

“When my husband left me
I had nothing. Today everyone
knows me. I am someone.”





Rojamma (right) with her 15 year old daughter Krishnaveni and 18 year old daughter Maheshwari who both go to school in a nearby village. Rojamma is proud that the income she earns from *Project Shakti* has enabled her to educate her daughters and give them a better chance in life than she had.

For Rojamma, Project Shakti means being able to educate her daughters

Rojamma is a single parent living in Kurumurthy, a small rural village 150 kilometres south west of Hyderabad in the Indian state of Andhra Pradesh. From a very poor background, she was married at seventeen to a man with whom she had two daughters but who then left her to fend for herself. At first she earned a few rupees working in her mother's field but she found it difficult to live on.

A few years ago she joined a women's self-help group that was formed in the village to help women like Rojamma. "It felt good to be part of a group but that's not the same as eating food", she remembers. But then a man from Hindustan Lever came to Kurumurthy and told the women about *Project Shakti*. "From that moment my life changed".

Hindustan Lever is Unilever's business in India. Its brands include such well-known names as *Lifebouy*, *Lux*, *Surf*, *Vim*, *Pond's* and *Lipton*, as well as local brands, such as *Kissan*, *Annapurna*, *Lakme*, *Fair & Lovely* and *Wheel*.

The company generates around half its business from India's towns and cities and half from rural areas, where its products are sold in some 100,000 villages with populations of 2,000 or more. By the end of the 1990s, however, the company realised that to increase its market share it had to expand the market. The challenge was how to reach the 500,000 villages with smaller populations in more remote parts of the country, where there are millions of potential consumers but no retail distribution network,

no advertising coverage and poor roads and transport.

Hindustan Lever's solution, called *Project Shakti* (which means 'strength' in Sanskrit), was both bold and innovative. The company decided to tap into the growing number of women's self-help groups that had been springing up around the country. These groups, about one million of which now exist across India, are usually formed to help women save money and borrow from each other to avoid the excessive demands of unscrupulous moneylenders. Hindustan Lever made presentations at rural self-help group meetings, initially in Andhra Pradesh, and invited women, including Rojamma, to become direct-to-consumer sales distributors.

The company provides self-help group women with training in selling, commercial knowledge and book-keeping, teaching them to become fully-fledged micro-entrepreneurs. The women who are trained can then choose to set up their own business or to become *Project Shakti* distributors – or *Shakti Ammas* ('mothers') as they have become known. Each woman who becomes a distributor invests 10,000 – 15,000 rupees (US\$220-330) in stock at the outset – usually borrowing from self-help groups or micro-finance banks facilitated by Hindustan Lever. Each aims to have around 500 customers, mainly drawn from her village's self-help groups and from nearby smaller villages.

Most generate sales of 10,000-12,000 rupees a month, netting a monthly



Sujathamma Jella, who is both the *Project Shakti* distributor and *i-Shakti* kiosk owner for Peddakaparthi village, Andhra Pradesh, outside her house. Behind her, on the wall of her house, a painted poster advertises *i-Shakti* is inside.

profit of 700-1,000 rupees (US\$15-22). For those with husbands who work in the fields, this typically doubles the household income. For single mothers like Rojamma, it is a far cry from the handful of rupees she earned working in her mother's field.



Sujathamma's computer isn't just used as a portal for *i-Shakti*. These children are being taught IT skills by their school teacher, Nanda Kishore, on the village's one and only computer.

Project *Shakti* has proved to be a great success for Hindustan Lever and for women in India. The project started in a few pilot villages in Andhra Pradesh in 2000. In 2002 it expanded to two states and by the end of 2004 had grown to over 13,000 *Shakti* women entrepreneurs covering 50,000 villages in 12 states, selling to 70 million consumers. This represents a 30% increase in rural population reached.

Hindustan Lever has had strong support from over 300 partners, including NGOs, banks and both state and local government departments, who recognise the potential for economic growth by encouraging women to become entrepreneurs. Andhra Pradesh typically had a 3% success rate in creating entrepreneurs among women's self-help groups prior to *Project Shakti*. This initiative has a 90% success rate so, not surprisingly, Andhra Pradesh's Women's Empowerment Commissioner, Ms Ramalakshmi, requests monthly updates on *Project Shakti's* progress.

In 2003 Hindustan Lever started to pilot an information technology initiative called *i-Shakti*. This is designed to meet rural villagers' information needs

and provide organisations with communications access to those parts of the country not reached by TV, radio and newspapers. This involves creating village 'kiosks' containing internet-linked computers run by entrepreneurs.

i-Shakti was formally launched in partnership with the Government of Andhra Pradesh in November 2004, and aims to have 3,500 *i-Shakti* kiosks on stream by the end of 2005. Mostly housed in the homes of *Shakti* entrepreneurs, *i-Shakti* kiosks provide villagers with free information on a wide range of topics, including health and hygiene, agriculture and horticulture, child and adult education, finance, employment, and entertainment.

