Sarah Hivner

Viv Grigg

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**Business with Social Initiatives in Kolkata** 

“Economists have built their whole theory of business on the assumption that human beings do nothing in their economic lives besides pursue selfish interest” (Yunnus, xv). However the idea of social enterprise, micro enterprise development and social business are all based on a different assumption; that humans are no doubt selfish being, but also selfless beings (xv). What is lacking in current economic theory is the fact that not everyone’s first priority is to maximize profit. Unfortunately, in many businesses today, it has almost become normal procedure to even knowingly harm another’s like in pursuit of maximum profit (xvii). This paper will look at a variety of ways business is being done, selflessly, for the good of others, in Kolkata.

Yunnus makes it very clear in his book what social business is and how it is distinct from other forms of business. Social business is outside the profit-seeking world and its goal is to solve a social problem using business methods (1). It is a non-loss, non-dividend business. The only people that can receive a profit in social business are the poor, who work in these social businesses, and in this way the business is alleviating poverty by helping the poor raise their income. Social entrepreneurship is different in that it relates to a person whose initiative has social consequences, which can be charity or business based, with or with-out personal profit. None of the businesses I met with would actually be classified as social business given Yunnus’s very strict definitions but they are still businesses with social initiatives.

Ashadesh is a social enterprise running in the slums of Kolkata. It is working to help poor families switch from smoky unclean stoves to clean burning ones. Most women in the slums spend a good portion of their day cooking over stoves fueled by wood, coal or cow dung . The smoke from these fires create significant health risks to those breathing in this smoke every day. These cooking fires were essentially creating indoor air pollution. Initially when the need was recognized, informal surveys were done to find out what the locals thought about their cooking situation. The survey of 210 people in a slum, unanimously wanted an alternative and said they knew or had experienced the risk to their health from the cooking fires. The problem with getting any other kind of fuel to burn was that it was either too expensive (usually the initial cost) or unavailable. Research to find clean, affordable fuel options for slum communities and a conclusion was made that gas would be the best option.

The reason slum dwellers cannot access gas stoves is because the initial cost of 6,000rps is too high for them to pay at one time. How Ashadesh works is by selling carbon offsets in the west on their website, <http://www.ashadesh.com.au> and then using this money to help families with the initial 6,000rps cost to buy a gas stove. Customers pay 1,700rps of the 6,000 and the rest is subsidized by Ashadesh from the money made by selling carbon offsets. So the money is actually made in other countries like Australia and then used to solve the problem of unclean fuel burning stoves in Kolkata. The amount of clean gas stoves that can be sold in Kolkata depends on the carbon offsets being sold in the west, which is where the capital comes from. This idea of buying carbon offsets is becoming more popular and a good number of environmentally friendly people are setting this trend. The initial startup capital came from donors, through fund raising, or investors who will not receive any profit.

Once a family in Kolkata can use gas for cooking their expenditure on gas is actually cheaper than wood, coal and definitely kerosene. Overall they save 6,000rps a year by using gas, and much more if they were using Kerosene. Switching to gas stoves has major health benefits, economical benefits, safety benefits and environmental benefits. Also, when poor Bengali women can cook with gas, they feel like their “kitchen has made it”. As this is their goal, there is no paradigm shift needed in trying to help families understand why gas will be more beneficial to them and why they should make the switch.

This business sold their first gas stove one and a half years ago, and have sold about 300 gas stoves primarily to one community over this time. They have one employee who has been trained to keep records of accounts and receipts and fill out a time sheet. There is potential that she could also be trained to monitor the business, do surveys and learn computer skills. Then in turn she could train others to carry on this work. Although this business was started by foreigners, it is in the process of being passed on to a local Indian NGO so sustainable purposes.

Although Ashadesh was started by Christians, evangelism is not mixed with the business, while at the same time, faith in Jesus is not hidden. In the Ashadesh office in the slum, there is a little puja/ worship area that clearly shows customers this is a spiritual endeavor. Living in a Hindu context this is appropriate and makes sense to Hindus. All customers are also told that this business is dedicated to Jesus and they pray that the customers family will be blessed though this business. The business is now being transferred to the leadership of a local Christian NGO who actively use the opportunity of tell stories about Jesus and pray for people, whenever they advertise the work of Ashadesh. The founder of Ashadesh, Steve Wilson is concerned that this may lead to false pressure that you much become a Christian in order to receive the gas stoves, which is a common perception Hindus have of Christians. In this case it is not true, a person of any religion can apply for a gas stove from Ashadesh.

Another business plan in the works in the Kolkata slums is Shomota, meaning equality. Shomota hopes to make and sell reusable, hygienic sanitary pads at affordable costs for poor women. In India most poor women cannot afford to buy sanitary pads and so use other extremely unhygienic solutions like ash, dirt and dirty rags which cause infections. Shomota’s sanitary pads will be made from cotton, which fold out in the shape of an ordinary rag to be discrete while being washed and dried. Drying the clothes in the sun will be a natural disinfectant and women will be less prone to infection. Finding solutions to help poor women have access to affordable hygienic sanitary pads is an essential yet taboo subject in India.

