

## EMPOWERING WOMEN IN URBAN INDIA: SHRI MAHILA GRIHA UDYOG LIJJAT PAPAD\*

### I. Abstract

*Shri Mahila Griha Udyog Lijjat Papad*, or *Lijjat*, is an organization that has acted as a catalyst in empowering poor urban women across India during the last four decades. Starting as a small group of seven women in 1959, today Lijjat has more than 40,000 members in 62 branches across 17 Indian states. Only women can become members of Lijjat, and all of its members, addressed as “sisters,” own the organization. Lijjat’s main product is a thin, round, savory snack called *papad*, and papad rolling is the major activity of the “member sisters.” Remuneration is the same for everyone, and profits and losses are shared equally among the member sisters, so there is no possibility of concentration of assets and wealth. Lijjat refuses to accept donations, but instead provides donations to the needy. Besides papad, Lijjat has also introduced other products, such as *Sasa* detergent and soap. However, papad has remained as its core identity product.<sup>1</sup>

### II. Background

Lijjat’s main product is thin, round, savory snack called papad, which is a staple food for a majority of Indian households. Traditionally, the housewives prepared or “rolled” papads with the help of neighboring women. However, because of busier lifestyles, time became scarce for this activity, providing an opportunity for commercial production of papad. The labor was also available, since housewives usually knew papad rolling.

Shri Mahila Grih Udyog Lijjat Papad began as a cottage industry in 1959, when a group of seven women began rolling papads at the terrace of a building in Girgaum, a densely populated area in South Bombay.<sup>2</sup> Word of mouth and advertising in a local newspaper contributed to the rapid growth of the group, and its membership increased from 7 to 300 during the first three years. Chhaganbapa, the guide and philosopher of Shri Mahila Grih Udyog, recommended that these women maintain high standards of production at any cost, a practice which later turned out to be their main strength. The first branch of Lijjat outside the state of Maharashtra was established at Valod, Gujarat, in 1968, and today Lijjat has 62 branches across 17 Indian states.<sup>3</sup> The 62nd branch became operational at Jammu and Kashmir in 2002, enrolling more than 150 members.

Lijjat follows Mahatma Gandhi’s principles of self-reliance and trusteeship, and all of its member sisters have equal rights. Initially, young girls could join, but the minimum age

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<sup>1</sup> Harilal Raghunath Rachh, a devoted social worker, gave Lijjat its brand name. See *Lijjat Patrika* 22(1).

The word *mahila* means woman, *gruh udyog* stands for cottage industry, *lijjat* (the brand name) means tasty in the Gujarati language, and *papad* is a thin, round snack.

<sup>2</sup> The name Bombay has been changed to Mumbai.

<sup>3</sup> The states are Andhra Pradesh, Bihar, Delhi, Gujarat, Haryana, Jharkhand, Jammu and Kashmir, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Orissa, Punjab, Rajasthan, Tamil Nadu, Uttar Pradesh, and West Bengal.

for entering Lijjat was subsequently established as 18 years. Men cannot become members, but they can be salaried employees.

The branch managers, or *sanchalikas*, of various branches form a central managing committee that looks after Lijjat's overall activities, makes decisions on behalf of all sisters, and administers the organization with the help of sisters and employees.<sup>4</sup> The committee has 21 members, including a president, a vice president, two secretaries, and two treasurers, elected every three years. Papad rolling is the organization's major activity, and any member sister who wants to climb the administrative ladder needs to have sufficient experience in rolling papads.

The central office purchases and distributes all ingredients to maintain the quality of the final product. For example, the *udad dal* (a variety of lentil) is imported from Myanmar, asafetida is imported from Iran, and black pepper comes from Kerala. On successive failures of a branch to abide by the organization's philosophy of consistent quality and production of papads, the central committee reduces the daily wages of its members by 1 rupee. The committee often makes surprise visits to various branches to assure that production conditions are hygienic

### III. Impact/Results

The initial 7-woman group of Shri Mahila Grih Udyog has now become a 43-year-old organization of more than 40,000 member sisters with 62 branches across the country. The venture started with Rs 80. Lijjat's annual sales increased from Rs 6,196 in 1959 to more than Rs 3 billion (here, a billion is 1,000 million) in 2002.<sup>5</sup> In 1998, Lijjat also entered the soap market with Sasa detergent and soap, which had annual sales of Rs 500 million, accounting for 17 percent of Lijjat's total turnover in that year. Lijjat also exports its products with the help of merchant importers in the United Kingdom and other European countries, the United States, the Middle East, Thailand, and other countries. In spite of its no-credit policy, Lijjat's annual exports accounted for more than US\$2.4 million in 2001. Jaswantiben Popat, one of the founding members, was honored as Businesswoman of the Year at *The Economic Times Awards for Corporate Excellence* in 2002, for being one of "The Women behind Lijjat Papad."<sup>6</sup>

The member sisters are rewarded for extra effort they put into their work. For instance, the sisters at *Rajkot* branch (in Gujarat state) received Rs 4,000 each as an incentive for rolling more papads for the year 2002. Member sisters at Mumbai and Thane branches each received a 5-gram gold coin as their incentive for the same year.

