Why I am giving this little bit of longish time lineage is to place the phenomena of social enterprise in the context of the journey of economic and social development in the country, for the sake of leaders/ listeners who are a little bit unfamiliar with the recent history. So when one is talking of social enterprise, one is clearly seeing the limitation of two dominant actors in terms of reaching out to the last mile – the last mile is the word that one is talking about. So, on one hand, the government with all its public sector undertaking is trying to really reach out to those who are excluded. So that is

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one part of the story. The other part of the story – the private sector coming with its own profit motive, in literature what is called the animal spirit that the person is essentially driven by the purpose of profit. And therefore individuals, groups, partnerships, private limited companies- they would organise themselves to tap an opportunity, look at it as a business, generate resources, reap profit but in the process also deliver product and services the typical private sector. And then you have non-government organisation, also trying to fill the gap which the private sector for profit is not able to do and the government with all its good intention is not able to achieve. So you have the NGO sector coming in. And now once you start seeing these three sectors and start placing, what is the need of social enterprise if all these sectors are trying to reach the marginalised, to the excluded, to the people who don't have a voice, what is the purpose and place for social enterprises. So social enterprises typically coming as a hybrid between for-profit activity and NGO activity. When I use the word hybrid, NGOs while trying to reach the last mile are continuously grant-dependent. They are not dependent so much on public contribution, yes the public does contribute through individual donations and the kind philanthropic effort but largely they are dependent upon donor agencies, many times also on govt schemes and support, and so on and so forth. But NGOs in the long run will have to depend on outside support to really be able to stick and continue with their mission. The for-profit sector will actually undertake only those activities where they see money and in the process, certain activities need to be done on a sustainable basis. The private sector will not touch it because they do not offer opportunities for profit. The civil sector –the civil society sector will initiate certain activities but would leave it halfway once the grant sources come to an end. So come back to the question after a little bit of longish elaboration is social enterprise is trying to marry what we call in our book marriage between purpose and profit and that actually is the defining line. But for a social enterprise purpose would come first, profit would follow. Now one would definitely ask why there is marriage? Because they are essentially mission-driven, they are value-driven, want to reach out to the last mile and therefore purpose define their existence, but while deriving or chasing their purpose or while aligning their activity to the purpose and mission they would like to have a kind of business model, if one may use the word a kind of revenue stream which will generate sufficient income for them to continue their operation which NGOs are probably not able to do. Therefore they need to generate some profit. Therefore social enterprise – I will place it somewhere middle that the organisation that tries to organise itself for a purpose but also along with a profit motive because they need a revenue stream but they are mission-focussed.

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D: That's a very interesting and arc about defining social enterprises especially from a historical perspective. So just taking that forward, I mean like you said social ventures by themselves has been active for a long time I mean in different forms may be and social enterprise as a concept became popular in the west in more recent years. So are there ways to understand social enterprises in the Indian context – what might be unique about these initiatives as opposed to the way they are probably being imagined in the west?

A: Sure, So let me try to give an example of artisans or craft persons. India has a huge presence – about 2crore, 3crore handicraft, craft artisans and so on and so forth. So typically

