



NEW LETTER

EDI-EU PERKS



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Commission

EDI- EUROPEAN UNION PROJECT FOR ECONOMIC REGENERATION OF KACHCHH & SAURASHTRA

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"Keep a definite goal of achievement constantly in view.

Realize that work well & worthily done makes life truly worth living".

- Grenville Kleiser

Editorial

Whereas the new economic environment offers formidable challenges on one hand, it has also opened up opportunities in almost all areas on the other. Rural entrepreneurs as well as the artisans' community are also equally exposed to the dynamics, complexities, challenges and opportunities of the constantly evolving new world. Major changes in the Indian Economy and its accelerated rate of growth stresses upon the need for implementing advanced technology in product manufacturing. Rural artisans have also not remained untouched by this phenomenon. However, in the absence of technical orientation, artisans find it increasingly difficult to keep up the standards and meet the expectations of the buyers. Other disadvantages that accrue as a result of this are high cost of production and inability to deal with orders of large volumes. Acquisition of technology, however, is a distant dream for most of the artisans as the cost involved is high. But the fact remains that these artisans require a level-playing field, facilities and support, similar to those being made available to the bigger players.

Unless appropriate improvements in technology are introduced and provided to these artisans they will not be able to sustain the competition. Many have already been forced to step down because of their age-old traditional practices. Today, technology has become an indispensable factor that provides a cutting edge for success in the open market.

In view of the tremendous possibilities that exist in terms of setting up small and micro enterprises for a variety of products, be it the items of handicrafts or household products, need based production systems with adequate tools and machinery is required to be set up. But, an individual entrepreneur may find it extremely difficult to set up or even run a production unit because of lack of trained manpower, research & development support, marketing tie-ups, etc. Such situations can, however, be handled by setting up Common Facility Centers to empower small entrepreneurs/artisans to set up small enterprises, run them successfully, thus establishing them in the market within a period of 3-5 years.

Such a Centre will provide complete research & development set-up with latest machinery and equipment for use; work sheds with adequate space for manufacturing & processing products; latest information with regard to design & product development; tools & machines; markets and latest technology and managerial support to rural entrepreneurs. There are government programs, which support such initiatives. The Artisans Guild Program of the National Bank for Agriculture and Rural Development is one such program. NGOs will have to take the lead and help artisans form groups and subsequently render support in procuring technology.

- Nabarun Sen Gupta
Editor

Important Developments in EDI EU-PERKS Project

Enterprise Development Program

During the month, the third phase of the Entrepreneurship Development Program was launched at 34 different locations. Care was taken to cover areas that had not been touched in the previous phases in the program. The selection of the trainees was specially looked into and the EDI team imparted critical inputs in areas such as Achievement Motivation and Business opportunity Identification.

Progress of the previous two phases towards enterprise establishment was also noted. Linkages with banks and other agencies of the state were targeted so as to ensure that the pending cases were reconsidered by the agencies for support.

Table 1
The Distribution of Programs

	Kachchh	Saurashtra	Total	Participating NGOs
EDP	10	08	18	10
REDP	09	07	16	12
Total	19	15	34	14*

* Some NGOs are conducting both REDPs and EDPs and hence counted more than once.

Industrial Rehabilitation Program (IRP) and Corporate Linkage Program (CLP)

In the second year of the EDI-EU Project, plan is to assist 120 units under the Industrial Rehabilitation component of the program. During the period 49 units have already been identified and provided with rehabilitation assistance.

In the first year of the project, 70 units were provided industrial rehabilitation assistance in critical areas such as, credit linkages, technology inputs, visit of EDI technical experts for technical assistance and market linkages.

During the said period, 35 new SMEs were identified and enrolled for the Corporate Linkage program. Also 17 corporates were identified and one-to-one meetings were held with them to explore marketing tie-ups, vendor registration and other linkage based assistance to SMEs.

Under the Corporate Linkage Program, 38 SMEs have already been linked with 12 corporates with the objective of reviving the SMEs.