Content is in the local language and has been specially developed by institutions and NGOs with experts in these fields, including the Azim Premji Foundation for children's education, the Tata Consultancy Services' Adult Literacy Programme and ICRISAT (International Crops

Research Institute for the Semi-Arid Tropics) for information on agriculture.

i-Shakti also includes an interactive service in which villagers can email questions to a panel of experts and receive a response within 24 hours. Sharat Dhall, Hindustan Lever's Business Head for the *Shakti* initiative, is excited about *i-Shakti's* capabilities: "Farmers can find a quick solution to pest problems with their crops, villagers can email their symptoms to a doctor and get a diagnosis in hours rather than days, and computer programs with voiceovers will teach people who are illiterate".

Hindustan Lever and its partners are funding the initiative in the initial stages, but in future it is planned to charge content providers and brand advertisers to make the initiative self-financing and to generate incomes for *i-Shakti* entrepreneurs.

While Hindustan Lever is intent on building its rural sales and market share, it is equally committed to improving the lives and livelihoods of people in India. *Shakti Vani* ('Voice') takes *Project Shakti* a stage further. Hindustan Lever is now training rural women to give talks to villagers about basic health practices, such as good hygiene, disease prevention and pre- and post-natal care.

"*Project Shakti's* role in creating incomes for underprivileged rural women and helping to empower them economically is more important than sales alone", says Sharat Dhall.

"Creating incomes is more important than sales alone"

He believes *Project Shakti*, *i-Shakti* and *Shakti Vani* will have the potential to act as a catalyst for creating new markets and generating rural micro-economies.

He recognises this is something that Hindustan Lever cannot achieve alone and is actively

building links with non-competitive partners, such as ICICI Bank, which specialises in micro-loans. At the same time, competitors and companies from other sectors are watching *Project Shakti* very closely and are expected to develop similar distribution models.

Project Shakti's goal is to recruit 100,000 *Shakti* entrepreneurs covering 400,000 villages and 400 million consumers by 2008. "I believe it can become the biggest rural operation in the history of Indian business and change the way companies look at reaching consumers living in the smallest of villages", says Sharat Dhall.

"It can become the biggest rural operation in the history of Indian business"

For the thousands of women like Rojamma who have become *Shakti* entrepreneurs, this initiative has already changed their lives in ways that are much more profound than the income they earn selling soaps and shampoos. It has brought them self-esteem, a sense of empowerment and a place in society.



Many of the brands Rojamma sells are produced in small sizes to meet the needs and pockets of low-income consumers. For example, sachets of shampoo sell for as little as 50 paise (half a rupee) each.

As Rojamma says: "When my husband left me I had nothing except my daughters. Today everyone knows me. I am someone now". It has also meant she has been able to send her daughters to school, giving them the chance in life she didn't have, although Rojamma's aspirations for them remain modest: "I hope they have happy marriages and they too become *Shakti Ammas*".



As *Project Shakti* expanded into more and more villages, Hindustan Lever realised it could play a role in improving general health awareness. *Shakti Vani* ('Voice') is a brand-led communication programme that educates rural communities about basic health practices, such as pre- and post-natal care, infant nutrition, sanitation, good hygiene practices, and the prevention of common diseases.

Rural women, such as Jaya Bharaehi (centre), are appointed *Vanis* and trained to give talks to community gatherings, such as schools and village get-togethers. By the end of 2005, *Shakti Vani* will have visited 50,000 villages reaching over 12 million people.

Unilever believes that one of the best and most sustainable ways it can help to address global social and environmental concerns is through the very business of doing business in a socially aware and responsible manner.

This is one in a series of occasional articles called *Global Challenges – Local Actions* that looks at how Unilever companies are tackling global social and environmental concerns by working in partnership with local, national and international agencies, governments, business organisations and NGOs.

Hindustan Lever works in partnership with over 300 organisations on *Project Shakti* and *i-Shakti*.

For more information about *Project Shakti* and *i-Shakti*, including details of partner organisations, visit www.hllshakti.com or for more about Hindustan Lever visit www.hll.com

If you would like to know more about Unilever's social and environmental activities, please visit www.unilever.com/ourvalues/environmentand society. There you will find copies of our latest social and environmental reports and copies of previous articles in this series. Subjects of other articles include:

- Global Challenges – Local Actions**
- Micronutrient deficiency in Africa
 - River pollution in Indonesia
 - Diarrhoeal diseases in Asia
 - Climate change/refrigeration in Europe
 - Sustainable fishing off Africa

We would like to hear from you. If you have any questions about this publication or any other aspect of Unilever's environmental and social policies, please contact: csrcomment@unilever.com

Or write to:
Corporate Relations
Unilever PLC
PO Box 68
London
EC4P 4BQ
United Kingdom

Corporate Relations
Unilever N.V.
PO Box 760
3000 DK Rotterdam
The Netherlands



Unilever