

# Jacqueline's Journal

## India

OCTOBER 13-19, 2007

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### October 13-14, 2007

BIHAR, INDIA

I cannot rest from travel; I will drink  
Life to the lees. All times I have enjoyed  
Greatly, have suffer'd greatly, both with those  
That loved me, and alone; on shore, and when  
Thro' scudding drifts the rainy Hyades  
Vext the dim sea: I am become a name:  
For always roaming with a hungry heart  
Much have I seen and known, -- cities of men  
And manners, climates, councils, governments...  
I am part of all that I have met...

*From Ulysses, by Tennyson*

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**We only had a few hours of light as we  
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The flight from JFK to Heathrow is four hours late: rains, they claim, though it is not different from the last flight when blue skies forced the honest answer that air control is in a mess. For four more hours, we idle on the tarmac in a line of dozens of jumbo jets waiting, waiting. Another hour on the tarmac in Heathrow ("You've picked the two busiest and worst airports to be travelin' between, dear," the ginger-haired man with the sweet smile gently chastises me when I present him the ticket for my next flight to Delhi, missed by more than four hours already. I thank him for his wisdom and beg him to do what he can to get me on a flight that would have me arrive in time for the next connection from Delhi to Patna. But no luck. And so I spend another six hours in the British Airways



Acumen Fund is working to bring access to goods and services to rural India

lounge, emailing scores of friends to see if they might come to the Acumen Fund gala in November, thinking about India and Bihar and the connection of our worlds, however disparate they may be.

Now I'm lying awake at 4 am in an old hotel in a town whose name I can't remember, five and a half hours outside Patna, the capital city of Bihar, after driving last night on roads made of dirt still riddled with potholes and covered with belching trucks and oxen carts, rickshaws, bicycles and skinny men carrying enormous sacks that look like they would break them. We only had a few hours of light as we plunged into this world caught between today and hundreds of years ago. Just outside Patna, the stench of garbage piled alongside the streets carries on for miles so that the refuse of civilization – paper and rotten fruit and plastic bags and cans – becomes part of the landscape, turning greenfields into abstract paintings of blues and whites and browns, more a dirty moonscape than pastoral earth. The abysmal quality of the roads is shocking – the car crawls like a beetle through an endless labyrinth of potholes without pause.

The ceiling fan covers the sounds of music playing all night long in this tiny town, pushing the air above a firm mattress and crisp white sheets in a spare room with beige walls, prefabricated pine furniture, a phone and a television which still cost \$50 for the night – India is on the move and even here so far away from the big cities, demand exceeds the rooms available.

Sunday, October 14

DHARBANGA AND SAURATH, INDIA

At 5:30 with music blaring through the town, I leave for a morning run. Our rundown hotel sits inside an ancient, crumbling fort around which the city is built. Indeed, all of Dharbanga seems to have grown like wild grass among the ruins of the fort and temples. Houses tumble over one another on narrow winding streets populated by people, stray dogs, buffalo, cows, pigs and monkeys. The cacophony of sound, color and sight is almost overwhelming. Women sit alongside the roads shaping and painting clay figurines of gods and goddesses, though the dawn is only breaking. I find out later this is all for the Festival Navrati – nine nights of celebration for the victory of good over evil, represented by the feminine deity Durga who is shakti or the power of goodness, the goddess of strength and beauty. For me, it all feels like a dream and yet the garbage and open sewers and skinny rickshaw drivers parked next to emaciated cows are all reminders of the poverty that plagues Bihar, where the per capita income still hovers at about \$100 a year despite India's overall economic success.

Ann MacDougall, Acumen's chief administrative officer/legal counsel and Biju Mohindas, our India Country Business Manager, and I meet for a morning coffee (boiled milk with one teaspoon of powdered coffee and five teaspoons of sugar) before getting in the car again for another two-hour drive to Saurath, the village where Satyan Mishra, founder of Drishtee, grew up and where we are to see some of his latest experiments. We are about 50 km. away and moving more slowly than 20 mph, but the scenery is beautiful and after the trek from the night before, the time passes quickly.

The air holds a mild, wet heat. Though it is early Sunday, we see boys riding buffalo into the fields, women farming rice, old

men hauling huge loads of grass or wood. We finally turn off the main road, and into the Drishtee compound in Saurath, a village of about six thousand people. The Drishtee team is waiting, sitting in a circle of twelve chairs where we are invited to join. Tropical trees provide shade and huge piles of bamboo line the brick walls. A small ambulance is parked in front of the white concrete building that serves as Drishtee's main office.

Satyan Mishra, an extraordinary entrepreneur with deep commitment to the social sector, and his wife Swapna welcomes us, and their two impish little girls romp around like puppies, the little one grinning at everyone and the elder one already feeling a sense of responsibility for her younger charge. Doing something for Saurath that can be an example for the world is at the core of who Satyan is: he spent part of his childhood here and still lives in his mother's house when he visits. In fact, the compound is the home in which Satyan grew up and his memories of a

reach only about a third of them, if that many. If India is to thrive, we must find a way to address rural poverty, not just in the sense of giving money but in terms of really empowering people." Challenges seem only to invigorate him. I'm reminded of the definition of entrepreneurs as ones with vision to persevere against all odds no matter what it takes – and it is this determination that changes the world. I open my computer to take notes and Satyan smiles and tells me I can use my wireless here – sure enough, the New York Times' home page appears on my screen. Eight hours drive outside of Patna in one of the poorest places on earth, where there are more bullock carts than cars on the roads and where most people live without electricity, and here I am reading my local newspaper. Drishtee paid \$1,500 to tap into the satellite and then pays another \$200 a month to provide connectivity to twenty kiosks in the area.

The wireless is there for Satyan's vision of establishing decentralized Business

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simpler life in the village colors his vision of what might be possible. "People knew one another and helped each other. We have to find a way to strengthen the spirit of community and to encourage young people not to leave the villages of India."

Wearing a blue shirt and faded jeans, Satyan speaks with his usual passion about changing the way services are delivered to the rural poor. "Look," he says, "there are 650,000 villages in India and services

Process Outsourcing (BPO) units across rural India. The idea for the BPO came from the kiosk operators who were doing data entry for some local governments. The idea is to decentralize outsourcing of services to create jobs in the rural areas and provide real value so that those jobs might last. Satyan reasoned that the lower cost of labor in rural areas combined with a distribution system would enable Drishtee to avoid the expensive infrastructure investment that the major players must absorb.