PERPEUG PARTNERS' MEET at Anantpur, AP

EDI-EU PERKS Project Directors attended a three-day meeting convened by Rural Development Trust (RDT) at Anantpur, Andhra Pradesh. The meeting was held between 24-28 August 2003 to discuss with the EU and other partners the status and impact of the project so far and evolve ways and means to increase cooperation and synergy among the EU Project partners.

The meeting was attended by Shri Rajiv Mehta, Advisor, EU and representatives from partner agencies namely: SEWA, ICA Domus Trust, Rural Development Trust, Aga Khan Foundation, Caritas and International Organization on Migration.

Shri Mehta, emphasized the need for increased activity based cooperation and synergies so as to avoid duplication of efforts in certain areas of PERPEUG project as well as to make effective use of expertise available with different partners. He wanted the meetings to be held at least once a month.

The meeting helped the partners develop an understanding of the competence and possible areas of synergy. One-to-one interactions among the partners were discussed so as to formalize the mechanism of sharing expertise.

Private Artificial Insemination Centres

A Business Opportunity for Educated Youth in Rural Areas

Animal husbandry, is an important livelihood and income generation activity carried out by a significant percentage (10-12%) of the rural population in Kachchh and Saurashtra. Except in the areas where irrigated agriculture is prevalent like the Mandvi and Mundra talukas, the whole of Kachchh has a large number of people depending on animal husbandry as a means of livelihood.

This cattle rearing activity is generally carried out by certain specific caste groups. The whole community of Rabaris is usually engaged in the occupation of cattle rearing and animal husbandry. The Charan community is also engaged in cattle rearing in jungles. Similarly the Ayar community of Kachchh and Saurashtra has this as their main occupation. Animal husbandry includes both small (Goats and Sheeps) and big animals (Cows, Buffaloes and Camel).

During the need assessment study, conducted by EDI, it was realised that cattle stocks are mostly local, and efforts initiated by the department towards the betterment of stocks had yielded less results as back up services could not be provided. The doctors involved with artificial insemination is also often available at Block Headquarters and is to be specially invited. The doctor's fees, the cost of semen and the transportation cost all summed up to be an exorbitant amount. This has resulted in low offtake of this program.

Interestingly this activity is not very technical in nature and if local people are trained in doing this, it could help in generating sources of income for some. The Milk Federations particularly the NDDDB network, conducts three months' technical training to help develop a cadre of private AI (Artificial Insemination) agents. As the demand for this service is high, the AI agents are gainfully engaged.

An AI agent can service a small area of 10-15 villages and provide support to a population of 5000-6000 cattle heads. With an investment of Rs 56000 (which includes Equipment, Castrator and a two wheeler and other expenses) the AI agent can make an annual profit of Rs.

36000 to Rs. 96000 depending on the spread of his service and acceptance of his expertise in the area. An expense to the tune of Rs. 26000 could be reduced as the 'Cryocans' are provided to technically trained personnel by the state government under grant assistance. The AI agents will have to procure necessary vaccines, frozen semen and liquid nitrogen by cash regularly from the agencies involved, which works out to around Rs 20-25 per dose. Interestingly the price of AI agents ranges between Rs. 75-100 along with incentives in case of success. The IRR for the project works out at greater than 50% and a benefit cost ratio of 1.28:1.

The rural youths having secondary school leaving certificate can make this a profession and earn a good return out of providing this service as Private AI Agents. S/he may over a period graduate into a bare foot doctor carrying out other simple services like vaccination and castration.

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The Training Coordinator

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Success Story of an Army Personnel enjoying being a business person



Soldier turns into a Photographer

Smile.... Please.....Flash..... Click.. ... Yes, this is what Sri Subhash Parmar does. Taking photographs is not just a business for Subhash but has become his passion.

A brilliant first class Commerce graduate who was working with the Indian Army as Accounts Clerk felt that he was not able to do justice to his present job as he did not enjoy it any more. He felt that he was not made for it and so finally decided to leave the job to do something of his own, leaving behind a good salary and a secured life. His parents were anxious when they heard about his decision to quit such a good job. However, he already had something in his mind, but absence of knowledge on doing business made him quite anxious. And then he heard about the EDI-EU sponsored Entrepreneurship Development Training Program that was to be run by an NGO, Anmol Foundation, in his area. A pamphlet in this connection apprised him about the program. Out of curiosity he went to get some more information and during his discussions with the ED trainer he found that this training could certainly help him in setting up his business. He filled up the details given in the application form, attended the interview and finally saw himself in the training program.

