

# Jacqueline's Journal

## India

FEBRUARY 13-19, 2009

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### Friday, February 13, 2009

#### MUMBAI

Late night drive to my hotel from the Mumbai. The direct flight from Newark was easy and offered time for real sleep, something I've been craving more than I've wanted to admit. There was only a short line at customs and I was traveling carry-on, so I flew through the airport. My driver stood among the hundreds of family members and drivers waiting. He carried a piece of paper with the word "Jacqueline" on it and nothing else, but I figured the odds were that there weren't many other Jacquelines on the flight and my last name isn't an easy one anyway. I nodded and smiled and then followed him to the car, soaking in the familiar scene – taxi drivers hanging out and talking, women in diaphanous saris sipping on cokes, people hugging everywhere, meeting and greeting.

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### **This is the new Bombay, the Bombay hurting after the horrendous terrorist attacks of late November.**

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Traffic is light at midnight, but the streets are still filled with cars, trucks and motorcycles. Mumbai is truly a city that never sleeps. As we drive up to the hotel, we are stopped by two security guys, one with a mirror for checking under the car's carriage, the other walking around back to check the trunk. To enter, I have to put my bags through an x-ray screen and am then frisked by a gloved woman. This is the new Bombay, the Bombay hurting after the horrendous terrorist attacks of late November. In so many ways the city has bounced back remarkably, but there are physical reminders of a city more fearful of perilous elements, a city more wary of unknown dangers. Given how free I've always felt here, I can't help but feel some sadness, though the New Yorker in me understands the response.



Acumen Fund investees, such as Lifespring maternity hospitals, are creating access to healthcare in India.

### Saturday, February 14, 2009

#### MUMBAI

A trip to the gym and then a great breakfast with Varun Sahni, our country director who briefs me on the busy week ahead. Fresh yogurt, honey dripping from the comb, pomegranate, strawberries, papaya: I am in heaven....

Our first meeting is at the Oberoi, one of the hotels most damaged in the terrorist attacks of September. Security is even tougher here, and the price for a room has declined precipitously, but tourists and Mumbai residents alike move through the lobby, many of them dressed in sparkling saris, likely on their way to weddings: this is the season. Last night we passed five or six weddings in a row – enormous golden tents stood side by side, each filled with lights and flowers, food and guests with Indian music blaring to let the world know a major celebration is taking place. You couldn't help but feel giddy with the sounds and glitter of it all.

We meet with the leader of Reliance's new philanthropic section. The company, the largest retail company in India, is considering a focus on three areas – education, health and agricultural inputs – and is taking the next 18-24 months to determine whether and how it will get involved in each area. We mention we are willing to help think through the latter two given our own focus in investing in distribution systems especially for both health and agriculture.

Dharavi Slum. Our car moves with the traffic, lighter on Saturday

morning than usual, but it still takes nearly an hour to reach Dharavi, the largest slum in Asia and a center of extraordinary economic activity in Mumbai. Just two weeks ago, Susan and I visited Mathare Valley in Nairobi, and when I relayed stories about it to people at home, a number responded that I have to go to Bombay if I really wanted to see poverty. I've been to Dharavi before, but not within such a short period of time from visiting Mathare or Kibera in Kenya. And this time, I am reminded of just how much worse the Kenyan slums are than this one in Bombay.

In Dharavi, the first thing that strikes me is the paved road going through its center along which trucks and rickshaws push through countless workers trundling loads of goods to sell in other parts of the city. The hustle and bustle of the area feels immediately alive and energetic. Everywhere people are working and smiling, and everyone seems to know one another though a million people live here permanently, and another million transit through as informal workers who migrate here in the off-seasons to work long days and rent a cot in a crowded room to save whatever they can for the next season in the village.

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**The biggest issue for them is their vulnerability - to disease and no doctors, to a lack of safe water, to poor quality housing, to unexpected violence.**

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The papers are filled with protests from Dharavi residents about Danny Boyle's film *Slumdog Millionaire*, angry both at being called dogs and maybe even more, at hearing their community referred to as a slum. Unlike Mathare, many in Dharavi own their homes. Unlike Mathare where the homes typically are constructed of mud with corrugated iron sheets for roofing, in Dharavi I don't see a single house without a tiled floor, and we visit two that are covered completely in gleaming marble.

You almost have to think of Dharavi as an export zone not to faraway climes but to Mumbai itself. This is a place filled with tiny manufacturing outlets and sweatshops creating goods for sale in the city, usually on sub-contracted basis and often organized by ethnicity. The Tamils manufacture leather and spices; the Gujaratis are responsible for managing bulk trading in things like yarn and plastics; and the Muslims are known for their skilled labor in stitching and darning especially. It is like a mini-India, everyone thrown in together to try and make a living, not necessarily to get out of Dharavi but to ensure their children can go to schools and be what they want in their lives. This is a place of raw ambition

and exploitive capitalism, yet is also feels safe and family and community-oriented. Life is too complex here to say it is this or that. To me, in my limited experience, it seems Dharavi is a little bit of everything.

We walk all around the area, stopping to speak with a woman making papadam and leaving them to dry on overturned baskets sitting in the sun; a manager of a mini jeans factory that used to supply major international jeans companies until being declared a sweatshop. Today, it sells only to the Indian market that is still eager to buy the low-cost clothing. In one alley, we smell the incredible aroma of freshly baked bread and follow the scent to a breadmaking factory, complete with a wood-burning stove and mountains of bread packaged in plastic bags and waiting to be delivered to Mumbai markets. I have the fantasy of just sitting on the ground and eating the bread right there, hot from the oven. But we are on a mission to see everything.

In another alley, we walk through a low door and down a dark hall to find about a dozen young men sewing sequins and beads onto the most fabulous silk imaginable. Each piece of fabric is stretched over a long frame and three or four young men are sitting cross-legged on the floor, holding one hand below the fabric and one above. The one above directs an unthreaded needle to somehow pick up a piece of thread, push it through a sequin or bead and then catch the other thread below. I look for a long time and never quite figure it out, nor can I fully imagine how the work ultimately affects one's eyes and back from being hunched over the frame. I will never look at a sequined or beaded dress, so common in South Asia, without paying homage to the men and women who labor to create such beauty. When I ask the men if they like their jobs, they all say yes (what else can they say, for what if I were a spy?). When I ask where they live, they say upstairs. Of course, they do.

