



# SPREADING SMILES

SOCIAL AUDIT REPORT  
2005-06



**DR. REDDY'S**  

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**FOUNDATION**



## Social Audit Statement

Dr. Reddy's Foundation 2005-06

The Social Audit Panel has examined the draft Social Accounts submitted to us and discussed them in detail with Mrinalini Shastry, Namrata Kaur, MV Sharma and other staff and trustees of Dr. Reddy's Foundation at the Social Audit Panel meeting held on Tuesday, 24 January 2007.

We have examined the revised Social Accounts which were prepared following the Social Audit Panel meeting and which have taken into account various points identified in the notes of the Social Audit Panel Meeting.\* We have also examined a sample of the data and the sources of information on which the Social Accounts have been based. We believe that the process outlined above has given us sufficient information on which to base our opinion.

We are satisfied that, given the scope of the social accounting explained in the revised draft and given the limitations of time available to us, the Social Accounts are free from material mis-statement and present a fair and balanced view of the performance and impact of Dr. Reddy's Foundation as measured against its stated social, environmental and economic objectives and the views of the stakeholders who were consulted.

In the notes of the Social Audit Panel meeting we identified a number of important issues to be taken into consideration during the next social audit cycle. In particular we would refer to the following:

- That the Values of DRF be reviewed and stakeholders consulted in future social audit cycles about how well DRF lives up to them. The Panel very much supported DRF's intention to review the wording of its Objectives and Activities and consequently its use of appropriate indicators;
- That DRF consider in future exploring in greater depth its performance and impact on selected aspects of its work;
- That DRF develop an environmental policy and report in future social accounts on environmental practices and impact;
- That DRF consider exploring in more depth the differences of performance and impact across the states, and likewise the other issues identified during the panel meeting.

The members of the Social Audit Panel were:

- Mr John Pearce, Social Audit Network UK (Chair)
- Ms Amita Joseph, Director General, Business and Community Foundation
- Mr Sudhakar, Dean, Education, Osmania University
- Ms Bhuvaneshwari Ravi, Head of CSR, Dr. Reddy's Laboratories Ltd.



**John Pearce**  
*Chair of the Social Audit Panel*

Dated: 26 March 2007

\*The notes of the Social Audit Panel meeting form part of the Social Accounting and Auditing process and may, by arrangement, be inspected along with the full social accounts at the offices of Dr. Reddy's Foundation at 6-3-655/12, Somajiguda, Hyderabad - 500 082. Members of the Social Audit Panel have acted in an individual capacity.

## Acknowledgements

The second Social Accounts were initiated keeping in mind the need to expand its scope and include programs other than LABS as well. This was possible due to the collective efforts undertaken by many people who contributed directly and indirectly to the entire process.

We appreciate the efforts of the Senior Management Team in DRF and the Board of Trustees, who constantly supported this endeavour. We would like to acknowledge the Head Office Staff and the LABS field staff who have been patient in accommodating our field visits across 8 states. The support extended in Karimnagar and Raipur needs special mention. The Administration and the Finance teams have been equally cooperative in fulfilling our myriad requests.

We are grateful to all the partners who contributed in this year's accounts by sharing valuable thoughts, and also those who have been continuously supporting us in our activities. This year's Social Accounts have attempted to include education, and we are thankful to the team for their continuous support and understanding as it was our first foray into this area.

We thank the Poverty Learning Foundation team, which helped us in achieving the targets we had set and contributed in the preparation of the preliminary report on LABS. We also acknowledge the effort put by Mr Amit Upadhyay, who supported us in the collation of all the programs in the accounts.

We extend our sincerest appreciation to all the Social Audit Panel members for giving us their time and effort and providing an opportunity to experience an enriching and insightful discussion. Their ideas and insights have been instrumental in enhancing our perspective as well as serve as a guiding light for the future accounts.

We also sincerely thank all the aspirants, their families and neighbours along with the employers who shared their views with us.

This is a shorter version of the Accounts, and the detailed report is available with us. In case there is any feedback or comment, please let us know.

Mrinalini Shastry

Namrata Kaur

Livelihoods

Education

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## Abbreviations used in this Report

<b>AP</b>	- Andhra Pradesh
<b>ABC</b>	- Adolescent Bridge Course
<b>BSC</b>	- Basti School Committee
<b>BSPA</b>	- Bed Side Patient Assistance
<b>CBO</b>	- Community Based Organisation
<b>CRS</b>	- Customer Relation Services
<b>DRF</b>	- Dr. Reddy's Foundation
<b>EGMM</b>	- Employment Generation Marketing Mission
<b>ILO</b>	- International Labour Organisation
<b>ITES</b>	- Information Technology Enabled Services
<b>J&amp;K</b>	- Jammu and Kashmir
<b>LABS</b>	- Livelihood Advancement Business School
<b>MEO</b>	- Mandal Education Officer
<b>MFV</b>	- Mobile Food Vendor
<b>MRP</b>	- Mandal Resource Person
<b>NGO</b>	- Non-Government Organisation
<b>QUEST</b>	- Quality Education and Skills Training
<b>SCOPE</b>	- School Community Partnership in Education
<b>SDC</b>	- School Development Committee
<b>SPD</b>	- State Project Director
<b>SSC</b>	- Secondary School Certificate
<b>WGS</b>	- White Goods Services
<b>WRM</b>	- Work Readiness Module

## Introduction

What happens when India's premier pharmaceutical company decides to make a stellar contribution to the social sector, bringing its experience of diversification and expansion to its existing social work endeavours? The goal of expanding responsible social entrepreneurship among corporate houses is in line with the mission-trajectory of Dr. Reddy's Laboratories, of which Dr. Reddy's Foundation (DRF) is an ameliorative arm.

DRF has increased the scope of its activities since the last financial year, apart from adding new programs to the existing stable. Central to these innovations has been the design of the 3-to-35 years' continuum, understanding which allows for an understanding of the basic tenets of the DRF philosophy.

DRF has completed its 10<sup>th</sup> year of operations, and as determined in the last Social Audit, an annual Social Audit Report of these new developments within the past year is in order. Taking the lead from last year's Social Audit Report, the reasons for undertaking stated therein still hold true here and now, and they are stated below:

- To report accurately and honestly on all the achievements of the programs
- To allow our stakeholders to affect the behaviour and influence the policy of the organization.
- To demonstrate to our partners what the organization has achieved and what it is capable of achieving
- To acquire a sharper understanding of DRF's core values and objectives
- To stimulate a more open and honest internal and external appraisal.
- To prepare for the large scale up of activities that is already showing in our operations.





# DR. REDDY'S FOUNDATION

## Mission

We believe that equity in education and livelihoods helps in building an inclusive society.

We strive to create quality opportunities in education and livelihoods, with particular focus on the deprived. We work in partnership with all concerned in this endeavor.

## Values

- Need to give back to society.
- Catalysing innovative and sustainable change.
- Mentoring private and public enterprise and facilitating transfer of successful business practices, skills and resources to benefit non-profit initiatives.

Dr. Reddy's Laboratories is a market leader in pharmaceuticals, and the work of DRF has internalised the goals of the umbrella organisation. Believing in the 'Triple Bottom Line' approach, Dr. Reddy's Laboratories evaluates its work on the economic, environmental and social dimensions of performance. DRF, the non-profit partner of Dr. Reddy's Laboratories, helps it to reach out to underrepresented and underprivileged communities in a focused manner.

DRF is a social change catalyst that fosters, develops and promotes initiatives at individual / group / organization levels to promote sustainable social development. Believing in the inherent motivation and capacity of the human being for progress – given the appropriate and adequate environment, the Foundation innovates and tries out novel concepts that are continuously refined and scaled up to cover larger groups of deprived populations.

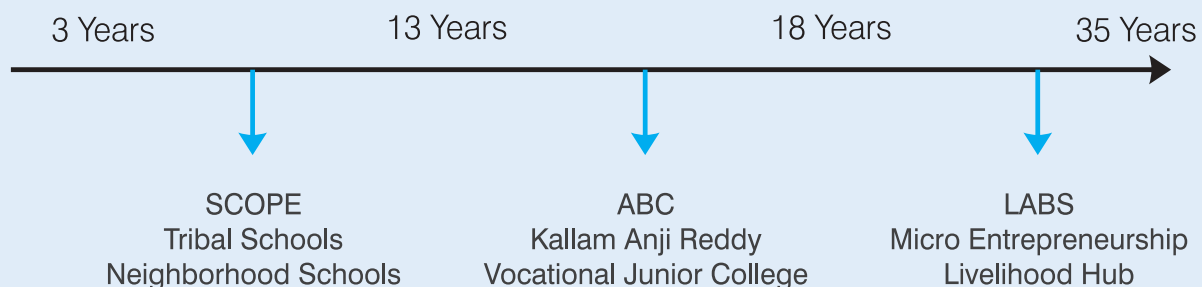
Following from this belief, DRF is currently engaged in two broad areas of operation:

- **Education:** Education focuses on providing opportunity for learning to those that have dropped out as well as improving the quality of education in schools.
- **Livelihoods:** Livelihoods addresses issues of income increase, employability and vocational empowerment through a multitude of programs.

The target groups that DRF addresses range across the continuum of age 3 to 35, catering to their specific needs as depicted in the diagram



## DRF Opportunity Continuum



## EDUCATION

- **School Community Partnership in Education (SCOPE)** (January 2003<sup>1</sup>): SCOPE works with over 70 schools in the Balanagar area of Hyderabad<sup>2</sup>. This is a comprehensive program working on increasing enrolment, retention and successful assessment rates in government schools. This is achieved through a variety of interventions such as residential / non-residential bridge schools, pedagogical support to teachers, active community involvement in the schools, etc. These interventions are also being applied in the tribal context in Khammam district, with over 25 schools.
- **Adolescent Bridge Course (ABC) Centre** (July 2005): For those who opted to drop out of mainstream education due to pressures of income, family, etc., the ABC centre provides a fresh opportunity. It helps dropouts prepare and appear for the age-appropriate board examinations -Class VII and Class X. Intensive academic support is accompanied by career exploration, so that children in the age group of 13-18 are aware of the value of education, and the opportunities available to them.
- **Kallam Anji Reddy Vocational Junior College** (June 2003): This 2-year certified vocational training particularly aims at adolescents between the ages 15 to 21 years who look out for a practical course, so that they can start earning while they continue / or have to discontinue their college education, because of their family's financial conditions. After passing out of high school, students are unclear about their future vocation. Sometimes the aspirations harboured by students may be unrealistic in relation to the number of years required by students to complete their course of study. It is in such a context that the Vocational Junior College provides a firm grounding in vocational courses and soft skills that enable a higher likelihood for placement.



- 1 The start month of each project is mentioned in brackets.  
2 Balanagar constitutes a 'Mandal', which is an administrative unit of the Government. SCOPE interventions are spread across all schools in this one unit.

## LIVELIHOODS

- **Livelihood Advancement Business Schools (LABS)** (July 1999): LABS is the flagship program of DRF, and caters to school/college dropouts in the age group of 18-35. LABS in a very simple and systematic manner attempts to match the demands of the industry with the potential of LABS aspirants. It offers path-breaking job-oriented training courses to youth who have barely reached high school levels of formal education and prepares them for entry-level jobs in various industrial sectors. The only prerequisite considered in the selection process is that the student should belong to the last 15% income strata and have a demonstrated aptitude for the chosen training course. Having proven itself in the new economy, urban context, LABS is well on its way to developing skills of the youth in the deep rural areas of the country with its agro based livelihoods initiatives.
- **Micro-Entrepreneurship Programs** (July 2006): Micro-entrepreneurship programs endeavour to encourage and nurture youth for entrepreneurship, support their quest for new and untried skills development, business plan development, market linkages, etc. Two successful pilots - one with mobile eateries (Project Aarogya, covered later in the report), and one with sweet corn vending, have been run in this area, and DRF intends to scale up this initiative further.
- **Livelihood Hub** (May 2006): The Livelihood Hub is a step for linking the underprivileged and the economic force, an agency for the youth. It is envisaged as a localized entity that will continuously scan its environs and will present all available opportunities to various target groups, with the commonality of economic backwardness. It would be the local agency for all those that are presenting opportunities, as well as those that are seeking it. Thus, it is to be positioned as a repository of opportunities, through government schemes, private sector employment, skills development, entrepreneurship development support and bank linkages. The 'customers' of this service could range from school dropouts to graduates, from individuals to self help groups. A pilot initiative has been implemented, and will be reported upon next year.

One of the striking things about DRF since the last year's accounts is its expansion, both geographically and programmatically. The following comparison between key indicators of 2004-05 and 2005-06 are captured below.

	From the start of the program to 31 March 2005	April 2005 to March 2006
Number of livelihoods created	36000	20083
Number of LABS centres across the country	40	122
Placement%	80	76
Gender Ratio (M : F)	50 : 50	48 : 52
Geographical spread	5 states of India, Vietnam	9 states of India, Sri Lanka, Indonesia
Staff count	196	607



## METHODOLOGY OF SOCIAL ACCOUNTS

Last year's Social Accounts grappled with the ambit and scale of operations that ought to be covered, and looked at the various modules under LABS. Social Audit Report 2004-05 limited itself to enunciating the components within LABS. This year's Social Accounts aims to achieve a broader representation of not only the scope of the various programs that function under the auspices of DRF, but also their impact. It seeks to explain the motivations behind choosing the expansion-oriented path DRF has chosen, within its flagship project LABS and its off-shoots such as Project Aarogya, as well as in DRF's programs in the Education sector such as SCOPE and QUEST.

The methodology of the Social Accounts for specific programs under 'Education' and 'Livelihood' are stated along with the section on the performance of the programs. The methodology used for collecting data required for evaluating programs under DRF was similar to last year's data collection. After the initial self-awareness exercises on social reporting within the organization, we analysed the mission of Aarogya, QUEST and SCOPE, and broke it down into broad objectives that we seek to accomplish through the program. These objectives were further broken down into activities, and each activity was mapped to a social bookkeeping indicator - qualitative or quantitative. Then we had to identify where we would find answers to our questions on these indicators. Some were available through secondary data such as minutes of meetings, valedictory reports, inception reports, progress and completion reports, information with HRM, Finance, etc. Each social bookkeeping indicator was then mapped to

stakeholders, and appropriate questionnaires were framed. These are available for ready reference upon request for an appropriate purpose.

The challenge for the SCOPE evaluation was in drawing a representative sample from the various stakeholders within this program. These included school children from various schools, parents, community, SDC and BSC. LABS evaluation for the purposes of the Social Accounts followed a template similar to last year, to maintain comparability.

QUEST was almost entirely analyzed from secondary data, as the project has been wound up. The most significant difference as per last year's Social Audit recommendation was the involvement of an external agency, Poverty Learning Foundation, for data collection. LABS has a larger share of the sample within the entire evaluation, as it is the largest program running under the auspices of DRF, and hence increased sample weighting was duly assigned to maintain analytical balance between the various programs. While LABS information was collected through a questionnaire, interviews (lasting about 20 minutes each) were conducted with two members of the Board of Trustees to elicit their views on DRF as an organization.

Project Aarogya's evaluation used a multi-pronged approach in gathering its data. A combination of questionnaires, interviews, case studies and feedback from stakeholders provided the information in evaluating this program.





## ACTION TAKEN ON LAST YEAR'S AUDIT RECOMMENDATIONS

The list of issues highlighted for improvement in the Social Audit Report 2004-05 can largely be grouped into the following four areas. The following areas are the main themes as drawn from all the issues discussed in the Audit Report 2004-05. The list of issues (Social Audit Report 2004-05) is attached as Annexure 1.