Under the BPO model, Drishtee would secure contracts from government agencies and corporations, especially around massive data entry projects. These would be passed to a “Node manager” who would be responsible for allocating projects among ten pre-screened kiosk managers who could each employ a small number of people (depending on the number of computers). The employees would receive higher wages than their urban counterparts as Drishtee would pass on savings from their lower cost, more flexible infrastructure. Quality control could be ensured by having two people key in the same information – so that errors show up quickly at limited cost. My questions are also about coordination and speed, but Satyan isn’t worried about that: a flexible franchising system can address all of these concerns while connecting rural villages to the mainstream economy.

He invites us into the office where we see six young men sitting behind computers working on inputting the back-end data entry for a bank that is digitizing its customer records. Two of them say they are currently in university; however, in this area, the high schools and universities are like empty shells, with classes that never meet. Students are expected to self-teach and take exams as scheduled – if they are scheduled. Students typically hire the otherwise idle university professors to tutor them privately. And so they get “coaching” at home from 7:30 to 9:30 in the mornings before going to the BPO where they work from 10 am to 6 pm daily. While just a start, Satyan is hopeful that the BPO represents a unique example of job creation in a very rural area. I wondered about the link with education and the chicken-and-egg phenomenon that is obviously here.

“The education system here is in shambles. And it is not helped by leadership who believes that educating people is actually dangerous – for what happens when you educate young men and then have

no jobs for them? They grow too depressed and restless if they see their only option as farming. And so, in a best-case scenario, they leave. So it’s better not to educate the young, in their view. We have to change this attitude. Creating at least some good jobs to which they can aspire is a start. Having role models who stay in the village is part of it, too. People need to believe they can change their lives or nothing will change regardless of how much you give them. In fact, I can solve the problems here and I can do it quickly – you’ll see. I only promise you that the change wouldn’t last more than a few years. If people don’t take responsibility for their own changes, there will be none in the future.”

Perhaps the most inspiring person I meet is a seventeen-year-old boy who is working on one of the computers. He spent a lot of time hanging around Satyan and had taught himself computers – so well that he shares with us the website he’d created. Though too young to work officially for the BPO, he spends much of his time teaching other young people to work on computers. He tells us he intended to join Satyan’s workforce and, in the meantime, he attends school, all the while dreaming of doing something important. All that separates this kid dressed in jeans and a t-shirt from all kids the world over is opportunity – and letting even this one spark go to waste takes shine away from us all.

At its essence, reducing poverty must be about helping people imagine themselves as part of the solution. There is great power in seeing even six village sons (no daughters yet) sitting behind computers doing “important work” for big corporations elsewhere in a place where most people are not allowed to dream beyond the village. It is a benefit of globalization extended to the world’s far reaches. The question is whether the model really can be competitive; and if not, whether it still makes sense to subsidize experimentation with creating a decentralized model that might be competitive in time.

Beleaguered by the failure of government to do anything but keep villagers living in poverty and, at least in this state, accepting the corruption of power, Satyan’s vision for lifting up this village is focused on four key areas. He wants to provide capital through microfinance; provide a more prevention-oriented healthcare program; open access to markets (as he’s been doing through Drishteetaat, an online service to market and sell locally-made crafts internationally); and, finally, build jobs and economic opportunity through the Business Processing Outsourcing units. He also plans on experimenting with whether villages might create “Village Corporations,” in which individuals would buy shares in a Village Company that provided necessary fee-based services like water and healthcare delivery to the community – any profits would be maintained by the corporation. My worry with this model is that



Satyan Mishra, the visionary entrepreneur behind Acumen investee Drishtee

the most basic services have a significant public component and usually require some level of subsidy for all members of the community to access it; however, I understand his yearning to create more self-sufficient villages and communities as one way of helping to move the rural poor out of the deep poverty, both financial and mental, in which they are presently stuck.

We also meet Satyan's uncle, Mamaji, as young in spirit as the seventeen year old at the computer kiosk. In his sixties, Mamaji is a handsome man with white closely cropped hair, with one small tuft left uncut in back, a symbol that he is Brahmin. He has a wide open face framed with wire rimmed glasses and is wearing a burnt orange kurta and blue sandals. Like so many men we meet in the area, he adorns his fingers with beautiful rings. He is charged with running the Drishtee office in Saurath, overseeing the experiments and encouraging the community. Unfortunately, I had missed a community meeting the night before, given our travel fiasco – more than 100 people came together to discuss the healthcare project and other plans for improvement. While the majority of people still want to see more free services, Mamaji feels there is some movement among a few who understand the power of building systems



The ever-youthful Mamaji

that might cost something small but have some chance of reliability and consistent quality – two things these parts have never experienced from government efforts or services.

I ask Mamaji why he is so committed to this work. With a deep smile that ends in twinkling eyes unwavering in their intensity, he says, “Historically, the leaders were supposed to make real sacrifices for the people. Satyan and Drishtee reflect that spirit of leadership. Drishtee is creating jobs for people and focuses on their needs and not just on making wealth.” I ask what his role with Drishtee is and he says he is “a guardian,” which he clearly is.

One of Mamaji's roles is overseeing the gasifier, a simple energy producer that uses chopped bamboo for fuel and can provide enough electricity for the VATSatellite connection while being able to support the village with affordable energy. Of the 1,300 households in the village, only about 300 have a connection to the grid (a 500-600 rupee deposit is needed for the set-up and then people are charged monthly, although few actually pay). The gasifier will charge 6 rupees per unit of electricity, more expensive than the government rate (4.5 rp), but will be reliable and of better quality. It is ready to go but has laid idle for months due to a court action taken by a small group of locals who say the machine is “too noisy” and not right for the village. “The poor want this to work so that they finally can have some hope for light in the nights,” Satyan sighs, “but the rich already have generators, so why would they want something like this, except that it is important for the overall community.”