These are the workers who earn probably two dollars a day in the making of two thousand dollar dresses (or ten times that amount in some cases), working day in and day out, all with dreams of making better lives for their children. They are not asking for hand-outs and there are moments of sheer happiness in their lives, no doubt. The biggest issue for them is their vulnerability - to disease and no doctors, to a lack of safe water, to poor quality housing, to unexpected violence. These are the things that throw them back to the bottom rung of the ladder regardless of how hard they work to be successful. This is why we need to focus on providing more reliable, quality and affordable services like healthcare and safe water to build more of a real safety net so that people can get on with getting on. In Dharavi, especially if you start with people where they are, respect how far they come, and you help rid them of the obstacles in their way (rather than give them what you think you need), the communities there could literally move mountains.

## AYURSEVA

The purpose of our visit is to see Ayurveda's first hospital built in the slum. Ayurveda is a for-profit Ayurvedic hospital based in Kerala with ambitions to work across India and serve low-income populations. The Dharavi hospital – called AyurSeva – is the sixth hospital in the chain, and the first directed at solely at a very low-income group.

Our host is the head of Ayurveda's human resources, an affable man named Bassab, with an impressive private sector career in management and HR development behind him. I like him as soon as we met. He runs outside to our car and gives me a big hug which is not typical for Indians when they meet you for the first time. I mention this to him and he laughs, "You know, nine years ago, I came very close to death. I learned that life is short and there isn't even enough time for all the hugs we should be giving. And so I hug. Besides, we're all part of the Acumen family."

I knew there was a reason for the instant connection.

What we didn't know is that today is AyurSeva's opening day in Dharavi. The clean white and green signage is welcoming, and already all the seats in the waiting area outside the hospital are filled with men, women and children, usually in family groups. People came because they have Parkinson's or long-term diabetes or some other chronic disease, and everyone believes in the healing powers of ayurvedic healthcare, a 5,000 year old approach that is revered by many and understood by few in India. Inside the hospital is a large wall painted orange with a green tree of life extending from the floor to the high ceiling above. Everything about the place feels happy and welcoming – the way a hospital should feel, wherever it is located.

Bassab's wife is bustling around the small hospital that has beds for 30, a number

of consultation rooms and outpatient treatment rooms, and a pharmacy.

"I can show you the beds," she says, "but the mattresses have come in and they are too big for the bedframes. Now I have to find someone here in Dharavi who will repair them and then the beds will be perfect. But today, we can't use those bedframes." I tell her I understand and we both laugh that getting things done in this start-up phase is never easy, which is why more entrepreneurs don't make it to the second stage.

AyurSeva will experiment with cost structures and approaches. Its branding is "AyurSeva: the science of life," though some of the characters in its posters are dressed in East Asian outfits as opposed to South Asian ones and this may change. The consultation fee is \$1, and staying overnight in the general ward also costs \$1. Like LifeSpring, Ayurveda has a sliding scale pricing model: an overnight stay in a private room costs \$6. When I visit on that first day, more than 25 people are outside; and the hospital needs 20 patients a day to break-even. A third of the people waiting are Muslim which makes Bassab very happy as he dreams that this will continue to serve a very diverse clientele.

What I like about AyurSeva and Ayurveda is that the promoters are taking a no-nonsense approach to healthcare while insisting not only on the highest levels of quality – and integrity – among the staff – but also ensuring that each patient is given personalized care. Everyone in Dharavi believes the hospital will succeed, not only because of a belief in the ayurvedic system, but as important, because of a craving for a hospital without quacks for doctors and without expired or counterfeit medicines. The biggest risk to Ayurveda is whether it will successfully market its services to the community that has had a lot of health services poured on it for free. My bet is on AyurSeva, though we're just getting started.

## Monday, February 16, 2009

### FUTURE GROUP

Kishore Biyani, CEO Future Group, is a man whose philosophy about life and work is very much aligned with Acumen's. A self-made entrepreneurial success story, Kishore has built an empire based on seeing all people as his customers, regardless of their income levels. He is a big design thinker, knows and admires our advisor and partner, IDEO, and wants to change the world.

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**The firm's values include - Indianness, flow, respect for humility, adaptability, leadership, introspection, valuing and nurturing relationships, openness and transparency, simplicity and positivism.**

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He is also values-driven. When we enter the board room on the 11th floor of his office building standing in the middle of a heavy construction area, we notice the back wall where each of the firm's major values are written on beautiful, long and narrow canvases. They include - Indianness, flow, respect for humility, adaptability, leadership, introspection, valuing and nurturing relationships, openness and transparency, simplicity and positivism. "We know these values and we live them," Mr. Biyani says to us. How we do things is very important to us around here.

He introduces us to his colleague Devdutt who has written several books on Indian mythology. "You see," Kishore explains, "we believe very strongly in storytelling, and the original myths of India all being with 'the source' and provide deep inspiration and guidance to modern day life

and business.” Devdutt works closely with the team at Futures, training them to think about the different myths, what they mean and how they are metaphors for the things going on their own homes.

“Here at Futures,” he says, “we know we need the Kama and the Yama both. For we need the Dreamer and we need how to make and use excel spreadsheets as well. And so we help our managers look at themselves and decide if they are stronger on the Kama or the Yama side and then we can help them better once they understand themselves.”

The company also stresses that each employee should think of themselves as containing three goddesses, Lakshmi (goddess of wealth), Shakti (goddess of intellect), and Durga (goddess of power). “Wealth, intellect, power – this is all good, but you must ask yourself what am I using this asset for? Is it helping me strengthen what I am giving in the world? What would it take for me to do that?”

We are hoping that Kishore will enable even a small number of the Acumen team to participate in some of his country’s training, including the training around mythology. We also discuss partnering in terms of information sharing and learning from one another. All three of us leave energized at his creative, thoughtful approach.

