

Prosperity generation and poverty reduction through Network Growth Economy

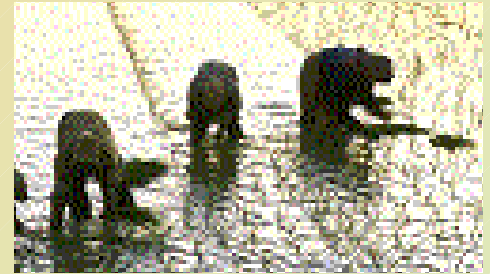
Kuthambakkam Model

Elango Rangaswamy

President

Kuthambakkam Panchayat, Thiruvallur District,
Tamilnadu – 602 107.

Village Economy



- When production and consumption both become localised - speedy and indefinite production at any price, disappears. So does Market dependency.
- Distribution can be equalized when production is localized. Distribution will never be equal so long as we want to tap other markets of the world to dispose of our goods.
- ... if there is production and distribution both in the respective areas where things are required, it is automatically regulated, and there is less chance for fraud, none for speculation.

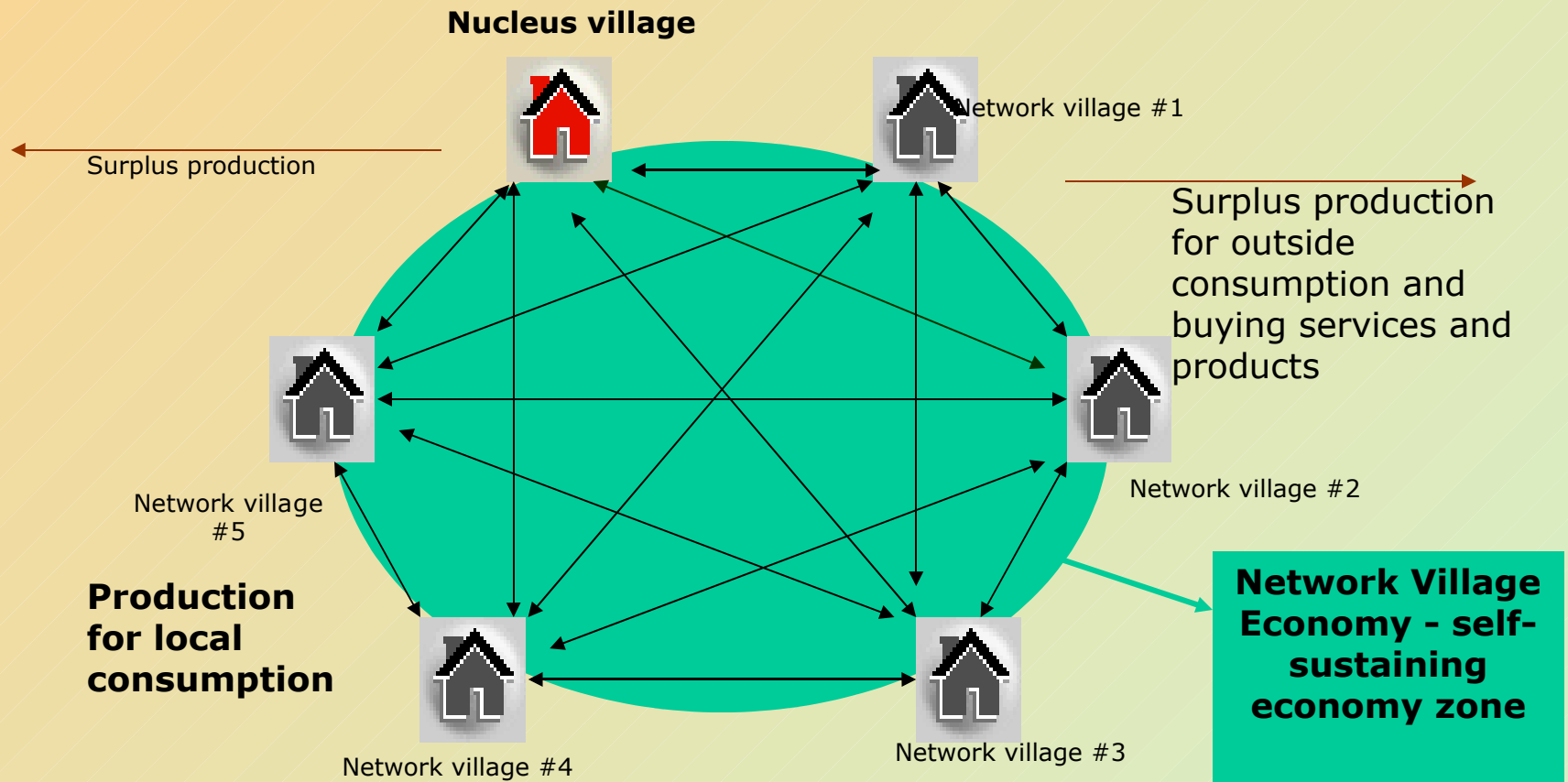
Village Network Economy



Money economy does not report real values...the value of a rupee is different in different hands...what might be food for 4-5 days in the poor man's hands is the price of a cigar for the rich man - J.C.Kumarappa

- The network villages share their produce between themselves and supplement each others' production and processing
- What is produced in excess is sent to outside world - other village clusters or towns for money power which in turn can buy products and services not available in the village

Network Villages



Consumption Pattern

A network may contain 15-20 villages and a population of 50,000-60,000.

- Typical village consumption consists of 40 items including rice, dhal, oil, baked foods, vegetables, cereals, soaps, detergents, clothes etc
- The value of these consumables is Rs.55 millions – 60 millions per month

