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CHINA AND INDIA -- THE SOCIAL AGENDA

## India's Untold Story

For those at the bottom, standards of living are inching higher

The road to the remote village of Kharonda winds around the gentle slopes of the Sahayadri hills in the western Indian state of Maharashtra. Most of the road is well-paved, a black ribbon wrapped around hills washed a brilliant green by the abundant rainfall this year. Along the way, other small hamlets peep out of the misty hillsides, their red-tiled roofs flashing in the sun. The people of Kharonda and the other villages have a lot invested in this road. Through the seasons, even during the fierce monsoons, they use it to send the mangoes, guavas, and cashews they grow into nearby towns and distant cities for sale. They've got a new commercial activity, too, selling grafts of their flourishing mango trees to other communities in Maharashtra and the neighboring state of Gujarat.

Just a few years ago, Kharonda and the Jawhar district of which it is part were typical of the rural villages where 650 million of India's 1 billion people live. There was no road, and there were no orchards. There was only grinding poverty. In one particularly bad year, 1993, 45 children in Jawhar died of malnutrition in one week. Today the district's transformation proves what can be done, even with limited funds, to combat the poverty that many have thought would always be the fate of most Indians.

Yes, poverty is still a scourge in India. At least 200 million people earn less than \$1 a day, when they can find work. Their sense that their problems were being ignored helped the Congress party and its allies unseat the center-right government of Prime Minister Atal Bihari Vajpayee in May, 2004. Congress has since made poverty reduction a big focus, introducing a raft of programs aimed at the urban poor and rural areas like Jawhar. Yet a 2005 study by New Delhi economists Surjit Bhalla and Nirtha Das, who evaluated several anti-poverty programs over the last 30 years, found that less than 27 cents of every dollar allocated actually reaches the poor. The rest is misappropriated and misdirected by local politicians and bureaucrats, the study says.

### SWEET HARVEST

Still, progress, often through self-help, has been made. Indian government census statistics show the number of those living on less than \$1 a day has dropped from 26% of the population in 1999 to an estimated 20% today. A combination of projects by nongovernmental organizations, local villagers' efforts, and grants from the government has made the difference, as has the beneficial effect of 7% annual economic growth in recent years. "The big unsung story about India is the rapid strides it has made in poverty reduction, though many challenges remain," Michael F. Carter, World Bank head for India, told an audience of Indian industrial leaders last year.

Dhavalu Mahale of Kharonda is one of those unsung heroes. A tall, wiry man, Mahale, like other Jawhar residents, was a textbook example of extreme poverty 10 years ago. He cultivated finger millet, a rough crop used by tribals for their daily bread, on a denuded hillside inherited from his father. When the growing season was over, he and his family moved to the shanties of Bombay, where he did building and road construction. "I didn't like it, but there was nothing in the village," he recalls. Even with construction work, the total annual income for the family of five was \$80. Life was so hard that three of their five children died of malnutrition, and Mahale was desperate for a new chance. In 1995 he approached workers of BAIF Development Research Foundation, a private group in Pune.

The foundation had started a program in Gujarat, in which it worked with impoverished villagers to diversify their farming by combining agriculture with horticulture and forestry on fallow land. Maharashtra authorities had asked BAIF to replicate the program in the Jawhar district. It targeted 10 mountain villages, including Kharonda, where 1,000 families lived. The problems were enormous. There were no roads leading to the villages; deforestation and erosion were severe. And the locals were suspicious of the outsiders. But the staff persuaded some of the families to visit their projects in Gujarat. That helped, and in the first year, 67 families signed up.

BAIF workers found their way into the pathless mountains on motorcycles, carrying seed and fertilizer with them. They helped the farmers plant saplings and fruit grafts on the hillsides. They taught them to level the small patches of land and harvest rainwater by building small stone dams at the front edge of each patch. In the first year, 90% of the mango and other trees planted survived. Until the trees could bear fruit -- it takes four years -- the foundation taught farmers modern farming practices for the millet they were still sowing. When the trees finally bore fruit, each participating family netted an average of \$35 -- way over the \$7 savings they generally had upon returning from the city, recalls Sudhir Wagle, BAIF's chief program coordinator in Jawhar, who helped initiate the project.

### **NEW BRICK HOMES**

Mahale soon asked the BAIF workers for help. Wagle set Mahale to work planting fruit trees and developing land and water resources. And he planted high-value crops like watermelons until the mango trees bore fruit. His neighbors smirked. Who would buy the watermelons? How would they be transported? There were no roads. But Mahale persisted and managed to get his first crop to the nearest town. It earned him a princely \$115 -- more than he had ever earned in a year.

Meanwhile the government's Tribal Affairs Ministry pitched in. (Jawhar is populated by "tribals" -- indigenous people with special rights whose roots on their land go back millennia.) The Ministry gave cash grants to individual farmers of \$115 over five years to buy seeds and fertilizer, gave Kharonda a grant to repair and chlorinate the village well, and provided motors and pipes to help bring the water up the hillside to the land and into homes. Within five years, Kharonda and surrounding villages were producing tons of nuts, fruits, and other produce.

Today, villagers like Mahale are local role models. Mahale owns the largest house in the village of Kharonda: an eight-room structure with brick walls and a red-tiled roof. Inside, the house boasts electricity, running water drawn by motor from the local well, satellite TV, a sofa set, and a large bed in the master bedroom. Last month, Mahale bought himself a motorcycle with one of the consumer loans so easily available in India these days. His wife, Sintar, a stately woman with a confident smile, helps her husband. Their income is now nearly \$4,000 a year, the fruit of the 20 mango trees, 40 cashew trees, and a stand of eucalyptus, plus the 6,000 mango-sapling grafts they sell annually.

In fact, the income of the entire district has increased. The grass huts typical of less prosperous times are gradually being replaced by brick homes. Vans fly up and down the hill carrying sapling grafts, produce, and supplies. The successful program in Kharonda shows that, in its fight against poverty, "the government has kept space for human, social interventions -- more in India than anywhere else," says BAIF Executive Vice-President Girish G. Sohani. The program "catapults people from poverty right into the market economy," he adds. It's a model that is giving the abject poor of India hope, and could do the same for others who live in poverty around the world.

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