#### 1298 AMBULANCE SERVICES

When we first invested in this for-profit ambulance company with the ethos “Service for All,” many thought we were crazy. Mumbai had no record of successful ambulance services of any kind, and the industry itself is famous for corruption: getting an ambulance service to consider picking you up meant paying a bribe. I remember bringing the board to meet with the founding team, led by the charismatic Shaffi Mather, two years ago and the

company’s goal for the year was eleven. Today we are going to see company with 51 working ambulances in Mumbai, 28 in Kerala, and 278 employees. The company’s contract for Kerala will ultimately be for 200 in that state, and it recently won the contract to serve Patna in the state of Bihar as well. 1298 is now a million dollar operation and projects doubling or tripling its size next year alone.

My prediction is that 1298, the company that had to accept this number because it refused to pay a bribe, will end up being a national phenomenon in India, and a model for the effective delivery of emergency services the world over. Of course, a lot can go wrong between here and there, but this is a company able to execute, unafraid to innovate, filled with ambition and sure of who it is.

We’re proud to be major shareholders and partners, and it feels like coming home to walk into their new corporate offices and see familiar faces – Deepti Doshi, our first Fellows manager who now works with Shaffi on building an innovation around private education, Erica Dhawan, who started our Young Professionals Organization and is working with Deepti before she goes to MIT’s Sloan School, and Joanna Harris, Acumen’s fellow working directly with the company’s CEO, Sweta Mangal, this year.

Indeed, though the office is large and much more corporate looking than before, the energy in the place is all familiar, and I love seeing the emergency call center guys studying Google earth maps to track where callers are and where the nearest ambulance is to minimize time in getting patients. Each call receiver (I’m sure there’s a real name for them!) goes through a list of predetermined questions to ensure the company receives the most relevant information. Once received and input, the hotline receiver shoots the information to the appropriate EMS-trained official so that

he or she can provide the proper care upon arriving at the scene of the problem.

Sweta, a tiny, serious woman with shoulder length black hair and dressed in a simple pair of slacks and a button down shirt, leads me proudly around the office, introducing me to every member of the team.

The company is dedicated to doing more than serving its private clientele which it does on a sliding scale basis. It also now runs a woman’s hotline and takes more than 50 calls a day, mostly from women in Mumbai who are in domestic abuse situations, either from their husbands or their in-laws. The company has gotten to know most of the city’s women-oriented ngo’s in setting up this system which is paid for by a local philanthropist. It also serves the city’s railways – for 6 million people a day use Mumbai’s commuter trains, so the number of heart attacks, falls and other emergencies can exceed 150 in a month. Today, 1298 provides its services for free, but as more people know about them, they are losing more money on every call, and so the company is currently negotiating with the Railway system to cover its costs. “We’re not interested in making a profit from the Railway service,” she says. “We just want to cover costs so that we can provide even more of this kind of service in the city.”

Certainly, no one in government will forget the public service provided by 1298 in the Mumbai terrorist attacks. I remember watching CNN that day in New York and tearing up when I saw the big yellow ambulances in every piece of footage that had ambulances at the disaster scenes. Sweta gets somber when reflecting on those three dark days. “1298 was the first to get to Café Leopold and the Taj Hotel,” she says. “We didn’t know what was happening at the time, but people in both places knew about us and so they called right away. The ambulance guys ran directly into both establishments as soon as they arrived at

the scenes, and one ran into a situation where the commandoes were still in the room with the hostages. Somehow, he wasn't noticed, and though he was terrified, he hid until he could transport the wounded. In fact, in each case, the boys were able to save some of the victims. In total, 1298 transported 126 people, all but eleven of whom survived. If we'd been called earlier to the other places, maybe more would have lived there too."

The incident was a lesson in the modern dangers of running an ambulance company, and 1298 is now looking into training for the ambulance workers in case they find themselves in similar situations. They also are exploring procuring bullet-proof vests.

I've not heard any news stories of heroes like the young men at 1298, and it was hard not to compare this to the coverage of the firemen who also went into the

to Information Act several times already, filing reports to local state governments requesting information around situations where ambulances have been stopped or held for unfair reasons. In Kerala, 1298 has already been to the Supreme Court five times - and the company has won every case.

"I'm considering sending you a business plan to start a company that fights corruption," Shaffi laughs, though it won't surprise me if one comes across the transom.

Innovation. 1298's latest innovation is around energy conservation because the cost of natural gas is one of its highest expenses, as the car's engine is needed to provide energy to the internal equipment. In Kerala, all of its ambulances are now equipped with a solar panel (\$450) to provide power back-up and do the charging

most people give water to choking victims which is the wrong thing to do; same with putting butter on burns. Included in the workshops is, of course, the lesson that the first thing to do in an emergency is call 1298 for emergency services. Recently, Tata agreed to a corporate sponsorship to provide emergency trainings to schools; and other corporations are hiring 1298 to train their own staff. Currently, the company is doing 15 workshops a month for about 50 people per workshop.

Next month, the company will launch a marketing program called "Street Place" - street theater to teach passersby near the railways. Sweta again found a sponsor for the pilot; and at the end of the mini-plays, the company gives out 1298 stickers...When all is said and done, I tell Shaffi and Sweta, we are going to learn as much about pricing and partnership models for public-private collaborations, anti-corruption practices and marketing as we are emergency services, for the company is transcending its own sector and bringing to light key insights and innovations around what it takes to deliver affordable, critical services to the poor.

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heart of danger on 9-11. Of course, the numbers were dramatically different, and most firemen and policemen paid with their lives. Miraculously, none of the ambulance drivers were hurt. But there were extraordinary individuals driven by duty and doing it with courage and grace under fire.

I wish I'd been able to hear their stories first-hand.

Corruption. We have a long discussion about corruption. Shaffi is a deliberate and enthusiastic advocate for integrity and a corruption-free organization, no easy task in an enterprise entering into government contracts, and one reason I feel so strongly about this company. They've used the Right

for all equipment. Given that its customer in these cases is government, 1298 is able to build this cost into the price it charges for services, and then recovers the cost anyway in four months. Currently, government represents about 50% of revenues, and 1298 believes this balance may increase in the future.