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let's look at how a social enterprise looks at this particular segment of people or segment of artisans. Govt typically through ministry of handloom & handicrafts small scale industries would promote schemes, so artisans would benefit. As long as those schemes exist, artisans continue to participate in them. Once the scheme is over or the allocation is brought down or discontinued, the artisans are out of the scheme. So that is one way of looking at the artisan general sector. Then comes the NGO. A typical NGO would bring new designers, connect them to market, organise them to self-help societies or corporate groups or connect them to the domestic market, then export market and ensure that the artisans get better returns. But NGOs would continue to do that operation only till grant support is organised. Now comes the social enterprise. So typically if I am the person with some idea to work with artisans. I would say OK, artisans need to be supported, artisans need to be helped in upgrading their designs, artisans need to be connected to the export market, artisans need to be supplied raw materials like yarn and so and so, I am giving because it is a large sector. But I would say that in the process I would not depend on the grant. I would organise this idea into a business proposal so that while I provide service to the artisans, artisans also continue to pay for my services. If I bring a designer, the designer would not come free of cost. Artisans would either pay the designer or through my enterprise activity, so I am able to offer design services to them. Let's say I connect them to market – domestic as well as export. The artisans would pay for my services because I may organise a website for them, I may organise exhibitions for them, I might organise a kind of e-catalog for them, I might actually send two-three designers to work with them and so on and so forth. So the idea of social enterprise in this context is 5 to 10 years where people with ideas want to sort of pitch in. Then when you say why there is momentum in last 10 to 15 years, how it is different from kind of discussions happening in other contexts, largely I would say in European context like the UK and many European countries and to some extent in the US, but I will largely focus this in the UK and European context. I think the major difference comes in terms of the ecosystem that is prevalent there and the ecosystem that we have here. And the ecosystem will typically consist of the presence of financial institutions, presence of start-up capital, presence of a pool of trained consultants/business development professionals, presence of financial institutions who would look at such proposals and also maturity of market and issues of access in terms of connectivity, road infrastructure. So coming back to your first question where we started our discussion, what typically a social enterprise would do, what we call triple A. Like we started with purpose and profit or mission and money. The social enterprise will typically bring in three A's. One is access, 2nd is assurance and 3rd is affordability. Now access could be to a variety of things. Access could be to inputs, access could be to bank credit, access could be to market, access could be to technology support, access could be to design as I gave an example of a number of handloom and handicraft. If you are talking of health enterprise, access could be to nursing service or availability of doctors and consultants and technology. But access is the first thing. And access is important because a large part of population-wise social enterprise wants to reach out to and typically in the corporate literature what we are talking about the bottom of the pyramid but essentially excluded people, marginalised people who do not have access to market and govt schemes. Social enterprise will ensure that they are reached first and access comes first. But along with access, assurance is also very important. Because I might provide access but if that access is not guaranteed, if as a farmer I am not sure that this market linkage will continue crop after crop, season after season, year

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after year, then that access is of no use. Access plus assurance in terms of longevity, assurance in terms of price, assurance in terms of quality and service because the moment we talk about reaching the last mile, sometimes I may say, oh anyway these are poor fellows so I can offload my below quality service, No. Even if I am trying to reach the last mile, the social enterprise will ensure that best of the quality is also ensured. If I am offering a health-tech social enterprise service, then I need to have the best of the nursing, doctor staff, not because, I am having social enterprise, s I can have third class doctor or a second class nurse. So assurance in terms of quality, assurance in terms of quality of service, assurance in terms of longevity of service, you can bring in many factors. But the third is also important and that is a challenge that probably we might talk about later. It is also affordability because the moment I say I want to reach out to the unreached area, I want to bring the best of service in terms of assurance of quality and all that I cannot overprice. That is the dilemma of social enterprises. That I also need to make it affordable and let me give you an example which is in the financial sector. We have seen a large proliferation and growth of non-bank financial companies NBFCs. So NBFCs, one has to see against nationalised and private sector banks. What NBFCs are doing is that they are ensuring access, they are assured. So if I am a non-bank finance company, I am providing or I am trying to provide women credit on a long-term basis at the doorstep, so access is assured. Connectivity and continued credit are available. But is it affordable? Now there is a big question mark because NBFCs are studied and they are seen to be offering rates ranging from 15% to even 40% because they are offering credit at the doorstep. Now, this is not a debate on interest rate – good or bad or what interest rates are reasonable and all that. But NBFCs are perceived as agencies of financial institutions offering credit at the doorstep but at an expensive cost or at an expensive price viewed from the point of view of borrowers. So affordability is also a challenge and now one would ask can a social enterprise do it because you are asking multiple objectives to be sort of achieved. That access, assurance and affordability. There comes the challenge of social enterprise to actually have its operations organised in the manner all these three conflicting – may not be (not easy to converge). You need to have these kinds of three dimensions to be balanced in the business operation and that is the challenge for social enterprise. In the UK and European context, many of the questions probably on assurance are taken care of and access and affordability probably are the concern. But in the context that we are talking about when one has to reach out to 30-40 crore below the poverty line which needs to be connected to, I think this assumes significance. And kind of I would say evolving ecosystem rather than a matured ecosystem. That is the kind of difference I would make between UK European and our kind of system.