Local Production

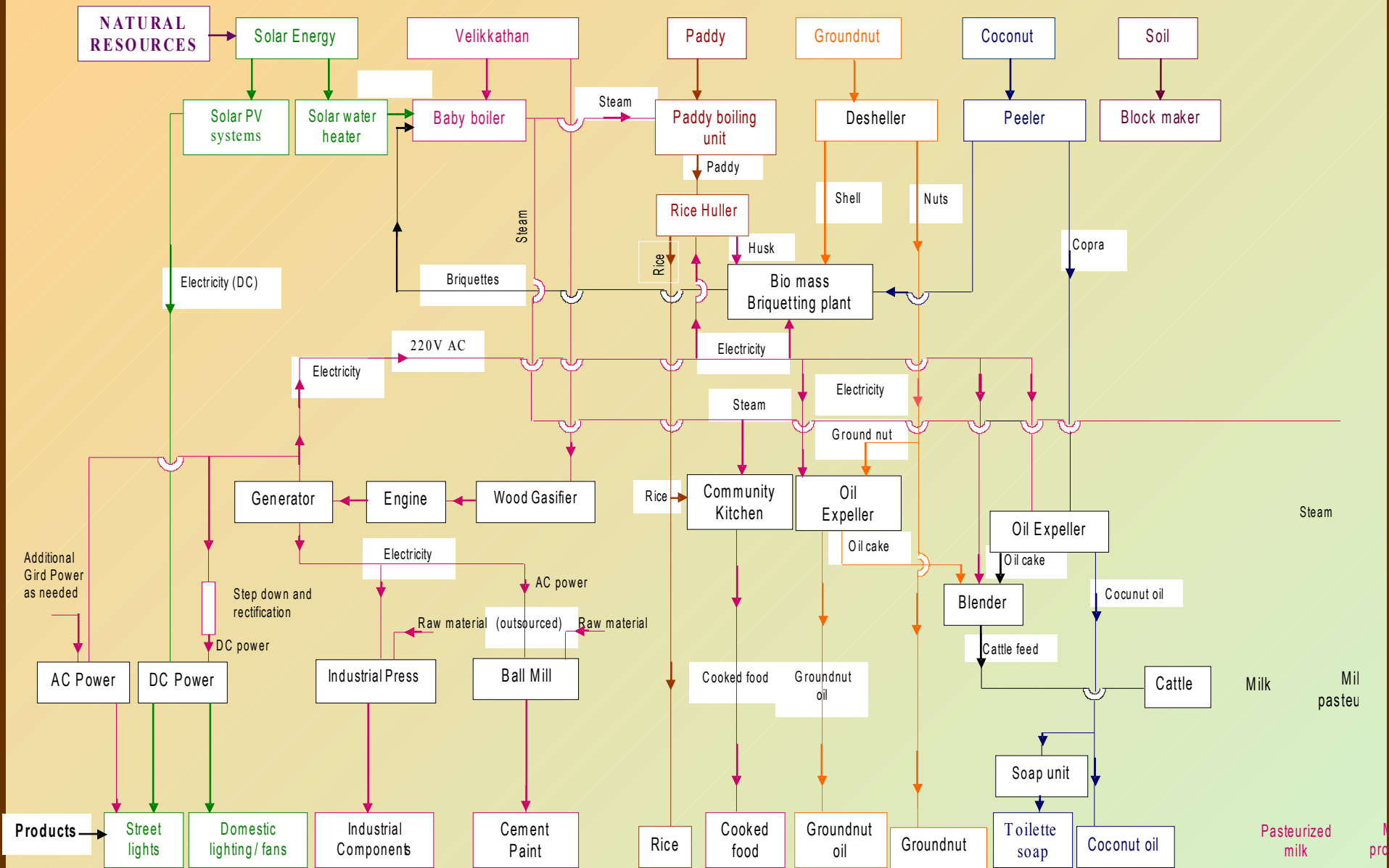
Scope for Local Production

- More than 80% of village consumption can be met through value-addition done to the local produce
- The remaining can be supplied by village trade groups

Local Production

- an instance at Kuthambakkam

- Total quantity of paddy cultivated annually: 2 million Kgs
- Total yield of rice from paddy: 1.4 million Kgs
- Total employment opportunity through value-addition jobs: 130 persons (or) families
- By-products: Husk, bran (finer husk)



INTEGRATED SYSTEM FOR SUPPORTING RURAL ECONOMY
 (BENE DEVELOPED BY KUTHAMPAKKAM VILLAGE)
 Rural Growth through Network Economy

List of village industries:(20 village cluster)

1	Rice mills	8
2	Paddy processing units	60
3	Thoor Dhal (Yellow pulses) mill	8
4	Other type of Dhal mills	1
5	Oil mill	8
6	Bakery items	3
7	Confectionery products	1
8	Flour mill	4
10	Miscellaneous items.	2

(e.g. Pickles, papad, masalas etc)

List of village industries:

Food items

10	Milk processing	6
11	Tea packaging / coffee processing	2
12	Iodized Salt	1
13	Vegetables	2

List of village industries:

Cosmetic and Toilet items

1	Bathing Soaps	3
2	Washing Soaps/ Detergent	6
3	Tooth paste/ Tooth powder	1
4	Shampoo/ Shaving cream	1
5	Hair oils	1

List of village industries:

Construction materials

1	Brick manufacturing units (VSBK)	1
2	Painting materials	1
4	Plastic recycling units for production of road repairing materials	1
4	Tiles	1
5	Mud Blocks	3
6	Pre cast materials/ cement water tanks	2

List of village industries:

Others

1	Tailoring	2
2	Cloth processing e.g. pillow covers, bed sheets etc.	3
3	Candles, Incense	2
4	Paper recycling units	2
6	Cattle feed	2
7	Weaving	4
7	Electrical gadgets	2
8	School note books	1

List of village industries:

9	School bags/ shopping bags	1
10	Compost from waste	10
11	Food Processing (Jams, squash,	2
12	Furniture, carpentry	1
13	Ornaments (Silver & gold)	1
14	Utensils	1
15	Plastic products	1
16	Plastic recycling	1
17	Battery Production units	1