The company also has been marketing in innovative ways. Having learned that many people panic in emergencies and forget the number 1298 (or any number, for that matter), it has begun to host a series of workshops around what to do in cases of emergency.

This includes disavowing people of common misperceptions: for instance,

## Tuesday, February 17, 2009 AURANGABAD

Up at 1 a.m. and cursing the three cups of milky sweet coffee I had during the day...I end up watching CNN all night with my only concession being the whittling down of email in my box. Susan and I meet downstairs at 5:30 and despite our sleepiness, laugh at our driver who insists on honking his horn all along the near empty roads to the airport. There we meet Acumen Associate Katie Hill who's been doing a great job in helping to build our energy work in India.

The flight is short - just 50 minutes - but it is good to sleep for even a few minutes. We land at the tiny Aurangabad airport and wait only a few minute to retrieve our bags.

Outside, two representatives from GEWP are waiting to drive us to the organization's office. GEWP (which stands for Global Easy Water Products) is a joint venture between IDE India and Acumen Fund, a for-profit company created to sell and distribute drip irrigation products to small-scale farmers in India and across the world.

In this way, it is truly an experiment, for GEWP is a for-profit creation of two non-profits, one that grew out of IDEI's very strong culture of focusing on small-scale farmers. A few years ago, IDEI was given more than \$20 million in grant funding from the Gates Foundation to bring agricultural inputs to small-scale farmers, and that has created more opportunities and challenges for this non-profit-for-profit structure.

And the organization is making progress. Since it started selling drip a number of years ago, IDE-India has sold systems to around 300,000 farmers – a good start but only a start in a country where 200 million farmers earn less than a dollar a day. GEWP has sold 25,000 since starting to sell a year ago, but I see no reason that this company couldn't reach at least a million farmers in the next 3-5 years. Since working with IDEI and GEWP, we've seen a consistent ability of the farmer to cover his investment within a single year, and we've seen a consistent doubling of yields and incomes with the KB systems.

Pratyush, the new CEO of GEWP, discusses what differentiates KB products from others, including the subsidized government model given free or nearly free to farmers for use on up to one acre of land. The KB "pipes" are much thinner, "as thin as paper," Pratyush explains, and so it costs much less to produce, though it lasts 1-2 years as compared to the 3-4 year lifespan expected for the subsidized products. The important point to note, however, is that the farmers have the cash to afford KB and, thus, the KB system should see much greater scale in a sustainable way over time.

In the short term, however, the free systems are, not surprisingly, scaling more quickly. GEWP expects to reach 50,000 farmers this year, a doubling of revenues but still not large given potential demand. "Why not set your sights on a million?" I ask.

Pratyush laughs. The organization has been in long discussions about its vision. Whether reaching millions is critical to success is still a question on the table. I say I believe strongly that question should be taken off the table. The company should and could focus on reaching a million farmers in the next 3-5 years. Period. His team smiles and I ask if they agree. "Yes, yes," they nod.

Both men have transitioned from the nonprofit to the private sector and appropriately feel a great allegiance to both. IDEI supports GEWP's work not only in purchasing drip systems but also in providing extension workers and some support on marketing as

well. I wonder whether a slightly different configuration should be considered where IDEI provides the infrastructure, marketing and, potentially, financing support, and GEWP focuses completely on sales and distribution. It is a question at least to be considered. But as to the question of a million farmers, that has to be the short-term goal.

The question then becomes what it takes to convince more farmers more quickly to purchase the drip and learn to use it effectively on their fields. Understanding farmer psychology means understanding a conservative risk profile as a major variable. Farmers have too much to lose to try new technologies, especially the poorest ones who have seen so many well-intended technologies (and charities with them) come and go. But the rapid change in the potential to generate revenues should be the most convincing marketing campaign of all. Acumen Fellow Kartik understands this and also is obsessed with the question of what it would take to market drip to farmers and spread the idea and the technology to scale in a sustainable way.

Kartik also is looking at overall production quality. IDE India improved the design of the drip systems by removing the need for farmers to install "micro-tubes" all along each plastic pipe. The current model has tiny holes along the pipes, at a distance of about 18 inches throughout. This means the farmers don't have to spend hours and days preparing the drip systems but can use them quickly, and the general upkeep is easier as well. Kartik, trained as an engineer, has worked in other products that use hole drilling as part of the manufacturing process, and so has spent a great deal of time focused on this aspect of manufacturing.

As I listen to Kartik whose wife and child are living in California, I think of how many lonely times he must have living here in Aurangabad, a mostly rural or very small town life. He agrees that he does live with loneliness but at the same time is learning a great deal about himself, about this work, about life in rural India – which is at the heart of at least a part of what the Fellows program is all about.

We begin driving down a beautiful road outside of Aurangabad, past men pushing carts of tomatoes and squash yelling out to the neighborhoods to buy their produce. I ask Pratyush whether low-income farmers are suffering more now because of the economic crisis. "The global recession isn't really affecting the smaller markets in India because we aren't dependent on exports. It is the big cities that work with the multinationals that are in trouble. The farmers here are enjoying low inflation – just about 5% as well as higher food prices and lower oil prices. There's a large market for seeds, pesticides and all kinds of crops here in India, and the farmers are benefitting from it. Maybe we'll feel it more deeply in a year or two."

At a busier village junction, we turn down an even sleepier road and see the first concrete evidence of farmers: small red tractors, cows with horns painted the colors of the Indian flag, fields of corn, sugar cane, and cotton, the area's major cash crop. The sky is completely cloudless, the colors muted. Within minutes of turning, there are only a few vehicles on the narrow road, and it feels good to be in a rural area again.

Our first destination is a village called Bhambarda – about 10 acres between three families. GEWP sells to farmers living in extreme poverty as well, but they typically live in the more distant rural areas. The farmers we visit today would be considered average in terms of their earnings - about three dollars a day now that they've been using the KB products for a few years. The farmers couldn't be prouder to show us their work, what they've been able to accomplish and to talk about their changing lives, always with an emphasis on investing more in their children's education.