Dr. Hamilton, a sixty-something public health doctor who spent his career working as a doctor in rural villages for WHO and other government agencies, describes Drishtee's health programs. “Drishtee holds about ten camps per week in nearby

villages. People pay 40 rupees – \$1 for four consultations and a month of follow-up healthcare; they are prescribed medicines when needed. The hope is to provide health services where there is no permanent doctor.” Because government camps have been provided to people for free, there is a serious wariness about Drishtee's pay-per-use model. Drishtee hopes to compete on quality of care and reliability, two areas where the government scores are abysmally low; but first the organization needs to demonstrate the value they add – not an easy task amid such skepticism, but as more people come and are healed, the more demand will increase.

We ask about the ambulance and whether it is used, whether costs will ever be covered. Satyan tells us that it has been used only seven times – and people have paid something except in one case. Obviously it isn't profitable yet, but he feels that more than anything else the ambulance sends a strong symbolic message to villagers showing Drishtee's seriousness and intent to stay. “People want and need to know we are here for them,” Satyan says. “It all comes down to trust.”

Creating markets where none exist takes time and money. We are in the early stages of experimenting with what builds trust, what gets traction in terms of demand, and what is merely a distraction. But approaching the villages in ways that catalyze a sense of hopefulness and encourage self-reliance are critical. Now it is up to Satyan to determine over time what works and what doesn't, recognizing that this will take years to grow.

Satyan sends us to see the village with a local guide, Sanjeev, the deputy editor of Drishtee's magazine, DrishteeKon (it is never made clear for whom the magazine is produced). Sanjeev is a man of lithe build, with excellent English and an easy, gentle style. We walk together down a

path alongside unending fields of emerald green, and it surprises me when he says his family owns most of the land, which they parcel out to local sharecroppers who earn a percentage of what they produce on the land (in crops, not cash). We pass a sweet little house with squash growing on its thatched roof and painted sketches of men and women dancing and celebrating drawn across the green exterior walls. A beautiful woman with dark brown skin wearing a fire red sari stands by the house's column while her young daughter, dressed in forest green with her hair pulled into a neat bun, fans a one-year-old baby. We ask if we can talk to her and she smiles shyly, motioning for Ann and I to join her on the porch and sit on a low wooden table.

The woman's husband, dressed in a fluorescent-orange tank top and shorts, is a loquacious sort with a big smile despite the fact that the village has just suffered the worst floods in decades and he must have lost significant income – with very little to start. This is the plight of farmers who must stare daily at two of Mother Nature's most unpredictable children: weather and disease. Farmers like this man earn less than a dollar a day – and there are more than a quarter billion like him across India. Droughts, floods and healthcare crises not only wipe out their income but send their families into generations of debt. I've heard of farmers having to sell a child into bonded labor to pay to treat themselves for typhoid, knowing that if they aren't cured, the whole family will die for lack of income.

And still, this gentle man welcomes us with a grin and wants to help us understand what we have come to question. "Do you know of Drishtee?" we ask. "Yes, he answers, "they are the ones who will bring light to this area." We ask if this is his first priority and he says that it is, pointing to the sky and telling us we wouldn't believe how dark it got in Saurath when day is over. "You can't see your hand." For twelve hours a day,

he and his family have to sit in darkness, unable to work more, to read, even to see one another except by the light of a small flame. When I've spent even just one or two nights in a village without electricity, I have felt oppressed by the darkness after the first romantic half hour of trying to read by candlelight. I cannot imagine this occurring every evening of my life.

We ask about the health camps and healthcare in general, whether he thinks it a good idea to have a system where you can pay for better healthcare. "We need money before we need healthcare," he says. The monsoons had destroyed the crops and the villagers were now expecting nine months of drought. "How will we earn money? I do very physical work every day, so I don't get sick. I don't need healthcare except in the years where God decides I need a challenge and then it is too expensive. But maybe this year, I will be lucky." We hear a reliance on work and a deep sense of fatalism repeatedly. Several people, including a man playing cards with his buddies, say the physical work of farming would keep them

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strong and God would decide whether it would be a year with little spent on health or a year that would be very difficult.

Biju asks whether the farmer's daughter had delivered her baby at home or in the hospital, and whether she had seen a doctor while pregnant. "Women don't visit doctors until they are giving birth," the farmer says. "Then we go to the doctor." He took her by rickshaw, about a half hour or so away to the nearest clinic, and she had a normal,

healthy birth though it was her first visit to a doctor. The cost: 5,000 rupees, or about \$120. The farmer had to take out a loan to cover it, and admitted this time that he wished there was a better way than hoping for health and going into debt when the gods give you something else.

The conundrum for rural areas is how to get good doctors to come and spend time – people here are so used to seeing quacks that it provides even less incentive for them to visit health clinics. It is also a question of how to create a safety net for the poor so that a single health incident doesn't sink a family into a debt that will entrap them in poverty for generations. Affordable health insurance must be part of the answer as a way of smoothing payments over the course of a lifetime – and Acumen Fund is exploring this area. Lower cost treatment like that which our prospective investee Lifespring is providing (deliveries of babies at Lifespring's local maternity hospitals cost less than half what the farmer paid). The big question is how to attract doctors to work in these areas. Telemedicine might

be one part of the solution – but I believe the idea of a well-qualified global "peace corps" of health professionals needs to be another. And it is within our grasp.

We need to bring talent and energy into rural areas that have had access to so little for so long, especially in this world of such extreme abundance. As for education, there are few schools to speak of that teach up to the seventh-grade level in Saurath, and nothing after that. A 20-year old

woman of startling beauty with a clear sense of curiosity tells us she attended the University in Madubane, the nearby city, but Sanjeev reminds us that the school is, for all intents and purposes, a shell. What good are schools if they are empty? Why would children go if the teachers don't show? This acceptance of oppression – for what is keeping people beyond the reach of opportunity but a kind of oppression – when we have the resources to avoid it, fueled by a pilot light of unspoken anger, lit in me a deeper sense of failure that we as a society have allowed so much potential talent to be wasted.

Music for the Navrati festival is blaring through this village too, making the exquisitely beautiful rural setting seem almost unreal. Preparations for the ongoing festival are everywhere. An old man, maybe a priest, allows us to peek behind a curtain to see the lineup of deities ready to inspire the people; and outside, we see the farmer with the orange shirt selling candies to the children. Men are fastening long poles of bamboo to create a tent where there will be dancing and celebration at nights. It is almost impossible to speak over the din, but people seem to enjoy it. Everywhere we see smiling faces, children walking arm in arm, women carrying water and bundles of grass.