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D: That is very interesting because in bringing out these differences you are also talking about the kind of problems that are faced by social systems here. In fact going back to the question of access, assurance and affordability, in your book where you have specifically focused on agri-enterprises given the variability and dynamics of farming do you think there is something especially challenging about agri-based social enterprises?

A: Wonderful! I think two-three broad observations we derived from the book are that there are a large number of individuals across the country, in large cities, in tier 2 cities, in small

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towns as well as in rural areas where there is no dearth of ideas. And therefore there are hundreds of ideas that are being tested out what we typically call proof of concept or piloting. I think one of the major challenges that we observed in the 15 case studies that we did – me and Prof Shambu, in these farming futures is this move or jump or transition from proof of concept to a number that we call a scale. I am not a person who will sort of harp too much on the scale because in a country like India even if one does 10 lakh farmers there will always question why not one crore farmers? And even if you do one crore farmers you will say but yeah why not 20 crore farmers? Then when you do 20 crore farmers you would say why not 20 crores irrigated farmers? So on and so forth. So the question of scale will continue to challenge but I am not going to that kind of scale. I think social enterprises that we studied are at a stage and all of them faced moving from proof of concept, the idea that they have tested let's say with 50 women, 100 farmers, 10 locations to let's say 100 locations, from 10 villages to maybe 50 villages, maybe from 50 to 5000 women. I think that is the kind of major challenge because that challenge involves a kind of logic. The next step is that of funding human resources because at the idea stage, probably the social entrepreneur is able to identify the problem, the purpose of the enterprise. The social entrepreneur is also able to establish a revenue stream, the profit, or the money part of it. But when things move let's say from 50 to 500, or from 10 villages to 50 villages, what is needed is additional resources not just for scaling up or for working capital, for capex, for running the show, for market penetration, and so on so forth and coupled with that one needs to have adequate staffing to support this expansion. You call it expansion, one may call it scaling up, one may call it replication. So those are the critical challenges or one of the few critical challenges in terms of moving from small idea stage to medium scale or from piloting to an intermediary scale. Along with that, the challenge that one is also seeing is the tension that might start coming between the business and social goals. We talked about mission and money or passion, purpose and profit, because the whole business model is developed on this marriage or the connection between these two apparently conflicting. Let me give you an example from a book, from a case study that is featured in the book. We had a case study of this lady entrepreneur doing some wonderful work for designing machinery for women farmers. Now you will ask what the social purpose is, what is the purpose, passion of this social entrepreneur? This lady is highly qualified, trained in the USA, having returned, did her studies in a leading management institution. But she said that I want to design machinery which will reduce the drudgery of women in Karnataka. We have that case study in publication. Now just try to understand the kind of challenge this lady entrepreneur is facing. So while she is trying to develop and sell machinery which will reduce drudgery, the typical cost of that machinery will be 3000 5000, 8000, 10000, 20000 rupees per piece - I am not getting into the technology of the machinery - so that this machinery is available to a woman farmer and this woman farmer is a small farmer having 2, 3, maximum 4 hectares of dry land -irrigated land. Now the money that she is going to generate by selling one machine of 20000 rupees, let's say it is 2000 rupees. Her net income. Now she is faced with a dilemma and she shared that dilemma how long she will continue to sell 100 of such small machines to 100 of such small farmers because each machinery is going to generate only 2000 rupees revenue vs if she designs a machine or a tractor improvised which is selling at let's say at 5 lakh or 7 lakh, it is easier to sell that machine and each tractor or some appropriate machine is priced at a higher level which will probably generate 40.000 for her. Now you see the

