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INDIA 2.0: LAST IN A SERIES

Behind the boom: Emigres tackle poverty

By John Boudreau
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BANGALORE, India -- Vidyashree, a 15-year-old with doleful eyes and a soiled but tidy green-and-white school uniform, works as a servant every morning and evening, making less than \$9 a month. In between shifts, she attends school.

The teenager is direct: She does not want to follow the path of her poor parents. She wants out of the slums. She glimpsed her way out when the computers arrived this summer at Government High School, Cotton Pet, courtesy of Silicon Valley's American India Foundation (AIF), a group of high-powered executives who are reinvesting in their native country, and in the process redefining how immigrants give back to their homeland.

Though the teenagers have grown up in India's tech mecca, a city of modern office campuses for countless engineers writing code for the world's elite companies, they had not seen up close, let alone touched, a keyboard before. Vidyashree hopes that learning how to operate a computer, and speak English, will persuade her parents to let her continue school, instead of dropping out to work as a maid and get married.

Vidyashree is the unseen India, the child AIF hopes to help.

"How many people in Silicon Valley think beyond the Indian engineer as far as India is concerned?" asked Lata Krishnan, president of the Santa Clara-based American India Foundation, a 5-year-old philanthropic group. "Nobody stops to think that 500 million people in India live on less than \$1 a day and that you have such dire, impoverished circumstances in so many households in India."

Countless Indo-Americans, also known as non-resident Indians, have returned to their homeland with business plans in hopes of participating in an economy growing at more than 8 percent a year. But they also come back to help those whose lives have largely remained untouched by the good times, for those like young Vidyashree.

The group's mission is to remind the world of the ignored poor, and provide a way out of the web of poverty. Part of that is its "Digital Equalizer" program, a campaign to place PCs in classrooms across the nation of 1.1 billion people. Research firm IDC estimates PC household penetration in India was 2.6 percent in 2005, compared with 67.7 percent in the United States last year. (The foundation, in partnership with the Silicon Valley Bank, is providing three years of support for the PC education program at Vidyashree's school.)

“People ask us, ‘How can you think about setting up a computer center for a child that does not have enough to eat? Surely that is more important,’ Krishnan said. “But it goes back to the concept that teaching someone how to fish is much more powerful than giving them the fish.”

The American India Foundation, founded and supported by valley tech executives and entrepreneurs, has so far raised \$33 million for India, including more than \$8 million in 2006. In just a few years, the organization, of which former President Bill Clinton is an honorary chair, has become a leading U.S.-based non-profit directing help to India.

Sushma Raman, a program manager with the Ford Foundation, said the group reflects the valley's collaborative ethos. It's also got the cash, the connections and the business smarts to do more than just throw money at a problem.

“They've managed to develop a system of networks in the United States of mostly people who give not only money, but also time,” said Raman, whose organization has given AIF a couple of small infrastructure-building grants. “I can't emphasize enough the importance of people doing things collectively. The fact that in five years they have been able to ramp up without any one individual donor, like a Henry Ford or Carnegie, is impressive. They've brought together people who have put aside their egos.”

AIF was created to help rebuild India's Gujarat state after a devastating earthquake hit the region in 2001. The organization now takes a business-minded approach to a handful of areas -- education, HIV and AIDS, “micro loans” for poor entrepreneurs and programs that help people develop work skills, such as making furniture -- and look for measurable success.

Initially, there was concern that India wouldn't necessarily welcome the philanthropists back with open arms.

The feeling from some, Krishnan recalled, was, “Who were they to come and tell us what to do?”

Azim Premji, chairman of the Indian information technology giant Wipro, said that in the past when foreign groups have gotten active in India, “People typically ask, ‘Are they trying to influence us?’ ”

Though initially hesitant, Premji recently agreed to allow his family foundation, which provides assistance to 20,000 schools in India, to form a partnership with AIF.