- Quality-related issues:** These are the issues related to the functioning of the program in terms of its delivery. Appraisals and Induction trainings took place and two cycles of appraisals was completed. In order to assure quality in the LABS process, Quality Assurance and Enhancement (QAE) was planned, which looks into the quality of livelihoods across the centres and suggest steps for enhancement of functional activity in the program. As far as the economic criteria are concerned, it is difficult to set fixed criteria due to the variations in the rural and urban set-up and hence there are exceptions to the criteria laid down by LABS. This problem is sought to be addressed through the QAE group that ensures that the LABS process is not diluted in the face of a scale-up.
- Documentation and reporting issues:** The area of reporting and documenting has evolved with standardized formats being streamlined and timelines being considered, although there is scope for further improvement in this area. Secondary data collection was done through post-placement surveys and case studies for this year's audit report. The post-placement surveys provide us with information about the aspirants in areas of professional development, sustainability and higher education. Over 350 case studies were collected in the Audit period, showcasing the transformation in the lives of the aspirants.
- Curriculum-related issues:** Efforts were put in the areas related to curriculum revision and its development after the feedback from the last year's Audit report. Involvement of the employers in the development of curriculum has immense value as it suggests changes / improvements in the existing curriculum in respect of various trades reflecting the actual job requirements in the real situation. This has been achieved to some extent by 'domain conferences', which were introduced with the purpose of involving the employer's feedback on the curriculum that would bring a sense of ownership from their end. Also an update in the industry is incorporated in the curriculum, making it easier to meet the demands of the employers. This however has to be strengthened as there is a need to involve the employers as evident in this year's Accounts.
- Alumni-related issues:** Alumni meetings and active alumni committees are yet to be streamlined with the existing plan and the purpose being to understand the impact of the program and the graduates' progress at the workplace. We are yet to evolve this system through which various hard spots in the training program are identified. Although feedback is collected informally through various channels, we need to initiate these meetings as a part of the LABS system.





## QUALITY EDUCATION AND SKILLS TRAINING (QUEST)

### Introduction

QUEST is a partnership of public, private and NGOs to work together to create, pilot and institutionalize technological tools for improving the quality of education and workforce development training for disadvantaged youth.

### Objectives

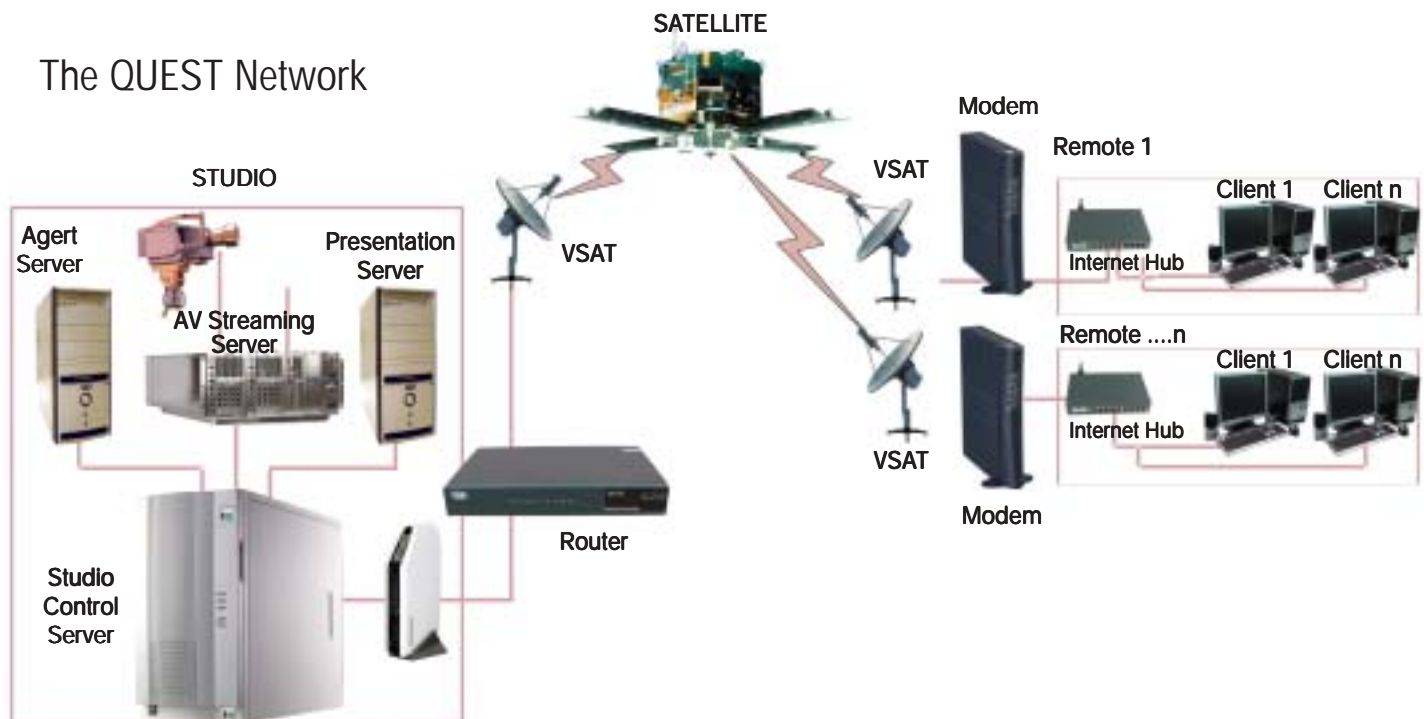
To connect the six Learning Institutes (three each in Maharashtra and Andhra Pradesh) with learning studios in Mumbai and Hyderabad, through the use of satellite technology and software designed for interactive distance learning facilitation for youth in Community Learning Centres.

#### Activity 1

This involved the setting up of two studios to transmit distance learning content. Two studios were set up at the beginning of the project - one in Mumbai and one in Hyderabad - and this was completed in the first month of the project as per the timeline in the project proposal. The 'Centralized Training Studio' is the place where the on-line facilitation, curriculum development and training take place. These studios were equipped with relevant equipment - video camera, sound proof infrastructure, AC, high band-width connection, hardware servers, and the necessary furniture to seat the trainer and the relevant staff. The quality of equipment was of a high standard and hence it was maintained in the studios.

#### Activity 2

This involved the setting up of receiving centres in the six learning institutes. The setting up of the centres connected to the central studio was planned as per the project proposal. However, there was considerable delay in the setting up of all the receiving centres, setting up of studio, establishing of connectivity and band-width sharing. Seven more receiving centres were set up in due course, as there were savings earned in the satellite technology being used for this project. Thus, the additional centres were set up to accommodate more students. The receiving centres were located in the learning institutes - 10 in Andhra Pradesh and 3 in Maharashtra. The receiving centres were located in a place which is geographically distant from the city of Hyderabad. The equipment in the studios included a receiving satellite, bank of computers, scanner, web camera, printer, uninterrupted power supply and furniture.



### Activity 3

This involved the creation of content for the curriculum. 20 facilitators (16 for LABS and 4 for ABC) were trained to deliver the content of the program. They were responsible for delivering the learning program that would enable the students to clear the 7th, 8th, 9th and 10th grades. 14 e-learning modules were developed for 7 subjects. It was initially decided that there would be two modules for each subject, but later this was revised as 14 modules for 14 subjects. The curriculum content was also translated into Telugu for the convenience of the local students.

The following modules have been digitized in Telugu for ABC: Energy, Basics of Mathematics, Light and Sound. (Source: Secondary Data Annual Report 2005-06)

The content developed for the LABS program was as follows:

Sl. no	Subject	Modules - Title	Duration (in min.)
1	Automobile	Basics of 2 / 4-wheelers	32
2	AIDS awareness	Leading a positive life	25
3	Micro-irrigation	Micro-irrigation	25
4	Mobile eateries	Health and hygiene	25
5	CRS	Basics of sales	25
6	Spoken English	Day-to-day English	42
7	Life skills	Life skills	73
8	R & A/c	Basic lessons on refrigeration and air-conditioning	29
9	Hospitality	'Food & Beverage' service Housekeeping	15
10	Network and internet concepts		30
11	Desktop Publishing	CorelDraw Creating a logo Photoshop Photo makeover	15
12	Work Readiness Module	Work Readiness Module	Self-paced
13	Teaching Learning Methodology	Facilitators Training Module	Self-paced
14	Bed Side Patient Assistant.		10

(Source: Secondary Data Annual Report 2005-06)

- **Number / percentage of courses with digitized content:** It was found after a 'hard spots' identification survey, topics which were difficult to explain in the class were digitized and delivered to the LABS students. Around 5% of the course content was digitized not only through animation but also with audio and video. Digitization through animation proved to be very time consuming and expensive and hence as per the timeline 5% was covered. Moreover, this would serve as an aid in learning and not as a substitute.
- **Reading clubs:** These clubs were opened so that reading as a habit could be inculcated in the students as well as have a place in the community where the community members could also access newspapers. These clubs contain books, comics and story books that are easy for students to access. The average number of books available at each reading club was 170. The total number of libraries opened was 78, while the total number of children benefiting from the libraries was 604. As the content for LABS courses was developed, most of the time went in updating the content to the current market needs and data collection related to facilitators.
- **Range of special purpose content:** There was a 'Hard Spots' identification survey done to finalize the modules to be digitized. Hard Spots are topics which are difficult to explain in class. There is no specific data which maybe reviewed for the feedback of the students with respect to the Hard Spots identification survey.



#### Activity 4

This included setting up systems and processes to streamline the delivery of content. A total of 1573 students (673 men and 864 women) passed out from these skills training programs. The socio-economic profile of the enrolled participants is in line with the LABS and BC entry criteria catering to the socially and economically disadvantaged group.

The areas in which the LABS students were trained are:

- IT Enabled Services
- Customer Relations and Sales
- Hospitality
- Automobile Mechanic
- Bed Side Patient Assistant
- Micro-Irrigation Technician
- Multi-Skilled Worker
- Hardware

The duration of training was as follows:

- The LABS program is designed for 90 days (eight hours a day)
- The ABC program runs for a year (Starts around July and ends by May)

The assessment of student learning outcomes did not take place under QUEST; instead a 'module effectiveness survey' took place. A total of 288 students and 14 facilitators were surveyed from receiving centres Chandanagar, Rajahmundry and Nalgonda. Feedback on the level of interaction between the participants and the distance trainers revealed that there was an energetic level of interaction as the students were motivated and eager to learn. Therefore the level of interaction was high.

### Evaluation of the Effects of the Module

#### On Students

- Able to concentrate better
- Interactive and energetic while responding
- Able to identify the amount of work as well as skills involved in the job of their respective field
- Excited to know about the subject
- Learning made easy and interesting
- Effective learning due to the audio-visual impact

#### On Facilitators

- Teaching made easy
- Able to concentrate on every student
- Able to cover more information in a given time
- Motivated to conduct classes due to active participation of the students
- Comfortable with teaching
- Education through virtual experience
- Even a below-average student can cope with the learning

### Project impact

The findings of evaluation also revealed the following:

- After the post-module test was conducted, it was observed that there was considerable improvement in mode of teaching and understanding levels of the aspirants.
- The mode of answering and responding was positively influenced by the modules.
- Students were excited to answer the questions.

Non-QUEST aspirants' performance on evaluations and views / feedback from dropouts with respect to reason for dropping out is not available, and hence cannot be covered in this study.

#### Activity 5

This included development of systems and processes to utilize human resources and infrastructure for monitoring, status reporting, testing and other communication activities. Three quarterly meetings were conducted with all the partners and the issues discussed were mainly on the sharing of the program, the challenges being faced and the probable solutions. The long-term vision of QUEST was also discussed in these meetings (Source: Secondary Data Minutes 2005-06). On-line monthly MIS reports were sent updating on the progress of the project. Two exchange visits were made to the partner organization in the course of the program, while five visits were made by USAID. These visits were mainly to monitor the progress of the project and suggestions were also provided to enhance the effectiveness of the program. (Source: Interview with staff)

#### Feedback commentary

- Distance education helps facilitator perform better and support in reaching out to a larger number of youth.
- The percentage of digitisation of the course content is small.
- There was no evaluation study conducted for the ABC students.

## SCHOOL COMMUNITY PARTNERSHIP IN EDUCATION (SCOPE)

SCOPE's mission is to improve the competencies of the school and community towards access to quality education for all children and utilizing the school as a community learning resource centre by bringing in the community context into learning, helping students learn and grow, while at the same time providing support for school and strengthening the collective learning of their families and communities as well. Identification of and sensitising out-of-school children in the 5-14 years age group is an important performance indicator and door-to-door surveys were conducted in 170 communities / bastis and nearly 4000 out-of-school and never-been-to-school children were identified in May 2006 (Secondary Data, Head Office). **Community-level meetings** with leaders, youth, Mahila Mandal members and parents were organized in every slum to discuss ways to include out-of-school children identified in the survey to schools, and strategies to be adopted to bring working children to schools. This created awareness in the community about the importance of child education (Half-yearly Report for AKF, January-June 2006).

200 children attended the **Child Labour Mela** (Community Organizer Reports), which was conducted at cluster level by bringing all out-of-school children identified in the survey to a common place. Cluster level meets were organized in 5 clusters with dropout, never enrolled, 5+ age group who need to be admitted in schools, NRBC and alternate school children. Nearly 200 children were brought for one day and engaged in cultural activities and drawing (Half-yearly Report for AKF, January-June 2006). MEO, government teachers and local leaders attended these melas as it coincided with the Badi Bata program of SSA. To bring in awareness in the community on importance of child education, rallies were conducted in all the bastis of Balanagar Mandal, with 200 children in attendance, (Head Office

Data). Through these rallies communities came forward and supported the activity by identifying and enrolling non-school-going children into the schools. Community-level meetings were held on an 'as needed' basis. Parents, project participants and facilitators were the groups present in the meetings (Half-yearly Report for AKF, January-June 2006).

58% of the staff and 36% of the tribal staff felt that community meetings were crucial in creating awareness, whereas 37% of the staff and 29% of the tribal staff felt that stakeholder engagement would help create more awareness in the community. 70% of the SVC staff felt that providing training and livelihoods was essential while the rest thought community meetings would be sufficient for this purpose. This would imply more active community engagement is the direction to be undertaken by the project. The staff felt that the purpose of the project was spread evenly between providing quality education and community support, while 33% of those sampled felt that awareness was the purpose of the project.

**Community mobilization** for strengthening the government schools is the second key performance indicator. The percentage of community volunteers trained was hundred indicating good coverage, and there were 102 BSCs in operation. The BSC is a forum for active members of the community who have interest in education of children, and meets once a month. It takes responsibility for schooling of all children in the slum, as well as acting as a pressure group to withdraw children from work. It strengthens relations between community and school, and works as a task force for eliminating child labour. By the beginning of the year 110 community volunteers were placed, trained and covering 170 communities (as per the survey conducted by the SCOPE team).





## ...SCOPE

**Community awareness programs** were taken up in majority of the bastis on child labour issues, reading habits of children and support mechanisms in communities for the education of the children. A two-day training program for BSC members for the education of the children. A two-day training program for BSC members was held through Central Board for Workers Education on March 16. No information on the number of youth groups functioning was found. 52 summer schools were run in government schools under the auspices of SCOPE (Half-yearly Report for AKF, January-June 2006). The number of non-school going children who attend the summer school was 1500 and the list of these children is available in the office.

**Parent meetings** in government schools take place on a monthly basis, and 12 such meetings have taken place (Primary Data). Tribal volunteers mention that parent meetings take place monthly. Parents have a marginal role in the BSC, and it was felt in feedback that their role could be improved. Retention is an important performance indicator and the percentage of children attending schools regularly could not be made available in the Social Accounts, as were details about attendance stabilisation. Staff regularly visit parents at home in order to follow-up on drives to retain students. Of the 8 877 students who appeared at the primary level assessment, 7891 students were promoted, which indicates a pass-percentage of 89%. Girls and boys had approximately equal pass-percentages with 88% and 90% respectively (CMIS Report No. 3. 8. 2 a).

**Material / primer development:** Material such as primers was developed to help primary school children achieve basic competencies for their respective classes, and they include:

- Katha Kalamu
- Padapandari
- Geethalatho Gammattu for Class 1 and 2
- Andamayna Aksharamu
- Flashcards
- Exit-level question papers.
- Workbook for EVS for 1 and 2 (Chuttoo Chooddaam)
- Easy English
- Kritiyamaalika for Class 1 and 5
- Kathakaalamu (teachers' resource book)
- Library material

90% of the project staff felt that primers were good, and three-fourths of government teachers felt that the primers were good, although the sample size (10) was relatively small. 250 books were distributed in school libraries. Around 90% of the teachers participated in material development. DRF provides schoolbooks such as guides and model papers to high school children. They do not have primers for children studying in high school. The feedback from Mr Vijay Prakash (Mandal Education Officer - Balanagar Mandal) on the primers was satisfactory. He also mentioned that migration was another challenge faced among the children who belong to districts and tend to drop out easily.