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dilemma, While she wants to serve small farmers, small women farmers, the cost of the machine has to be brought down, At the same time, the income that is generated by the sale of this small machinery is not adequate enough for her to do the business and whereas it is much easier from profit perspective to sell maybe only 10 tractors and in a year she is doing 5 lakh rupees turnover. And there it is generating more revenue per tractor and now she has to balance this. Now, this is a typical dilemma whether she continues to focus on her passion and purpose of reducing drudgery by appropriate technology or she starts designing tractors meant... Of course, they are for farmers but probably they are not meant for women farmers, they may be men farmers, they probably would be more resource –endowed and they can anyway afford a 5 lakh or 7 lakh tractor or machinery. Isn't it? So that is the kind of challenge when you talk of problem that is faced is in terms of moving from small to medium or from pilot to scale or in the process of having these dilemmas how does one balance the commercial and social objectives, because the purpose with which she started is social comes first and a commercial comes later but you cannot continue to and the whole logic is that I will generate my own revenue stream. And there the issue is that therefore social enterprises – in the publication also we said we need a longer time frame to prove their kind of operations and that also is not unusual because let's also look at mainstream corporate sector. The mainstream corporate sector, if there is a large enterprise which is going to establish their industry what they call a greenfield project somewhere in the backyard region of xyz state, they would need 7 to 10 years time to generate profitability from that greenfield enterprise because that greenfield enterprise around that doesn't have an ecosystem. It is easier to establish industry in Bombay or Chennai or Kolkata but the moment you say I am going to set up my industry 300 kilometers away from these metros which don't have the infrastructure, the entrepreneur from the profit sector would also need to give 5 to 7 years to generate that resource. Even the service sector! It is easier to set up another Taj hotel in Delhi or Mumbai but the moment you say I am going to set up a chain of small hotels in towns that are 400 kilometers from the metros, those hotels will also need 6 to 8 years to generate profitability. So this longer the time frame coupled with funding resource that adequately supports the timeline and getting the right staff would be the three major challenges that the social enterprises would face when they start moving from proof of concept to an intermediary or medium scale.

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D: Right, right! So I mean again this is very insightful in terms of trajectory or different kinds of roadblocks that they may face – the social enterprises, especially in the agricultural scenario. And I was wondering if you know in the book there were also alternate models of scale that were explored because the idea of the scale itself probably could be questioned and there may be other ways to look at sustainability.

A: I think two additional points that need to be brought in here is the whole risk element that is associated with agricultural activity. So risk related to weather, risk related to market prices, and risk related to factors that are outside of your control and outside your control meaning, because this whole system is now so integrated. So risk related to climate variations. Now last year you will recall that the country has witnessed unusual rainfall at unusual times of the year. In Nov/ Dec which is supposed to be the beginning of winter, and

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kind of harvest time, all parts of the country have received unusually heavy rainfall. Now, what does one do if one is doing agricultural activity in such kind of situation? Now you cannot always blame it on climate change plus there are no reasons to explain why this rain is happening across the country for all crops that kind of time frame and risk coverage of course is not there. The corona kind of is once in a lifetime hopefully but also the global price fluctuation. Any commodity, any vegetable, any fruit that one is doing, there is so much interconnection. That I might be doing crop in Madhya Pradesh which is Bhid, and soybean but I may get impacted by what's happening in the neighbouring country, what's happening global market, what's happening in the petroleum prices, what's happening in the global stock market and so on so forth. And as a result therefore the whole agriculture operations become vulnerable to these kinds of shocks in addition to the practices which are under my control. So I think when one is talking of agri-social enterprises, these are the kind of additional challenges, that we talked about a few minutes ago. One of the strategies that we saw in social enterprises is that they are trying to intervene selectively and not doing end-to-end value chain efforts. So in other words partnership and collaboration seem to be one of the strategies to be thought of come out of these issues. So for example we have 4 5 entrepreneurs studying this book who are saying that we will try to do what we know best will try to collaborate with the SHG federation, we will try to collaborate with farmers producing organisations in terms of mobilisation of farmers, in terms of aggregation of inputs. That's where these kinds of organisations have kind of unique advantage. Whereas we know about the market, we know about price fluctuations, we know about warehousing, we know about the storage facilities, we will focus on that. So rather than intervening and doing everything in the value chain in the agricultural social enterprise, we are talking about they will say focus only on this. For example, we have one kind of entrepreneur in Bihar who is focussing on innovative warehousing. So this entrepreneur is not focussing on productivity enhancement. He says farmer knows how to cultivate. Now their problem is they don't have an adequate micro warehouse facility. That is the kind of problem he has identified. And they don't have access to immediate cash, once the harvest is ready. So he is focussing only on these two issues. Rest of the things he is depending on FPCs , SHGs and so on and so forth. Likewise, we have one particular entrepreneur who is focussing on organic cultivation. So he says that farmer knows how to cultivate but let me help them in sort of sensitising that use low pesticides or zero pesticides, get it organically certified. Traceability is another issue, and he says I am focussing on that. Market linkage I work with some other organisation. So that is also one of the ways of in terms of overcoming some of these challenges in terms of spreading oneself thin.