Finishing our tour of the village, Sanjeev invites us to his own home, a two-story concrete house that identifies him as part of the upper middle class, though the only electricity comes from a tiny generator that powers a light and a television. His mother and nieces are watching India play cricket on TV, but even these girls “go to school but get no education,” he tells us. Upstairs, it is sobering to see that even in this landowner's home, the rooms are spare. Sanjeev has a simple wooden bed and a tiny dresser that might have held a few changes of clothing – except for a bednet covering the bed and a battery-powered



The Business Process Outsourcing (BPO) facility that is providing employment and opportunity in Saurath.

fan to provide some reprieve from the heat and bugs at night, that is all in his bedroom. They did have indoor toilets, however, which is a serious luxury. Still, Sanjeev is reading Michael Crichton, and has a great curiosity about the world.

Dr. Hamilton said that the one thing he wished he could change in Saurath is people's habit – and acceptance – of “open defecation.” There are hardly any toilets or latrines in the village and most people simply relieve themselves on the sides of paths or in fields. Later, at an artist's home in more urban Madubani, Ann asks the houseowner if she might use the facilities. The woman leads her to her backyard and waves her arm to let her know she can use any part of the yard she wants. Biju tells us of an entrepreneur trying to bring toilets to the rural poor who can't consider a user-fee model like Ecotact's (our investment in sanitation services in Kenya), for he is competing with the great outdoors here, and before people would even consider paying they would first have to get into the habit of using a latrine and then seeing the value in that service.

These same themes emerge throughout the long day in Saurath. Children laugh and share simple dreams: “I want to be a teacher,” smiles Kushboo, a name that means fragrance. “I want to be a psychologist,” says another. People could not be friendlier and part of me keeps returning to a yearning for the simplicity of life lived with close friends and family at a pace where people really know one another. We pass mothers napping with their babies on front porches and children swimming together in the ponds on a lazy afternoon. But the poverty feels suffocating to body and soul. While India is experiencing 9% growth, hundreds of millions like these individuals in Saurath are trapped in an unending cycle without the tools to move themselves out. Later in the Patna airport, we see a parking lot filled with white Ambassadors, each with red flashers on the roofs, signs of fancy government bureaucrats who are among the only ones that make a good living, not from the jobs they do to promote the public good but from the money they skim from whatever they do. Images flashed: Mittal's \$150 million (or is it pounds) mansion in Kensington, flying by a policeman who tries

to stop us for a “toll” en route to the airport, a seventeen-year-old autodidact who helps Satyan out at the BPO and teaches computer classes to interested people. Life is a cauldron of structural and individual dynamics that play out in myriad ways on the chances of a person, a village, a nation to thrive or to barely sustain.

What makes certain individuals resilient and others quietly accept their fate? This applies to villages and societies as well. Mamaji walks around Drishtee’s headquarters on his cellphone with an earphone clipped to his head, talking to goodness knows who in what remote part of the world, fully comfortable with technological change and happy for it. “Now the world is small,” he tells me. “With this little device, I can know the whole world,” he continues, holding the tiny phone up as if it were a goblet of wine. Why do some older people carry the spirits of children, always curious, open, growing while others turn into couch potatoes at the age of thirty? Why did the seventeen-year-old web designer find his way to Satyan? He’s from a village with hardly any schooling and must be both autodidact and driven to be something different. Understanding resiliency needs to be part of understanding – and addressing – poverty more effectively.

After a delicious meal prepared by another Drishtee “entrepreneur,” we drive to meet a kiosk owner in Madhubani, about twenty minutes away from Saurath. This is a big town, though the roads certainly belie this fact as they, too, are ridden with potholes, and flooded so badly in some parts that we take major detours, and the time needed to reach the entrepreneur doubles. Battling these constraints for a reasonable flow of business, however, is a small challenge for kiosk owners trying to eke out an existence with the promise of growth and more opportunity for themselves and their communities.

Parmeshwar, in his mid-twenties, became a Drishtee franchisee right out of university with a loan to purchase his computer, a phone and a small office in this rural town. Already, he has two young daughters and a son, and he is intent on working hard and earning enough to ensure that all three are educated. Since starting, he has expanded his business through word of mouth and experimenting with different lines of business. Most successful is his computer training business – he’s currently training 20 students and looking to expand that number; second, he sells Madubhani art designed by local artist through Drishteehaat and retains a commission for each sale; and third, he provides services such as phone calls and helping individuals register for government services and the like. He also always keeps a few newspapers around the office so that he is a hub for a growing group of residents who want to expand their horizons.

Like so many of the villagers, Parmeshwar has an easy, gentle style, offering us tea and taking the time to be with us though we arrived late on a Sunday evening. He has big ambitions to grow and seems open to ideas and support. Speaking to him recalls marketing guru and Acumen Fund advisor Seth Godin’s challenge to our team: scaling a franchise effectively requires brand management,

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uniformity and an effective bundle of services for the franchisees to sell. This approach of providing a palette of services to all entrepreneurs with shared lessons around marketing best practices and the like may be the next natural step to growing Drishtee. This expansion means an increase not only in the number of operational kiosks in its network, but also in the volume of sales and participation of community residents, either as customers or employees (including the local artists), enabling Drishtee to release individual energy and opportunity along the lines of EBay, but in the lowest-income markets on earth.

My sense is that Parmeshwar would soak up a chance to grow his business despite all the odds of living on a flooded road in a low-income town. Drishtee would do well to focus on sharing lessons among the entrepreneurs – not only the kinds of products to sell but also how most effectively to market goods and services. Someone like Parmeshwar has the spirit to try things, as long as the risk to his entire business isn’t too great. He’s also been developing a loyal clientele – one thing he does is leave newspapers on the main desk in his office so that people can stop by whenever they’d like just to check the news and see who else might be there. I joked with Parmeshwar that he should sell coffee and tea as well and become a real internet café. I’m not sure culturally he can pull this off, since his generosity might have him giving the tea away, but he seemed intrigued.