## ...SCOPE

### Tribal educational initiatives

SCOPE has developed two primers and seven supplementary books for tribal students in the Koya and the Kondareddy dialect. This enables students to identify the course-work in their native language enabling better grasp of the study-material. They include primers such as:

- Koya Vachakam
- Kondareddy Vachakam supplementary books
- Medicose (Koya book of poems)
- Vippana Katha (riddles for Koyas)
- Vesody (Koya stories)
- Owjans (Kondareddy poems)
- Doki (flashbooks for Koyas)
- Gurugulu (flashbooks for Kondareddys)
- Zitellu (riddles for Kondareddys)



Tribal teachers suggested new books and materials and that the existing material was good only for weak students to an equal extent (30%). Tribal staff largely felt that the primers were good, and a small minority felt that the supplementary material was better. Tribal students liked the primers used, and few people mentioned not knowing the primers or not liking it. Almost half of the tribal students liked the

Koya Reddy Vachakam, followed by Vesodi and Aujam (approximately 20%) and lastly pictures and stories (14%). As far as suggestions for changes is concerned, tribal students asked for more stories (46%) and new books (43%) and 11% asked for more pictures. Vision realization process in government schools is another vital performance indicator.

**SDC's range of activities:** The SDCs, created by DRF, holds their meetings at least twice a year and more if needed (Secondary Data). The major activities undertaken by the SDC is to approach donors in order to pay salaries for qualified teaching staff in the school. Their main task is mobilizing resources and hence the major need is to concentrate on school-infrastructure such as toilets and seating arrangements for students. School quality is discussed in their meetings, as is the issue of education for girls and child labour.

**School profiles:** These were printed and distributed in the project schools for community dissemination. They include the history of the school and achievements during the program period in terms of learning improvement, vision realization, local resource mobilization, etc.

**Dissemination:** Newsletters were meant to be published monthly, but there have been 5 published in Telugu - 2 for teachers and 3 for children in the last year. 500 copies were printed for dissemination. Quality of the newsletter was not reported in this year's Social Accounts due to the lack of awareness regarding the newsletters among the sample covered.

**Feedback from stakeholders:** Issues from government programs included adolescent education, low competency level of government school children, enrolling all the out of school children. Also important in this segment is the need to improve learning abilities in children, academic issues vis-à-vis Sarva Shiksha Abhiyan (SSA), need to improve child language and arithmetic abilities primary level, girl child motivation. Meeting discussions focussed on child education, withdrawing children from work, attendance of children, resource support for schools, community mobilisation, mainstreaming, library establishment, regarding parent's involvement in the school system, saving child rights and improvement. Infrastructure, physical-human resources, need for community involvement in schools, basic competencies of children in schools and attendance.



## ...SCOPE

Another important objective is to create better opportunity for the future among young adults (12-18 years). 1038 children were mobilised in the [ABC centres](#). The gender break-up in the ABC schools revealed that the population totals were weighted in favour of girls (two-thirds), revealing a commendable emphasis on education for women. A majority of these incumbents were between the ages of 12-14 years, followed by equal numbers for age-categories 15-16 years and 17 and above (28%) out of a total of 1029 students. The percentage of children who pass Class VII and X is 75% and 35% respectively. The number of children appearing for Class VII and Class X examination is 366 and 446. The numbers of children tracked who fail to qualify the assessment are 83 in Class VII and 290 in Class X. The numbers of children who attend camps to cope with backlogs in subject-positions are 239.

DRF strives to provide opportunities to the youth for a better career through [Short-term Vocational Courses](#) (SVCs). According to the centre reports, 775 persons attended the road shows and they were from lower income-families. 442 youths participated in the interest inventory test, while 357 persons participated in the training. 304 youths / aspirants were placed in industry as part of the Business-2-Youth (B2Y) networking program. Two alumni meets were held for the benefit of the aspirants, where they could interact with individuals who passed out of the programs and 28 workshops were held with external resource persons/industry as a part of the B2Y network. Vidya volunteers provide informal facilitation to the students in the government schools. With reference to their capacity development, all Vidya Volunteers mentioned that they had undergone training programs, although the data regarding the number of training programs held was not available. Most volunteers sampled thought

that the training, 'Teaching Methodology on Primers', could be graded between 'good' and 'excellent', although the sample size for this data is minute .

[Capacity building of teachers](#) was carried out through teachers' meets at the cluster level once a month. Training programs for teachers sought to provide academic support in relation to material development. There is a monthly need-based teacher's meet in which DRF participates. Monthly teacher's meets are also organised at the Mandal level. Capacity building of teachers in ABC centres is apparent as 95% of teachers in ABC centres participate in the training programs. All ABC teachers interviewed mentioned that they had incorporated the material and methodology into their everyday practise of teaching. They felt that evolving stories from Katha Kaalam as well as environmental sciences were especially useful in their pedagogy.

Stakeholder engagement through a number of networking exercises such as [Mid-Term Review](#) (MTR), exchange programs, interactive sessions also take place. One MTR has taken place in this calendar year. The annual conference on Whole School Development Network is akin to an annual reflection exercise with a fete-like atmosphere and 1300 children in attendance. Fifteen out of eighteen teachers had attended government programmes connected with adolescent education, low competency levels of government school children, enrolling all out-of-school children, academic issues vis-à-vis the SSA, to improve the three R's among children and motivating girls to study, there indicating participation in government programs. Three meetings were held with government officials in order to avoid duplication and overlap with government programs.





## ...SCOPE

**Professional development of staff** through trainings and exposure visits is evidenced through the fact that External Resource Persons (ERP) held three programs on mobilization, documentation and professional development of staff. The team members have regular meetings with ERPs from MV Foundation to develop strategies which are effective at the field level. The team members were given a 2-day orientation on development of worksheets for the LG I. On Day 1, the staff at Chandanagar campus was taught games and activities which would be useful for field level functionaries to use in schools and the community. Two member teams attended one-day workshops on Action Research conducted by AKES-I, Hyderabad and the emerging difficulties in classrooms.

### Internal / external monitoring and review

AKF has made 12 monitoring visits, and the Program Officer at AKF, Mr. Sanjay Tiwari, has expressed satisfaction with the progress of the project, however the pedagogy needed improvement. He also stated that the quality of reporting had not been adequate as compared to the earlier ones and hence would like DRF to provide a more comprehensive picture about the project. According to him, the primers used were good. He also mentioned that SDCs are a unique forum for actual participation and the class committees have also been an innovative forum for children participation. He also expressed that the main aim of this project is to make "a government school the preferred school for a child in the community". Lastly he articulated that there is still a scope to do better and that community involvement needs to be enhanced by DRF. However in terms of achieving the mission, performance of DRF has been successful. Four reports have been submitted to AKF, and there have been five visits to partner

NGOs. With reference to number and periodicity of reports, a quarterly progress report and annual MIS reports have been submitted. There is a monthly review meeting with reference to frequency of review meetings. Internally, three workshops have been held for teachers, Vidya volunteers and community volunteers with the aim of providing academic support. 80 government teachers were involved with curriculum development in this workshop. Mobilisation was the main theme of the workshop for community volunteers. There was a workshop for professional development for SCOPE staff.

### Feedback Commentary

#### Community Involvement

There is a large role played by SCOPE in the area of community participation, which is also reflected in the Social Accounts. There is active involvement of the SDC and BSC in the functioning of the school as facilitated by SCOPE. The SCOPE staff is also proactive in maintaining good relationship with its stakeholders especially at the grassroots level. A special mention should be also made about the community support staffs that have been instrumental in building a good rapport with the community.

#### Activity-results gap

It may be mentioned that although there are a large number of activities aligned with the project, the results or the outcomes are not as lucid as the process itself. If dissemination of the results or project outcomes takes place in a more structured way, this will enhance the overall functioning of the project as well as contribute in the achievements of the goal.





## LIVELIHOOD ADVANCEMENT BUSINESS SCHOOL (LABS)

In a very simple and systematic manner, LABS attempts to match the demands of the industry with the potential of LABS aspirants. It offers path-breaking job-oriented training courses to youth who have barely reached high school levels of formal education and prepares them for entry-level jobs in various industrial sectors.

DRF has started social audit in 2005 to reflect on the performance and impact of LABS on the stakeholders directly or indirectly involved in it. (Findings of Previous year's Audit in Annexure2). In this process DRF has sought the services of [Poverty Learning Foundation \(PLF\)](#) in carrying out the data collection for the Social Accounts. Established in 2004 as a Trust, PLF aims to guide development policies and practices in a way that meets the changing aspirations of the poor people.

**The main findings as identified from the study are as follows:**

- **Coverage:** The study covered eight states viz., Andhra Pradesh, Chhattisgarh, Gujarat, J&K, Karnataka, Rajasthan, Tamil Nadu and Uttar Pradesh
- **Activity after joining LABS:** The candidates by virtue of being exposed to LABS course could take up various economic activities including customer services (31%), bed-side nursing (14%), etc. Interestingly, customer services activity is the one which is pursued by a larger number in all the study states, followed by bed-side patient assistant and computer training courses.
- **Role of educational background in the post-LABS activity and salary drawn:** The activities in which the aspirants are expected to be employed are those in which they received training under LABS. Further, the educational background is also a factor to some extent to determine which educational background has lead to which activity. It can thus be concluded that educational background is a deciding factor in the activity of the aspirant. However, it is seen that aspirants with relatively higher educational level got placements in customer services sector whereas those with lower educational background got engaged in activities like BSPA and other services (independent of the gender of the aspirant).



**Rambabu** has a severely crippled right leg as a result of polio. His father, a daily laborer, was barely able to support the family. But his illiterate mother encouraged Rambabu to stick to his studies and complete his graduation. Rambabu came to Hyderabad in search of a decent job, but lacked the necessary job skills. One day he saw an advertisement about LABS and attended a road show. He took up an IT-Enabled Services (ITES) course at LABS, and from then on his life underwent a complete transformation. Rambabu says, "LABS has given me a sense of direction." He now works with the All India Confederation of the Blind. He is happy that, being a disabled person himself, he is able to help others like him by making them aware of various government welfare schemes.



## ...LABS

The salary offered to an employee is generally based on the nature of job and educational background. Against this backdrop, it is evident through data analysis that there are a lot of cases in salary groups ranging from Rs.501-3000 who are continuing with jobs and a negligible proportion falls beyond this range which is uniformly seen across all educational categories. The discussion would boil down to the following: Aspirants with slightly higher educational qualification are preferred for courses like ITES which may demand higher order skills. (Strictly speaking for taking a candidate for a particular activity the pre-requisite is the training in that activity. But it is seen that there is a mismatch of a greater degree between the course offered and the activity in which the aspirant got employment).

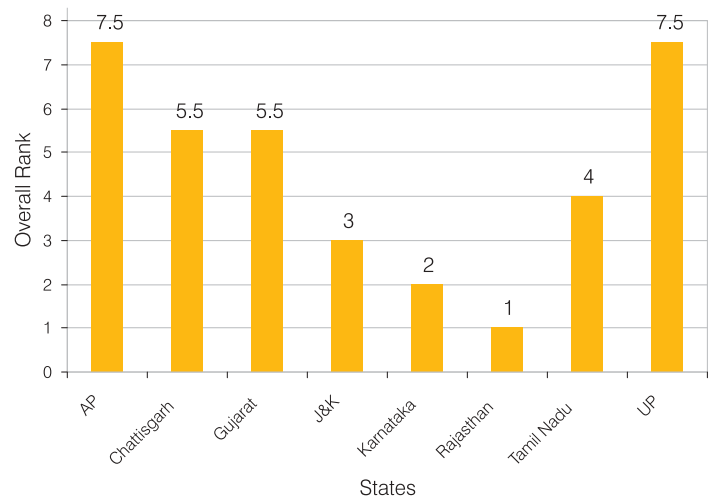
No correlation exists between the educational qualification and the corresponding salary. While the first finding is on the expected lines, the second one may have adverse implications in the long run. Though the nature of training is same, while determining the salary, aspirants' higher educational qualification must be given due weight age. However, it may be noted that under LABS only a skill-based training is given to the dropouts who have not been able to pursue their studies further and as such their educational background need not necessarily be an essential factor at the time of selection. Therefore the conclusions drawn in this section relating to the role of education at the time of selection, getting a job later and also the earnings need to be interpreted keeping this aspect in mind.

**Income after LABS course:** Data analysis reveals that 72% of the aspirants reported to have been engaged in gainful activity (this number excludes unemployed and also those who are pursuing their studies or undergoing further training). In providing employment the LABS training appears to be coming in handy. In Tamil Nadu 98% of the aspirants got employment, Rajasthan 95%, whereas J&K registered larger post-training employment incidence. As compared to the above states, UP registered only 40% success. In addition to post-course employment incidence, salary offered to the aspirant is equally important. The amount of salary offered is not uniform across states. As per the analysis, the aspirants in Karnataka get Rs. 3723 on an average while on the other extreme Tamil Nadu falls. In order to obtain a full picture based on both employment incidence and the corresponding average salary drawn (considering only employed), the individual ranks on these two parameters are aggregated and re-ranked again. Interestingly, when the performance was measured on both the parameters, Rajasthan, with its fortuitous proximity to New Delhi, emerges as the most successful state followed by Karnataka, J&K, Tamil Nadu, etc. The last rank is shared by AP and UP.

*It must be noted that state-wise comparison might be misleading as there are other factors like contextual issues and circumstances which also influences the performance.*

### Position of states on two performance indicators (post-LABS period)

The graph alongside is drawn for the ranks only; therefore Rajasthan, which ranks first, has the shortest bar. In the data analysis, the actual quantum of jump in the earnings aspect of the state-wise employed group in two time points is computed (It may be noted that the group employed in the pre-LABS period need not necessarily be the same group in the post-LABS period). Even in this case, Rajasthan is in the lead with an increase of Rs. 1532 on an average and Karnataka very distantly follows this with a corresponding figure of Rs 890. It is also clear from the data analysis that Chattisgarh, Gujarat, AP and Tamil Nadu registered incremental incomes below the overall (study states) average.



**Sravani** is a brilliant hockey player. Dreaming of making it to the national hockey team, she gave up studies after her Intermediate (high school). Despite training hard for over a year and a half, she couldn't make it to the national side. Dejected, she resumed her studies, but couldn't land a good job as she lacked the necessary skills. It was then that she heard about LABS and took up a course in Customer Relations and Sales (CRS). After her training, she became a marketing research executive in ICICI Bank, and was soon promoted to financial consultant. Her hardworking nature and willingness to learn have been duly rewarded.





## ...LABS

With a view to understanding the extent of the trained candidates getting employment in general and also in the trade in which they received training in particular, a cross table has been prepared between the course attended by the aspirant and the activity in which he/she is presently engaged. This reveals the incidence of unemployment / not looking for job is the highest among micro-irrigation candidates (27%). (This trend needs to be interpreted carefully because of slender base) followed by ITES (22%) and automobiles (21%). Even in the case of CRS and WGS, nearly one-fifth of the trained reported to be unemployed.

Secondly, it is also examined whether a candidate who received training in a particular activity is pursuing his / her interest in the same activity or not. For example, in the case of BSPA, 54% of the aspirants were able to get employment in the respective activity while others are pursuing other activities. Similarly, only 29% of automobiles aspirants continue their interest in the same service while others switched over to customer related services etc. There is also a cusp between individual and role. Employers could be having CRS roles in the automobile sector too. This phenomenon could be due to a variety of reasons, viz., lack of adequate employment potential in the sector in which the training is received, poor working conditions in the work place, relatively low remuneration, candidates' preference of employment at shorter distances etc.

- **Crucial indicators of course performance:** Some crucial indicators relating to the transition of the aspirants are also constructed based on the transition matrix. The interpretation of the indicators is as follows: Nearly a fifth of the aspirants continue to be without any income / job. 113 aspirants did have some income earlier, but

there is no sign of any improvement in its magnitude. In the case of 52 aspirants, sliding back is reported and nearly 72% of the cases showed real improvement (independent of the magnitude).

Table: Some crucial indicators reflecting course performance

Aspirant's Category	Number	Percentage
No income before and after LABS course	327	18.7
Staying put (remaining in the same income bracket)	113	6.5
Worsening cases (incomes lost)	52	3.0
Having incremental incomes	1253	71.8
<b>Total</b>	<b>1745</b>	<b>100.0</b>

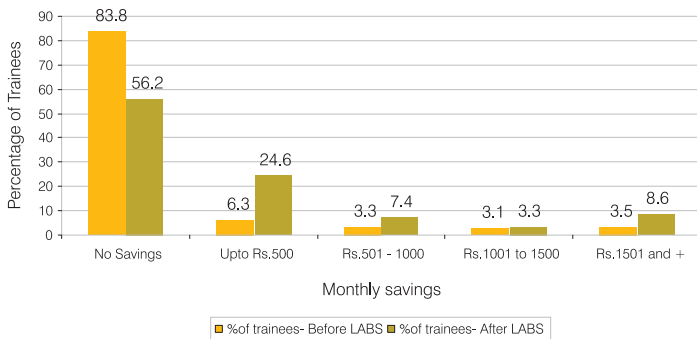
- **Monthly savings before LABS course:** The analysis in regard to this dimension shows that 87% of the aspirants did not report to be having any savings prior to LABS course. Among others, the savings ranged between up to Rs. 500 (5%) to Rs.1501 (3%). States too exhibit more or less similar pattern.
- **Monthly savings after LABS course:** 519 out of 1919 aspirants reported to be not engaged in any economic activity and in 41% of the cases, though the aspirants are employed and earning some money, could not save any amount. Among others, monthly saving was mostly up to Rs. 500 only (17%). On the other hand, about 6% could save above Rs. 1501.



