

ELLON HINENGO: BEST PRACTICE IN THE ANDAMAN & NICOBAR TERRITORY, INDIA

Background

The **SUSY (Sustainable and Solidarity Economy) Project** aims to research and produce comparable across the globe Best Practice case studies of social and solidarity economy organizations, which can contribute to the alleviation of poverty. The Indian Best Practice case study has been carried out on behalf of the Cooperative College, UK, by Ms. Veena Nabar, Senior Researcher, and a Supporting Team of Mr. Yaman Navlakha, Film Maker and Ms. Gargi Chandola, Junior Researcher.

The Indian Union Territory of Andaman and Nicobar (A&N) appealed as a locale for study, due to its isolation, its economic and social challenges and its physical positioning, separated from Mainland India as it is by 1200 kilometres of ocean that makes communication and the movement of goods and people between the Mainland and the Islands difficult. The Islands are home to several aboriginal Tribes, who are economically developing. Based on structured, recorded interviews with individuals associated with specified categories of SSE stakeholder organizations, carried out in line with the specified Project Methodology, the Ellon Hinengo Cooperative Society Ltd. (EHL), a Central Cooperative Society of tribal members, was identified and has been approved by the SSEDAS Screening Committee as a Best Practice in the Indian Territory of Andaman & Nicobar that deserves focused study.

The Team accordingly visited Port Blair and Car Nicobar between 10th October 2015 and 20th October 2015 and had discussions with several stake holders of the Society, including one or more persons belonging to the stakeholder categories specified in the Terms of Reference of the Study.

Among others, discussions were held with the Managing Director EHL, General Manager EHL, Advisor EHL (formerly its Managing Director for 27 years), and various Managers in the Port Blair office of the EHL and with a few of the Directors, the Executive Director and the staff of EHL in Car Nicobar as also EHL customers and workers and PH Members and a member of the Mahila Mandal (Women's Council). Visits were made to the sites of all activities of the Society, all the reconstruction projects and the sites of various proposed new projects. The Team also met the District Commissioner, Car Nicobar and the District Superintendent, Police. In Port Blair, the Team met with the Chairman of Andaman & Nicobar State Cooperative Union, MD, Andaman & Nicobar State Cooperative Bank and the Chief Executive, Andaman & Nicobar State Cooperative Marketing Federation. It was also possible to go aboard one of the presently owned 3 ships of EHL, which was in dock, a visit which has left an impression.

The following brief Report encapsulates the background and brief history of the EHL, the findings of the field visits, discussions with the various Stakeholders, Society Board and Staff and examination of the Project related records and information provided by the Society to enable an impartial evaluation of the activities and its social and economic impact.

Best Practice: Ellon Hinengo Cooperative Society Ltd.

Location: Village Chukchucha

Territory: Car Nicobar, Andaman & Nicobar Islands

Country: India

Economic and Social Situation in India

The Republic of India (also known as Bharat Ganarajya) in South Asia is the seventh largest country in the world in terms of its geographical spread and with a population of over 1.2 billion is the second most populous country and the most populous democracy in the world. The Indian peninsula, bounded by the Indian Ocean in the South, the Arabian Sea in the South West and the Bay of Bengal in the South East, has borders with six nations, including the Republic of China and maritime borders with two. Four of the world's major religions originated here and have helped shape the country's rich cultural diversity and heritage.

After its Independence from British rule in 1947, India became in 1950 a Federal Constitutional Parliamentary Republic of 28 states and & 7 Union Territories (UT) with a multiparty (6 recognized National Parties and over 40 Regional Parties) governance system. The Indian Constitution defines the distribution of power between the Centre and the States, which have been re-organized on a linguistic basis. All the States and 2 of the 7 UT have elected Legislatures and Governments patterned on the Westminster model (i.e. the British parliament). The remaining 5 UT, Andaman & Nicobar Islands (A&N) among them, are directly ruled by the Central Government. While Hindi and English are the officially used languages, there are 22 officially recognized languages and more than 200 dialects in current use. Language is a highly sensitive issue in the country.