Most poor women in India are not using sanitary pads. 20% are using disposable pads, which take 500 years to biodegrade. In India there is room for this percentage to grow by 80%. That is a lot of disposable sanitary pads that need to biodegrade. Re-usable sanitary pads are a more environmentally friendly option. It also is a solution to the embarrassing problem of trash disposable in the slums. Often trash is just throw onto the street where animals pick though it. This social issue is also connected with girl’s education. An estimated 20-30% of girls drop out of school when they get their period because they have no way of being at school and managing a period. Shomota also plans to do awareness on issues of menstruation along with selling the pads. Only 2 out of 3 girls know they will get a period and 98% of girls do not know why they get a period.

Shomota is still in the planning stages, trying to iron out possible kinks. How will the pads be dried and disinfected during the monsoon months in India? How should they advertise and where should they be sold? Should the business make a profit? Should it be a cooperative? Who will the Indian partner be? Shomota currently has raised enough capital to run the business for 1.5 years. They hope to become self-sustainable, pay good wages to their workers, and make a quality, affordable product that will work toward solving a social problem.

The taboo nature of this subject in India means that there are some paradigm shifts that have to be made in order for Shomota to be successful. The first is the idea that a sanitary pad can be sanitary and reusable, when washed and dried in the sun. Another paradigm shift will need to take place even to be able to talk about this issue with a group of women, because it is rarely addressed in the open. Doing awareness of these issues will also mean a change in mindset about this issue being taboo.

These are business dealing with a social issue in providing safe and clean products that the poor can access. Another kind of business development is dealing with social issues is where the poor are given a good job to increase their income and help them out of poverty. An example of this in Kolkata is Freeset, a custom bag and t-shirt design business that not only employs women but employs women who have been in the sex trade and are looking for an alternative form of work. Women who have worked in the red light district are highly discriminated against in India and struggle to find any job after being a sex worker. They may also suffer from a variety of illness, known or unknown to them.

Even though it is a business, Freeset has a holistic approach in supporting their workers. They provide health checkups and insurance, financial counseling, a support system, a pension plan and active spiritual input in the lives of their workers. Freeset is also known as a freedom business, because it is helping women be freed from sex slavery. Freeset is not about creating a product that will benefit the community but rather creating jobs for women as an alternate to the sex trade.

A very different kind of micro enterprise development to the above examples, are micro finance organizations. The micro credit branch of Emmanuel Ministries Calcutta (EMC), gives women micro loans to help build on their families existing business. EMC is an NGO and therefore not making a profit by giving micro loans, but the business and profit is being made by the poor. They are able to become entrepreneurs themselves with the help of access to capital at reasonable interest rates (Greer, 75). Most of the women these loans are given to are from a community that has been doing business for a few generations. They are always looking for capital to increase their business and EMC provides that capital, though regular donations from western countries, currently they are not self-sufficient, although this is their hope, it doesn’t not look like a real possibility for many years.

EMC’s work among slum communities is holistic as an organization; however different branches of the organization meet different needs. The micro credit branch only deals with the loans given to the women. It is what Ledgerwood calls a minimalist approach to micro finance (65). However, a wide variety of services are available to the women if they desire so in a sense the organization has an integrated approach (Ledgerwood, 65). The women in the micro credit program have access to social intermediation, enterprise development services and social services, if they choose to access them. Ledgerwood states that even though a microfinance organization maybe holistic and offer social services, these services should be kept distinctly separate from the services of microfinance, as to not confuse microfinance with charity (82). Additionally, Greer writes that “while increase in income is good, it does not automatically lead to a happier life” (171). Subhasis, who runs the EMC micro credit program also believes income increase can only go so far in improving lives, there needs to be a heart transformation as well.

One of the similarities and advantages of microfinance with business is that it can become self- sustaining. This is extremely important in finding ways of alleviating poverty. If a business or project can’t be sustainable, the initiative will last only as long as the funding does. An initiate by TATA in India called the TATA social enterprise challenge (http://tatasechallenge.org/) gives young entrepreneurs the opportunity of working with experiences entrepreneurs to develop their ideas. When assessing new ideas one of the main considerations TATA looks at is whether a new idea will be sustainable.

Besides sustainably, businesses with social initiative are unlikely to see transformation without the gospel penetrating people’s hearts. Greer writes that the most powerful thing in this kind of business may be that ability for lasting, deep relationships between Christians and the community (186). It is essential in every context to work with the people not just for them. Locals know their needs better than outsiders and when they take ownership of an idea it is far more likely to success. In India, where Christianity has a bad history, which turns many people off, it is important to follow Jesus and proclaim who he is instead of promoting Christianity (which is seen as a foreign religion), in everything that is done. It is through relationships that people will see who Jesus is and seek more than just economic change but a transformation heart change.

This paper has discussed some of the creative businesses that is taking place in Kolkata among the poor. It is essential that new, creative ideas and solutions to social problems are discussed and implemented in a way that social and heart transformation can occur. Let me end with the words of Yunnus, “Let’s not be quick to assume that people can be helped only by handouts. Instead, let’s try to use our creativity to unlock the hidden potential that almost everyone has been given by God” (Yunnus, 7)

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