## ...LABS

- Savings transition matrix:** While constructing the matrix, cases reporting no income / no job during the post LABS training are excluded. As revealed from the matrix, 1173 cases forming 84% in the sample of 1400 did not have any savings prior to the course and 66% do not have any savings during the post training period. Among others, 25% could save up to Rs.500 per month. Around 16% of the aspirants had savings pre-LABS, while 44% saved post-LABS.

Graph: Percentage of aspirants according to monthly savings before and after LABS course



- Whether the first job?** Out of the total 1919 aspirants, 1192 aspirants i.e., 62% of the aspirants claim that the current job is their first job, while 208 aspirants i.e, 10.8% were engaged in some economic activity earlier. (This question is not applicable to 519 who come under 'unemployed aspirants' category). Except in the case of Karnataka where one-third was employed earlier, nearly 10% across

the states did have some economic or other kind of exposure before. The jobs in which they were engaged include marketing sector, nursing, teaching, self employment and services, though a microscopic minority, 13 aspirants (0.7%) were working as labourers.

- Satisfaction with current salary:** Among those employed, excepting for 13% aspirants, others are satisfied with the salary they are offered. Further, while other states more or less follow the overall pattern, J&K and UP fall apart with 30% and 26% expressing satisfaction with the salary. This again is due to the age group adapted for the program especially in Uttar Pradesh. Pursuing studies and domestic compulsions are the dominant reasons for not being employed. When asked whether they are comfortable with the work, 7% replied in the negative and stated the following reasons that they were asked to work long hours (5%) while others (2%) were dissatisfied with the salary.
- Switching over to a new job:** Independent of their satisfaction with the work and the salary offered, 40% of the aspirants who got employment prefer / plan to switch over to a new job. This tendency is seen in a larger measure in Gujarat, Karnataka, Tamil Nadu and UP and two dominant reasons for this are 'expecting a jump in salary' (17%) and 'expecting prospective career' (22%).
- Confidence of getting another job:** Of 1400 employed aspirants (during the post-LABS training phase), 1237 aspirants (88%) expressed confidence of getting another job. This reflects to some extent on the benefits of the training and the way the candidates were trained during the course.



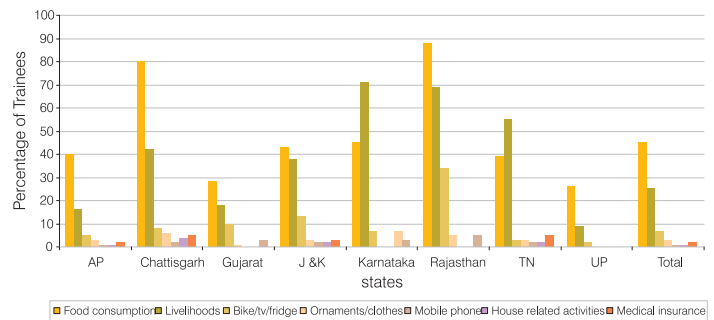


## ...LABS

- Parents' occupation:** The aspirants primarily come from the households belonging to (31%) labour section both in agricultural and non-agricultural labour, cultivators 26% and private job holders 17%. About 8% of the households were also engaged in business and self-employment. Rural artisans' households are represented to the extent of one% in the sample. However across states, Gujarat and Rajasthan households depended on cultivation as occupation, which is in majority and in UP the sample covered a larger number of aspirants representing labour households. This can be further corroborated by the nature of the projects and also the local economy, whereas UP falls under ILO project, both Rajasthan and Gujarat are rural projects.
- Pre-LABS principal earner:** In more than four-fifths of the cases, the principal earner in the household was father. The aspirant accounted for only 3%. But in Rajasthan, 9% of the aspirants were themselves the principal earners.
- Post-LABS principal earner:** During the post-LABS course phase, the father's role was taken over by the son (the aspirant) and the incidence of father being the principal earner in pre-LABS period has shrunk from 81% to 76%. Across states, a striking feature is noticed in the case of Rajasthan where 56% of the aspirants are the major bread winners in the household and this is attributable to the impact of the LABS course.
- Benefits from the course:** The basic objective of the course offered under LABS was not only to encourage the aspirants in earning their livelihoods which will have some bearing on the general economic status of the household, but also to give inputs related to social aspects and developing the personality of the aspirant and this is basically in terms of bringing about positive changes in the mind-set, mannerism, approach to work, etc. Responses were sought from the aspirants on each component of all the dimensions in order to assess the impact of the course in its entirety. (It may be added that the economic analysis is confined to only those aspirants who are employed and earning)
- Improvements in consumption patterns and household material possession:** At the aggregate level, food consumption is reported to have improved in nearly half the cases and 25% reported improvement in general livelihoods in terms of investing more on the enterprises / petty business, etc., in which the household is

engaged with the savings of the aspirant from his / her (new) employment.

Graph: Percentage of aspirants according to economic benefits (multiple response) state-wise



Further, 60% of the aspirants expressed that they are involved in household decision making process while 56% of the aspirants were able to command respect from the elders and slightly over one-third perceived that they are looked up on as role models. In one-third of the cases, the aspirants were approached for advice for further guidance. A large number of aspirants ranging from 89 in Rajasthan to 42% in UP reported to be contributing to household income when the focus was turned to pure economic implications of the course. In regard to 'debt repayment' and 'savings', again Rajasthan occupies the first position with 83 and 67% respectively. Besides improvement in various facets of economic development, the course appears to have made a significant dent on the personality development of the aspirants. Across 9 components considered under this dimension, the training has impacted on a larger number of aspirants (1306 or 68%) in making them more 'confident'. In the case of 1220 or 64%, there is a positive change in the 'way of thinking'. The other developments noticed are in respect of 'motivation' and 'mannerism' (45% each) positive change in the 'mind-set' (48%) etc. In respect of each component the concept was explained to the aspirant and based on the response obtained, status on the component is decided. It is evident from the above that LABS course helped the aspirants not only on the economic and social fronts but also on developing their personality further.

"LABS has completely transformed my life. The Grameen LABS facilitators changed my dress code. Now I tuck in my shirt, groom my hair and wear shoes. I can't believe it is me when I look into the mirror! The facilitators also taught me useful life skills like time management, decision making and money management. I also learnt the basic technical skills necessary for an automobile mechanic, which I received in the lab and on the job. In the Work Readiness Module, they taught us the right body language and dress sense required for facing a job interview. They even conducted model interviews for us, before arranging a campus interview. Thanks to them, I am working in Nagappa Auto Components."



M Jeyamuthurajan (Automobile, Grameen LABS, Madurai)

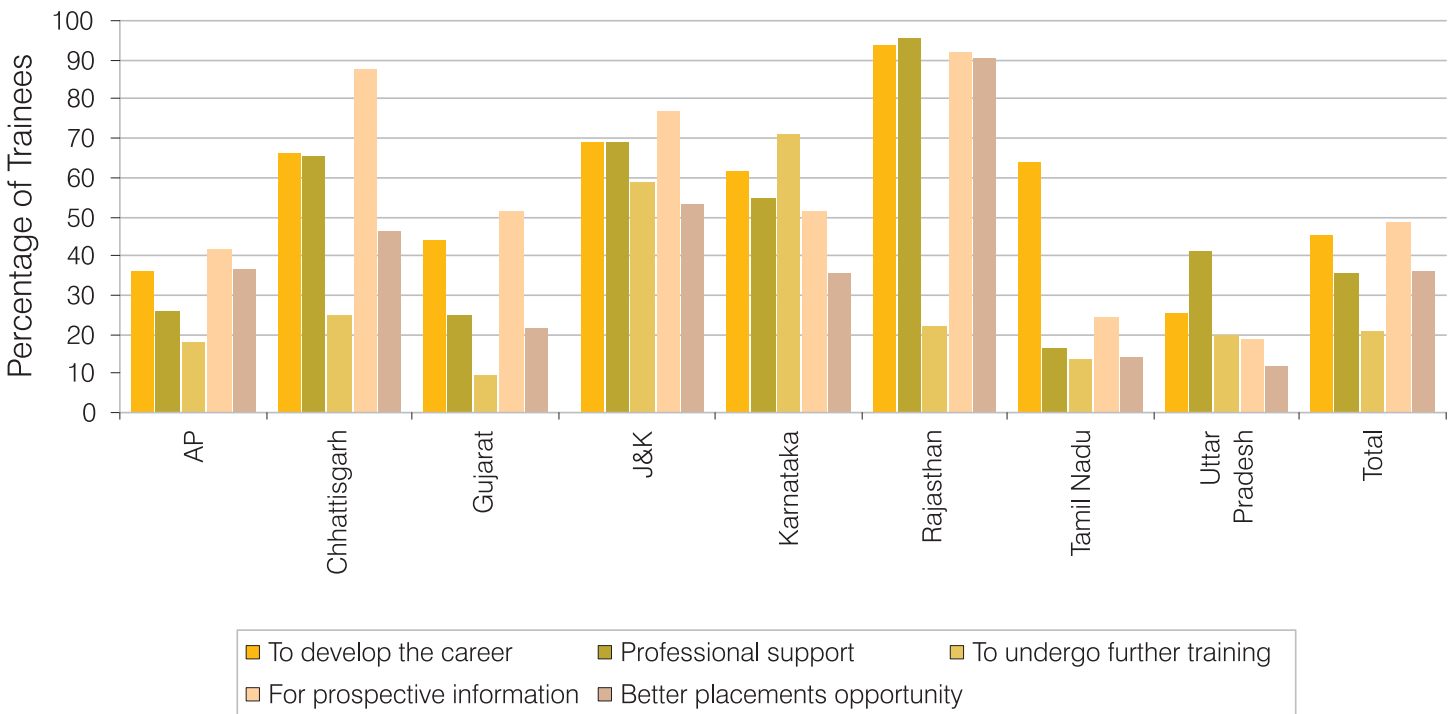
## ...LABS

Significant improvements are discernible in respect of the following:

- Food consumption
- Decision-making at the household level
- Contributing to household income
- Developing more confidence
- Becoming more responsible (in the household context)

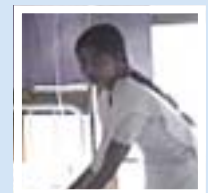
**Need to associate with LABS:** When asked whether they would be associated with LABS in future as many as 1834 or 96% of the aspirants replied in the affirmative. A similar trend is noticed across all states. And in fact, all the aspirants in the case of Karnataka and Rajasthan are favourably disposed to this idea.

**Purpose of Association with LABS**



In the perception of the aspirants, there are three different proposals - obtaining prospective information (49%), better placement opportunities (slightly over one-third) and interestingly, one-fifth of the aspirants in the total group expressed that they would like to continue their association with LABS for further training. The states present almost a consistent trend in respect of the purposes. The aspirants of Rajasthan mostly look for prospective information (92%), to develop the career (94%) and 91% for better placement opportunities.

Dreaming of serving the society as a nurse, **Shimla Kumar Meena** joined the BSPA course at Grameen LABS, Udaipur. The three-month course gave this 12th Standard dropout a fundamental knowledge of nursing and helped her get a job in Sanjeevani Hospital, Udaipur. The owner of the hospital says, "The basics acquired by Shimla during her LABS training have given her a good understanding of the profession. Her discipline makes it easy for her to cope with every situation." Until yesterday, nobody knew who she was; today, all the patients affectionately call her 'Nurse Behenji'. Shimla's face swells with pride when she says, "I was living an aimless life till a few months ago. LABS has given me a new direction in life. The respect I have earned has made my entire family proud of me."





## ...LABS

### Multi-Stakeholder Analysis

The sample in this regard involves collection of opinions, perceptions from the aspirants, their household members, neighbours and the employers. The notion behind the multi-stakeholder approach was to capture the reactions in regard to not only organising the course but also in further stages of employment generation. While the aspirants, their household members and employers were linked to the project in some way or other, the aspirants' neighbours were distantly related. However, it was felt important to collect views of neighbours to assess how far the project message was reaching out to others in the society.

### Stakeholders' views on LABS

The majority of members across the stakeholders have regarded that LABS primarily stands for employability and economic advancement of the aspirants. There is however some variation in thinking among stakeholders in regard to LABS' role. A majority of the aspirants concluded that LABS is for employability and personality development; in contrast to this only a small proportion of employers seemed to have been convinced that LABS has something to do with advancing career, lifestyle and personality development. This reflects that employers are unaware of LABS' objectives as enhancing livelihood

opportunities for the youth in difficult economic circumstances. In response to the uniqueness of LABS, the dominant view that emerged across the stakeholders was that it is a disadvantaged-friendly program. Many household members had expressed positive views on its teaching methods and pedagogic style. Aspirants and household members felt that games and communication tools were useful in overall development of a aspirant.

LABS is considered to be a market-friendly activity by 62% of aspirants, 54% of household members and 47% of neighbours. On the contrary, only 26% of employers have regarded it as market-friendly. This suggests that LABS must emphasise on the inclusion of local market requirement in selection of courses. About 40% of aspirants considered that LABS had promoted cross-sector partnership and context-based curricula. While 23% of employers viewed that LABS had promoted context-based curricula, only 14% of them said it is contributing to cross-sector partnership. The above trends perhaps indicate the need for strengthening links between LABS and employers. It has emerged from the stakeholders' perspective that two important categories of people targeted by LABS are the economically needy and school dropouts. Women seem to be one-third in the choice of the category. It appears from the responses that a few members across stakeholders have considered that LABS works with youth in difficult circumstances and for differently-abled.

"My life has changed totally after joining LABS. The Grameen LABS facilitators taught me many interesting life skills like time management, decision making and communication. We learned our domain subject thoroughly, with a lot of practical training. Through the Work Readiness Module, the facilitators also taught us how to prepare our resumes and face interviews without any fear. With LABS' assistance, I got a job in Pizza Hut in Chennai with a monthly salary of Rs 3000, plus free food and accommodation allowance. I am deeply thankful to my facilitators for giving me a life that would have remained a mere dream if I had not joined Grameen LABS."



**NM Venkatesh** (Hospitality, Grameen LABS, Madurai)

23-year-old **Zakir Husain Mir** hails from Kupwara District of J&K. His elderly father, a labourer, was barely able to support the family of five. Driven by extreme poverty, Zakir had to abandon studies after passing his Secondary exams. One day, while looking for a job as a casual labourer, he came to know of Grameen LABS at the Block office. After undergoing a three-month Hospitality course, he now works in HDFC Bank (Srinagar branch) on a monthly income of Rs 2500. He supports his family, and has re-admitted his brother and sister in a local school. He says, "Considering my past, working in HDFC Bank would have remained a mere dream, had it not been for Grameen LABS. I hope it continues to help many more downtrodden people like me, and give them an opportunity to improve their lives. I salute my facilitators with great respect, because making money for oneself is nothing compared to helping others come up in life." His superiors in HDFC Bank add, "LABS not only trains and places students, but also teaches them how to lead their lives, which is very important."





## ...LABS

### Social impact

79% of the aspirants started contributing to household income after joining LABS. Also, 53% seem to have taken responsibility in supporting younger siblings; and in case of UP only 20% of the aspirants have stated to support their younger siblings. Some of the aspirants have also started playing a role in supporting family needs and clearing debts. 66% of neighbours responded that there is significant change in the aspirant in terms of becoming more independent. Some (52%) of the neighbours also felt that there is not much change in the income of the aspirants and 50% of the neighbours have stated that there is change in quality of life. 57 and 62% of employers suggested that aspirants are more committed and more motivated respectively. If we blend neighbours' and employers' views, it can be summed up that youth are more committed and

dedicated towards work which reflects that after the training, youth feel economically and socially independent to take their own decisions. 58% of neighbours are willing to propagate on the usefulness of LABS to youth. In fact 20% of the neighbours have already enrolled their children in LABS; of these, 13% expressed that LABS is imparting good learning skills to youth.