List of village industries:

Service Industries

1	Transport operators for raw / finish goods	5
2	Electrical repairs	2
3	Auto repairs	2
4	Taxi services	3
5	Internet café/STD shop	1
6	Trading shops (3 per village)	45

Livelihood initiatives: Kuthambakkam



Mini modern rice mill

Livelihood initiatives: Kuthambakkam



Groundnut processing

Livelihood initiatives: Kuthambakkam



Cooking oil

Livelihood initiatives: Kuthambakkam



Bathing soap

Livelihood initiatives: Kuthambakkam



Thoor Dhal unit

Livelihood initiatives: Kuthambakkam



Energy efficient lamps

Street Lights (200 Fluorescent tubs)

- Power per day $= 58 \times 200 \times 12 = 140$ kwts
- For a month $= 140 \times 30 = 4200$ kwts
- At rate of Rs.3.40 $= \text{Rs.}14,280$

CFL based street lights(200)

For 200 lights $= 200 \times 18 \times 12 \times 30 = 1296$ kwts

At the rate of Rs.3.40 $= \text{Rs.}4,406$

Savings $= \text{Rs.}14,280 - 4,406 = 9,874$

% of saving $= 69\%$

Livelihood initiatives: Kuthambakkam



Metal pressing unit

Livelihood initiatives: Kuthambakkam



Jute bags and tailoring unit

Livelihood initiatives: Kuthambakkam



Press Metal unit

Livelihood initiatives: Kuthambakkam



Mud Block Production Unit

Livelihood initiatives: Kuthambakkam



M.C.R.Tiles

Livelihood initiatives: Kuthambakkam



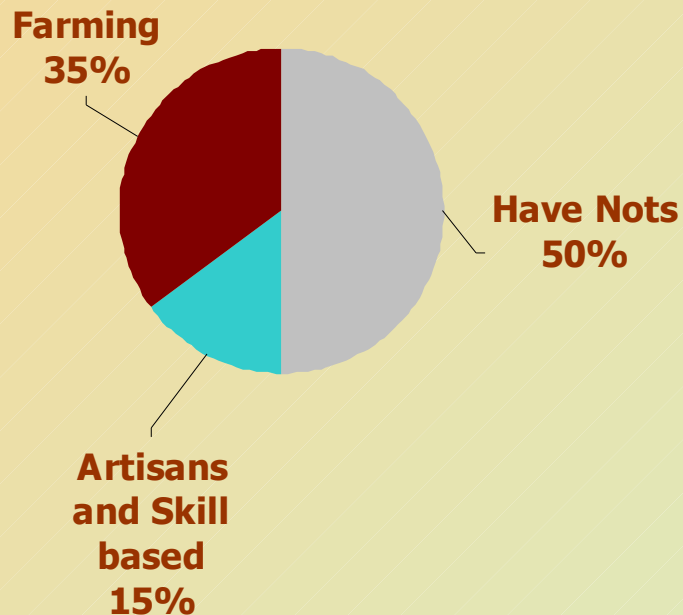
Toilet

Livelihood initiatives: in progress

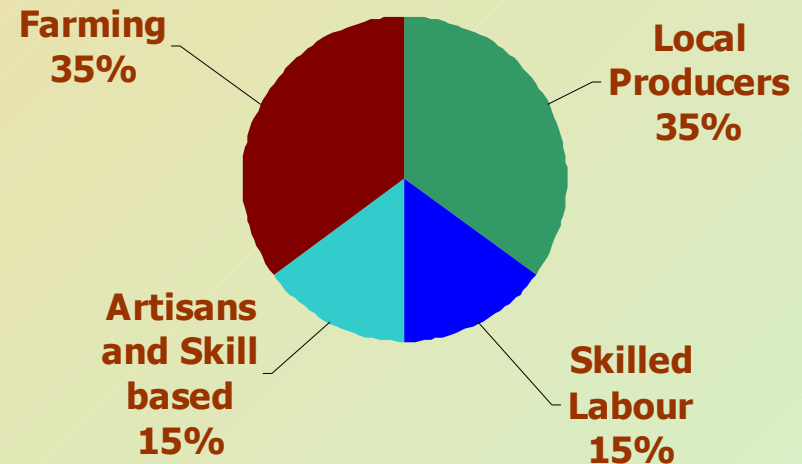
- Paddy processing unit
- Mini rice mill
- Versatile dhal mill
- MCR tiles unit
- Hydraform-flyash block unit
- Cattle feed unit
- Press metal unit- (*for rehabilitating youth relieved from illicit arrack brewing*)
- Biomass gasifier based electricity generation unit

Kuthambakkam - Occupation

Occupation Groups - Before



Occupation Groups - Network Economy



Livelihood program details

- No. of families to be covered 350
- Machanisam - through Self Help Groups (SHGs)
(Men groups and Women groups)
- No. of SHGs (women) - 28
- No. of SHGs (men) - 7
- No. of SHGs (Marginal formers) - 7
- No. of units estabilished - 13
- Status of activities - Trials completed and
production is
scheduled.

Village Technology



"My machinery must be of the most elementary type which I can put in the homes of the millions. Under my system, again, it is labour which is the current coin, not metal. Any person who can use his labour has that coin, has wealth. He converts his labour into cloth; he converts his labour into grain. If he wants paraffin oil, which he cannot himself produce, he used his surplus grain for getting the oil." – Mahatma Gandhi

