

# OUR RIGHT OF WAY: WALK AND CYCLE

MARCH 22, 2012  
AMALTAS HALL,  
INDIA HABITAT CENTRE,  
NEW DELHI

Centre for Rural Development (CRD)



# RICKSHAW BANK

Dr. Pradip Kumar Sarmah

Rickshaw Bank / CRD

# What is a rickshaw?



Cycle rickshaws are modified tricycles used extensively as a cost-effective means of transportation in urban areas.



Cycle rickshaw drivers carry passengers or transport goods, such as building materials or produce.



# Uses of a rickshaw



Transport people

# More uses of a rickshaw





# Best mode of transport for a short distance



- To reach the last destination, for a short distance, in a narrow lane, submerged with water rickshaws are the most reliable and inexpensive mode of transport in India.
- Rickshaws provide services at your doorstep and that too at odd hours.
- In India, rickshaws are about four times cheaper than an auto rickshaw.

## Rickshaw Drivers in India

- 10 million rickshaw drivers in India
- Rickshaw drivers - vulnerable and socially disadvantaged community (harassed, HIV-AIDS, exploited)
- No access to formal finance
- 95 % hire rickshaw on high daily rental fee
- Below poverty line and without any social security
- Almost half are illiterate
- On average, they support 5 dependents





# Rickshaw: An Eco-Friendly Vehicle

- Cycle rickshaws are the most eco-friendly vehicles; they do not consume fuels, do not cause atmospheric pollution.
- Each rickshaw covers an average distance of 25 kilometers per day amounting to a total of 250 million kilometers per day.
- In India, these rickshaws save 20 million liters of fossil fuels every day amounting to about USD 20 million.





# Old vs. Rickshaw bank



Changes to rickshaws (shown on left):

- Aero-dynamically designed, thus lighter
- More spacious
- More attractive to clients
- Comfortable for all age groups
- Longer life
- Rickshaw designed by IIT, Guwahati



# Empowerment of Rickshaw Pullers

OUR SOLUTION:



- ▣ A newly designed rickshaw payable through a minimal daily installment.
- Micro Asset Loans for Ownership of the rickshaw,
- Insurance, uniform, licenses, a photo ID
- Training, health care, cooking gas etc.