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This is a story we hear over and over throughout the day. A few kilometers away, we visit another farm owned and operated by several brothers and their families. This time the extended family earns income not only through fruit, vegetable and grain production but also through a growing store of livestock. In the yard where the families live are also a dozen cows, all of them with horns painted bright blues, pinks and oranges to celebrate a recent festival. A few goats scamper around and the farmer waves his arm in a giant arc to show us that these animals produced milk and, in the case of goats, meat, as a sort of insurance for when crops might fail. The family also has a barn in which they are growing silkworm.

As we drive away from the successful farm, Pratyush muses that just looking at the number of acres a farmer has tells a partial story of poverty. "They say that a farmer with less than four acres is a poor farmer, but I know farmers who own two or three acres with good lives, and I know farmers with 10 acres who can barely afford to survive. The farmers' livelihoods depend on land, but on so many other things – especially whether they can afford inputs like good seeds and fertilizers, drip irrigation and the like. You see farmers can influence the cost of production and how much they produce, but they cannot influence things on the output side as

much. The government and markets set the price of their goods. They can influence how quickly they get their goods to markets, but they haven't much to say about price."

He continues, "You know, last year 1,500 farmers committed suicide. These were not the farmers living in rural areas outside Aurangabad who were the poorest. Many of those farmers have 10 acres but they couldn't get financing or when they did, they couldn't pay it back because they didn't have the right inputs and they lacked insurance too when things went wrong. You can't see things so simply when you are looking at poverty."

This has been a theme of my own thoughts for the past six months and the question I grapple with is how better to help others see that, understand that, and then focus on approaches to poverty that remove obstacles and create opportunities rather than simply providing bandages or giving people things to get them above a dollar a day. I could have spoken to Pratyush for hours on this.

Another drive, this time for about an hour, and we pull into a beautiful rural area to see a small compound. Here, I encounter a scene I won't forget. The sky is perfect blue and the air is perfect, warm but not oppressive. I breathe in the sweet air and am feeling lucky to be alive. We drive to a sweet looking compound to see two older men sitting under a tree, each wearing traditional farmer whites, one holding his grandson in his lap, the other reading a book of prayer.

The farmer is an impressive man. He leads us to a large greenhouse-looking structure, only instead of being covered with glass, this was walled with a thin netting – "to keep out insects and ensure it doesn't get too hot for the chillies." Inside are rows and rows of green bushes sprouting bright red chillies. The farmer beams with pride, telling us as he stands beneath a picture of the Hindu gods Ganesh and Vishnu, that he has had great luck through a combination of this netting, better fertilizer and the KB drip irrigation which he started using four years ago. Indeed, he's now a contractor for a nearby dried chilli factory, and his income has grown from around \$300 a year four years ago to around \$2,000 today. His three children – 17, 15 and 12 years old all go to private school and he hopes to see even more growth in income in the future. This is the picture of success.

Outside, we all marvel at a bed made of wood and old KB drip lines twisted and criss-crossed across the frame: design innovation in action. We walk past the bed and we see the women in the distance: two beautiful women dressed in bright colors crushing and then sifting the chillies so that orange and red dust shook out from their hands, sprinkling a white sheet below. The scene looks almost magical until we near it and can feel the sting from chilli powder in our nostrils and eyes. And that is just in the minutes we stand there.

I don't know how long the woman was working on making the powder but even a few minutes of it feels oppressive and the pile in front of her looks like it more than a few hours' work.

I look at her, thinking there but for the grace of God go I. The family is no doubt in a remarkably different economic place than it was a few years ago, but at what price to her? She finishes her work and walks quickly to the water tap where she washes her face first and then her arms and legs which burn from the powder. I ask her how long the burn lasts and she just says, "It is ok". I feel angry that the man gets to be the hero showing us his beautiful netted garden while the woman slaves over the raw chilli powder.

I feel angry that the middleman bought the chilli from this farming family, packaged it and then likely sold it to exporters for ten times what he paid. I feel angry that there is still no good machine to crush and separate the chilli pepper, at least not in this area, according to both the farmer and to Pratyuth. It all seems unnecessarily harmful to me. But people will sacrifice and work to change their lives. Indeed, inspired by this aspect of the family scene, I ask the farmer what his dreams are for himself and the family. The grandfather hears me and he shouts, "Dreams? What kind of dreams? Dreaming is an easy task but here we have set backs that make dreaming impossible. I could dream of becoming the prime minister, but what good would that do?"

I don't answer. He might not want to see it, but I know the farmer and his wife have dreams. She is wearing nice gold jewelry and carries her tiny carriage with great pride, even as she washes off the blistering heat from the chillies. He is an ambitious man whose dreams are invested in his three children. And so it goes: I hate that the woman pays such a price, and also understand the sacrifices the family would make.

The next step should nonetheless be to consider what it will take to help move farmers like this up the ladder to the next step in the supply chain. Adding value to foodstuffs through processing and packaging is where the real money is; and if the family is going to incur the cost of sifting and separating the chilli peppers, then it should at least capture more of the commodity's economic value.

I also want to know if there is a better, more mechanized way that would work with small farms – but the complexity of poverty is that even those other options might not be available for these farmers and they might not choose them even if they had the option. The scene with the tiny but strong woman standing among the chilli powder is an image I won't forget for it is a metaphor for the paradox of choice for those with limited options and big ambitions.

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**The scene with the tiny but strong woman standing among the chilli powder is a metaphor for the paradox of choice for those with limited options and big ambitions.**

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We drive another hour and a half to KB's largest set of drip installations – to an area of 40 or 50 acres divided into 10 plots individually owned by that many families. As we drive, the terrain becomes hilly but dry, the colors more monotone. The afternoon sun softens slightly and everywhere the world seems slower, a bit more peaceful. Our car pulls up to the edge of a field of spring onions, all capped with beautiful flowers. Ten or so farmers are waiting to greet us, and we began to talk and walk with no real agenda, it seems, other than to ensure we see every farm controlled by each of the farmers. "Whose field is this?" I ask, and a man in a yellow shirt gleefully raises his hand, "That is my farm," he says in Maharastra which is thankfully translated by the GEWP extension worker.