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D: So you know, in terms of the idea of mission and profit and what kinds of problems are relevant, like you said the issue of micro-warehousing. Now to what extent these issues are... there is this issue of perceived needs of the people and there might be these grassroot kinds of issues that are being brought up by the people themselves. So one critique is that you know is this something that is being done by outsiders for you know for sort of beneficiary, you know a patronizing kind of approach or should social enterprises be you know sort of seeded by those at the bottom of the pyramid, by the people themselves - so the question of agency

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voice. So which of these two approaches, I mean is there a question of something being better when it comes to improving rural livelihoods?

A: I will sort of turn this question differently. Obviously, the social enterprises that we have studied are kind of people who are educated, who are professional in their own ways and who have come into the local system to address some issues. And therefore they have obviously come with some purpose that is based on the needs that they have understood. But here I will give two examples from the study again which is depicted. So typically they are not bottom-up. They are not in a way promoted by communities themselves. They are kind of pain points understood by “outsiders”. Now we have one particular entrepreneur who earlier worked with a corporate sector and we have published that in the case study. So he realised that while corporate and.. He shared his own experience in publication. He said he was working with a large corporate retail chain. They were also buying from farmers but in that process of acquiring produce from farmer he realised that farmer needs to sell everything that they have and that everything is not quality-wise uniform. So let’s say I am a tomato farmer. I have A-grade tomatoes, I have B-grade tomatoes, I have C-grade tomatoes, and I have some hopeless tomatoes also. Now when this corporate fellow is coming in to buy, the corporate fellow is picking only A-type tomatoes which are uniform, which are of particular size, which are of particular grade and so on and so forth. Now, is the farmer getting benefited? Farmer is partly getting benefited because the question still remains what he or she does with that B or C or D grade? Farmer is there to sell everything he has produced. Farming is not an industry where you have all A-type tomatoes. Now this pain point which is a lacuna in the existing for-profit model - this entrepreneur identified. So he said let me think and work on this problem. The farmer needs to dispose everything that he or she has but corporate the customer is not willing to buy that. He said let me reverse this and let me say that can I find a market also take A, and also B and some part of the market which will take C and some part of the market that will take D. So A grade tomato is procured, graded, sorted getting a higher price and that is sold to to a premium market which is conscious of and willing to pay price. The B type typically he said is going to be sold to hostels, to hospitals to educational institutions, big canteens because for them tomato is a tomato. They don’t know whether it is big or small or whether it is extra ripe. They can do everything. For the C and D type, it is typically a processing factory. Because the processing factory is going to any way crush everything and come out with a pulp which will be repacked and so on and so forth. They don’t care whether tomato is half grown or full grown or red colour or little less in red colour. So what he has done is you have A,B,C,D on farming output side and you have A,B,C,D buyer side and he has made that bridge. Now the interesting point is that his understanding of the pain point. His understanding of the problem that remains unaddressed. And he said that OK , this is the gap that I need to fill in and that gap if I am able to fill in I am able to add a kind of value and that’s where the social enterprise comes in. So social entrepreneurs of course come with an idea but if they are able to identify very precisely the lacuna. Recently we did another interesting study that is likely to come out with another book from another organisation in Mumbai ‘Unlimited India’ and this has a story or this kind of inspirational book for 15 start-up entrepreneurs. Now here I again quote an example of how a pain point is identified. Now, this is a young engineer. He is an IT guy. So he has some idea to do something good for the farmers – The purpose, the mission. But he doesn’t know where to start. So first two months