Unlike most other immigrant communities, Indians have been more able to use the professional connections and the wealth they've garnered through successful careers in tech to give back to their homeland. And they are able to exploit the A-list status of India, among companies, employees and the general population, who all have India on their radar.

“There are probably more successful entrepreneurs of Indian origin in Silicon Valley than in any city in India,” observed B. Ramalinga Raju, founder and chairman of Hyderabad-based software outsourcing giant Satyam. “They have not forgotten their roots. They want to contribute based on their experiences. They realize that leadership is the primary contributor for change, not mere checkbook charity.”

Education and work skills are at the core of AIF's philanthropic philosophy. The group is funding projects to teach women who survived the 2004 Indian Ocean tsunami new skills, such as brick making, to replace

unreliable industries such as fishing. It is supporting a non-profit that is instructing Bangalore embroidery makers to form collectives to take on bigger projects and get more business.

And it aims to open up the world of professional careers to the poor through the Digital Equalizer program, which, in particular, resonates with many AIF supporters, a good number of whom have made fortunes in technology.

“This is our talent. This is our living. We know how to do this,” said Vinod Dham, father of Intel’s Pentium microprocessor and an AIF board member.

Initially, the foundation provided the computers, networking equipment and software, as well as teacher and student training for three years. Now it is forming partnerships with the government and valley companies, such as Intel, Advanced Micro Devices, Applied Materials and Adobe, which underwrite much of the cost, while AIF provides training and supervision. More than 670 Digital Equalizer centers exist around the country. AIF plans to increase that to as many as 2,000 next year. Overall, the foundation has spent about \$3.5 million on the project, including \$1.5 million in 2006.

“What it will mean is, the kids in the ninth, 10th and 11th grade will be using Excel spreadsheet better than I know how,” Dham said. “We are going to generate a cadre of people who will not only be employable, but will see the world differently than I did when I was growing up.”

The Digital Equalizer program was first envisioned by valley business leader Kailash Joshi and Kumar Malavalli, co-founder of San Jose’s Brocade Communications, who has donated about \$500,000 to the cause.

“Just giving PCs alone won’t help them,” Malavalli said. “There has to be content -- English, science, math, those three topics. Without that content, you can’t make them successful professionals.”

It also gives them access to the Internet, and a view of the world outside their impoverished neighborhoods.

Bare-bones government schools, with little more than chalkboards and dilapidated bathrooms, are places where hope dies.

“In some schools, there is no electricity,” observed Rajesh, who works with LabourNet, a non-profit that assists India’s working poor. “In some schools, there is one teacher for four classes.”

G.S. Ravi, co-founder and a director of Bangalore-based Edurite Technologies, which works with AIF, is concerned that the foundation’s model -- providing administrative support for only three years and then handing it over to educational officials -- will mean some centers will fail. He believes AIF must develop “management capsules” that oversee each project to ensure continued success. He cited one Digital Equalizer program that had been mismanaged through inattention since AIF completed its three-year commitment.

But organizations that hope to improve the educational system have no choice but to work with the sometimes cumbersome government bureaucracy.

Because 90 percent of India's primary schools are overseen by state officials, it's crucial to have a constructive relationship with them, Wipro's Premji said. "We have to play a very low-key role so the state government gets all the credit, the state-government politicians get all the credit," he said. "The moment we start being front-end on this, they feel threatened and they will not work with us. So you've got to play the politics well."

Krishnan added, "I would say our experience with the government has been more positive than negative."

Any bureaucratic tussles are forgotten when lives are changed. Adding computers to the classroom can transform a school, said G.S. Raghunath, headmaster of Rajarajeshwari Vidya Mandir, another Bangalore government high school.

"The moment we introduced the Internet-based education, it changed their behavior," he said. "This program energizes students to learn, to do better in other subjects."

He pointed to Divya, a 15-year-old student whose father is a carpenter. The experience with the school's 5-year-old Digital Equalizer program has opened her up to possibilities her family never dreamed of before.

"I want to become a software engineer," said Divya, smiling broadly.

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