**Table: Employers' views on aspirants' performance at work place (%)**

Trait	Percentage
More committed	57
More motivated	62

### Economic impact

74% of the aspirants' households are convinced that there is improvement in terms of livelihood opportunities. This implies that in relative terms the employability status of the aspirants has improved by virtue of being exposed to LABS intervention. Similarly, 62% of households viewed that there is also improved access to quality food. There was also affirmative response from 47% of households in terms of improvement in health status and 56% on the improvement in education. What is more interesting is that in the case of 31% of households indebtedness has also reduced. 69% of the aspirants are supporting their households in meeting consumption needs. 34% of the aspirants indicated that they are extending support in improving family livelihoods. Interestingly, 12% of the aspirants were able to spend their income in buying bike and TV and 6% on clothes. This indicates that aspirants are able to contribute to family improvement and personal needs. 54% of the neighbours view that after undergoing the training, aspirants have acquired adequate skills in fetching suitable jobs. In the sequence, 25% of neighbours address that available jobs are at far-off places due to which aspirants are not able to continue with their jobs for a longer period. This situation is prevailing more in girls.

**Table: Household impact (%)**

Response	Indebtedness	Access to opportunities	Health status	Food security	Education
Increased	31	74	47	62	56
Remained as it is	53	24	51	36	41
Decreased	17	2	2	2	3

**D Sridhar** hails from a very poor family. His father, a daily wage earner, was barely able to feed the family. Compelled to give up studies after 10+2, Sridhar began to despair of ever doing well in life. One day he read about MAARPU-LABS in a newspaper, and joined the R&AC course. He is a changed man now, a role model for his friends, and a source of pride for his parents. He says, "Before joining LABS, I had no idea of my future. But the LABS facilitators gave me a sense of direction. I worked hard under their guidance, and am presently working as a technician in Sai Krishna Refrigeration & AC Center at Karimnagar. I shall be ever grateful to DRF for helping me at a critical time in my life."





## ...LABS

### Personality development

This section focuses on the personality development aspects of the aspirants who attended the LABS program. As will be seen from the table below, 61% of the aspirants mentioned that they have become more responsible in relation to economic activities in particular and other activities in general and 72% reiterated that they have gained confidence after coming into contact with LABS. 67% of the aspirants admitted that their way of thinking in general has changed a lot, and 56% of them admitted that there is also a change in attitude towards life. 52% of the aspirants have perceived change in their mannerism (behaviour with elders, etc.). 56% of employers are of the view that aspirants need more exercise on technical aspect; 45% of them suggest that communication part must be developed in aspirants. Especially in CRS and Hospitality sector courses, aspirants must be given additional training keeping in view their grasping levels and job requirements. 36% suggested that aspirants were not able to adjust

in the work conditions and 27% expressed dissatisfaction on time management inability by the aspirant. 45% of the aspirants, 35% of households and 27% employers have appreciated the teaching methods and approaches (e.g., WRM) of LABS. The employers in particular like the WRM module. About 14% of the aspirants liked the friendly approach of the LABS' staff. To some extent stakeholders have also liked LABS' contribution in instilling discipline among aspirants. There is variation in responses related to placement, personality development and communication skills across stakeholders. It must be noted that they may have to give some thinking on this in order to meet expectations of the employers. It is interesting to note that many of the stakeholders liked the LABS for its gender-sensitive approach. The LABS approach has enabled a positive atmosphere for participation of women so far as acquiring entry-level skills are concerned.

Table: Personality change in Aspirants (%)

More responsive	More motivation	More confidence	More ambitious	More awareness
61	48	72	41	22

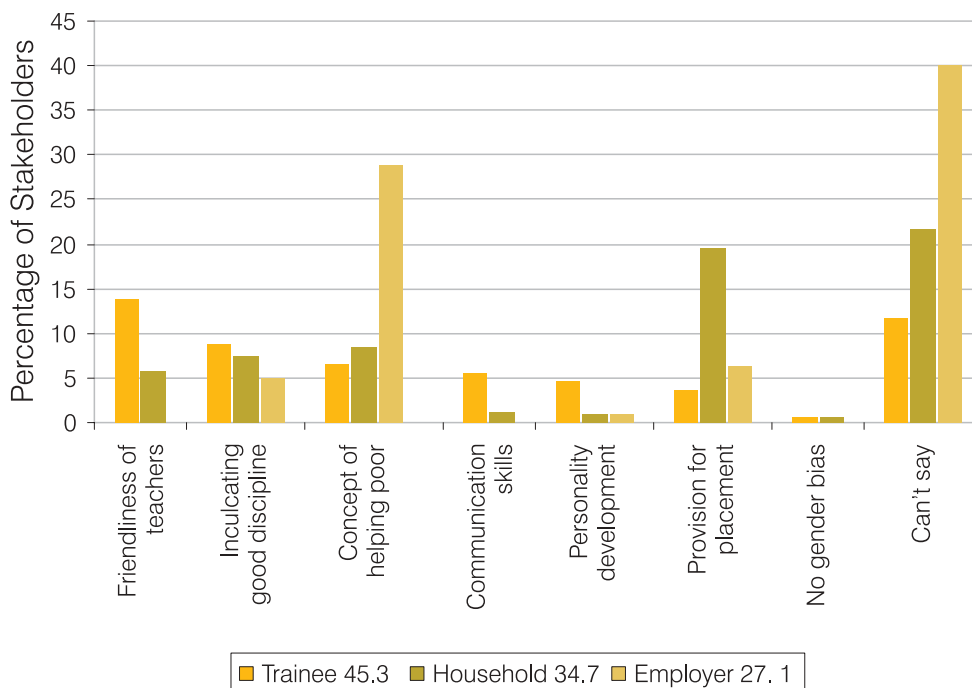
Table: Employers View on Aspirants Development (in%)

Skill	Percentage
Technical	56
Communication	45
Time management	27
Adapt to work conditions	36

"The overall experience working with LABS has been good .We mostly have them joining us as crew aspirants and have success stories of LABS students who have moved up the ladder to become managers at McDonalds. I would like to thank LABS for all the support that they have extended to McDonalds."

*Junaid Kader - Operations Consultant, McDonald's*

Graph: Percentage of stakeholders according to aspects liked about LABS



## ...LABS

### Views on changes required in LABS

The most important aspect that emerged is improvement in the management of practical sessions in LABS. For instance, all the following responses are related to course management - 'computer skills to be made integral part of all the courses, emphasis on practical classes and allocation of time for the same, and timely provision of equipment'. Also, some aspirants are looking for induction of advanced courses in computers and others. For example, a person working in glass-making work would like to have suitable module to equip him / her in computer designing. Such kind of needs in different sectors must be identified and acted upon to create suitable employment avenues according to the aspirants' requirements. Lack of basic facilities has also emerged as an important concern among 10% of the aspirants and employers. Women aspirants in particular are facing problems due to lack of toilets, water and infrastructure.

In addition, the aspirants seem to have inconvenience in relation to location of the centre. For instance, in AP and UP, aspirants had to travel long distances and invest in travel expenses, which is not affordable. In view of this, aspirants felt that provision of bus pass was necessary. It was also felt that the course duration must be justified in equipping the required entry level skills of the aspirants; and regular follow-up during post-course period. 38% of aspirants, 30% of households and employers have expressed the need for including courses that have demand in the local industries and establishments. In their opinion, sectoral growth is not only taking place in new economy, but also in traditional activities. For example, potential for food processing and handicrafts was felt in J&K. At least 10% of the aspirants and households, and 5.8% of employers indicated that the duration of the course must be increased. In this regard, two different viewpoints have emerged:

- First, aspirants didn't get sufficient exposure to practical inputs due to delay in provision of equipments (e.g., computers), facilitators, etc. They were of the view that three-month duration is enough if the above constraints are addressed.
- Second, there is variation in age and grasping levels of aspirants, which is coming in the way of learning. So, special attention must be given to the slow-learners who are unable to cope with the regular course schedule in addition to induction classes.

### Emerging priorities of LABS by stakeholders

Future priorities	Aspirant	Household	Employer
Additional courses	39.5	31	32
Duration needs to be increased	10.0	10.5	5.8
Established centre with efficient faculty	7.4	1.1	5.8
Expansion of geographical coverage	4.7	0.5	6.3
Financial assistance	1.1	0.5	0.5
More publicity about LABS	1.6	0.5	2.1
Certification of course by the Government	0.5	0	1.1
Need to cover more poor people	5.8	7.9	4.2
Physically handicapped should be paid more attention	0.5	0	0.5
Provide bus passes or locate centres at a nearby place	0.5	0.5	1.1
Provide suitable job	7.4	18.9	3.7
Providing platform for interaction / guidance	4.7	0.5	1.6
No answer	16.3	27.9	35.3

Some of the stakeholders have expressed the need for provision of suitable job, efficient faculty, targeting youth from the poorer sections and guidance after the course period. Across the states, aspirants felt a need for a platform, where they can share and resolve their problems during the post-course period. The following expressions from the field reiterate such a need. Several aspirants have left the entry-level jobs, as there was mismatch between the course attended and what the employers need. Some aspirants have got only part-time jobs and after some time they became jobless. They faced problem to get another job in the absence of information and wherewithal. Problems were faced by the aspirants as some employers put them to long hours of work without proper remuneration and food. Some aspirants felt that they were not properly equipped and their entry-level job was also not providing any opportunities to develop further in the career.

"LABS has changed my life by training me in the ITES sector, as well as by equipping me with many invaluable life skills. These inputs have enabled me to get promoted from Salesman to Floor Manager in quick time."

**Marian Anthony** (ITES trainee, Uppal)

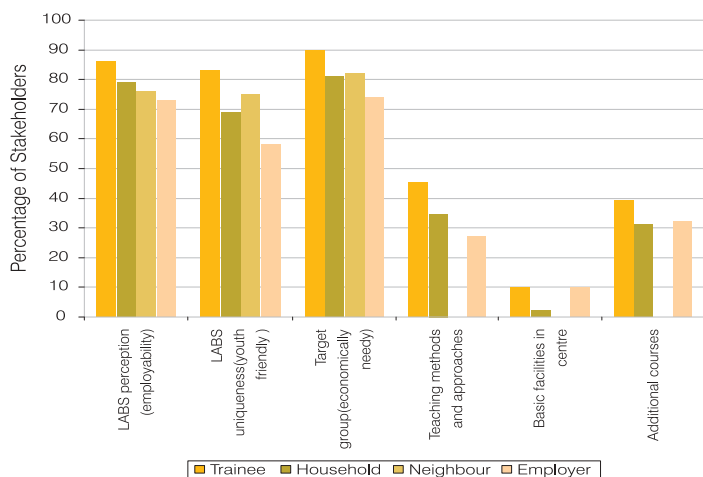




## IMPORTANT REFLECTIONS

The following predominant dimensions have emerged as captured in the graph below.

### Connecting Stakeholders' views



### Aspects needing change (employers' perspective)

Towards this end, suggestions were sought from the employers in regard to the aspects that need change in their perception. Nearly half the employers could not say anything in particular, while duration of the course and more focus on practical need a second look according to 10% of them. A few of them made observations on the present status of supply of equipment in the centre and the hygienic conditions prevailing in the surroundings of the centre (venue).

### Perception of LABS staff

The sample staff members were asked to indicate their perception

on various components of LABS course. In each component, the perception was sought on a four-point scale, the cues being 0, 1, 2 and 3 where 0 and 3 represent extreme levels on the appropriateness / relevance continuum. The average score on each component is computed taking into account the score obtained by staff in the range of 0-3. The field staff scored high for employability and personality development. It matches with the perception of senior team, though they scored a little higher on both the aspects. While the field staff assigned the lowest score for economic advancement, the senior team to career advancement. Employability emerged as a major trait across the stakeholders. At the same time, there is variation across the stakeholders' understanding.

### What more can LABS do?

25% are of the view that courses having local relevance only need to be organized and also the market scan undertaken must appropriately reflect this. As of now, according to these staff members, not much choice is available to the candidates in selecting the courses, assuming that a realistic market scan would identify more courses. Other suggestions relate to the need for bringing more poor under the ambit of the courses and revision of the curriculum. The suggestions made by the staff at the headquarters also reinforce those mentioned by the field staff. This group that differently-abled should also be brought in to sharper focus made a specific mention. As unemployment is prevalent even among those with higher educational qualification, suitable programs aiming at personality development and life skills need to be thought of. From this analysis it is clear that the staff visualized growth both on the personal and professional fronts. While in the case of the former, besides job satisfaction, they could enhance their knowledge base in the sector they are working at present. As regards the latter category, growth opportunities are aplenty in the sector besides job security. Good salary and increments are the added advantages as perceived by the staff in general. Further, a majority of them are confident that the career opportunities in this sector are available outside LABS also.

### Employer case study

**Jain Irrigation** is one of the major employers for LABS in micro-irrigation, having provided opportunities to around 80 LABS aspirants. The placements take place in various districts of Andhra Pradesh. The person who interviewed was Mr G Surya Sinivas (Zonal Manager). It was revealed that Jain Irrigation saves 30-40% of recruitment costs while hiring a LABS aspirant. While the entire training cost, which is approximately Rs 5000, is saved for the company while recruiting a LABS aspirant. This training is a 15-day program which takes place in Jalgaon. The attrition rate of Jain Irrigation is around 30% and around 60% of the LABS aspirants have been retained in the job. However, the rest have left due to the location of the job.



## OTHER STAKEHOLDERS' VIEWS

### Trustees

The Trustees - Ms Anuradha Prasad (Managing Trustee, DRF) and Mr Satish Reddy (Chief Operating Officer, Dr. Reddy's Laboratories) - perceive that LABS stands for employability. However in the case of other components there is no uniformity in their perception. Further,



in regard to economic advancement and personality development, there exists a larger degree of favourable agreement among them. Even in regard to uniqueness of LABS, the perceptions of the trustees are that LABS is market friendly, however one needs to focus on areas with respect to Cross Sector Partnership. Out of the five target groups under consideration, the Trustees indicated that the LABS courses basically aim at economically needy and school / college dropouts. With respect to the issues raised in last year's Social Audit, one of the trustees mentioned that Quality Assurance Enhancement was introduced to check the quality of services.

In response to the question "What role do you expect from your partners in realizing the target of 1 million livelihoods and the kind of strategic partnership envisaged in this context?", the Trustees revealed that there needs to be scaling up of activities from existing partners and support from new partners should be strengthened. Also, the partnership should focus on long timeframe of engagement.

In response to the question "What do you like about LABS", the Trustees revealed that the sincerity and commitment of the team was commendable, as well as the focused effort. The clear-cut structure of LABS is also liked. As for "What needs to be changed?", many aspects with respect to enhancing the partnership were mentioned, apart from increase in the duration of the course. The latter has been reflected even by the DRF staff.

The Trustees also gave various suggestions for effective functioning which include the following:

- Enlarging the scope by expanding the number of courses.
- Identifying opportunities in creating entrepreneurs.

### Partners

As a part of preparation of the database for Social Accounts, five partners were also contacted for capturing their reactions on various activities pertaining to LABS courses. Their brief profiles are given below:

- First Source Solutions is a BPO working for amelioration of the conditions of the poor.

- Commissioner Director Municipal Administration (CDMA) and Andhra Pradesh Urban Services for the Poor (APUSP) are government organisations.
- Mineral Foundation of Goa (MFG) is an NGO engaged in social and environmental development of mining areas in Goa.
- Employment Generation of Marketing Mission (EGMM), situated in Andhra Pradesh, focuses on identifying and training the underprivileged youth for employment and employability.

All the five partners perceive that LABS stands for employability. However, in the case of other components there is no uniformity in their perception. Only three of them indicated that LABS works towards career and lifestyle advancement also. Further, in regard to economic advancement and personality development, there exists a larger degree of favourable agreement among the partners

Even in regard to uniqueness of LABS programs the perceptions of the partners more or less tally. While there is a positive perception on the component 'market-friendly', on other components there is a slight variation.

Out of the five target groups under consideration, excepting for small variations, all the five partners indicated that the LABS courses basically aim at the economically needy and school / college dropouts. The role of the partners is primarily in terms of participating in various activities ranging from market scan to placements. APUSP and EGMM stand apart in that they participated in all the activities enumerated in the checklist. MFG occupies the second position in terms of the number of activities in which it participated. Interestingly, though CDMA and First Source Solutions did not report to have participated in all the activities, they did not miss the core activity, which is showing placements for the aspirants.