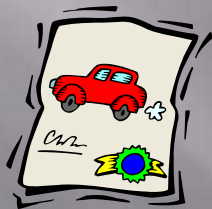


# One Window Solution

## Provide for Drivers:



- Insurance
- Licenses
- Photo IDs



- Peer learning meetings



- Income
- Potential savings
- Access to financial institutions



- Uniform
- Training
- Maintenance



## An Asset: A Rickshaw



## Provide for families:

- Children's schooling
- Clothing
- Cooking gas



- Eye/ Healthcare
- Family planning



# Operating Model

Creation of new entrepreneurs

Rickshaw Puller  
(RP) Group

RP  
RP  
RP  
RP  
RP

5 RP Group

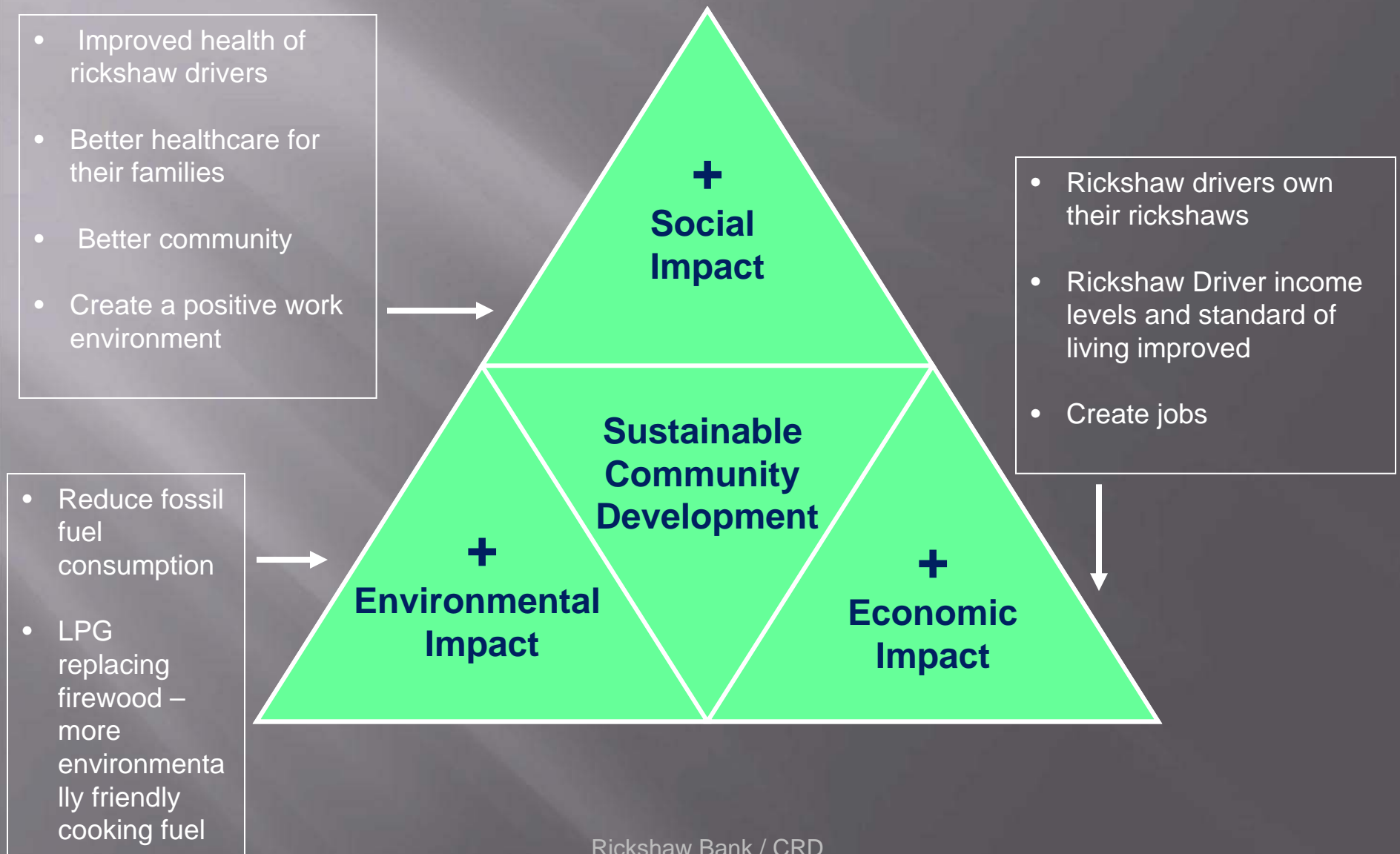
G  
A  
R  
A  
G  
E

Collection/ Meetings/ Repairs





# The Results: Triple Bottom Line



## Cost

	Indian Rs	USD
Rickshaw Assembling Cost	9,600	213
Uniform Cost	530	12
Insurance Cost	350	8
License Cost	400	9
<b>Total</b>	<b>10,880</b>	<b>242</b>
Bank Interest	1,251	28
Operational Expense	1,088	24
	<b>13,219</b>	<b>294</b>

## Cost recovery & revenue

Amount recovered from each Rickshaw Puller \$294 (Rs. 13,219/-) @ \$0.67per day (Rs. 30/-) for 441 days for a maximum period of 18-24 months

Revenue is \$44 (Rs. 2000/- )per rickshaw per year from advertisements till the Rickshaw is owned by the RB, then 35% of the amount per year once Rickshaw is owned by the Pullers



## Different types of carts



Rickshaw Bank / CRD

## Other carts



With the same financing norms the other carts are provided to the people which give an assets to own for employment generation.