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this gentleman spends time with the farming community. He just goes there from the city of Nasik and spends almost 12 hours every day with the farming community. In one particular interaction, he notices that a particular farmer has waited for 9 hours with his trolley of farm produce outside the processing gate. 9 hours waiting queue and there he hits the pain point that why is it that the farmer needs to spend 9 hours waiting in the queue outside the gate of processing factory just to get his trolley in and get it weighed and in half-hour he is out. Whatever, you need only half an hour to come, unload the trolley, do the weighing, get a voucher, get out after getting the payment. He starts working on a logistics solution. In the same visit, he noticed that like this farmer there were 20 other trollies waiting outside the factory and each tractor or trolley was half full. So you have 5 ton truck. This particular farmer he was travelling with, had only 2 and ½ tons waiting for 9 hours. Just behind him another farmer – 6 ton capacity truck or 5 ton – 1/3rd full, waiting for 8 hours. Then he said can it be rationalised, can it be harmonised, can it be synchronised in a manner that instead of 10 trucks, you have only 4 trucks but all full, loaded and instead of waiting for 8 hours, can they be queued in a manner using technology so that these three trucks, full truck load will need only one hour to reach the factory gate and then he realised while going they were all going empty. While going to their respective villages they were going all empty. Now this is what I call is problem identification or pain point identification. So not that this was not known but this particular social entrepreneur – and he was doing very well, he was in 2nd or 3rd year. He said that this is one gap – trucks are going half full and returning full empty. Truck owners/ farmers are spending 8 hours and there is a scope for rationalisation or what you call harmonisation or optimization. And now he has developed an ERP solution and logistics and now even he is thinking of blockchain and this is wonderful. That the latest technology – blockchain or supply or ERP, whatever one is calling he is able to bring and now he has 200 or 300 farmers who have joined with him. Now comes the question of profit. He is not enrolling farmers for free. He is enrolling farmers at a registration price, So each farmer has to pay some 500 rupees, 800 rupees - all those details are there in the publication that will come. So this is an interesting concept. Now comes the question of scale that we talked about, He is working with 200 farmers but he said there are some 5000 trucks in the area that he operates. There are some 20000 farmers who will need this service. Now this gentleman he is a young boy actually out of engineering college. If this boy has to move from 200 farmers and 10 trucks to 20000 farmers and 4000 trucks obviously he would need finance, he would need good technology platform and so on and so forth. But this is a classic example of problems identified in companionship with the community. He is not a farmer. So the question that you asked about the agency, farmers probably shared with him. He was more empathetic, he was more appreciative. He wanted to see what farmers actually feel the pinch. So he could take that and of course, he has improvised, he had some app that worked some apps did not work and so on and so forth. But the process of evolving and maturity of the idea is interesting. And essentially he has built farmers into the partnership model. So farmers also start seeing the value of how he is going to help because farmers also would be skeptical. Why would accept some xyz coming from Nasik or Bombay and telling them just you do this and you do that because they have been doing this for the last 20 years? So there comes the question. So agency-wise probably one would need to do it but coming back to the question, I am seeing a good number of social entrepreneurs in agri-space who are farmers' sons and daughters and I will use daughter also specifically because a large number of boys

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and girls, farmers' sons and daughters having educated in technology and management institutions who have a background or family background in farming are coming back to agriculture and they want to do different agriculture. They want to do a little bit of new agriculture that is the word that people are talking about. And they want to use their management, technology, business idea to solve the problem that their fathers and their parents were struggling with. And they're probably one would say that we have more robust solutions coming in rather than city-walas coming back and saying that you do this and you do that. I am seeing a huge trend in that in terms of the new generation of agri-entrepreneurs who need not speak good English. They will speak the local language, they will be comfortable in Hindi or Marathi or Telugu but they understand where is the pain point. They know what the technology can do and they are trying to address it. Now to what extent they are able to scale that up is a question we will have to wait and watch. But there is a huge surge that I can definitely – I am seeing that through reading, writing, research. One is seeing hundreds of them from many towns and cities, large towns I would say.

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D: That's a very insightful observation and I am also looking at the ideas that you mentioned especially about optimization and companionship with you know the people who are supposed to be beneficiary of a particular enterprise. So in the same line I mean, given that so many people especially of the newer generation wanting to now work in this field, having let's say identified problems based on their experience or looking at people what would you like to share with them in terms guidance for anyone's starting out on this trajectory.

