

# Professors study poverty alleviation through sustainable community-based enterprises in India

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Jasmine flower grower in western India.

Research from the School of Social Policy & Practice at the University of Pennsylvania indicates that community-based enterprise models can be effective in alleviating poverty, despite changing political and economic climates.

“Jasmine Growers of Coastal Karnataka: Grassroots Sustainable Community-Based Enterprise in India” was published in the

international journal *Entrepreneurship and Regional Development*, which focuses on economic development, entrepreneurial vitality and innovation as local and regional phenomena.

Femida Handy and Ram Cnaan, two professors at the Penn School of Social Policy & Practice, studied the history and success of a community-based enterprise along the western coast of [India](#), which played a role in alleviating poverty in the region for more than 70 years.

While 3 billion people worldwide live in extreme poverty, surviving on less than \$2 a day, and researchers continue to look for sustainable solutions to global poverty, Handy and Cnaan's research finds it is more effective to look for existing successful, sustainable grassroots solutions that are adaptable to new situations, such as community-based enterprises.

Community-based enterprise offers a new approach to poverty reduction by relying on local knowledge, culture, resources, capacity and ingenuity to come up with innovative ways to address poverty in rural areas.

“Historically, poverty alleviation programs have often degenerated to charity and, despite good intentions, they paid little attention to culture, local values and strengths,” Cnaan said. “The jasmine flower growers in coastal Karnataka are an example of successful social and economic development over the course of 70 years.”

The production and sale of jasmine flowers has helped alleviate [poverty](#) for six villages and about 6,000 households. This business has proven robust even in recessions, political changes and technical advances.

This initiative is based on a strong network of trust and social capital among the producers -- the jasmine growers at the household levels, and the buyers, agents and traders at the village and regional level and the

wholesalers at the city and international level. This trust underwrites the entire system and can serve as a template for social capital and community-based enterprises, or CBEs.

“We found that the existence of a natural, autonomously developed community-based enterprise without ‘western’ intervention can help fine tune our knowledge of sustainable CBEs,” Handy said, “and assist in helping development practitioners learn what works best when proposing a CBE.”

In rural cultures, finding new entrepreneurial activities related to growing and cultivation may ease the process of economic restructuring among the poor and landless. In addition, these activities should have a more holistic approach with a long-term view and involve several generations, the study concludes.

Provided by University of Pennsylvania

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