- Dormant skills within the village in handling technology in producing what they need has to be augmented with machinery that is easy to operate and maintain for fundamental needs
- Any external dependency from the village has to be balanced with production for the outside markets

Augmenting Village Technology

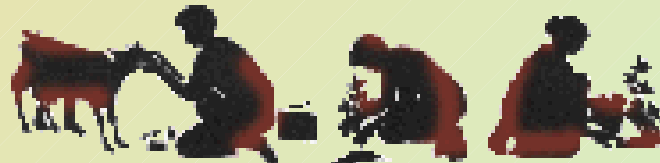
Complementing traditional skills & knowledge with modern technology provides the villages with effective and sustainable solutions.

Some such technologies are also available from institutions like -

- Central Food Technological Research Institute
- Central Electro Chemical Research Institute
- Regional laboratories and other CSIR laboratories
- Indian Institute of Technology (IITs)
- Other institutions like KVIC, HUDCO, Development Alternatives, ITRCs etc.

Village Welfare

- A secure market through the local economy model and technology more rooted in their knowledge would build confidence and a sense of empowerment
- An empowered and confident village people will start to assert themselves in the local and national affairs
- They will participate as equals in the nation building process and not give in to the pressures and allurements of external entities



Village Governance



A few hundred years back, India was held together through strong community leadership and community based actions... they created and sustained community based infrastructure, governance and trade.

- The people governing themselves would truly bring democracy to the grass-roots and take a mighty step towards reviving the village economy to its past glory
- It would build within them confidence in their ability and pride in their locality
- A strong local governance will ensure the success of every national plan

Village Benefits

- Assured and Sustainable employment
- Access and Food Security
- Developing Collective Entrepreneurship
- Conserve energy



Larger Benefits

- Snowball effect on surrounding villages
- Dissemination of knowledge and experience
- Curtail Urban migration
- Overall National savings in energy and energy resources
- Hunger free villages will lead to prosperity
- Confidence among village communities

Role Model Village

Panchayats: The role models will facilitate network initiatives for sustainable income generation, through the Panchayat - a system already in place in all villages

- **Demonstrative Effect:** This process of sustainable income generation in the model village, will serve as demonstration
- **Ripple Effect:** Facilitated by the Panchayat Raj system, these efforts will have a ripple effect