As far as market scan is concerned, three partners are of the view that the market scan conducted under LABS was comprehensive in terms of it adequately capturing the local employment potential. However, in the case of one partner, it could do up to 60-70% only, while one partner did not react to this question. No partner is reported to have played any role in the selection of trainers. However, three of the expressed satisfaction over the skill and proficiency levels of the trainers, while one partner was a little sceptical about it. As regards the views on aspirants, the partners, with an exception of one, mentioned that there is a perceptible change in the confidence level of the aspirants and also their attitudinal levels and soft skills.

The partners have also perceived that the courses the candidates have undergone could sufficiently equip them on basic skills. However, no specific suggestion came forth from the partners as regards monitoring the performance of the aspirants. The partners also gave various suggestions for effective functioning which include the following:

- Enlarging the scope of LABS.
- Upgrading the skills of the aspirants.
- Conducting the employability survey.
- Monitoring the wages and trying to increase remuneration.
- Establishing alumni associations.
- Pioneering new models and showing more leadership and creativity.



## FEEDBACK COMMENTARY

### Employers' meetings

The involvement of the employers is limited to providing workplace solutions. The employers see LABS as a provider of skilled human resources. It is felt that in order to ensure that there is alignment of thoughts with the concept of LABS and also to create awareness about the social impact of LABS, we should provide an avenue for sharing experiences through a biannual / annual meeting. This would initiate the transfer of thoughts and ideas and will be beneficial to both the employers and DRF.

### Academy development

A standard set of courses is being implemented, and as revealed in the Accounts we also need to focus on new courses which will benefit the youth. In order to do so, we can undertake a limited number of academies (say 5) as small pilot initiatives each year and incubate them.

This, however, entails all the steps taken in the LABS process like market scan, training the facilitators, in order to make it operational and provide options to the partners. Otherwise it will be difficult to experiment with partners to run a pilot academy for a new course.

### Adaptation of program with caution

The LABS program works well with the entry-level opportunities it creates for the youth. It has been in the process of contextualization across the rural as well as urban areas, as well as catering to the needs of various target groups.

However, while covering a new area / target group, we should be cautious about its adaptability and revisit the process in accordance with the context. This is reflected in the case of running the ILO project in Uttar Pradesh as evident in the Accounts.



### Inclusion of differently-abled

A specific mention was made by this group that differently-abled and those in special circumstances should also be brought into sharper focus, as unemployment is prevalent among them despite higher educational qualification in some cases. Suitable programs aimed at personality development and life skills need to be thought of.

### Alumni

The alumni have played a role in selection of 15% aspirants in employment. This percentage can be further improved as suggested by the stakeholders in the Accounts. There is a strong need for DRF to have active and vibrant alumni communities. Although some activity has started in the form of post-placement surveys, nothing further has been done in this area with infinite scope.

### Operational glitches

When it comes to operational issues especially in the huge coverage of LABS across so many states, the issue which may be affected by the scale up is that of quality, there may be a chance for dilution in the economic advancement of the aspirants. There should be an effort to ensure that as the number of LABS increases, the quality should be also maintained which has been taken care by the Quality Assurance and Enhancement (QAE) Cell.

### Duration of the course

The important item in terms of changes required being mentioned by a larger number (27%) is the need to increase the duration of the course. A similar observation is made by other stakeholders also including the aspirants. A gap is also seen in respect of practical sessions according to about 23%. Some staff members also referred to the transfer policy and the pay structure being adopted by LABS. In their view, these aspects need a review.



## FRAMEWORK CODES

The following framework has been colour-coded based entirely on past performance and internal assumptions, and not on any external benchmarks.

### Colour coding for indicators against achievement

GREEN	Positive
AMBER	Needs improvement
RED	Red flag

Activities	Social Book Keeping/Indicators			
	Quantitative	Indicators as covered	Qualitative	Indicators as covered
To understand the market trends in the short term, medium term and long term	Opportunities created through local networks	81% of the aspirants are placed locally	Range of courses covered by the market scan	9 courses covered including micro-irrigation, which was new.
	No. of local stakeholders consulted	15 stakeholders on an average (sample)	Capturing the local trends	Local trends are captured
Developing market-based curriculum through active involvement of the industry	No. of industries involved in curriculum development	38	Industries' interest level	As reflected in the need to change the curriculum felt by one-third of the employers
	Classification of industry participants against nature and size	Marketing (23%) and Hospitality (23%)		
	Number of times curriculum for a specific sector has been revisited	Once for each domain each year	Individual comparison of LABS aspirants vs. others	83% of the aspirants get adjusted more quickly than others
	Date of latest review of curriculum	24 - 25 March 2006		
Increasing employability through delivery of technical and life skills programs	% of aspirants placed	73%	Confidence in aspirants that they will find employment	88% are confident of finding another job as per primary data
	% on LABS Score Card	Quality Assurance & Enhancement (QAE) Cell has been initiated	Lack of fear of job switch in aspirants	40% plan to switch over a new job
			Alumni perception of the job preparedness	45% did not find it adequate enough to meet the demands of the workplace



Activities	Social Book Keeping/Indicators			
	Quantitative	Indicators as covered	Qualitative	Indicators as covered
Organizing industry visits to provide practical knowledge of the technical skills being delivered in the class room	Number of industry visits per batch	5 visits per batch as per primary data	Views of the students on whether it was a learning experience	45% feel it was useful, larger chunk being of the micro-irrigation course
Introducing the students to the appropriate opportunity (B2Y Networking)	% of aspirants placed	73% as per primary data	Nature / health of relationship with partners	Partners are involved in some activities of LABS, the overall feedback is satisfactory
	Number of organizations with which aspirants are placed	336 companies as per primary data		
	% of local organizations with which aspirants are placed	100%		
	Number of the assignments	In case of 47% of the employers the assignments were conducted		
	Number of the guests lectures during the batch	5		
	Approx cost savings on Labs students	No data available on actual figures although employers (30%) save on recruitment and 23% feel it saves them initial training cost	Commitment and motivation of the labs aspirants	More committed - 83% and more motivated - 69%
Forming and nurturing an active alumni community for further career development support	Frequency of formal alumni interaction	Not initiated	Communication patterns between alumni	Not initiated
	Number of alumni receiving further employment opportunities through other alumni / alumni network	15%	Role played by LABS in maintaining vibrant alumni communities	No specific role envisioned yet
Making people aware about LABS and DRF in their community	No. of persons attending road show	400	Feedback from community organizations that we work with for the purpose of mobilization as to the effectiveness of the communication effort	Not available



Activities	Social Book Keeping/Indicators			
	Quantitative	Indicators as covered	Qualitative	Indicators as covered
	Gender break-up of persons attending road shows	34% females and 66% males attend the road shows	Analysis of actual communication material of projects	The pamphlet mentions the eligibility criteria , courses offered , contact details etc and is effective in communicating about LABS.
Identifying BPL communities / youth / families	Socio-economic profile of the aspirants	Equal distribution in terms of gender, 3/4 of the sample belong to SC, ST and BC, belonging to the prescribed age group (a few exceptions to the cases exist due to the location)	Analysis of family background of beneficiaries	Parent's occupation is mainly labour (30%) and cultivation (23%). Family income contributed to increase in opportunities and food consumption
Conducting Road Shows and Counseling Prospective Aspirants	Selection Ratio at Road Shows	28%	Case studies of LABS aspirants	Around 350 case studies have been collected. They have highlighted the disadvantaged socio-economic background of the youth, and the family, educational background and aspirations
Conducting an Interest Inventory Test to match aspirants' personality with market requirement				
Identifying school dropout from BPL	No. of years since they discontinued their education	2 years		
Ensuring that the eventual livelihoods result in significant addition to family income	% of aspirants placed	72% as per primary data	Social benefits of increased income (peers and families)	Nearly half of the aspirants have taken responsibility in supporting younger siblings and 79% of the aspirants have started contributing towards home
	Career path over 10 years for an entry-level performer	Not available	Improvement in quality of life	50% of the neighbours feel that there is increase in the quality of life
	Average family income increase (Rs.)	2190		
	Change in consumption pattern	69% of aspirants are contributing in meeting consumption needs		



Activities	Social Book Keeping/Indicators			
	Quantitative	Indicators as covered	Qualitative	Indicators as covered
Fostering responsibility and a sense of ownership for their family through the life skills programs	% of income saved	25% of the aspirants could save up to Rs 500 post-LABS	View of family on whether the aspirant has become a more responsible person	Prevalent as per family feedback as shown in their contribution towards the home and involvement in decision-making process
	% of debt on income prior and post-LABS training	17% are able to repay debts post-LABS income		
	No. of younger siblings of LABS aspirants pursuing education	Trend varies from state to state in sending children to school or work, no number as such was found		
	Number of LABS aspirants pursuing higher education	23% are improving their qualification as per primary data		
Evaluation of the Individual Youth Development Program (IYDP) throughout the training period	Number and frequency of IYDP assessments	Monthly as planned		
Cultivating the work culture and work responsibility within the trained youth (Work Readiness Module)	Duration of Work Readiness Module	Not available through primary data	Views of the facilitators and the coordinators about the students (Work Readiness Module)	Useful in facing interviews (70% of the staff)
	% of aspirants that clear their first interview	59%	Employers' feedback on how quickly the aspirants adjusted to work environment	83% agree that aspirants adjust quickly
	Average number of jobs offers received by a aspirant	Approx 2 job offers per aspirant (as per staff)	Feedback on the process of Work Readiness Module	45% still feels it to be inadequate (aspirants) especially in Hospitality and CRS
	Number of aspirants taking remedial classes for work readiness	Not initiated		
Understanding post-placement issues through post-placement surveys and trying to cater to such issues	Number of alumni continuing with the same employer for more than 6 months	48%	Employee feedback on areas of improvement in the course	One-third feel that curriculum needs to be improved esp in areas of technical and communication skills

Activities	Social Book Keeping/Indicators			
	Quantitative	Indicators as covered	Qualitative	Indicators as covered
	Number of alumni who have received a promotion since graduation	8%		
	Number of advanced skill training sessions for alumni	QUEST was the only advanced skill training for alumni		
Identifying persons with high self awareness and motivation as staff	Total number of employees	677	Reason for working with LABS	Job satisfaction and growth opportunities in DRF
	Break-up against organogram	Mean age of employees :29		
	Break-up of field vs. support staff	570 - field support 37 : support staff	Self-esteem levels before and after joining LABS	Job satisfaction is evident from the staff leading to higher self esteem
	Classification of educational background of staff	94% of the staff are professionally qualified and are at least graduates		
Providing ways and means for staff to grow to their maximum potential	Frequency of employee appraisals	Twice in the audit period	Varied exposure provided to employees in terms of location, project nature, etc.	Exposure given in terms of location is high
	Number of advanced skill training sessions for employees at different levels	20 in the audit period	Existence of a clear career path for employees within LABS	85% of the staff feel that they have a bright future ahead of them.
			Matching the aspiration levels of employees	Job satisfaction, knowledge enhancement, professional, growth opportunities, personal growth
To train facilitators so that the appropriate learning environment is created	% of facilitators who have gone through the induction process	90%	Informal/formal mentoring relationships within the organization	No information available on this indicator
	Number of Certified Master Facilitators (CMFs) in the organization	2 CMFs		



# PROJECT AAROGYA

The aim of this project is to positively impact on the mobile eatery business and to improve the quality of food at the mobile eatery that caters to the low income group. The socio-economic profile depicted that a large number of the Mobile Food Vendors (MFVs) were men in the 31-40 years age group belonging to BC, OC and minority sections of the society. The number of family members ranged from 4-8 in 86% of the sample confirming the prevalence of joint family system. The MFV was the earning member of the family in 80% of the sample. This shows the dependence of a large family on the income of the MFV. The monthly income of 39 customers ranged from Rs. 1000-5000. Most of the customers (39) were labourers and workers who work in the vicinity of the MFV and are regular customers who visit the mobile eateries for breakfast. It was revealed through interaction with the MFVs that they had imbibed the food habits as learnt in the trainings in their own lives. All the MFVs in the sample had attended the training on ethical food safety, basic hygiene and Safe Drinking Water (SDW). Only one quality check has been conducted so far for the MFV. The report however is not available for Social Accounting. It was observed that there were improved conditions for storage and supply of water and preparation and serving of food in mobile eateries. This was further reiterated by 92% of the daily customers in the sample.

All the MFVs were now receiving daily supply of water from the Municipality, which was also indicated as one of the benefits of being a part of Aarogya. The other advantage was the permission to place the mobile eatery without any fear of displacement by officials. All the 30 MFVs in the sample had attended intensive training programs on the following issues:

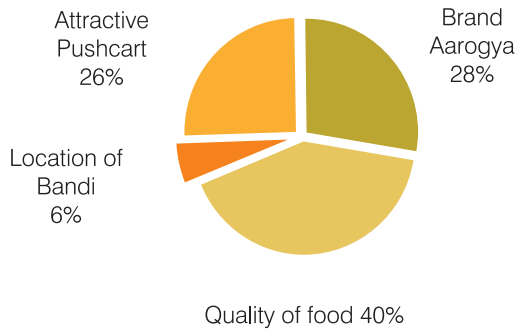
- Entrepreneurship Development Program (EDP)
- General Customer Relations and Business Management

It was noted that 12 members had already repaid an amount in the range of Rs 1000-5000 to the bank while seven had repaid in the range of 5000- 10,000 successfully to the banks. The frequency of repayment was 80% of the cases every month.

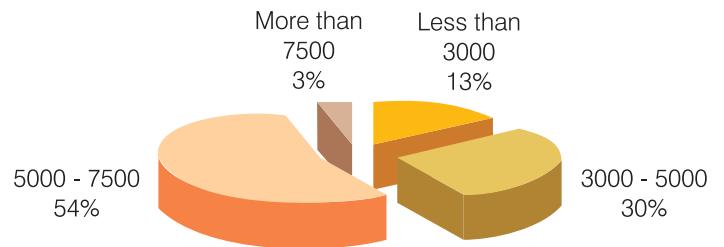
There has been an increase in the number of customers. 27% of the MFVs reported an increase in the range of 50-100% while 23% have reported an increase less than 30%. (Source: Primary data, Mobile Food Vendors). Increase in the income of the MFVs was evident as nearly all of them are making profits except for one.

(Source: Primary data, Mobile Food Vendors). The figures depict Indian Rupees per month. The income includes the expenses also depicted in the graph below:

Reasons for increase in Customers



Range of Increase in Income



A mobile eatery before 'Project Aarogya'.



The eatery gets a complete makeover under 'Project Aarogya'.

## FEEDBACK ON PROJECT AAROGYA

### Health inspectors

According to the Municipal Health Officer as well as a former Health Inspector, it was revealed that certificates given to the MFV served to be an important recognition point and that it should be displayed prominently in the pushcarts.

### Bankers

The bankers recommended that a local person be appointed who will serve as a contact point between DRF, Karimnagar Municipal Corporation, banks and the MFV, as well as to monitor the activities.

### Customers

In general, the overall perception is that the MFVs serve healthy food all the time (reported by 97% of the customers) while it was found that they also served safe drinking water (86%). 77% of the sample drank water from the eatery; however 23% of them had doubts regarding its safety. These doubts can be cleared through sensitisation campaigns. The only awareness activity was an inaugural session on 'Public Health and MFV', which was held to mark the launching of the project. It is one of the recommendations of the Social Accounting Group that a sensitisation campaign should be held in the future.

### Other stakeholders

It was revealed through an interview with Mr B Rami Reddy (Municipal Commissioner) that he was satisfied with the progress of the project. Dr Vamshi Krishna (Municipal Health Officer) was satisfied about the

fresh food being served in the eateries, and added that quality checks should be taken up more often in order to maintain it.

### Conclusion

Based on the sample, the MFVs have shown an increase in their income levels and are doing well as a business. Health, hygiene and cleanliness, not just in the eatery, but also in the lives of the MFV are a consequence of this program. The brand 'Aarogya' has been influential in increasing the customer base; but it is the taste of quality of food that still attracts customers to a large extent.