During the program he got information on Business Opportunity Identification and also the techniques of assessing himself, using the SWOT analysis parameters. He had some basic ideas about photography as he had

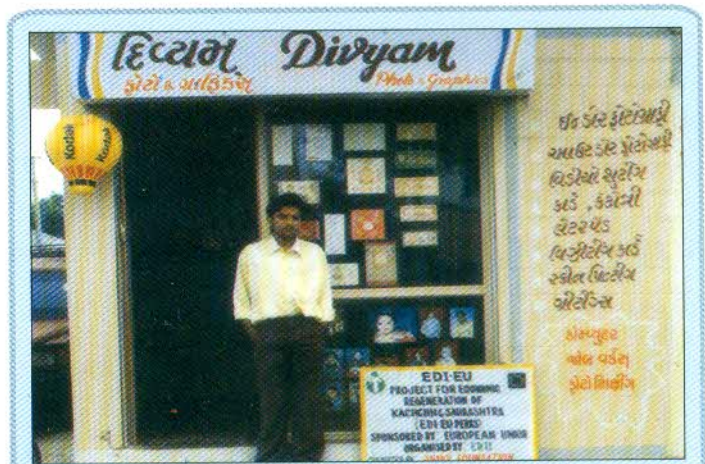
worked with a studio during his college days and so decided to learn and start the business of photography. He knew that he could seek his uncle's support as his uncle had some technical knowledge regarding photography. During the EDP training sessions he got valuable inputs on market research and marketing, costing and managing accounts of business, business plan, project report preparation, etc. Achievement motivation training also benefitted him a lot. He could realise that his confidence level had increased after attending the training program.

As soon as he finished the training he started his practical training with his uncle and also started looking out for a proper place to start his own studio. Finally he hired a shop and raised necessary capital from his own resources along with some borrowings from his parents to purchase a good quality camera, lighting tools, other instruments and furnishing items. He could manage to raise a capital of Rs. 125000, which he invested in this business. He also had a fairly good idea about working with photographs on computer and so put a computer that he had, into use. He got his studio inaugurated in the first week of November at Madhapar.

During the first two months he could not generate customers but slowly his business picked up. Since January he has been doing quite well. He has learnt the tricks of the trade and is today a leading photographer in his area. Keeping good relations with his customers and offering them timely and quality services has become his USP. He makes a profit of five to six thousand every month and in order to diversify, plans to get a photocopier installed at his shop. This will keep him busy and also bring in some additional income.

Mr Subhas is a changed person. In his words ".....this training has helped me transform my life .I wanted to do something different but how and, what.... had no idea. But suddenly this training changed everything. Now I am getting the satisfaction of working for myself and that too on my own terms....".

(Documented by Neeraj Sharma, Field Associate, Bhuj Office)



Subhash Parmar, Trainee, 1st EDP, seen in front of his studio

The European Union (EU)

The European Union, previously known as the 'European Community' is an institutional framework for the construction of a united Europe. It is a unique, treaty-based, institutional framework that defines and manages economic and political cooperation among its fifteen European member countries. The Union is the largest stage in the process of integration begun in the 1950s by six countries-Belgium, France, Germany, Italy, Luxembourg and the Netherlands - whose leaders signed the original treaties establishing various forms of European integration. While common EU policies have evolved in a number of other sectors since then, the fundamental goal of the Union remains the same: to create an ever closer union among the people of Europe. Presently 15 European countries; are the members of European Union.

Gujarat Earthquake & EU

On the day of the Earthquake the Commissioner for External Relations, European Commission (EC), Mr. Christopher F. Pattern was on his visit to India. Knowing about the tragedy, he not only offered his condolences but also showed his solidarity with the ill-fated people of Gujarat which culminated into an assistance of Euro 100 million (Rs. 400 crores) for relief and rehabilitation efforts in the region. EDI is privileged to be a partner of EU in this effort.