Kuthambakkam - a learning

Infrastructure for economic activity



Kuthambakkam - a learning

Facilitate land re-generation



I -Dryland Agriculture (150 BPL families)

Decline of dry-land farming and invasion of lands by invasive plants



Prosopis juliflora

Land Regeneration Plan

- Reclaim lands from invasives (Eg: 200 acres in Kuthambakkam)
- Construct water harvesting structures
- Sublease to landless poor (Eg: 100 families in Kuthambakkam)
- Cultivate millets
- Sell for local consumption and outside the village

Kuthambakkam - a learning

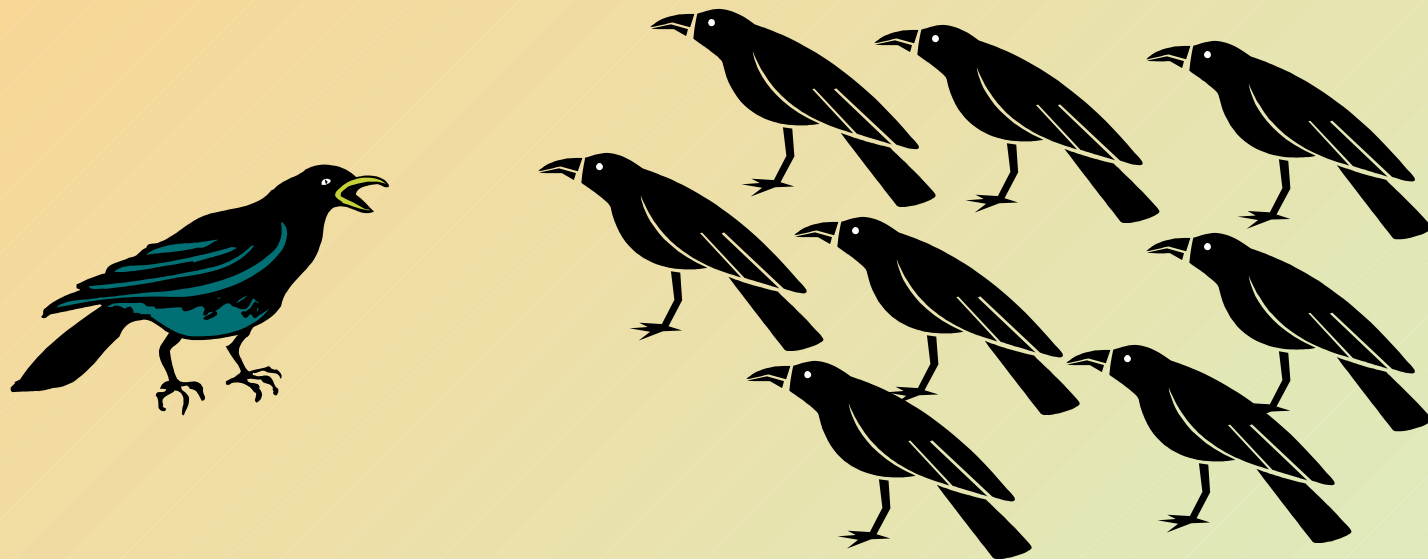
- Communication facilities
- Training



The DIFFERENCE...

- The Network Economy will concentrate on Prosperity creation rather than poverty eradication
- This initiative will focus on evolving self-dependent economy in the rural areas rather than worry about their place in the global market

Panchayat academy:



**Continue strengthening panchayats by sharing and learning best practices among panchayats
To enable them to function as Local Self Governments to establish self reliant villages**

Thank You

Rangasamy Elango

President

Kuthambakkam Panchayat, Poonamallee Block,
Thiruvallur District,
Tamilnadu - 602107

Phone 044 26811247 (R) / 044 25016595 (O)

Mobile 9841113814

Email panchayat@yahoo.com

panchayat@vsnl.net

Website: modelvillageindia.org.in