Economic Situation: With an average annual GDP growth rate of 8% over the past two decades, peaking at 10.4% in 2011¹, India is one of the fastest growing economies in the world², but ranks 138th in terms of nominal per capita GDP and 129th in terms of per capita Purchasing Power Parity GDP³. The real GDP Growth Rate at Factor Cost, which was around 8% in 1999-2000⁴ had declined to 4% in 2013-14⁵. GDP growth at constant 2004-05 prices, averaged 6.87% in Industry, and 9.07% in the services sector over 2005-06 to 2013-14⁶. Consumption as a percentage of GDP was 68.9 and Capital Formation 31.4% in 2013-14, while Gross Domestic Savings accounted for 30.5% of GDP⁷.

¹ IMF (2011). Report for Selected Countries and Subjects.

² Nayak PB et al. Indian Economy and Growth, Sage Publications.

³ Office of the Registrar General & Census Commissioner, GOI (2011).

⁴ Planning Commission, GOI

⁵ *Ib id* Planning Commission, GOI

⁶ Central Statistical Organisation (CSO), GOI

⁷ *Op .cit. 4.*

Protection: Until 1991, the Government followed protectionist policies influenced by socialist economics with widespread state intervention and regulation. An acute Balance of Payments crisis in 1991 forced it to liberalize the economy and the trend has continued.

Agriculture: Although nearly 68 % of the population lives and works in rural areas, the share of agriculture in the GDP has been steadily declining and presently accounts for 14%. Major agricultural crops are Paddy, Wheat, Oilseeds, Cotton, Tea, Jute, Sugarcane and Potato. The Services sector contributes 57% and the Industrial sector 18% of GDP⁸.

Trade: The share of India's external trade has risen from around 6% of GDP in the mid eighties to 24% of GDP currently⁹ and India is today the 15th largest importer and the 18th largest exporter among all trading countries¹⁰. Agriculture and allied products since the nineties have accounted for an average 15.24% of total exports¹¹. India has built up a formidable reputation as the second largest IT outsourcing destination after the USA.

Demographics: India has a labour force of 428.9 million workers and an unemployment rate of 6.53 %, which has reduced from 8.87% in 2001-02¹². Life expectancy at birth is 66.1 with a birth rate per 1000 in 2012 being 21.6 and death rate per 1000 being 7.35 in 2014. Infant mortality figures stood at 42 per 1000 live births, with male and female figures being 41 and 44 respectively.

Health: In India, out of pocket expenditures made by citizens for health care are among the highest in the world. National Rural Health Mission (2005) was the flagship health scheme of the Indian government to improve coverage in the underserved rural areas by establishing a community owned, decentralized health delivery system. In 2013, an overarching National Health Mission (NHM) was launched both for rural as well urban India, which included many initiatives to address the health needs and to meet the Millennium Development Goals¹³.

Education: The Right of Children to Free and Compulsory Education Act or Right to Education Act (RTE) was passed in 2009, which makes elementary education for all children in 6 to 14 years of age an entitlement under the Indian Constitution¹⁴.

⁸ GOI(2009-10). Economic Survey

⁹ OECD(2007) .Economic Survey of India 2007 :Policy Brief

¹⁰ WTO Reports (2010)

¹¹ DGC&S, Ministry of Commerce , Kolkata

¹²Table No. 4.15 (B) Vol.I of XI Plan

¹³ Schemes such as introduction of the cadre of Accredited Social Health Activists (ASHAs), JananiSurakshaYojana, Rogi KalyanSamitis have been instituted under the NHM. Rashtriya Swasthya Bima Yojana (RSBY) provides for cashless insurance for hospitalisation in public as well as private hospitals and is followed by many state governments. The current government which came into power in May 2014 has been looking at health system strengthening and reforms.