Parmeshwar joins us to visit one of Madhubani’s most famous artists just as the sun sinks below the horizon and most of the town is plunged into darkness. I understand more fully what the first farmer had said about the night here. The billions of lights flickering in the universe feel almost cruelly beautiful in the blackness of the world around us. The artist is lovely and patient with us. She sits

on her porch with two candles on either side of her, unrolling picture after picture of Indian gods and goddesses at play and mythical creatures painted with wonderful, whimsical detail.

Our inability to see the pictures is aggravated by an inability to see one another clearly. It is as if we are all trying to reach out of narrow tunnels with little success, though with good humor we manage to select a few paintings each – especially given the artist's price - \$10 for the larger paintings which took her 4-5 days to create and \$5 for smaller ones. Apparently, other artists in town hear about the bonanza sale and begin to crowd around, wanting to show their own work. The woman artist graciously opens a man's roll of paintings and we agreed to buy one of his as well – only he asks for \$20 for a larger one when we ask the price. Though we purchased more than twice as many pictures from the woman artist, her joy at the sale is greatly diminished when the man gets the price he requests – and at the same

time, especially given the darkness, it feels too awkward to everyone to negotiate.

Happiness is a function of comparison. Regardless of whether you are rich or poor, how you feel about how you are doing depends in large part on how your neighbor is doing. This phenomenon, taken to a global level, means that as low-income people become increasingly aware of how far behind they are economically, the more unhappy they will feel. And ironically, for the very rich, the incremental happiness they gain from additional money will diminish, for there will always be people richer around them. So it only makes sense from the perspective of maximizing our collective happiness on earth that the rich give more of their money and of themselves to find lives of greater meaning and to bring the poor more opportunities to change their own lives by generating wealth and a greater sense of purpose for themselves as well.

At the same time, the woman patiently works with us to sell her paintings, and soon

the rest of the villagers hear that there are foreigners looking to buy. Within twenty minutes three or four other artists come to see us and I would love to peruse their crafts; but it is so dark we can see little anyway, and the stress of knowing we have a long drive in that darkness ahead on crumbling roads shared with trucks with broken headlights forces us, finally, to go.

Again if there is a single important lesson from the day it is how critical it is to listen. The farmer spoke about the power and powerlessness of Night in his village. It resonated more intensely when we who were lucky to have candles and a flashlight stumbled around, trying to complete a single, simple transaction. We didn't have homework to do, didn't have books to read, and we were there for less than an hour, yet still we felt the stress of not being able to see. And the clock hadn't even reached 7 pm. Acumen Fund is about to invest in a low-cost LED light company to try and sell small, affordable units to light up people's homes in ways that could fundamentally alter their lives. Each of these investments is a small step, and how to scale them is our greatest challenge.

## Monday, October 15, 2007

### THE ROAD BACK TO PATNA

I wake in the middle of the night to a deafening applause of rolling thunder that startles me into a state of complete wakefulness so that I lie there listening to the rain pouring down on the world we'd just absorbed through the day. What are all the people living on the sides of the roads in tents made of plastic sheeting doing? I imagine them huddled together, holding their few belongings in their arms, enduring, just enduring. Before I went to sleep last night, I had to whisk away hundreds of little insects from my bed, and now the inconvenience of having those uninvited guests seemed very tiny.



Perusing detailed paintings by talented local artists as the pitch black of night arrives.

A light rain is falling at six in the morning and Dharbanga is quiet – no music yet anyway. The streets are emptier than they'd been on Sunday morning, maybe because people are waiting until the sky clears. As I run along the road I see a sort of animal crèche – ten mama monkeys with their babies in tow. Some are nursing, others, teaching their young to climb on nearby branches.

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**Happiness is a function of comparison. Regardless of whether you are rich or poor, how you feel about how you are doing depends in large part on how your neighbor is doing.**

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We leave early for Patna, allowing seven hours to arrive, just in case. Our average speed has been less than 25 mph in Bihar, so we think it wise to build in a buffer. Good thing, for soon out of Dharbanga, a truck breaks down, creating a massive roadblock and vehicles all jam their way forward in both directions on either side of the road in lines stretching as far as we can see. There is no way back, but no honking or shouting either, just men walking down the narrow alleys between the trucks checking one another out and talking quietly under the cloudy skies. Within twenty minutes, someone wise must have intervened, for somehow at least our side of the roadway is allowed to pass. We are on our way. At least for an hour or so -- until a second accident creates a repeat of the dance of cars and trucks. The third major jam is apparently caused by a shooting of a man on Main Street – we hear no more than that – but it is enough to send us on a village detour that is beautiful but maddeningly slow.

Our drunken beetle crawl back to Patna gives ample time for gazing and reflecting. Most disturbing is the endless stream of garbage lining the broken roads and the people trying to scratch out a living in the refuse, causing us in the car at times to turn away just to breathe. Peter Singer is wrong when he says that seeing human suffering close up makes it impossible to ignore. When it feels overwhelming, it can easily feel like self-preservation to ignore it. But we can't acquiesce. For beyond the stream of garbage and suffering are beautiful fields, a reminder that Bihar is resource rich. Its people are renowned to be among the most intelligent in India and the state has a disproportionate share of government ministers. We can solve the problems of Bihar – and if we can make the solutions work here, we can make them work anywhere.

While Ann and I sit in back, talking and staring out the windows, Biju is engaged in a long conversation with our driver, Pappu. Later, Biju explains the interaction: “Our driver Pappu belongs to an



**The seemingly endless traffic jams on the road to Patna**

agricultural family which hails from Champaran, the village where Gandhi launched one his first Satyagrahas (his philosophy and practice of nonviolent resistance) in India -- maybe this explains his political awareness and great pride and love for Bihar,” Biju tells us. “Pappu’s family grew sugarcane in their fields and sold the crop to local sugar mills. The lack of a guaranteed source of income due to dependence on weather and commodity price fluctuations forced him to migrate to Patna to seek a ‘better’ job. And he found one as a driver, though despite being relatively well paid, he is still very vulnerable.”