The lives of Lijjat's member sisters have changed considerably since joining the organization. A home-like working atmosphere and the practice of considering only women for membership have solved the problem so many Indian women face of

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<sup>4</sup> Men can also be employed, but they have neither a share in the organization's profit nor any right to elect. There are about 500 salaried employees in Lijjat.

<sup>5</sup> "In Papadom, They Like It Hot 'N' Crackling," *The Economic Times* of India, September 9, 2002. URL: <<http://www.propoor.org/news/xar0909.asp>>.

<sup>6</sup> <<http://economictimes.indiatimes.com/etawards/intro.html>>.

reluctance to work for fear of their families' and society's reactions. The member sisters can enjoy social independence while working freely in a male-dominated society. They have become aware of new opportunities and are able to live independently. The sisters who were deprived of education during childhood can now attain literacy while working, and lead their life in a better way. They are no longer dependent on others for a host of tasks, such as writing a letter, maintaining a bank account, or teaching their children. Lijjat also provides scholarships and awards to support and encourage the education of sisters' children, especially the daughters. In most families of Lijjat members, the wives' monthly earnings are a valuable addition to the total family income, and this has enhanced their status and power within the family. They are started to have a greater say in how money should be spent for the health and education of their children.

#### **IV. Key Elements of Empowerment**

##### ***Information***

With increasing business and other advances, the need for information dissemination and communication among member sisters at various branches has increased. The monthly regional meetings, annual general meetings, and All-India conventions of branches are held to keep the members aware of organizational activities and strategies, and to discuss issues such as quality maintenance, production rates, the handling of accounts, and everyday problems to assure a better work environment.

*Lijjat Patrika*, the in-house magazine, is published and circulated for a nominal rate to those interested in the activities of Shri Mahila Grih Udyog. *Lijjat Patrika* has emerged as a strong mode of communication for information related to significant events and initiatives at Lijjat, in addition to presenting articles on women.

Initially most sisters were uneducated, but realized the importance of education for their children, especially daughters. Lijjat offers scholarships for these children to encourage better performance in studies. A literacy campaign for sisters also began through literacy classes at Girgaum on June 18, 1999. At first, it was explained that a literate woman can read or write a letter, maintain a bank account, pay bills, teach her children, assist her husband in his work, and live independently. Later, the managing committee decided to start such classes in all its branches. Besides other interactive and information-based activities, participation in various trade fairs and exhibitions held across India contributed to the popularity of the Lijjat brand. Such participation also builds self-confidence, through exposure and training opportunities, for the member sisters who play a significant role in the overall functioning of Lijjat.

##### ***Inclusion/Participation***

The combination of inclusion and the active participation of women has endured as Lijjat's backbone for 43 years. The interests of all sisters are treated equally, because they sisters form the Lijjat family. Any woman, irrespective of her religion, caste, or class, can become a member after signing a pledge of devotion, which is her assurance for earning

an honest income through cooperative work. Member sisters across all branches of Lijjat recite an all-religion prayer before beginning their daily activities. The sisters are free to choose their activities, such as making the *masala* (blend of multiple spices), pounding the flour, weighing the flour, preparing the dough, rolling papads, receiving papads after weighing, checking the papads, packing the papads, distributing wages, and handling the accounts. Each activity is given equal importance, and sisters perform these activities with mutual cooperation and consent. When a new branch of Lijjat opens, a neighboring Lijjat branch helps it by guiding and training new members.

Leaving the organization is voluntary. No member sister can be asked to leave unless or until she goes against the organizational principles. Because of Lijjat's main motive of generating self-employment for women, no machinery is used at the production level, and everything is done manually. However, computers are now being used in some of the Mumbai branches for accounts and administration.

Any sister can apply for a loan from the organization without specifying the reasons. As well as acquiring some financial independence, women have also realized the importance of social independence. Because women own the organization, lower-middle-class women find it very comfortable to work in such an environment.

### ***Accountability***

Lijjat presents an explicit example of organizational accountability. The managing committee members are selected from the member sisters on the basis of common consent. Any member sister can express her interest to be a managing-committee member and be selected after due procedure. The discussions are held openly, and decision powers lie in the hands of the sisters who are present on that day. A single member's objection can nullify the decision of the whole group.

A member can ask an employee to quit without specifying the reason, but no employee can ask a member to quit. However, a member can be asked to quit by another member (or members) if found to be involved in false practices or misconduct. Account books are easily accessible, ensuring transparency in Lijjat's working.

Lijjat follows its own financial accountability principle; for instance, there is only a 0.5 rupee margin between the production cost and selling price of a 200-gram papad pack. There is a "piece rate" system, and sisters are paid on the basis of the number of papads they roll. There is no credit method for running operations in the organization. Every payment is done on a daily basis, except for the outside supply of raw material.