¹⁴ The Sarva Shiksha Abhiyan (SSA) is being implemented as India's main programme for universalizing elementary education with RTE providing the legal framework. SSA aims at universal access and retention, bridging of gender and social category gaps in education and enhancement of learning levels of children. SSA provides for a variety of interventions, including inter alia, opening and construction of new schools, additional teachers, regular teacher in-service training, and academic resource support to ensure free textbooks, uniforms and free support for improving

Poverty: Despite these positive signs of a fast growth, a large concentration of the population, variously estimated as ranging from 21.92% to 27% of the population, lives below the World Bank's estimation of the Poverty Line at USD 1.25 per day, with most working in the informal sector with no job or social security. The percentages for Rural and Urban India have been estimated at 25.9% and 13.7%¹⁵ respectively. Poverty of Scheduled Tribes at the national level has been estimated at 28 % in 2004-05¹⁶.

Social Structure: A unique feature of the Indian social structure, affecting electoral policies and influencing policies (such as reservation in educational institutions, jobs etc. and also representation on Boards/Management Committees of cooperatives) is the stratification on caste lines. The **caste system** in India¹⁷ is a system of social stratification, which has pre-modern origins, having been transformed by the British Raj, and is today, the basis of reservation¹⁸.

Economic and Social Situation of Andaman & Nicobar Islands (A&N)

The Union Territory of A&N, separated from Mainland India by 1200 kilometres of ocean is a group of 572 emerald islands, islets and rocks, in the Bay of Bengal off the East Coast of India, stretching 700 kilometres from the North to the South and having an area of 8,073 km² (3,117 sq miles). Of this, the Nicobar group separated from the Andaman group by a channel (the Ten Degree Channel), some 150 km wide, has only 24 islands, Car Nicobar among them, with an area of 1,765 km².

Ecology: The Andaman and Nicobar Islands have a tropical rainforest canopy, made of a mixed flora. The North Nicobar Islands (including Car Nicobar) are marked by the complete absence of evergreen forests, while such forests form the dominant vegetation in the central and southern islands of the Nicobar group. Grasslands occur only in the Nicobars and deciduous forests are almost absent. The present forest coverage is claimed to be 86.2% of the total land area.

learning outcomes. The Midday Meal Scheme is a school meal programme of the government of India designed to improve attendance and nutritional status of school-age children nationwide. The last decade has been defined by the aim of universalisation and education being a state subject, various state governments have also launched their own schemes such as 'Beti Bachao Beti Padhao' (Save the girl, educate the girl), bicycles for secondary school girls to ease commute to schools, to name a few.

¹⁵ Planning Commission Data Book, 2014.

¹⁶ Sukhdeo Thorat. "How Socially Inclusive has Growth been?", Presidential Address at the 93rd Annual Conference of Indian Economic Association, Data Book for PC 2014

¹⁷ It consists of two different concepts, *varna* ("class") and *jāti* (refers to *birth*). *Jātis* may be translated as *caste* and are usually derived from occupations, and considered to be hereditary and endogamous. Certain groups, now known as Dalits, were historically excluded from the *varna* system altogether, and are still ostracised as untouchables

¹⁸ After Independence, the policy of caste-based reservation of jobs was formalised with lists of Scheduled Castes (*Dalit*) and Scheduled Tribes (*Adivasi*)¹⁸. Since 1950, the country has enacted many laws and social initiatives to protect and improve the socioeconomic conditions of its lower caste population. These caste classifications for college admission quotas, job reservations and other affirmative action initiatives are based on heredity and are not changeable. Discrimination against lower castes is illegal in India under Article 15 of its Constitution.

This tropical rain forest, despite its isolation from adjacent land masses, is surprisingly rich and diverse. About 50 varieties of forest mammals, some endemic, such as the Wild Boar About 270 species of birds, 14 of them endemic, the majority to the Nicobar island group, are found in the Andaman and Nicobar Islands. The Islands' many caves are nesting grounds for the Edible-nest Swiftlet, whose nests are prized in China for bird's nest soup.¹⁹ The territory is also home to about 225 species of butterflies and moths, including some of the larger and most spectacular of the world and well known for prized shellfish. Many cottage industries produce a range of decorative shell items. The shells of scallops, clams, and cockle are burnt in kilns to produce edible lime. There are 96 wildlife sanctuaries, 9 National Parks and 1 Biosphere Reserve in these islands²⁰.