Apparently, Pappu’s wife became very ill and, like most poor people, saw a quack rather than a licensed doctor, and found her health worsen and so she tried the government hospital. Ferrying her back and forth to hospitals added to the cost burden which was exacerbated by the disease’s continual misdiagnosis. Biju tries explaining the Acumen model as a way of avoiding quacks and making wise investment decisions, an approach endorsed by our driver who tells him, “Nobody wants donations and governments don’t work more often than not! So using business to provide health and water might be the answer. ”

Back to Delhi and to our guest house where we discover that our rooms had been given away in a town where there are no rooms to be had. Two dozen phone calls and several hours later, we find the Hotel Gaiety outside Central Delhi, and tumble into our rooms long after midnight.

Tuesday, October 16, 2007

DELHI TO HYDERABAD

Four a.m. sharp again. Must be something in the night air. Thankfully, dawn comes before six as I've not enjoyed the dark New York mornings of late. Across the street from our little hotel, I jog past a barrier into a gated community. Big houses guarded by more gates and sleepy security men are shaded by leafy trees under which elderly couples walk slowly, enjoying the quiet neighborhood. Back on the main road, a skinny old cow walks gingerly across the boulevard, stopping for a moment on the concrete divider to wait for the cars and auto-rickshaws to pass. She turns her head and looks at me and I wonder whether she is allowed to walk in the quieter, leafier neighborhoods or is her world now constricted to concrete and traffic jams like most other inhabitants of the city?

Ann and I spend another hour or so in another taxi that loses its way to the Radisson Hotel where we are meeting Amitabha and Suresh, founders of IDE-India. Note to self: study Hindi. It is time.

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**Farmers are among the most risk-averse people on earth because each season they are betting everything they have and are at the mercy of the vicissitudes of Mother Nature.**

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I always love seeing Amitabha and Suresh. Like Satyan, they are kindred spirits, part of a small but growing community of people who have committed their lives to using business and markets to serve the poor and find systemic solutions to poverty, not band-aids. I remember meeting Amitabha and discovering we were the same age and had similar experiences in development that turned us both away from the top-down approaches that leave people too often worse off than before, especially in terms of how people see themselves.

IDE-India has come a long way since we started working with them. Since inception they have sold treadle pumps and drip irrigation systems to more than 800,000 farmers. Now we're talking scale. We're working closely now with Global Easy Water Products (GEWP), the for-profit spin off of IDE-India, on determining how best an export model might be scaled as well. Currently, IDE-India is set to deliver three major export orders that would reach another 500 or so farmers in Pakistan (through Thardeep, also an Acumen investment), Sri Lanka and Nicaragua. The Gates Foundation has approved more than \$20 million as a grant to help scale the sale of treadle pumps particularly, and to do the research to better

understand the rate at which farmers are increasing their incomes with IDE-India's products (the hypothesis is that most farmers see an increase of more than \$400 yearly). Finally, IDE-India is expanding into the agricultural middleman business, working to buy spices from local farmers and selling them to commercial buyers.

I look across the table at Amitabha who looks trimmer and fitter than I've ever seen him, smiling as ever through his beard with eyes that never stop twinkling. Suresh has a more serious demeanor, his wire-framed glasses framing a mustachioed, friendly face and a fringe of black hair. Both men wear checked shirts, standard uniform for these designers who have spent their lives thinking about farmers as customers and committed to changing the level of respect afforded to those men and women who toil to produce the nation's food.

We share our stories about Bihar, and I express frustration at determining solutions that can transfer to other places, and share my questions about what it takes to make solutions work in different parts of the country. Amitabha shakes his head. "In areas like parts of Bihar where nothing is supposed to work," he responds, "we sometimes find our greatest successes, maybe because government has let the people down so much that they know to expect nothing at all and their backs have just been pushed up against the wall." It is easier to know where drip irrigation might or might not work depending on water tables and overall availability of water sources, but understanding when and how the human spirit takes hold is another matter.

We discuss Pakistan and some of the challenges Dr. Sono, the leader of the organization working to bring drip irrigation to that country, has faced with transferring the technology effectively. A pest infestation hurt much of the latest crop in the Thar desert, and the farmers tended to blame it not on nature but on the technology that was used for the first time. Changing attitudes means a constant battle and refusal to give up. Amitabha questions whether giving away the first 70 systems was the right approach as well. While he, like we, believe in smart subsidies, it is wise to separate the cost of the new technology with the funds needed to market and change attitudes, even if initial market penetration is incredibly slow. Also, finding a local proselytizer is vital to success. Farmers are among the most risk-averse people on earth because each season they are betting everything they have and are at the mercy of the vicissitudes of Mother Nature. It is so easy for a poor farmer to lose everything, and so spending more of the little they own and then losing it completely could put them back even further in a never ending cycle of hard living.

I visited Amitabha two years ago with Tim Brown, CEO of the design firm IDEO. Since then, IDEO, one of the world's great companies, has been doing more and more work at the bottom of the pyramid, including with IDE India. We talked about a meeting in Seattle where Tim and Roy Steiner (of the Gates Foundation) and Amitabha and I could sit and brainstorm about how best to work together. That a foundation, an agricultural NGO, a for-profit design company and a hybrid financial organization like Acumen could sit together, not just out of pragmatism but because of many years of shared experiences, history and values, says a lot about where the world might go and the kinds of coalitions that we can build together.

A two-hour flight to Hyderabad and we are back in Acumen's home territory in this wondrous country. As we fly over the shifting landscape, I wonder whether anyone truly knows India, and whether anyone truly knows the United States or any country, for that matter. But India is so vast, always changing, and rarely direct. Jawaharlal Nehru has written "the more I saw of her, the more I realized how very difficult it was for me or anybody else to grasp the ideas she embodied....it was not just her wide spaces that eluded me or even her diversity, but, some depth of soul which I could not fathom, though, I had occasional tantalizing glimpses of it..."

### Wednesday, October 17, 2007

#### HYDERABAD, INDIA

Anant Kumar is CEO of Lifespring, a joint venture of Hindustan Lever Limited (HLL) and Acumen Fund aimed at creating a series of hospitals focused on affordable, high-quality reproductive health care for low-income women. Anant came to the position after working for a decade at HLL, desiring to build something based on his years of experience that could have long-

term impact on the lives of the poor. He's a young man – 32 or 33 years old, though he seems wiser, and though he's serious and focused, he is also easy to smile and open to listening.