Good Practices in Europe: Promotion of Female Entrepreneurship

Researches in European countries have revealed low participation of women as entrepreneurs vis-à-vis the male counterparts. Women experience greater difficulties in establishing and maintaining businesses. The research found out gender discrimination and stereotypes, weak and inflexible supply of childcare facilities, difficulties in reconciling business and family obligations, as well as differences in the way women and men approach entrepreneurship as reasons for poor participation.

In order to facilitate and promote businesses by women, the EEA Member states (European Union and most European Free Trade Area countries) have taken various measures like funding, training, mentoring, information/advice and networks. The European Commission too has made considerable efforts to address the issue of female entrepreneurship within the framework of various policies and initiatives. This includes, Structural Funds, the European Employment Strategy, the fourth Community Action Program on Equal Opportunity For Women and Men, the Framework Strategy on Gender Equality (2001-2005) and the 3rd Multi-annual Program for SMEs in the European Union.

These efforts had resulted into some success. A project carried out by the Austrian Institute for Small Business Research in collaboration with the European network to promote women's entrepreneurship documented the best practices and also examined and evaluated the various national measures for promoting female entrepreneurship. The publication on "Good Practices in the Promotion of Female Entrepreneurship - Examples from Europe and other OECD Countries" is now available in English and French. Another handbook entitled "Evaluating Actions and Measures Promoting Female Entrepreneurship - a Guide" is also available.

To obtain the info please visit: <http://europa.eu.int/comm/enterprise/entrepreneurship/craft/craft-women/bestproject-women.htm>

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The EDI

Entrepreneurship Development Institute of India (EDI), is an autonomous and not-for-profit Institute set up in 1983, by IDBI, IFCI Ltd., ICICI Ltd., SBI and Government of Gujarat. EDI has been spearheading entrepreneurship movement nationally & internationally through education, research and training.

One of the priority areas for EDI is to identify, motivate, train and create micro and rural entrepreneurs through self-employment and small business development programmes. It is being implemented by about 350 Voluntary Organisations throughout the country. The Institute has completed 13 years of fruitful partnership with NGOs in implementing Micro Enterprise Development Programmes (MEDPs) and other related programmes, particularly in rural areas. The Institute has conducted 610 MEDPs during the decade, training 15,243 rural youths, besides a cadre of 586 Rural Entrepreneur Trainer-Motivators.

The Institute has also been working towards capacity building of NGOs and sensitizing environment and support system. In the programmes on micro-credit, about 100 professionals from NGO sector have been developed to manage credit operations. To facilitate smooth flow of credit, EDI has also been sensitizing bankers, through NGO-BANKER Interface programmes.

Our Partner NGO

JAY BHARATI FOUNDATION

In the Dholka block and Daskoi block of the Ahmedabad district, Jay Bharti Foundation (JBF) started its initiatives in the development sector by creating 10 Self Help Groups, particularly of the women, for socio economic development of the regions. These groups have since created forward linkages with the banks. They are working on upscaling the activities of these groups to bring a sustainable solution to their problems. The major constraint of these communities was unavailability of small loans at affordable interest rates. JBF has been able to provide them short-term small loans through SHGs and are also involved in capacity building of these groups so that they may take up larger social issues.

The problem of unclean drinking water, with the support of Viksat and Nehru Foundation, was taken up by JBF in Daskoi block.

JBF also responded to the tale of riots in the city of Ahmedabd. Immediate relief to the victims, and counselling the affected families for a long period after the riots made their work extremely valuable. With support from GWEDC (Gujarat Women Economic Development Corporation) JBF has helped 125 women undergo technical training in 'agarbatti' (incense sticks) manufacturing. These women were adversely affected during the riots and had suffered both economic and human loss. On an average two third of these women have created their own enterprises for making incense sticks. JBF is also helping these women develop market linkages. These woman today earn a profit of Rs. 2000-2500 every month.

The NGO had also taken up massive relief work after the devastating Gujarat Earthquake.

It has also conducted several camps on the issues of reproductive health for women in rural areas. JBF has also conducted youth awareness camps and addressed the issues of adolescence, safe behavior and prevention of HIV/AIDS.

A partner in the EDI-EU project, JBF is implementing some of the EDPs and REDPs in Surendernagar district.

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