Agriculture: A total of 48,675 hectares (120,280 acres) of land is used for agriculture purposes. Paddy, the main food crop, is mostly cultivated in Andaman group of islands, whereas Coconut and Arecanut are the cash crops of Nicobar group of islands.

Demography: Only thirty six of the A&N islands are inhabited and home to aboriginal tribes, the Great Andamanese, Onges, Sentinelese of Negrito stock and the Nicobarese and Shompens hailing from Mongoloid stock. These tribes live very differently to most people on the mainland and also include the only known existing people in the world of Palaeolithic stock. After the British set up a penal settlement in Port Blair, there was a movement of settlers from the mainland and the A&N population as of the last Census of India in 2011 has been enumerated as 379,944, of which 46.75% were female, a sex ratio of 948.²¹ About 8.3 % of the population is of Scheduled Tribes. Only 10% of this population lives in Nicobar Islands. Although the area of Car Nicobar is less than 7% of the area of the Nicobar group, in the Census of 2011 its population of 20,292²² was more than half of the total Nicobar population.

The earliest extant references to the name "Nicobar" is in the Sri Lankan Pali Buddhist chronicles²³The Andaman and Nicobar Islands were under the power of various Asian empires in the 16th century. The history of organised European colonisation on the islands began with the Danish East India Company in 1754/56. Italy made an attempt at buying the Nicobar Islands from Denmark between 1864 and 1868 but failed. Great ruled the Islands from 1869–1947, and from 1947, they are administered as a Union Territory by India through a Lt. Governor.

Car Nicobar is a small island, with an area of only 127 km and 15 villages, namely:

Ha-notch (Mus), Töt-chak (Kinmai),(Small Lapathy), Tö-ki-röng Sē-ti (Big Lapathy)Höng-chu (Tapoiming), Pum-pai (Chukchucha), Sa-rā-ki (Kinyuka), Tim-lö (Tamalu),Kè-è-rô (Perka), U-rèk-

¹⁹ R. Sankaran (1999), *The impact of nest collection on the Edible-nest Swiftlet in the Andaman and Nicobar Islands*. Sálím Ali Centre for Ornithology and Natural History,Coimbatore, India.

²⁰ India Year Book 2015

²¹ Census of India 2001, Registrar General of India, Data Book for PC 2014

²² *Ib id Cenus of India*

²³ the *Dipavamsa* (c. 3rd or 4th century CE) and the *Mahavamsa* (c. 4th or 5th century), which refer to it as *Naggadipa* (from the *Palinagga* meaning 'naked').²³ The Chola dynasty name for the islands, *Nakkavaram* (literally, "naked man" in Tamil). Marco Polo (12th-13th century) also referred to this island as 'Necuverann'.

ka (Malacca), Sa-pë-ha (Kakana, Öt-ra-höön (Kimiús), Ha-ran (Arong), the largest of which is "Malacca" with a population of 4,314²⁴.

In the Nicobar Islands, the indigenous people are the Nicobarese, or *Nicobari*, a Mon–Khmer-speaking people and a designated Scheduled Tribe. They call themselves **Holchu**, which means "friend". The Nicobarese language is part of the Austro-Asiatic language family. All of the different islands speak different dialects of the Nicobarese language.

Religion: Most of the people of the Nicobar Islands follow Christianity, brought to them by Bishop John Richardson who translated the New Testament into Nicobarese and is locally revered as the father of modern Carnicobar. Nicobarese however, also continue to follow in parallel the traditional religion of the islands, which is animistic in nature. They believe in spirits, ghosts, and the existence of the soul. Persons become ghosts after death when their soul leaves their bodies and the ghosts of all the Nicobarese are all around the islands and are believed to be responsible for all unfortunate occurrences on the islands.