He was the first to buy the system, and then convinced the others to do so. Now the group is in its third year of using the drip systems and the farms are thriving and healthy.

We pass fields of bright yellow sunflowers, green beans flowering white and soft, enormous squash, green onions, pomegranate, maize, tomatoes, eggplants, cotton and sweet lime trees. The fields are all neatly planted with the drip running in rows, gleaming in the setting sun. The entire scene feels completely harmonious, abundant, beautiful. Cows and goats saunter along the larger paths and I ask if the farmers are veg or non-veg. One man explains, "We are veg and we are non-veg too." I laugh that they couldn't be both, that meant they are all non-veg. "OK, we are non-veg, for we like mutton and chicken." You have to hand it to him for his flexibility.

After visiting each of the farmers' fields, we walk for at least another half mile past women standing in a field of wheat, each holding scythes they use to work the land for eight hours a day (for 40 cents a day if you are a migrant worker; free if you're merely a wife), past rows of spring onion, more quilts of yellow sunflowers, and clouds of soft white cotton.

Finally, we reach a place at the edge of the fields under a tree where a few plastic sheets are laid out for "the visitors". Though I encourage the farmers to share the plastic sheeting with me, they insist on sitting on the muddy ground instead.

For a while we just talk. I want to understand why the first farmer had the courage to risk scarce investment dollars

on a drip irrigation product when none of his neighbors and friends would do so. The slight, young smiling man in his yellow button-down shirt, slacks and leathered feet crossed on the ground says he'd seen another farmer using the drip and was intrigued, but this wasn't the KB model and it was too expensive for him to try – for what if it didn't work? If he lost his crops or even if they went down significantly, he would lose everything. He waited a year and then bought the system second-hand from the farmer, used it and saw that it worked.

In the second year, all ten farmers bought KB systems for around an acre each. They worked with the organization's extension workers, learned how to lay the plastic pipes, shared a number of bore wells that their grandfathers had constructed in the 1970s. Within the harvest, they all saw more than a doubling of their yields. "And so now we continue with it, and we are very happy," he says.

I ask what they do with their extra money. "Mostly, we invest it in more agriculture," they say, "though the children (37 in all, including the children of migrant workers who live on the land) all attend school and the farmers are all committed to a savings society. They meet once a month and each contribute 50 rupees or around \$1; and they have bought life insurance as individuals. Dreams? We heard the familiar refrain: educate our children, that is all.

I ask how we could get others to buy the drip – after all, we want to sell the systems to a million small farmers. "Television," they all answer. Kartik asks who has a TV and they all do, and they have cell phones as well. "They are inexpensive now."

"Who among you would be willing to help sell to other farmers, to convince them they should buy KB?" I ask.

"No, madame, we have our farming work." I explain I don't mean they would be doing it for free – we aren't a charity in that sense,

and they laugh. "Well, then definitely, madame, we would do it for earnings...."

I look around again at the gentle, pastoral scene, breathe in the fresh air that carries a mix of sweet flowers, rich mud and smoke from a nearby fire where two men are apparently preparing a snack for us to share. The feeling is blissful and I can't remember feeling more relaxed in a long time – nor can I remember just sitting under a tree and talking with people I most love in a long time either. There is great richness in these men's lives.

Three plates of food are placed in the center of the mat. One contains little green soft seeds that had been smashed out of what looked like enormous stalks of maize. It tastes a bit like popcorn, complete with salt provided in a metal bowl, and I could munch on it for hours. A second plate holds roti baked from an almost blue-colored grain, and the third, an incredibly delicious spicy, rich eggplant dish. The three individual tastes feel like perfection itself and I try telling the men so, but they still ask our guide if we truly like the food as much as it looks like we do or if we are pretending for their sake.

The group's teacher, a dark-skinned man with jet black hair, straight white teeth and an infectious smile, asks about America. "Do you have farms like we do? Do you grow eggplants? Tamarind? Cotton? Sunflowers? Do you have mountains?" We try answering as best we could.

I ask if they know about the new American president, Obama. "Oh yes, we've seen him on television. He is a good man, a very smart man. And I believe he a black man, isn't he? That is very good," the teacher answers.

Night Train to Hyderabad. Our train, 2nd class air-conditioned, is 15 minutes late. Katie, Susan I wait, all a bit bedraggled after the long day, till we see the bright light making its way down the track and then

follow lines of people who all find their exact bed on the long, long train. We're sleeping three beds atop one another, six to a section with rows of bed going down one side of the entire main aisle as well. Because there are no doors, you can hear the sounds not only of the wheels chugging gently along the tracks, but of the breathing, snoring, crying, sneezing, sighing of humanity all around. Indeed, it is 3 in the morning and it sounds a bit like a barnyard, but in a soothing sort of way. I love trains, and truth is, I've not slept for a four hour stretch since I've been in India.

I love India.

## Thursday, February 19, 2009

### HYDERABAD

Up at 3:45 because I can't get wireless access in this funny place Susan and I are sharing. I work until 5:30 and then move downstairs to the reception where I find a man sleeping on the floor in front of the computer. He wakes up and immediately apologizes for not sending me my 6 am wake-up and I laugh that it is still early but wonder who wakes him up for these early morning calls. Just before that the muezzin of the area was calling Believers to prayer, but clearly he doesn't rouse my friend.

The man is very sweet and sets me up on his computer, and I work until 7 and then go to the tiny gym, change and meet Susan for her last day here in Hyderabad. A quick stop to the office and we are on our way, along with Varun who continues to impress me with his knowledge of operations and what it will take to build a real performance management structure.

We drive for nearly an hour, mostly because we get lost in the dense city, to find Kiran, a community outreach and healthworker from PVRI, which focuses on providing affordable, quality eyecare.