In the initial days of Lijjat, the profits of the first six months were shared equally among all sisters in the form of gold. This sharing practice is still in effect, but now the decision whether to share the profits in gold or in cash is made at the branch level.<sup>7</sup> Profits and losses are shared equally among the members of a given branch. The cost of national-

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<sup>7</sup> Editorial, "Reflecting Women's Real Strength," in *The Tribune*. India, September 19, 2002. URL: <<http://www.tribuneindia.com/2002/20020919/edit.htm>>.

level advertising is borne by all branches and divisions, depending on their individual production abilities. The polypropylene division provides money for advertisements and recovers it through additional charges on the bags that it supplies to the branches and divisions across India.

### ***Local Organizational Capacity***

Lijjat became a formally complete organization by the seventh year of its existence, and afterward was recognized as a public trust. Initially, Lijjat's activities were limited to the former Bombay, but in 1966 it started to establish centers in neighboring urban areas, followed by branches in other states such as Gujarat, Andhra Pradesh, Punjab, and Madhya Pradesh.

After continued success and phenomenal growth during the last four decades, Lijjat has been able to make its presence felt worldwide. A number of people, including officials from countries such as Israel, the United Kingdom, Sri Lanka, Sudan, Iran, and Uganda, have visited India to see Lijjat's methods of operation. They occasionally promote similar organizations in their own countries.

When they started their venture, the seven women were determined not to expect donations or help from anyone to run the organization, even if they suffered losses. This practice has been strictly followed during the past 43 years, and now Lijjat has become financially sound after establishing itself in the market through consistent quality in its production. Lijjat has emerged as an organization that not only denies any donations from other parties, but also provides help to the needy. For instance, after the earthquake in Gujarat in January 2001, all the branches of Lijjat gave a total donation of more than Rs 4.8 million, including Rs 1 million from the central office. There are a number of other such instances that have contributed to enhancing the self-esteem of the member sisters.

## **V. Issues and Lessons**

### ***Challenges***

The central office of Lijjat in Mumbai previously coordinated the activities of all the branches, but with the increasing number of outlying branches, authority was decentralized in terms of routine work and sharing of profits at the branch level. However, branches and sanchalikas still need the managing committee's approval prior to undertaking any new project or activity, and they all must follow the same set of instructions and have similar accounting systems.<sup>8</sup>

In spite of the equal distribution of income among the member sisters, with the opening of more outlying branches, it was found that a few branches dominated the administrative process. The central office appealed to members to participate in the administrative

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<sup>8</sup> *The Tribune* (2002).

process, as a duty toward the organization and a right. The members, if found practicing mismanagement, are relieved from membership.

Because the papads are prepared in different parts of India, the quality of the water used usually varies, and so can the quality of final product. To prevent any inconsistencies, Lijjat has its own laboratory in Mumbai, where the final products are tested and coded. In the monthly meetings, the quality issue and modifications are also discussed.

Currently there is a problem of fake Lijjat papads being introduced in the market. In June 2001, three persons were arrested in this connection in Bihar, but the threat exists in the global market also. Lijjat's Website (<http://www.Lijjat.com/new.htm>) tries to explain the identification features of original Lijjat papads, but even with technological advancements, it is difficult to guarantee the original product.

Besides papads, Lijjat has initiated some unsuccessful ventures such as cottage leather, matches, and *agarbatti* (incense sticks). However, by the end of 1978, Lijjat had flour mills, spices, printing, and polypropylene divisions of its own, and in 1979 began manufacturing bakery products as well.

In 1966, Lijjat was recognized under the Khadi and Village Industries Act, and it obtained exemption from income and sales taxes and could get loans at lower interest rates. Currently, the state governments of Punjab and Mumbai have withdrawn the sales tax exemption on Lijjat's Sasa detergent because Lijjat has already grown into a sizeable organization. This can potentially obstruct Lijjat's growth in these states. The president of Lijjat urged the state governments to reconsider their stand during her speech at the *Economic Times* awards.<sup>9</sup>

### ***Key Factors for Success***

- The merging of ownership with membership has encouraged uniform and sustained organizational growth.
- The consistent quality of the product has been a primary factor in establishing and maintaining Lijjat's brand image in the market for the last four decades.
- The Sarvodaya philosophy proved vital in forming Lijjat's foundation.
- Lijjat has emerged as an innovative organization in which women from any religion, caste, or class can become members. The pledge and all-religion prayer also encourage cooperative work among women, irrespective of caste or religion.
- Transparency in operations and a nonhierarchical structure has helped in establishing organizational accountability among member sisters.
- Lijjat encourages its members to give to others whatever they can, instead of expecting help from others. Lijjat does not accept donations, but gives donations, which enhances members' self-esteem and pride in their own organization.
- Calling the members "sisters" creates an informal work environment. Frequent meetings, open interaction, and consensual distribution of tasks reduce the

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<sup>9</sup> *The Economic Times*. URL: <<http://economictimes.indiatimes.com/etawards/intro.html>>.

possibility of disputes resulting from communication gaps and help work to go smoothly.

- Lijjat provides economic opportunities through a domestic activity. Once involved in this activity, the women acquire confidence and status as they make money in a respectable manner. The more enterprising, responsible, and experienced member sisters climb the administrative ladder. Lijjat exemplifies a remarkable way of making leaders out of ordinary women.

## VI. Further Information: References and World Wide Resources

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