Rickshaw Bank / CRD



# Glimpses of workshop at Guwahati





# GOVERNMENT OF ASSAM IS PROVIDING A 25% SUBSIDY TO RICKSHAW DRIVERS.



Rickshaw Bank / CRD



# Fight against global warming: Two-hour withdrawal of fuel-run vehicles on June 5

GUWAHATI, June 2: On the occasion of World Environment Day on June 5, an appeal has been made by the Centre for Rural Development (CRD) and Green Revolution for a two-hour withdrawal of fuel-run vehicles across the State.

In a press conference in Guwahati today, CRD executive director Dr Pradip Kumar Sarmah said, "Global warming has emerged as a major threat to the world. It is leading to climate change. The biggest cause of global warming is the carbon dioxide released when fossil fuels such as oil and coal are burned for energy. So when we save energy, we fight global warming. We therefore appeal to people to care for the environment and not use fuel-run vehicles on June 5 for two hours, from 10 am to 12 pm. We should join hands to fight global warming so that we can give a pollution-free world to our future generations."

Besides health benefits, bicycle riding also helps reduce pollution. People should switch to bicycles and rickshaws for commuting from one part of the city to the other," said Sarmah. Many new design bicycles and 10 tourist rickshaws will also be launched during the rally, he added.





# Collaborations

- ▣ ONGC
- ▣ IOC
- ▣ HLL
- ▣ Department of Science & Technology, Government Of India.
- ▣ Government of Assam
- ▣ Punjab National Bank
- ▣ Ashoka
- ▣ AIESEC
- ▣ Indian Red Cross
- ▣ AFNA
- ▣ AIF

- ▣ IIT, Guwahati
- ▣ MIT, Boston
- ▣ Olin College of Engineering
- ▣ Northeastern University
- ▣ Yale University
- ▣ Guwahati Medical College

# Global Social Entrepreneurship (GSE) programme.

Under the School of Management of Yale University, USA the Rickshaw Bank has been selected in the year 2011 as one of their GSE partners

The Morgan Stanley & the Tata Consultancy Services has sponsored the programme and is working closely for the expansion of the programme.



# Global presence:

- ◉ Participated in the Velocity Global Summit 2010 at Copenhagen and 2011, at Seville, Spain and the Rickshaw Bank model is presented.
- ◉ Shared experiences with the MIT, Boston as visiting practitioner and thereby talk to Sloan School of Management, North Eastern University, Boston.
- ◉ Shared the experiences of the Rickshaw Bank at the Business School of Stanford University.
- ◉ Shared the experiences at the Harvard Business School.
- ◉ Also invited to the Social Entrepreneurs Nexus Conference at the Santa Clara University's Center for Science, Technology, and Society.



# Cycle venture class at MIT, Boston



MIT has a semester under the D-Lab programme of Cycle ventures and students are working with us in design changes.

# Affordable Design for Entrepreneurship (ADE)

Olin College of Engineering & Babson School of Management, USA & Guwahati Medical College, Assam join hands with us for developing a **Medi-Bike** to provide diagnostic services at people's doorstep through new entrepreneurs.

“Rickshaw on Call” another initiatives working with the Vodafone India Limited.

# New light with Solar power

## Dip Bahans now fitted with solar lamps, FM radio, mobile chargers

STAFF REPORTER

**GUWAHATI, Jan 10** – The mundane experience of travelling by a rickshaw is about to undergo a sea change with the Centre for Rural Development launching Dip Bahan rickshaws fitted with solar lamps, FM radio and mobile chargers.

These improved rickshaws were flagged off on Tuesday by Rakesh Pandey, faculty, Olin College of Engineering, Boston. He said that this new rickshaw will go a long way in enhancing the income of the rickshaw pullers.

"The health of a rickshaw puller is a major factor in deciding his livelihood," said Pandey pointing out that the income of a rickshaw puller decreases if he is not in a good health.

Stressing that it was important to understand the issues of the underprivileged section of the society, Pandey said that technology must aid this class that has been in various ways making the lives of the Guwahatis easier.

So from now onwards Guwahatians who often have to commute by rickshaw will now be entitled to several amenities including charging their mobile while moving towards their destination. But of course for a nominal fee.