Kiran is a committed community outreach worker for PVRI. He's been working in the

area of community healthcare for more than a decade and is enthusiastic about sharing what he knows. He described for us the Four A's that drive PVRI's overall strategy: Acceptability, Accessibility, Affordability, and Availability. These qualities, he says, are most important to the poor, and are therefore, the pillars on which PVRI has built its model for poor and middle income alike. Of these, acceptability of healthcare is the most important.

We ask him to explain. He essentially describes the difference between what Heifetz would term technical solutions and adaptive solutions. Technically, the world knows how to cure a high percentage of blindness through cataract surgery – and, moreover, we've reduced the price to make it affordable to most. The bigger issue is one of adaptability: many people, especially low-income individuals, resist the idea of surgery even if it is offered free of cost and even if they've seen others who are blind regain their sight within hours of the surgery.

Kiran explains; "Sometimes, the common people in some areas, they think that when they go to the hospital, the doctor will remove their eyes. Others believe that eyes are God's gift, and so we should not interfere for any reason. And if we do intervene through surgery, for instance, they believe you will lose your vision altogether." The question is how to change their minds, and this is why community outreach is so important. In business terms, marketing is key to the success of adaptive solutions; however, in many socially-oriented organizations, marketing is considered a dirty word. "How about storytelling?" I suggest. Kiran nods.

PVRI's model is focused on building a chain of small-scale hospitals providing the highest quality care to the widest group of people. Like many of our healthcare enterprises, PVRI also charges on a sliding

scale basis. It operates a smart, fairly upscale hospital where its patients come mainly from the middle class and upper lower class; but it also collaborates with NGOs and communities to do 10 eyecamps per month. At these camps, PVRI finds many individuals in need of services and then brings them to the hospital for low-cost care.

We drive for another hour to visit an eyecamp. Kiran explains that at each camp, the company will see, on average, between 200 and 300 people. Camps tend to be two days long – the first focuses on awareness, the second, clinical assistance and surgeries. A village of about 10,000 might see 200-300 people attend eyecamps. Last year, the company treated 15,000 clients, and did 9,000 cataract surgeries, of which 1,700 came through the eyecamps, so the company is meeting its goals of financial sustainability while also reaching low-income individuals.

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From our perspective, the primary experiment that interests us is whether PVRI can provide such services on a for-profit basis. This company differs from Aravind in that the latter is a nonprofit and dependent on philanthropic and government support for its operations. PVRI believes it will scale more quickly if it can attract financial capital as well as grow through smallscale hospitals rather than larger ones such as Aravind has supported (currently, Aravind sees 1 million patients at year at five major hospitals.

PVRI projects a doubling of patients to 30,000 next year – a far cry from 1 million but the doctors pointed out that Aravind reached its numbers after nearly 30 years of operations, and they hope to grow to a million more quickly. The jury is still out but we believe the experiments are both worth undertaking. Certainly we've seen an impressive operations at PVRI.

The eye camp is held in a peri-urban area outside Hyderabad. The entire thing is sponsored by a single business man who tells me he is a philanthropist who sees too many with eye problems and so he sponsors these camps twice a year. He is clearly and rightfully proud of the gift he'd given to the community and is proud that the "peasants" receive everything for free, including the glasses they receive depending on the eye exams.

"Do the people have any choice in which kinds of frames they get to wear?" Varun asks. The man seems not to understand the question at first. Varun repeats it and I jump in and relate how excited the farmers always are when contemplating buying a pair of glasses for Scojo. They preen in the mirrors and enjoy the attention around them when they select the glasses they want – and these are from the same target group as the people I met at the eye camp.

Finally, the sponsor says flatly, "No, we don't give the people a choice of frames. But we give them very good ones. We make good choices for them."

I completely appreciate the man's beneficence and know that most of those people would forever suffer eye problems were it not for him. Still, I believe in choice, even if the farmers don't pay directly for the glasses.

One amazing aspect of the eye camp is how orderly – and large – it is. Like Kiran says, at least 200 people have gone through by the end of the day, all of them excited to have someone pay attention and hear

their problems; and even better, help solve them. That this is all done for charity was extraordinary.

I sit on the ground watching the women stand and get tested, then talk to one another in pairs on the blankets where I sit, gossiping and watching their friends get tested as well. I wish I could have spoken to my husband Chris' father, for he did these kinds of surgeries in Pakistan and Afghanistan for more than 30 years. I want to ask him how these camps got started, and why a country as big as India with estimates of 100 million people with eye disease in the next few years, would continue to rely on such a traditional approach based largely on charity. Maybe I already know the answer: because it was working, at least on a small scale. Our bet is that by combining the free camps with the more financially savvy hospitals, we will have a better solution for this next generation.

After leaving the camp early, we move slowly again back into town to visit the actual hospital. There I meet a 10-year old boy named Suraj who is sitting on a cot, a large protective patch over hurt eye, and an exhausted look in his healthy eye, for he'd had surgery only about an hour before. The boy had come to PVRI with his mother. They'd taken a train for more than 350 kilometers because they'd heard about this hospital that "did such great work and helped the poor too."

The young boy had suffered when another boy in his class punctured his eye with a pen. Suraj's mother was small-boned but fierce, and she would not accept that her son lose his eye. She has medical insurance from the state (as do all Indians making less than a dollar a day) and decided to use it for her son. They'd heard that PVRI would work with poor people though it has a great reputation for excellence, and so she and her son simply made their way to Hyderabad.

## Friday, February 19, 2009

HYDERABAD, INDIA

### LIFESPRING HOSPITALS.

We drive to the now familiar Maula Ali neighborhood where LifeSpring established its first 30 bed maternity hospital. I remember my first visit there, how impressed I was with the team, the pink walls, the energetic atmosphere. Then, there was a single hospital and LifeSpring's talented CEO, Anant Kumar, spoke of his dreams. Now, there are six hospitals and Anant assured me there would be ten when I visit again in August. The growth of this institution has been extraordinary. In the Maula Ali neighborhood, 43% of babies are now believed to have been born at LifeSpring.