I ask him what he learned from his work in social marketing, as his position at HLL had him leading their efforts to market contraceptives to the poor. "The biggest issue is the need to challenge this notion of access," he tells us. "What is access, really?" It isn't enough to have condoms at the cash register, or even to have bowls of condoms for free at local clinics. No one wants to walk into a place, especially in broad daylight, and ask for a condom. Price doesn't matter, location doesn't matter. What does matter is teaching people the importance of condoms, and packaging them to appeal to the customers."

Taking his cues from the poor themselves, Anant built a business model with LifeSpring that puts the customer in front. Patients are referred to as "clients" and all of his sales people are well dressed, even if they are working in remote rural areas. As for the team's healthworkers, they are not expected to sell, but to look after people so that they feel welcomed and safe. Since Seth Godin's visit in July, Anant added music to the reception area so that people begin to feel differently about what a hospital means. "We have four main values at LifeSpring," Anant explains to me: "Respect for individuals, integrity, a customer focus and innovation. He's clear on what he wants to do – to grow from two to thirty hospitals in the next three to five years; and he knows there is a single factor that will, above all, contribute to his success: talent.

Anant says if there were one value he'd like to see from Acumen Fund, it would be help in finding and, if possible, training, talent. It is one thing to find doctors and health workers with skills to treat patients.

As difficult, or even more so is finding individuals with the empathy and respect to live up to LifeSpring's core values. I see this same challenge the world over, and yet also see a new generation rising with the aspiration of fitting into this category – the question is how to inspire, find, link and support this next generation so that it can reach out into the far corners of the world and create significant change.

### Thursday, October 18, 2007

#### BOMBAY, INDIA

Bombay, city of heat and traffic, at least today. Our plane is late and it takes longer than usual to reach the law office where I drop off Ann and Varun, thinking I could sneak a few hours of other Acumen work into the day. But I sit in bumper to bumper traffic for an hour, amid the black and yellow boxcar taxis, the aging red buses with advertisements pasted on their sides, the Toyotas and Hyundais and motorcycles and trucks, all pushing against each other, a giant, never ending, pulsing throng along the streets of this city where more than eighteen million people dare to live. Signs for gurus and bleaching creams, for hip new cafes and cosmetic surgery crammed on street floor stores stand below once elegant apartments with concrete and iron terraces. Horns honk and bicyclists creep through, holding onto the sides of idling cars. Soon it is clear that we will reach the hotel just in time to drop our bags and turn around again, but this is city living in a country of more than a billion.

Still, there is no place on earth like Bombay and as soon as the car turns onto Marine Drive with its wide promenade bending around the western edge of India, my spirit lifts. The last time I was there, Marine Drive was under construction, but now the promenade is smooth and people are walking along the ocean slowly, their figures cutting across a distant, open horizon.

What promises have been made here on the edge of the sea and the beginning of this extraordinary country? What dreams?

Last night, after a wonderful mini-retreat with the India team, Varun, Biju, Ann and I met GV Prasad, COO of Dr. Reddy's Laboratories, one of the biggest pharmaceuticals companies in India. Prasad, as he likes to be called, had a quiet demeanor that evokes a spirit of humility and inquisitiveness and makes him instantly likeable. He was responsible for growing Dr. Reddy's and making the company truly global. Now, while he continues to work hard with Dr. Reddy's, he's also focused on using his skills to give back. There is such power in a leader coming forward and asking, "How can I help? I can think of fewer more welcome words in the world of building nonprofit organizations.

Before he leaves our meeting, Prasad joined Acumen Fund as a partner with a \$250,000 commitment and a pledge as well to work with our team and find the right fit for him to help support one of our entrepreneurs. I look forward to working with him and knowing him – and to working with Varun to build a community of funders in India to support and guide this work.

## Friday, October 19, 2007

BOMBAY, INDIA

I wake to the news of the horrendous suicide bombings in Karachi. Benazir Bhutto returned to re-seek the presidency after eight years of self-imposed exile. Hundreds of thousands of working poor people thronged the streets, cheering and celebrating the daughter of their hero General Bhutto. They came to cheer her, out of hope for something better, for opportunity and some kind of recognition despite the twisted deal she made with Musharraf to share power, despite her

proclamations that she would allow U.S. troops to come into Pakistan to help seize the terrorists. Apparently, her van moved only 2-3 kilometers in a parade lasting more than eight hours, unable to edge more quickly through the crowds, when a bomb blast exploded near her, killing more than 130 people, wounding another hundred or so at least and damaging the vehicle but leaving Benazir unharmed.

Despite what one thinks of Benazir Bhutto, nothing justifies this kind of bloodshed, this loss of innocent lives, the sense of terror that hardens everyone just a little bit more. I feel so deeply sad today. It is a familiar sadness linked to memory and loss. As I run along Marine Drive, I think of the families of the dead; of Ingrid Washinawatok, my Native American friend who was kidnapped in Colombia and killed by FARC; of Annie Mugwaneza who was murdered on the first night of the Rwandan genocide; for the loss of people I knew and had never met who lost their lives on 9-11. I visited Pakistan and Sri Lanka after the earthquake and tsunami that took

hundreds of thousands of lives in each country, and the effect was devastating, but natural disasters don't take a piece of your heart out in the way that human acts of terror and destruction do. Natural disasters pull us together, at least for brief moments of beautiful, hopeful solidarity. Human acts of terror divide us in grief and fear so much so that the only way we can see our way through sometimes is to harden ourselves against an "Other", whether real or imagined.

What continues to give me great hope is our team in Pakistan, the entrepreneurs we support, and our partners and friends. I speak with our Country Director, Aun. He had just gotten up for the day, and is talking to his family, feeling stunned and filled with sorrow himself. I can hear a sadness in Aun that feels similar to how I felt on that terrible day in 2001. The team will work at the office if they can make it there, he says, not wanting to acquiesce to fear, though he suggests that Ann and I delay our trip for at least a day, not knowing what the fallout might be and feeling it more prudent to wait a bit and see what happens. He sounds



Medicine Shoppe's simpler storefronts are among the Sehat formats most successful

exhausted but determined. We agree that our work has never felt more important to either of us, and I think we both feel a warming sense of solidarity and a sharing of grief.