It needs to be mentioned here that the Dip Bahan rickshaws were

Dr Pradip Kumar Sarma, founder of Centre for Rural Development said that over the years, the Dip Bahan rickshaws have succeeded in changing the living standards of the underprivileged people.

"More than 5,500 people have been supported by the rickshaw and momo carts developed by us," said Sarma.

The new Dip Bahans have front light, back light and a light above the passenger seat, apart from the FM radio and mobile charger. These solar powered facilities also have three days power backup to tide over a situation in the event of bad weather.

On the other hand, one of the rickshaw pullers, Nazrul who was present at the flagging off ceremony, said that it felt very nice to pull such a rickshaw that had

so many facilities.

"Particularly, the music and light has changed my approach to work. Now I pull the rickshaw with pleasure as songs from FM soothes my mind," said Nazrul.



Rakesh Pandey, Prof. of Olin Institute of Engineering, Boston, USA launching the new-look Dip Bahan, in Guwahati on Tuesday. – EP

launched in 2004 by the Centre for Rural Development with the objective to improve the livelihood of the rickshaw pullers and to install in them a sense of confidence.



A complete package of three lights (one each at front, rear and inside the rickshaw), one FM radio and a mobile charger makes our rickshaw as a High-tech rickshaw that attracts more people in general. These new high-tech carts have been able to attract the youth groups more for doing some business on their own and these carts have become a benefit for the growth of the entrepreneurship in an area that enhances the local economy in turn.



# PNB received the Financial Inclusion Awards – 2012 for the Rickshaw Bank



## **Access to Banking & Financial Services :Punjab National Bank- Janmitra Rickshaw Scheme**

There are many firsts associated with Punjab National Bank when it comes to financial inclusion. Under the Janmitra Rickshaw Scheme the rickshaw pullers form a JLG and have been made the common owners. In collaboration with **Centre for Rural Development, a Guwahati based NGO**, PNB has drawn out an ambitious plan. The NGO arranged for municipal license, health insurance and insurance for rickshaw and passenger. More than 3,000 rickshaw pullers have benefitted in Guwahati alone. This model is being replicated in 100 cities across the country. The loan provided under the scheme includes the cost of rickshaw, uniform, license fee for two years and three years' premium for life.

[http://www.financialinclusion.in/index.php?option=com\\_content&view=article&id=134](http://www.financialinclusion.in/index.php?option=com_content&view=article&id=134)

Punjab National Bank has received the Financial Inclusion Awards, 2011 for the Rickshaw Bank. Smti. Usha Ananthasubramanian, Executive Director, Punjab National Bank received the award from Mr. C Rangarajan, Chairman, Prime Minister's Economic Advisory Council.

# Rickshaw Bank has received the Tech Awards 2011 at San Jose, USA



The Tech Awards Laureates represent regions as diverse as the Netherlands, Brazil, India, United Kingdom, Philippines and the United States. Their work impacts people in many more countries worldwide. This year's laureates were selected from more than 1,000 nominations sourced largely by The Tech Museum's program partner, Santa Clara University's Center for Science, Technology, and Society (CSTS), an interdisciplinary center focused on promoting the use of science and technology to benefit underserved communities worldwide.

Rickshaw Bank / CRD

Rickshaw Bank received the Flextronics Economic Development Awards 2011. The award is given by the CEO of the Flextronics on October 20, 2011 at a gala dinner where 1400 esteemed innovators in the technology industry gathered to celebrate the power of technology and to address global challenges that benefit humanity.





# Rickshaw bank is entered in the Case bank of the [www.vikalpa.com](http://www.vikalpa.com)

## MANAGEMENT CASE

describes a real-life situation faced, a decision or action taken by an individual manager or by an organization at the strategic, functional or operational level

### *Rickshaw Bank*

Nripendra Narayan Sarma

One fine morning, seven years ago, Dr. Pradip Kumar Sarmah took a cycle rickshaw (a tricycle commonly used on Indian roads to carry people or goods for short distance) outside his office for some work. While taking the ride, he asked the puller, "Who owns your rickshaw?" The rickshaw puller said that he had been working for 16 years as a puller, paying Rs. 25 a day in rental to the owner. As the talk progressed, Dr. Sarmah began to understand more about the plight of the rickshaw pulling community. That one question on that day paved the way for starting the Rickshaw Bank.