Social Structure: The Nicobarese are headed by a Chief Captain elected by the Village First Captains. Each village has its own Captain, generally a hereditary post. The system of the Village Chiefs, or Captains grew out of the Tuhets. The Tuhet heads are the Village Captains, and elect the Chief Captains. They together constitute the Am Kuo Tuhet, or Island Tribal Council. Even after democratic institutions were set in place on the Island, the authority of the village Captains, in keeping with the tribal policy of the country, has continued. Matters pertaining to the Islands or Village, from acquisition of lands for government purposes to development activities to be introduced for the people, have no hope of success unless the Council or the village Captain gives the nod. Adapting to the changing order of the things, they are now, since 1978, constituted by election²⁵.

The Village Captain sorts out disputes and decides the punishment for offences. If however, the Captain proves to be inefficient, he is replaced by a popular vote. The Captain has an Assistant Captain, and three or four other members to help him and these five or six members are responsible for the management of the whole village.. The Headman of a village is known as "Captain," as a reminder that the inhabitants of the island first came into contact with the rest of the world through a ship.

“The Nicobarese as a people are most law-abiding and peace-loving. I believe that in their language there are no abusive words. In cases of difference of opinion, the matter is referred to the Headman of the village, and he tries to solve the problem with the assistance of other villagers. If an amicable settlement is not reached, the case is taken to the Bishop. Since the community life is based on mutual help and co-operation, there is a complete absence of real divisions or quarrelling.

As a result of this, there are no court cases at all, so the magistrate is unemployed! In the old days there used to be four policemen stationed on Car Nicobar; neither did these gentlemen get any employment, in the absence of crime. Nowadays, there are seven policemen with one sub-inspector,

²⁴ Öt-ka-sip (Sawai) Nicobarese people - https://en.wikipedia.org/wiki/Nicobarese_people

²⁵ Nicobarese Village, Nicobarese Tribe, Indigenous tribe of andaman, aborigines
www.andamanbeacon.com/nicobarese_tribe.html

because recently the Administration has opened a sub-treasury office, but even now it [38/39] may prove difficult to keep this police force occupied”²⁶.

In fact the District Superintendent Police, who the Team met during their sojourn in Carnicobar, was sure that this was likely to be his quietest career stint so far, with crime being virtually nonexistent on the Island. On the Nicobar Islands, men and women have a largely equal status and are free to live with either of the couple's parents. The villages on the islands originally were sporadically placed huts, normally round with dome-shaped roofs, strewn about in designated areas. The huts were typically built on 6 ft high stilts with ladders that the residents pulled up after they climb into the huts at night. Sadly only one such hut, “Golghar” in the local lingo, has survived the Tsunami and most of the houses today are the *One Size Fits All* type, constructed post Tsunami by way of relief measures by the Government.

Economy: The Nicobarese have a traditionally **horticultural economy**, they base their monetary existence on the growing of coconuts, pandanus, arecanut palms, bananas, mangoes, and other fruits. They also hunt, fish, raise pigs, make pottery, and make canoes.

Feasts, pigs and coconuts are central to the Nicobarese ways of life. The sales of the estimated 25-30 million nuts form the main stay of the economy. So central has the Coconut been to Nicobar trade, that till very recently, the currency was Coconut - the Coconut was the usual item of the barter and, when it was not, the value of item given or taken was equated to its value in Coconut. Every part of the coconut tree is utilized - the leaves provide thatch, the trunk, the walls and flooring, the sap toddy, and the coconut shell, a variety of useful holders and containers. The Nicobarese seldom drink water; toddy and tender coconut water is drunk.

Many of the older Nicobarese are illiterate, however today the younger Nicobarese receive free education funded by the government. As more Nicobarese become educated, they are absorbed as teachers and clerks, among other occupations.