We decide that Ann and I would wait a day or so, see whether things heated up or cooled down before making our trip there. What makes me proudest is the commitment of the Pakistan team – every person shows up in our office and works all day, recommitting to what we do every day and reaffirming the importance of creating a sense of hope amid the bloodshed and politics that wear down and decay but rarely build. The rest of the team around the world sends notes of solidarity. We are building a truly global community based on principles of belonging to one another and standing shoulder to shoulder. Each time the team is tested, this sense of a single family of strong individuals is solidified – just as the world should be.

### Medicine Shoppe/Sehat

Viraj Gandhi, CEO of Medicine Shoppe, is unequivocal: expanding into low-income markets has changed his company and changed him as well. Nearly three years ago now, he and Acumen Fund started our first conversations about what it would take to modify the pharmacy franchise model to bring integrated health services into low-income areas with a for-profit approach. Viraj initially was hesitant, given the risk and his lack of knowledge of the marketplace – he had not spent time in Bombay’s low-income neighborhoods and didn’t see them as having serious customers.

What he didn’t realize was how exhausted poor people are from paying exorbitant prices for the services of quacks who prescribe spurious drugs that often make them worse, not better, at significant cost. But Viraj is an entrepreneur who loves new challenges and was willing to take this on with patient capital and technical assistance from Acumen Fund. After the initial financing was completed, MS received an Acumen Fellow, Nadaa Taiyab who could not have been more disciplined and focused in doing what it took to open not one but, eventually, eight Sehat stores in a mix of low-income areas in Bombay. “She brought the Acumen culture of empathy and a focus on social returns,” Aashish, COO of the company, tells me. “And we feel so good about it and are making financial returns at the same time. It has changed the way we work. Now a big pharmaceutical company wants to work with us because of Sehat too. Here is where the learning happens.”

Raman Nanda, Acumen Fund’s Director of Portfolio Management, Ann and I drive for a half hour or so from the posh neighborhoods of Narayman Point and Colaba into increasingly crowded places until even the roads themselves narrow into pathways. Autorickshaws cram the paths, competing with people walking and hawking their



Sehat clinic doctors work to build trust among patients in the community.

wares. This Medicine Shoppe, located in a low-income Muslim neighborhood, still serves a diversity of people as we pass both temples and mosques and women covered in traditional black hijab mingle with fuchsia and turquoise saris. An old man sells bread from his bicycle; another drives a gas tank pulled by a tired cow. Storefront merchants sell everything from spice and incense to gold jewelry to vegetables to clothing.

The MS storefront is unlike any before – situated right on the street with an open front, it looks like the other stores in the area, not like the beautiful air-conditioned ones I’ve visited in the past. Viraj says they’d learned that low-income people felt the air-conditioning signified things would be expensive; and the big size and glass fronts made the places unwelcoming. And so everything was stripped down and opened to the street. The clinic here is a tiny room about 4 feet by 10 feet with white walls and a miniscule blue desk in front, with a navy velvet curtain separating the hospital bed and leaving just enough room for the doctor to stand in back, too. The pharmacy is also small, about 8 by 10, with walls covered in medicines and sundries like shampoos, diapers and baby cereal. And this is one of the busiest and most profitable of the Sehat clinics, after less than five months of operations: Know your customer and build from there.

Dr. Aisha, a 24-year-old newly minted doctor, greets us in the clinic. Wide-eyed with long brown hair hanging loosely down her back, the effervescent young woman invites all three of us to sit with her while two health workers stand in back, allowing no more room for anything except the hospital bed. She brims with enthusiasm as

she tells us she typically sees twenty people in a day, though it can reach forty-five or so in the monsoon seasons. The most frequent diagnoses she makes are fever, malaria, typhoid and TB. According to her, because Muslim women in the area tend not to use birth control, the number of pregnancies is high and so she sees many more cases of anemia and malnourishment than you would see in many other slum areas.

The clinic is open only from 6 pm to 10 pm each day and Dr. Aisha attends training in the mornings, hoping to get an advanced degree. She spends about fifteen minutes with each patient, providing counseling on basic hygiene and the like, as well as listening to their ailments and providing prescriptions. The cost of a visit is 20 rupees or about 50 cents; and the patients can deduct the 20 rupees from their purchase of low-cost medicines in the MS pharmacy next door.

The biggest issue here and everywhere Acumen investees work is in building and maintaining trust. That Aisha is a woman is key in this Muslim area where women won't see male doctors; that she is so young works against her; but her smile, affability and obvious concern for people come through and she's starting to see repeat customers. MS gives every patient a health card as well, making them feel more connected and looked after as patients with a real record of what has come before – something revolutionary in their lives. Keeping both pharmacy and clinic open until 10 pm (and she often stays much later if patients need treating) is another sign of commitment. Both she and MS's COO, Aashish, believe this outlet will continue to grow and expand.

Aashish tells me he loves working with this Sehat outlet because it is in the poorest area of all and he can see the need. "Before us, there were eleven quacks out of thirteen doctors serving thousands of people, and most medicines around here are spurious. People are more than willing to pay for quality services – they just don't have access to them. We can bring quality care at reasonable prices. It makes me feel so good about our work for we are really helping here. And the people are appreciating us."

The strategy is to continue to target these very low-income areas, learn from the people, and continue to expand Sehat. This work has caught the attention of a major pharmaceutical company, so there is even greater potential for scale. Small steps.

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In reality, there are no easy answers. Infrastructure, better governance, the right incentives and creating markets from the bottom up in a way that helps people imagine what they can do for themselves so that they begin to build and shape their own futures are all part of the complex puzzle to release people from the exhausting grip of poverty. Martin Luther King, Jr. allowed him to be put in the class of "unreasonable people" who refused to accept the status quo - we all need to become more unreasonable these days. Though the constraints are big, so is the capacity of the human spirit if we had the courage to unleash it. The eager children and farmer who had nothing but still wanted to dream of better things – each person deserves the chance to pursue a higher purpose.

Acumen Fund's focus on accelerating markets and effecting incremental change and then trying to understand and share the reasons for success – and failure – continues to guide our work. The challenge for us is to avoid complacency at all costs and hold a sense of urgency in all we do while building a growing community of social entrepreneurs who have the determination that it takes to do this for the long-term without capitulating to easier solutions that are not fully rooted and, thus, will never fully take hold.

Jacqueline Novogratz