A: I think two-three things again coming from this study, from the Farming Future book as well as the new document that we are doing for Unlimited India. I think it's a long journey. In fact, one entrepreneur mentioned in clear terms, he said many young generations are also thinking that they will be bought out. There will be new Amazon, there will be a new Google. There will be new Facebook. They will get millions of dollars in 3rd year of IPO and all that. So this entrepreneur clearly said that it is not going to happen that way. It is a long game. It is a long journey. There will be failures on the way and don't come to the sector because you are seeing dollars and pounds and rupees hanging there. Don't come for the purpose of making money. And he was very clear on that. In fact 2, 3 entrepreneurs said that. And of course, they said that we didn't come into this because of the lure of money. But a large number of people think, oh social enterprise is a cool thing, one is going to get bought out in 3 years and valuation of 10 rupees will be 5000 rupees and I am going to get 100 crores as my compensation as sweat equity and all that. It doesn't happen that way. It is a long journey. Failures are there on the way. So one has to really be ready to greet success but also absorb failures. Another thing that is coming out is that a solo journey might be tedious. So one is seeing a group of entrepreneurs, 2 or 3 of them, because agri-enterprise, social enterprise is complex. So I may bring in my technology expertise but I need a good partner or batch mate or somebody senior to me or some acquaintance who is good in finance, let's say or somebody good in farmer mobilisation who has a connection with the farming community and so on and so forth, so typically a team of 2 or 3. I will not recommend a large. But typically a team of 2 or 3 is a good point to start with. You also need to bounce ideas; you also need to have people having complementary capacities. So don't come for the purpose of

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money. It is a long game. Be ready for successes as well as failures. Learning fast is an important thing because many times the technologists and professionals come with fixed ideas. That this is the best and they get too much in love with their innovations. But farmers don't need innovation. They don't give a damn whether you have an IIT patent innovation or engineering college patent. I have a fintech app which is recognised by world bank and all that. They don't give a damn. They need their problem to be solved. So if you have technology, be ready to adapt it, change it, discard it, because, at the end of the day, you are there to solve problems, not sell your technology. So this adaptability and learning orientation is extremely critical, that is another point that we saw. Having a team is important and having a group of mentors. I think that is coming in a big way, in institutions like IRMA, institutions like TISS, many IITs and IIM's incubation centres. What one is also seeing is that it is not a solo journey. People like you, there are also hundreds of other people in ecosystems who areas with several ideas trying. So learning from the peer group is also important and with google, with the internet, with connectivity, you come to know quickly if you are stuck with a problem that there 10 other people who are ready to help you out. So the connection with mentors is important, not to be sort of single that I will solve everything. Some of the problems can be quickly solved in a group, so one has to be slightly active in networks of social entrepreneurs. Get adequate advice and support and of course, you apply your own mind and what works. So these are I think 3- 4 kind of suggestions but it is a long game but it is worth doing. That's what one gets after ...and there is lot of literature available on it. I think, one can also shorten the learning curve. One need not start anew. One need not start right from zero. One can sort of speed up the learning. And as in IT sector they call it, what many social entrepreneurs also say 'fail fast & recover faster'. Don't do it for 10 years to do something, do something quickly, try it out, see if it works. If it doesn't work, obviously it will not work for the first time. Get lessons, incorporate those lessons recover faster, and come out with a better product or service, so sort of shortening the entire learning curve through your support, your network, through incubation, through literature. I think that seems to be also one of the learning that we got through this study

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D: This is great. In fact, listening to you right now seems like a mix of skills as well as perspectives and it would make sense, in fact, to have another episode with you where we look at the role of education and creating these sorts of skills. What roles can institutions play. So thank you for this extremely stimulating and insightful discussion. I am sure our listeners would have felt the same. We will request the audience to share any questions; they have, on our website. So thank you so much

A: Thank you for this opportunity. There is a huge literature available on Social entrepreneurs in India. So I would request all listeners to read a lot. Fortunately with internet access available to many. Last year has been unusual but one would see a lot of inspirational stories from your own region. So do tap into those resources which are available in plenty

D: In fact, we might put up a list of references that you said, from the website.

A: That would be great.

D: Thank you

A: Thank you