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LIVELIHOOD OPTIONS

Gujarat sets up firm for CSR; may sign pacts with 30 firms

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AHMEDABAD

Gujarat has set up a company to tie up with businesses for promoting corporate social responsibility (CSR) activities that would help about a million people over the next three-five years.

The Gujarat Livelihood Pro- motion Co. Ltd (GLPCL) is expected to sign agreements with at least 30 firms, including Reliance Retail Ltd, Tata Motors Ltd, Kishore Biyani-controlled Future Group, ITC Ltd, Arvind Ltd and National Spot Exchange Ltd to create livelihood options for the rural poor.

The concept, the brainchild of chief minister Narendra Modi, is meant to encourage inclusive growth through social enterprises and promote the so-called rurban concept, where rural residents are provided livelihood without moving them to urban areas, said a senior government official familiar with the development. "There are about 200,000 self-help groups (SHGs) in the state with 2.5 million members. We will help companies identify SHGs in various sectors for training. The companies will also buy their products," he added, but declined to be identified, saying a formal announcement will be made next week at the Vibrant Gujarat Summit, the state's biennial event to attract investment.

GLPC will provide working capital to rural ventures run by SHGs and help them upgrade technology. The National Skill Development Corporation, set up as part of the National Skill

Development Mission to meet the country's growing need for skilled manpower across sectors, will provide funds for training as soft loans and grants, the official said.

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Seven banks, including State Bank of India, Bank of Baroda and Dena Bank, have agreed to fund the participant beneficiaries of the scheme on a fast track basis. They are together expected to sign memoranda of understanding (MoUs) worth `16,000 crore.

As part of the microfinance linkage to SHGs, the State Level Bankers' Committee of Gujarat on Thursday agreed to give cash credit of at least `50,000 to every SHG that has completed six months of formation after grading at about 9% interest.

Several CSR projects are already in the pipeline.

Future Group, for instance, is expected to enter into an agreement to provide livelihood to 100,000 people by purchasing garments from them. Chairman Biyani said they are working on project details.

Tata Motors is planning to train 5,000 poor people to drive goods vehicles. The company will also sell its Ace mini truck to SHG members at a discount. A Tata Motors spokesperson declined to comment.

ITC will sign an agreement for contract farming and drip irrigation, while Reliance Retail and Arvind will work with SHGs for sourcing garments. "We are also in talks with Wal-Mart. They are very keen to work with us and may sign an MoU two months later," the official said.

Carpet exporter Jaipur Rugs will train 15,000 carpet weavers of Gujarat whose skills have become "outdated".

Anjani Sinha, managing director and chief executive of National Spot Exchange, said the bourse will try reaching out to 500,000 farmers in the next three years using GLPCL's network of SHGs. National Spot Exchange provides an electronic platform for spot trading in agriculture and non-agriculture commodities.

Besides farmers, GLPCL also aims to create employment for fishermen and salt-pan workers. It is already in talks with Kerala Aqua Ventures International Ltd, a Kerala government initiative, for export of ornamental fish that will fetch a better price for fishermen.

Sabras Processing and Marketing (Pvt.) Ltd, a producers' company owned by marginalized salt pan workers of Gujarat with about 40 members, plans to expand its reach with the help of GLPCL, said Rajesh Shah, managing director of the company.