*Ms Namrata Kaur (DRF) seeks the views of Dr Vamshi Krishna (Municipal Health Officer)...*



*...Mr B Rami Reddy (Municipal Commissioner, Karimnagar)...*



*...and Mr N Srinivas (Sr Manager, Union Bank of India)*



## LABS' ECONOMIC IMPACT

### A SNAPSHOT

Number of LABS aspirants trained in 2005-06	20,734
Number of students placed (73% of 20,734)	15,551
Amount added to the Indian economy per aspirant per month (as per the above analysis)	Rs 2,190
Total addition to the Indian economy in the year	Rs 408,667,140

### LM3: A PILOT STUDY ON LABS ASPIRANTS

To analyze the impact created by DRF in the local economy, we undertook a pilot study in Raipur, as this would provide us with an understanding about how the investment of DRF gets multiplied as it percolates down to the local economy. It was a first-time attempt on our part to demonstrate the economic impact by using a variant of the 'Local Multiplier 3' (lm3) tool, which enables one to measure how much an organization or initiative impacts on the local economy and also helps one to work out where one needs to make changes to improve that impact. Lm3 measures how income enters an economy, circulates within it, and has a multiplied impact on it, especially when it is in need of regeneration.

We measured three 'rounds' of spending, hence the name 'local multiplier 3'. The purpose of tracking and measuring this spending is to identify opportunities to strengthen linkages in the local economy to be made to keep money circulating locally. Raipur, the administrative headquarters of Raipur District (Chhattisgarh), is fast developing into a commercial hub for trade and commerce and an industrial destination for coal, power, steel and aluminum industries and opportunities are aplenty for the underprivileged youth of the city.

### SPM LABS - CHATTISGARH

Shyama Prasad Mukerjee (SPM) LABS was a joint project of DRF and Department of Housing, Environment and Urban Development, Government of Chhattisgarh. SPM-LABS aims to train the youth from economically weaker section in various job-oriented skills and make them industry-ready. The districts covered in Chhattisgarh are Bilaspur, Durg, Bhilai, Raipur and Rajnandgaon. LABS centres started operations in Chhattisgarh in December 2004. SPM LABS has so far trained 2544 students and placed 1577 students in various organizations. Two batches have been successfully completed in each district in Chhattisgarh.

### Scope and assumptions

The total sample size covered for this study was 81 (52 from the first batch and 29 from the second batch), the total number of aspirants across the two batches being 379. These aspirants are all working in various organizations. Although the study was initiated to discover their earning and spending pattern in and outside Raipur, we came across some interesting findings also, which elucidate their standard of living post-LABS and the impact created by LABS. For this study, DRF defines 'local economy' as a set of economic agents that depends on the economy for their subsistence. 'Local economy' for this study constitutes the city of Raipur.

'Marginal Propensity to Consume' (MPC) is an economic term for the amount that consumption changes in response to an incremental change in disposable income. It is equal to the change in consumption divided by the change in disposable income that produced the consumption change. It is a basic concept that is used for all multiplier analysis. Keynes suggested that there was a 'psychological law' that any increase in income would result in an increase in consumption, but that the increase in consumption would be in less than a one-to-one proportion. In other words, if income increases by a dollar, consumption would increase by a fraction of a dollar. This fraction is the MPC.

The following assumptions were followed to simplify the scope of the study:

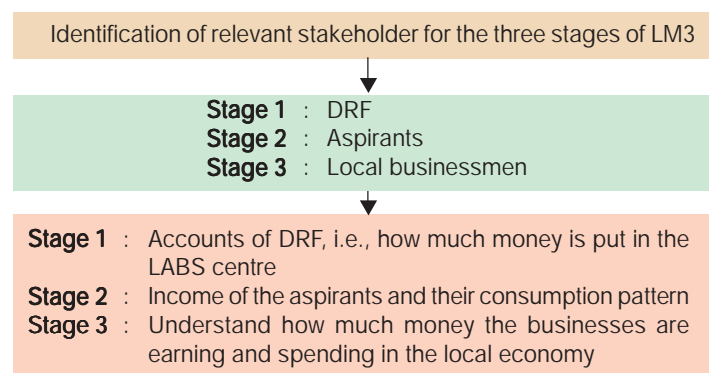
- The aspirants spend on two types of commodities - luxury and necessary.
- The MPC remains same for all the economic agents involved in these three levels, i.e., the MPC which holds true for the aspirants will be similar for the businessmen in that local economy, as any MPC is representative for all the agents who consume and spend in the economy.
- There is absence of tax and transaction cost
- Expenditure = Income identity holds true in this case, what is expenditure in one level is income in the next level.

### HOW DOES LM3 WORK?

Imagine a hypothetical influx of money, say Rs.100,000, entering a local economy. Now imagine this amount is spent on local goods and services. Imagine that each of the local vendors who earned those rupees then re-spends them on more local goods and services. Envision this cycle happening several times before this money is finally spent on import of goods / services from outside the region. In this case, those Rs 100,000 re-circulating eight times would act much like Rs. 800,000 by increasing revenue and income opportunities for local producers. Now, another scenario: picture that same amount of money being spent immediately at stores (or online) with businesses headquartered in other regions on imported goods. These transactions would add very little or no value to the local economy; Rs. 100,000 would act just like 100,000 instead of getting multiplied.

#### Diagrammatic representation of the methodology:

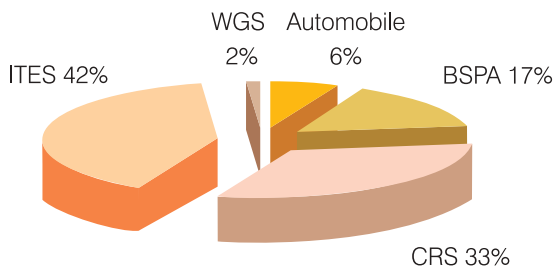
- Development of checklist for the study (based on new economic foundation adapted to suit local requirements, source: [www.neweconomics.org](http://www.neweconomics.org))
- Identification of the centre for the study
- Data collection from the aspirants
- Interview method used for businesses



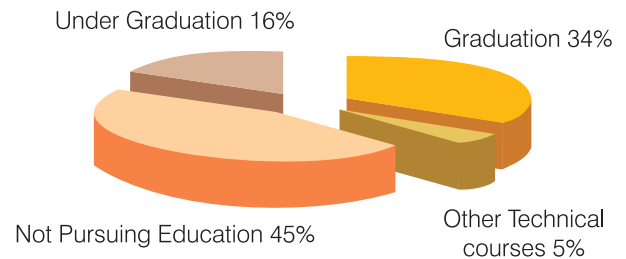
## ANALYSIS OF THE FINDINGS

- Education: Education is an important feature of any economy, as it directly results in the development of the country. In the present study, it was found that 55% of the sample is also studying apart from working, which shows the awareness on the need for higher education as a pre-requisite for a bright career ahead. The aspirants also spend a part of their income not only for their own educational pursuits, but also those of their younger siblings.
- The monthly income of the aspirants is not only used for their own expenditure, but also contributes to the home. 22% of the sample size contributes 75-100% of their income to the family. A large number of these aspirants are girls who contribute their entire earnings for the improved living conditions.

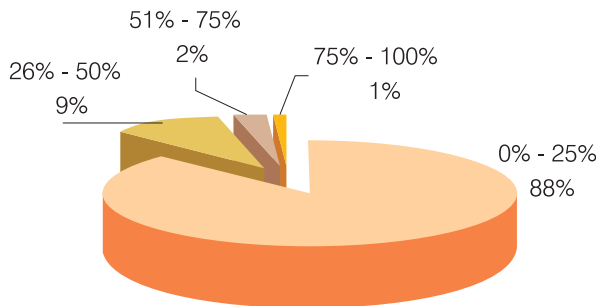
Course Wise Classification



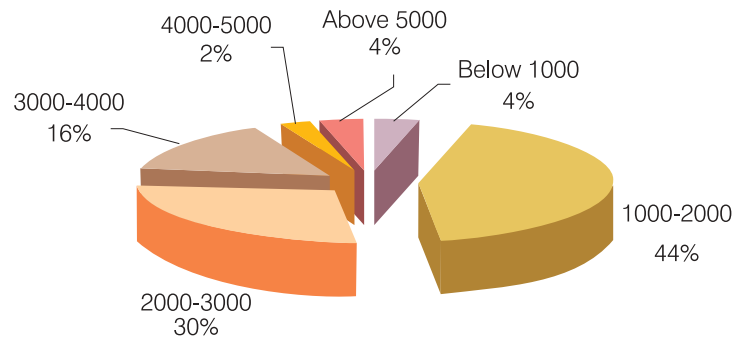
Current Education Qualification



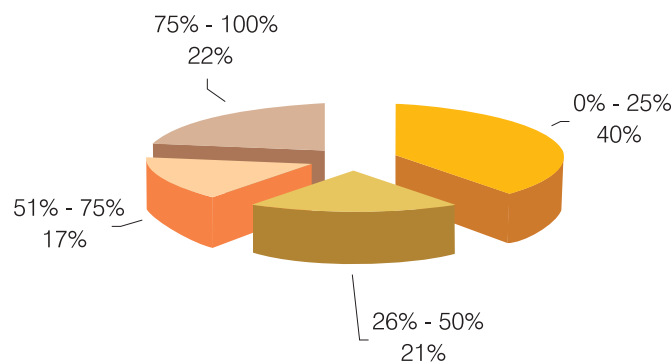
Income contribution towards Education of Self and Others



Monthly Income of the Trainees



Contribution towards the Family /Home





- **Food:** The findings reveal that the money spent on food here is concentrated on the local purchases of food items from the local stores or nearby market. A sizeable share of the salary is spent on it, irrespective of the range. 50% of the aspirants are spending 25-75% of their income on food, which indicates a trend towards an improved standard of living.
- **Entertainment:** This is again restricted to local restaurants, movie halls, etc., although the amount spent on this is less than 25%. LABS is a new-economy livelihood promotion training program that is exclusively custom-designed for youth from the poorest 15% of the Indian population; the aspirants are understandably cautious about indulging in luxurious expenditure.
- **Clothes:** This again is a commodity restricted to 25% of the income earned, as reported by the majority of the aspirants. Those who did spend did so from the local markets.
- **Household appliances:** Purchase of household appliances and items was introduced keeping in mind the expansion of the city, as well as the increasing purchasing power of the aspirants after getting a job. Around 0-25% of the income is spent on household appliances, as reported by 98% of the sample.
- **Transportation:** It was revealed that local transport is not very relevant in the context of Raipur, where there is a dearth of public transport. So the aspirants use two-wheelers, while some also use cycles. 11% of the aspirants spent 25-50% of their income on petrol.
- **Rent and home costs:** Most of the aspirants live in small houses in slum areas. 25% of the income is spent on home expenses such as gas, phone, water, etc. A single aspirant spends more than 75% of her income on child care and medicines, while the major expenditure of the rest of the aspirants is on the use of recharge vouchers of mobile phones, which is considered a non-local commodity in the context of this study. In case of loan repayments, it was found that most of the loan-seekers had taken bank loans for 2-wheelers.

Savings are also an essential feature of these aspirants. 44% of them spend Rs.1000-2000 out of their income on the local economy; only a small percentage is spent on the non-local economy. This is derived by taking into consideration the money spent on food, entertainment, clothes, home costs, household expenditure, education and others (which is mainly need-based spending, variable and difficult to trace). As savings are not expenditure, therefore it is not accounted for in this regard and also loan repayment.

It should be noted that money spent by local residents for purchases in stores outside the local community is 'leakage', because it is not likely to get circulated back into the local economy. However this leakage is minimal, except for cost incurred in the mobile phone's monthly recharge vouchers, the highest being 19% of the salary. This is regarded as 'non-local' economy as only a small fraction is earned by local retail shops, while a large chunk goes out of the economy directly to the company.





## LOCAL BUSINESS IN RAIPUR

Ten local businesses were interviewed in Raipur, varying from local kirana stores to wholesale shops. However, these businesses were unable to disclose facts and figures pertaining to their business, making it difficult for us to get a lucid picture of the turnover. We did get information on the range of profit revealing that all of these businesses made profits (11% average monthly profit). But in order to trace the LM3 at this level, we needed to understand the turnover of their businesses which was difficult to elicit from them. It is assumed that there exists an impact of the aspirants' income on their businesses, however small. The businesses have employed people from the local areas and invest in both local and branded commodities. Most of these are general provision stores which cater to the local people, as the advent of supermarkets is in the nascent stage in Raipur.

### First level

Income from DRF: Rs 3854 per aspirant

Amount spent by DRF: Rs 3854 x 379 = Rs 1,460,666 (for 379 aspirants)

(It may be noted that the aspirants began earning after successful completion of the batch; this varies for the two batches, as the duration of the 1st batch was from 10 April to 10 July 2005 (233 aspirants), and the second batch was from 5 September - 5 December 2005 (146 aspirants). Therefore the number of aspirants is 379.

### Second level

Total income per month earned by 81 aspirants: Rs 206,750

Monthly income of 81 aspirants	206750
Average salary earned by the aspirant per month	2552

Batch-wise income of aspirants	
Batch I	123750
Batch II	83000
Total Income per month	206750
Average salary	2552

Batch-wise income of aspirants		
Batch I	123750	for one month
Batch II	83000	for one month
Total Income per month	206750	for one month
Average salary	2552	
Number of aspirants in batch 1	52	
Number of aspirants in batch 2	29	
% break-up batch-wise	64%	
% break-up batch-wise	36%	

Total aspirants in 05-06 (233 for batch 1 and 146 for batch 2)	379	(233 for batch 1 and 146 for batch 2)
Therefore% of income for 233 aspirants	4756928	( 8 months )
Therefore% of income for 146 aspirants	1117776	( 3 months )
Total Income earned by 379 aspirants for the period of 05-06	5874704	
Income break-up batch-wise (52 aspirants)	1061632	
Income break-up batch-wise (29 aspirants)	222024	
Income earned by 81 aspirants during the period	1283656	

The total income of all the 379 aspirants who graduated in Raipur for 2005-06 therefore is: Rs 5,874,704 (summing up A1 & A2)

Local economy contribution by aspirants		
Total spent on local economy	Source : Primary data	155400
Average amount spent in Local economy per aspirant per month		1919
Average salary earned per month per aspirant		2552
% spent in Local economy		75%
Total amount spent by all the aspirants in Raipur in 2005-06		5874704
Therefore amount spent in the local economy (Mpc)		4406028

Percentage spent in the local economy by the aspirants:  
 $1919 / 2552 = 75\%$

This is the MPC for the local economy, which will help us to trace the multiplier effect in this study. The higher the MPC, the higher the multiplier. A higher MPC means that a larger share of any increase in incomes is then spent on consumption. It also means that the aggregate demand line (the line representing total spending as a function of income) is steeper. A steeper aggregate demand line means that even a small upward (or downward) shift in it will have a large effect on where it crosses the 45 degree income-expenditure line, and thus a large effect on national income. This is what we call a large value of the multiplier. (Source: J. Bradford DeLong (Professor of Economics, University of California). This denotes that the aspirants spend 75% of their income in the local economy. Therefore the total amount spent by all the aspirants in the local economy for the year 2005-06 = 75% of 5874704 = 4406028. Therefore the second level spending was Rs 4,406,028



Third level

Amount spent locally by the aspirants = Total amount earned by businessmen in Raipur (Rs 4,406,028). The businesses make an average profit of 11% (as derived from primary data of local businessmen in Raipur). Therefore, cost of running the business is assumed to be 89% of the amounts spend in local economy, which will be 89% of 4406028 = Rs 3,921,365. It was difficult to elicit any response with regard to income and cost break-up as incurred in the local businesses. It may be further assumed that the businesses again will spend at least 75% of their businesses in the local economy as the multiplier remains the same for them too.

75% of 3921365 = Rs 2,941,024

Limitations of the study

This is only a pilot initiative undertaken to understand the impact of DRF in the local economy. There exist some limitations in the application of Im3 in this case, which are summarized as follows: It is difficult to differentiate between luxury and necessary goods. The same is applicable for tax and transaction cost. One needs to use alternative ways of collecting information as far as income of the businesses is concerned, as it is not revealed directly in most cases.

MAIN ISSUES, RECOMMENDATIONS AND CONCLUSIONS

Project-level issues have been highlighted as feedback commentary in each individual section. This section focuses more on organizational trajectory and its implications.

DRF has evolved as an organization even in the brief space of one year, between social accounting cycles. The head count has significantly increased both in learning and in livelihoods, systems have been put in place, especially in the case of the livelihoods programs for achieving scale and impact, thought on implementation areas has crystallized, and the way forward is emerging.

A large issue for concern, though, is the clearly discernible gap between the two operational areas of work - Education and Livelihoods. Together, these initiatives will bring true meaning to affirmative action, and to investing in the future of the nation. In our opinion, the synergies between these two programs are not yet fully utilized; they are functionally operating in silos. Improving relations between these two areas of work, and bridging the disconnect would lead to DRF's long-term sustainability.