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### My breakthrough moments this time come through an extended conversation I have with Dr. Jyotsna.

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It is wonderful to see two Acumen family members working with the organization. Tricia Morente was a fellow last year and this year, is head of marketing for the company. She says that the stresses are much greater now, though she loves what she's doing and believes in the company's ability to revolutionize maternal healthcare. Premal Desai is our current Acumen fellow, an alumnus of Microsoft where'd he'd worked for a number of years. Premal has been focusing both on how to develop talent and the systems needed to do so, and also how to build a technology platform to help with it. Given that the company is planning on hiring 1,000 people in the next two years, such innovations are at the top of the priority list.

As Susan and I visit the general and private wards, we speak to a new father who is beside himself with joy, and we marvel at the true mix of patients in terms of religion

and class. But I'd seen all of that before. My breakthrough moments this time come through an extended conversation I have with Dr. Jyotsna, a 32-year old obstetrician who has been working with LifeSpring for at least three years now. Bespectacled with wire framed glasses and hair pulled back into a bun, Dr. Jyotsna had just delivered a healthy baby boy – a robust 7 and a half pounder – by C-section. "He's big, he's healthy, and so it the mother!" she exclaims cheerfully. Already, the boy's grandmother is holding him protectively as his father stares into his eyes as if he were experiencing true love eternal. Pride abounds.

I remark that the other babies in the general ward seem much smaller to me. "It is not

your imagination," she says. Two-thirds of babies born in India are underweight (less than 5 pounds) according to international standards. But many women cannot even bear a large child because of their own pelvic structures." I ask the reason for it, and she says it has to do with a combination of genes and, more usually, that the women were underfed as children. "Too many mothers give whatever food is available to the sons and starve the girl-child and so they never grow strong bones."

"When the women come here and I see such tiny pelvic bones, I try to determine if it is due to their being underfed as girls. And if it is, then I try to guess what kind of family they've married into as adults. If the mother-in-law is pressing for a sonogram to know the sex, I know that this is a family that will again value the boys much more over the girls. If the mother-in-law or husband is angry when the daughter is

born, then I know it will be a problem for the girl. We still have this problem in much of India,” she says.

“I can do so much for them as a doctor, but I can’t go home with them and do the really important things that will keep them and their children healthy. I explain everything and take time to give them positive suggestions around spacing their children, contraception, nutrition. It takes time to build trust and so I focus on becoming their friend first of all. Then they might ask me for help when they need it.”

“What does poverty mean?” she asks rhetorically? The people who come to Lifespring are hard of money, but when something is important to them, they find it. Some of the poorest mothers-in-law would spend for early sonograms to find the sex of their children but it is illegal. It is not a question of money but the law. And so many quacks will still do the sonograms and then the abortions and charge so much for the very poor even. Now, a big US company is bringing out a very small sonogram so doctors in rural areas can do them at low-cost. It might help with healthcare, definitely, but it also poses risk for more sonograms to identify if the baby is a girl or a boy.”

“You see, what is needed is not just the medical treatment, but complete solutions for every patient. The solution must start with understanding family life and attitudes and helping people to live in a more healthy one and one that places value on the wife and the girl child, too.”

Tricia has arranged for Susan and I to visit a local community with one of the outreach workers. The woman’s name is Bethlehem (her partner’s name is Grace), and it is wonderful to walk through the streets of a low-income area where nearly every woman who passes her says hello or calls her by name.

At least three women we visit are having their second child with LifeSpring, and she talks with one of the women about having her tubes tied right after delivery of the second – which was expected in a week or two. I could see the outreach growing to include workshops and trainings for women on a regular basis, so that over time they would learn to raise issues and talk about the real health issues in their lives rather than just dealing with the health consequences in times of crisis.

Our conversation with Dr. Jyotsna continues at the LifeSpring office. I ask how she became so strong, and what her story is. She looks very elegant though she’d just completed her shift, sitting besides me in an orange sari with a tiny bindi in the middle of her forehead with her hair pulled back into a bun.

“I always wanted to be a doctor and had so much idealism about it as a young woman. You see, in India we go to medical school when

we are 17; but by the time we leave five years later, it is difficult not to become cynical as you learn about how medicine really works in so much of this country.”

“Before LifeSpring, I worked at a corporate hospital and I saw how things were done in too many parts of India. You see, we were given quotas each month for what was expected – how many sonograms, how many C-sections, how many surgeries, etc. We weren’t concerned for women’s health but for the bottom line. I became very depressed. When I first heard of LifeSpring, I came to talk to Anant, and was taken by how he emphasized that this would be a hospital that followed protocols and expected only the most ethical behavior. That was enough for me. I didn’t even understand that this was a place that focused on the poor then. That part was a bonus when I learned of it after I’d started working here.”

“You see, I love LifeSpring because it gives me freedom and dignity to work here. I have the freedom to use the science I was taught and be the doctor I dreamed of being. I don’t have to make compromises and don’t have to reach monthly targets. What is important is that my customers are healthy. Anant knows it takes time to build trust and we want these women to come here for a long time and take care of their health needs of themselves and their children so that the communities improve. And you know, all the employees, we even have health insurance too in case something happens to us. So I can feel very free here, and now I am idealistic about being a doctor again.”

The aha moment: there it is. Varun speaks about the dream to invest in hospital systems that will combine for a portfolio of 1,000 hospitals across India. LifeSpring has only six today but is growing at a rate of one hospital every 35 days and will have 30 in the next two years. Ayurved has six as well and also is growing rapidly. If we reached 1,000 – and they were run by ethical individuals like Anant who insisted on following protocols and a set of metrics that focused on real health and wellbeing as well as financial sustainability – then we could start to move the needle in a real way on healthcare. Then we’d have a shining set of examples of what could be to fight the cynical realism of what is too often today.

And if we do this right, the eco-system we help build will be one in which everyone along the supply chain – from the entrepreneurs to the doctors and outreach workers and customers – and to us, the investors as well – will gain the freedom and dignity of choice along with the responsibility that goes with it.



Jacqueline Novogratz