## DIAGNOSES

presents analyses of the management case by academicians and practitioners

### *Rickshaw Bank*

Nripendra Narayan Sharma

### *Case Analysis I*

**M S Sriram**

Adjunct Professor  
Indian Institute of Management, Ahmedabad  
e-mail: msriram@gmail.com

**Rickshaw Bank: Time to Take a Call**

### *Case Analysis II*

**G Sridhar**

Assistant Professor  
Marketing Area  
Indian Institute of Management, Kozhikode  
e-mail: drgsridhar@iimk.ac.in

This case illustrates a classic problem that most non-profits face at some point — scaling-up the social impact of its programmes. Dr. Sarmah started an NGO called the Centre for Rural Development (CRD) in Guwahati, Assam. Under the flagship of CRD, a live-

### *Case Analysis III*

**H S Shylendra**

Institute of Rural Management  
Anand, Gujarat  
e-mail: hss@irma.ac.in

The Rickshaw Bank experience presents itself as a typical case of NGO intervention to address a problem of 'market failure' concerning an informal sector trade, and the prospects and challenges it is faced with. The Rickshaw Bank was created with the basic aim of tackling the problem faced by rickshaw pullers in cities like Guwahati in accessing capital to own or lease-in a rickshaw for operations. The rickshaw pullers are gen-

### *Case Analysis IV*

**M K Awasthi**

Indian Institute of Management, Lucknow  
e-mail: awasthi@iiml.ac.in

This case may be analysed from multiple dimensions. The immediate decision problem posed in the case is in the realm of business strategy — a decision has to be taken immediately as to whether for the Rickshaw Bank, it is time to consolidate or expand to optimize its positive impact on the poor rickshaw pullers. It can also be used as a comprehensive reflective case which covers product development, promotion, distribution, and pricing aspects. Alternatively, it can be analysed from the angle of managing not-for-profit business.



# Recognition and Awards

The Rickshaw Bank won *The Citizen Base Investment Award 2003* for its concept at National Stock Exchange Building, Mumbai in November, 2003.

IIM, Bangalore selected Rickshaw Bank project under their Microfinance Incubation Programme, during November – December, 2005.

The Change makers Innovation Award Competition: Market-Based Strategies that Benefit Low-Income Communities at National Press Club, Washington on April 5, 2006.

The Micro Finance Process Excellency Award, 2006 at New Delhi on April 7, 2006 given by the Planet Finance and the ABN Amro Bank.

The Rickshaw Bank has got its recognition in the Limca Book of Records as First Rickshaw Bank under the business section in 2006.

# Recognition and Awards

Srijan 2007 Microfinance Business Plan Competition 3<sup>rd</sup> Prize  
at Hyderabad on April 25, 2007.

One of the finalist of the Micro Insurance Awards, 2007  
at Hyderabad on July 27, 2007

Asian Innovation Awards, 2007 at Singapore on 13<sup>th</sup> November, 2007.

The Assam Chief Minister's Best Community Action Development Award, 2008  
on August 15, 2008

India NGO Award, 2008 for the medium category from the Eastern Region.

Rickshaw bank also awarded as Best Innovative Project of the year, 2008.

Rickshaw Bank received the Tech Laureate award 2011 at San Jose, USA given  
by the Applied Materials & Tech Museum.

# Thank you

**Dr. Pradip Kumar Sarmah**  
(Ashoka Lemelson Fellow)

Founder Rickshaw Bank & Executive Director  
Centre for Rural Development (CRD)

D-41 (FF), Sector-27, Noida 201 301

Email: [crd4ev@yahoo.com](mailto:crd4ev@yahoo.com),

Mobile: + 91 9818863727

Website: [www.crdev.org](http://www.crdev.org)