Also, at the organizational level, there needs to be cogent thought on the core of DRF, its reason for existence, its values, etc., and the outcome of such thought needs to be reflected in its program portfolio. One special area for concern, for example, is the fact that neither of the programs works with illiterates directly, and this target group cannot be ignored if we truly stand for opportunity.

Strengths and weaknesses of the Social Accounts

We did not believe that putting the Social Accounts together the second time could be more rewarding than the first time. We have proven ourselves wrong. We have discovered that if at all, writing the Social Accounts for the second time is more demanding, more exacting and above all more enriching. What began as an experimental process last year has matured, and has shown that it impacts organizational behaviour and decision-making at various levels.

This year's Social Accounts are much stronger than those presented

Cash inflow in the local economy would be as follows:

Table with 2 columns: Category and Value. Rows include Level 1 : DRF (1460666), Level 2 : Aspirants (4406028), Level 3 : Businesses (2941023), a sum row (8807717 / 140666 = 6.029932236), and Local multiplier (6 times).

This shows that the amount invested by DRF gets multiplied by over 6 times within the local economy; therefore the economy benefits from the impact created by DRF.

last year due to many reasons. The sample sizes are larger, the representation of sample is better distributed, and in the case of LABS, the data has been collected and analysed by an external agency. All these factors underline the credibility of the Accounts as well as the transparency of the accounting process. In the LABS program, which has been covered a second time, we have collected data from secondary data sources as well. This indicates the evolution of social accounting systems in the project. As far as the breadth of the report is concerned, a larger perspective of DRF emerges as we have covered almost all the programs operational under the DRF umbrella. The only area of work missing from this year's report is DRF's work in its own campus at Chandanagar. We intend to cover that next year.

Weaknesses, of course, are aplenty. Apart from LABS, all other information is internally gathered. For some of the projects apart from LABS, there was not much that could be gleaned from secondary data. In others, since the monitoring group was not involved in day-to-day monitoring, but was involved in the Social Accounts, a very 'outside' perspective is presented. This could of course have positive as well as negative ramifications.

Plans for the next cycle

Next year, we look forward to presenting a more organization-based picture in the Social Accounts. Instead of being focused on DRF's projects, we will endeavour to look at its Mission and Purpose, and analyse how its programs are working towards realizing them. Another aspect that we intend to examine is the environmental angle of our work. As a social organization, we believe that we must look at resources - financial or otherwise - with caution. We will attempt to analyze, even if in a small way, our impact on the environment, whether it is in the amount of paper we use, or in the amount of water and electricity used in our facilities.

Meanwhile, of course, we look forward to actively working on the preparation of the Social Audit Report 2006-07. We will also attempt to reduce our lead time to publishing the document. In all, it seems like a full year ahead.

# FINANCIAL STATEMENTS

We are required to file an Annual Return with the Income Tax Department containing our Balance Sheet, Receipts and Payment of funds during the year, list of trustees and other information that they may require, so that we maintain our status of a 'not-for-profit organization'.

We are also obliged under the Foreign Contribution Regulation Act (FCRA) to take an approval of the funds that we receive from outside India and submit a report on its utilization.

In addition, 'Utilization Certificates', attested by an auditor, are presented to all funders, although this is frequently not a requirement stipulated by them.

Employee welfare compliances are also adhered to fully.



## BALANCE SHEET AS ON 31 MARCH 2006

In Rupees

	Sch.No.	Amount
<b>LIABILITIES</b>		
1 Corpus Fund		1,001
2 Reserves & Surplus	01	81,814,481
3 Current Liabilities and Provisions		
a) Current Liabilities		
- Sundry Creditors	02	1,238,093
- Statutory Liabilities	03	773,584
- Advances-Field Staff	04	704,000
- Other Current Liabilities	05	6,629,082
b) Provisions		
- Provisions		5,709
<b>TOTAL</b>		<b>91,165,950</b>
<b>ASSETS</b>		
1 Fixed Assets	06	
- Gross Block		62,944,999
- Less: Accumulated Depreciation		(22,622,999)
- Net Block		40,322,000
2 Current Assets & Loans and Advances		
a) Current Assets	07	
- Cash and Bank Balances		41,007,749
- Receivables		6,692,299
- Other Current Assets		668,763
b) Loans and Advances	08	
- Deposits		435,416
- Advances to Suppliers		544,885
- Advances to Field Staff		1,494,838
<b>TOTAL</b>		<b>91,165,950</b>
Significant Accounting Policies	IIA	
Notes to Accounts	IIB	

As per our report of even date  
For **A. Ramachandra Rao & Co.**,  
Chartered Accountants

Sd/-  
**P.S.R.V.V. Surya Rao**  
Partner

Date : 20.07.2006  
Place : Hyderabad

For **Dr. Reddy's Foundation**

Sd/-  
**G. Anuradha Prasad**  
Managing Trustee

Sd/-  
**K. Satish Reddy**  
Trustee

## INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED 31 MARCH 2006

*In Rupees*

	Sch.No.	Amount
<b>INCOME</b>		
1. Donations / Contributions	09	115,844,348
2. Other Income	10	3,202,438
<b>Total Income</b>		<b>119,046,786</b>
<b>EXPENDITURE</b>		
3. Programme Expenditure		64,500,254
4. Programme Support Expenditure		9,131,384
5. Administrative and General Expenditure		7,749,948
6. Depreciation	06	5,826,260
Add: Prior Period Adjustments		(26,037)
<b>Total Expenditure</b>		<b>87,181,809</b>
Excess of Income over Expenditure		31,864,977
<b>TOTAL</b>		<b>119,046,786</b>
Significant Accounting Policies	IIA	
Notes to Accounts	IIB	

As per our report of even date  
For **A. Ramachandra Rao & Co.**,  
Chartered Accountants

**Sd/-**  
**P.S.R.V.V. Surya Rao**  
Partner

**Date** : 20.07.2006  
**Place** : Hyderabad

For Dr. Reddy's Foundation

**Sd/-**  
**G. Anuradha Prasad**  
Managing Trustee

**Sd/-**  
**K. Satish Reddy**  
Trustee



## ANNEXURE 1

### Recommendations of the Social Accounting Group for 2004-05

- A closer involvement of local industry participants in curriculum customization would bring about more ownership from their end.
- A simple format for assessing the recruitment interest levels of those who participate in curriculum development needs to be implemented.
- Activities such as assignments and guest lectures are dependent on the enthusiasm of the local staff, and need to be more streamlined.
- Less than 50% of the aspirants get the opportunity to do the assignments with the organizations.
- The concept of alumni network is still not fully utilized. Active alumni communities need to be created and nurtured.
- Communication is sometimes misinterpreted, assuming Dr. Reddy's or government is recruiting, or it's a government training program.
- There are exceptions to the economic criteria laid down by LABS sometimes, although most students are dropouts.
- The staff is not clear about the frequency of IYDP assessment for the students, to evaluate the individual's regular development.
- Our staff is also not clear about the duration of the Work Readiness Module (WRM).
- Only 50% of the employees had undergone the appraisals.
- A large number of employees has not undergone induction training
- In general the secondary data available has been scant. This indicates that in the coming year, simple social accounting systems need to be inculcated in order ensure authenticity and ease of data collection.
- Reports from centers are very scattered and the formats are currently not consistent. Streamlining would be required to ensure uniform analysis.

## ANNEXURE 2

### Summary of last year's findings

- In 2004-05, LABS catered to 7493 aspirants across Andhra Pradesh, Maharashtra, Karnataka, Tamil Nadu, Delhi and Vietnam. Of these, 163 aspirants have been covered under the study. The sample size therefore is a little over 2%. This was then stratified across projects and geographical locations to capture an overall image of activities in the year under study.

No. of livelihoods created (as on 31 March 2005)	36,000
No. of LABS centres across the country	40
Placement%	80
Gender ratio	50:50
Average initial salary	2200
Average family income increase	69%
Geographical spread	Andhra Pradesh
	Karnataka
	Tamil Nadu
	Maharashtra
	Delhi
	Vietnam
Staff count	196

- According to the other stakeholders like industries also, the main objective of the organization was the employability and increase in the living standards of the vast population of the country.
- Aspirants save about 15% of their salary. After they have acquired jobs, 63% of them take the responsibility of paying back their family debt.
- According to the sample collected, the average family income post-LABS is Rs. 5,180 as compared to pre-LABS Rs. 3,066. The average family income has gone up by Rs.2,114.



## ANNEXURE 3

### New Initiatives

#### *In education*

- **Pudami (Neighbourhood School):** Child labour is a socio-economic phenomenon arising essentially out of poverty and lack of education. We know most of the children are locked in labour and under several pressures that keep them out of school. DRF actively encourages the processes and interventions that mobilize children to enrol into school and prepare the communities to make use of the institutions. Neighbourhood School is established to provide quality education with all possible supporting infrastructures. It is an institution where children from all walks of life rush in to have access to the best that the world can offer. These schools are expected to grow to global standards and extend their arms to get in touch with all the prime intellectual institutions and their resources in the country.
- **Education Resource Centres (ERC):** These are constituted to undertake the responsibility to handle the challenges faced by the schools and support them with necessary trainings and other inputs. It undertakes several studies that explore schooling of children, social contexts that encourage / discourage education, academic delivery systems, and pedagogical / non-pedagogical aspects of education. The core activities of ERCs are resource centre, training agency, hub of studies, publishing agency, networking and system support. ERC has a mandate to facilitate neighbourhood schools to grow as social institutions besides being a resource centre to constantly rely on. The centre works not only for these schools but also partners with other agencies and institutions. It actively seeks a healthy and productive relationship with like-minded people and institutions.
- **Bridge course for domestic workers:** For a large number of adolescent girls (12-18 years) working as domestic help in urban areas, who have missed formal schooling because of various

reasons, there is a need for creating a learning opportunity, so far lacking, to bring back a positive aspect in their lives. A specialized learning program is designed for the working girls to prepare them for continuing education and acquire skills required to get better jobs. The 12-month training program includes 6 months of classroom training covering academic inputs to provide them with basic competencies, theoretical concepts, subject knowledge, spoken English and basic IT skills. Four centres are proposed targeting 400 girls working as domestic workers and construction labour in Hyderabad.

#### *In livelihoods*

- **Agro-Facilitation Centre (AFC):** As a part of its commitment to rural development, DRF is in the process of implementing Agro-Facilitation Centres (AFCs) at various places in the country. AFCs represent a holistic approach to development and will be piloted at village / Mandal / Taluka level and run by a full-fledged project management team, which will act as a catalyst between the agencies and farmers / community. The AFC will have a revenue generation model for self-sustainability (financial sustainability along with social / cultural), after a brief handholding from DRF. The AFC will look at all possible factors that could play a role in the development of the community. This includes facilitation on agriculture and allied services, animal husbandry, health, education, micro-entrepreneurship, e-governance, financial facilitation, etc. DRF is partnering with various national / international organizations, corporate houses, civil society organizations, state / central government and educational institutions for creating a fruitful impact of project.





## ANNEXURE 4

### Social Audit Panel Checklist

#### A. Scope of the Social Accounts

1	Scope	☺	☹	⊗	
1.1	Is the scope of what these social accounts include clearly explained?	X			
1.2	Are the methods used for gathering quantitative information fully described?	X			
1.3	Are the methodologies used for consulting stakeholders fully explained, including sample sizes and response rates?	X			But the panel noted that the consultation with the Trustees had not been explained and this should be added to the section on Methodology.
1.4	Are the reasons for all omissions from the social accounts clearly explained?	X			
2	Follow-up				
2.1	Do the social accounts report on the follow-up of issues raised in an earlier social audit?	X			
2.2	Are internal, year on year, targets set?			X	The panel noted that DRF might consider setting annual targets which could be reported against in future social accounts.
2.3	Are relevant external comparisons (benchmarks) used?			X	The panel agreed that at the present time there were no external benchmarks which DRF might refer to. However it would be good to keep this under review.

#### B. Completeness of the Social Accounts

3	Comprehensive				Comment
3.1	Are the values clearly stated?	X			The panel noted that DRF were planning to review the statement of Values in the future, a suggestion which had been made by the previous year's social audit panel.
3.2	Are the objectives clearly stated?	X			The panel noted that DRF intended to review the wording and relevance of current Objectives and Activities and in doing so also to review the indicators for each to check if they remained appropriate.
3.3	Do the social accounts report adequately on performance and impact against each activity of all the objectives? a. narrative information b. quantitative information c. qualitative information	X X X			a. narrative: b. quantitative: & c. qualitative: The panel congratulated DRF on the fullness of the social accounts in all aspects.
4	Multi-perspective				Comment
4.1	Has a stakeholder analysis been undertaken and reported in the social accounts?	X			
4.2	Have any important stakeholder groups been omitted?				No important groups have been omitted; however it was suggested that DRF might consider seeing the media as a stakeholder with whom they may wish to engage in the future.
4.3	Is the process for selecting key stakeholder groups to be consulted properly explained?	X			Although the process of deciding which stakeholders were to be consulted it is made very clear which were and which were not.



4.4	Have key stakeholders been consulted... a. about living up to the values stated b. about performance (objectives and activities) c. about impact d. about priorities and relevance of objectives	X X		X  X	a. values: It was noted that values are to be reviewed (see above) and that stakeholders may be consulted in the future about these and how DRF lives up to them. b. performance: The panel suggested that for future social accounts DRF might consider selecting certain aspects of its work to explore in greater depth: such "drilling down" would allow a greater understanding of both performance and impact to emerge. c. impact: d. priorities/relevance: it was suggested that DRF might in future consult stakeholders about both priorities and the continuing relevance of objectives - and of activities.
<b>5</b>	<b>Environmental and Economic</b>				<b>Comment</b>
5.1	Do the social accounts include information on environmental policy and practice?			X	The panel noted that DRF intend to look at this area in the future and recommended that this be done.
5.2	Do the social accounts include information on economic impact/?	X			The panel congratulated DRF on the way it had adapted the LM3 tool to demonstrate the considerable economic impact the LABS programme produces.
<b>6</b>	<b>Compliance</b>				<b>Comment</b>
6.1	Are all the statutory and voluntary standards with which the organisation complies reported in the social accounts?	X			
<b>7</b>	<b>Social Audit Trail</b>				<b>Comment</b>
7.1	Has a sample of items been satisfactorily examined/traced to source? Please list: schools.	X			a. copies of the newsletters distributed. b. copies of the primers produced for use in c. all questionnaires which had been used. d. the SVC students completed questionnaires e. the Aarogya questionnaires
7.2	Were the social accounting records fully available and accessible to the Panel?	X			
7.3	Are adequate social accounting systems (qualitative and quantitative) in place?	X			And it was noted that they continue to develop.

**C Process**

<b>8</b>	<b>Regular</b>				<b>Comment</b>
8.1	Are social accounts prepared (intended to be prepared) on a regular basis?	X			In the next cycle it is intended to focus more on the overall organisation and some of the wider issues which have emerged from these social accounts.
8.2	Is the understanding and practice of social accounting embedded in the organisation?	X			
<b>9</b>	<b>Disclosure and Dialogue</b>				<b>Comment</b>
9.1	Are there clear plans to disseminate the findings of the social accounts to stakeholders and to others?	X			Last year as well as publishing the social accounts and putting them onto the DRF website, DRF used the key findings in induction programmes and other training. Findings were also used within various presentations. Plans for a summary version did not work out but it is hoped to do that this year and to



					consider producing a version in local language. John Pearce agreed to look at a draft summary version prior to publication. DRF explained that their intention is that the social accounts will replace the traditional annual report.
9.2	Have or will the stakeholders be included in discussion of the issues arising from the social accounts and the social audit process?	X			Stakeholders will receive copies of the summary social accounts.
<b>10</b>	<b>Format</b>				<b>Comment</b>
10.1	Are the social accounts organised in a clear and comprehensive format?	X			However the panel suggested that the running order of the social accounts might either follow the continuum (revised) on page 5, or they might start with the section on LABS which had been the focus for the previous social accounts.

**D Resources**

<b>11</b>	<b>Resources</b>				<b>Comment</b>
11.1	What lessons of methodology have been learned from this social accounting and audit cycle?	*	*	*	Better use of secondary data; using an outside agency; plans to make more use of FGDs in future to supplement questionnaire data; plans to go deeper on certain aspects.
11.2	What problems have been encountered in carrying through the process	*	*	*	The time-scale; the sheer size of what was done both as regards numbers and geographical spread; getting people to reveal details about income and turnover.





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