The **Gross State Domestic Product** of Andaman and Nicobar Islands at market prices was estimated in 2010 at Rs. 16.13 billion; in constant prices in 2013-14 was Rs. 422 billion. The average rate of growth of agriculture to GDP was 3.48% between 2004-05 to 2013-14; the growth of Industrial Sector GDP averaged 8.07 % while the growth rate of the Services sector averaged 12.96 % over the period 2004-05 to 2013-15²⁷.

Poverty: Around 17.06% of Rural and 6.3% of Urban Population, making for a total of 9.69% of Total Population lived below the Poverty Line in 2014²⁸

Role of Social Solidarity Initiatives in India:

²⁶ MD Srinivasan . Sons of the light: Story of Car Nicobar

²⁷ CSO &MOA, Data Book for PC, 2014

²⁸ Data Book for PC, 2014.

Given the above social and economic situation in India, Social and Solidarity Economy organizations (SSE) due to the Principles that they uphold, have a great value and relevance for large segments of deprived populations with scarce access to resources, particularly Capital, allowing them to become owners of and gain from value added institutions through collective participation, effort and decision making, ensuring equity and fair play through their participatory governance system. In fact, this was the underlying logic for the first formal cooperative institutions in India set up under the Cooperative Credit Societies Act, 1904 enacted by the British Imperial Government in response to growing unrest and discontent with the absence of institutional arrangements for agricultural finance.²⁹.

In India, cooperatives are the main forms of SSE³⁰. From around 5300³¹ societies in 1911 with a membership of 300,000, there are currently an estimated 595,215³² cooperatives with a total membership of 249 million, 65% of these being small and marginal farm holders. Nearly a third of the membership belongs to the Scheduled Castes and Tribes, a category peculiar to the Indian Social classification and made up by and large of highly disadvantaged communities. Women membership in these cooperatives is still a mere 11%, perhaps largely due to the land titles generally being in the name of the male heads of farm households. Of the non credit societies at the primary level, nearly 220,000 are agro based and work in the areas of marketing, processing, dairy, poultry, fishery, farming, irrigation, ginning, spinning and weaving, sugar, forestry, tree growers etc.

Special /Commodity Societies have state as well as national level Federations. For training and capacity building of their leaders and functionaries, all cooperatives have formed State Cooperative Unions, which are affiliated to the National Cooperative Union of India(NCUI). The profit making cooperatives give 1% of profits to a Cooperative Education Fund that is maintained and operated by the NCUI. Federations are both of the Business kind as well as Promotional and in many cases, perform both functions. However in some instances, these Federations are found to be competing with their constituents. National Cooperative Development Corporation, National Agricultural Bank for Agricultural Rural Development, National Dairy Development Board are some statutory bodies set up at the national level to support the cooperatives and have been playing a major role in promoting cooperatives, hand holding them and shaping policies in respect of the Agriculture and Cooperative sectors. Some Civil Society organizations such as Sahavikasa have played crusading roles in steering innovative legislation and taking up various issues related to cooperative rights.

²⁹ The multi state cooperative societies operating in more than one state are however centrally regulated.

³⁰ Although a large number of smaller groups of the SHG variety are now also functioning and have mushroomed in different areas, these are informal and being unregistered ,their long term existence is uncertain. They are unable in most cases to access bank finance unless with Government backing or the overall umbrella of an organization. In many cases, cooperatives are forming such groups as a first step towards their cooperativisation).

³¹ Report of the GOI High Power Committee on Cooperatives, 2008.

³² NCUI, 2009. Indian Cooperative Movement: a Statistical Profile.

Sugar and dairy cooperatives are vibrant business models and provide their members with a host of services and downstream products.

Documentation of overall impact of cooperatives on farmer incomes and livelihoods is lacking. Impact studies carried out by institutions of assisted projects conclude that a major benefit of the competition provided by cooperatives is in helping stabilize markets, particularly in glut conditions. Cooperative godowns have helped farmers store crops, adding “time value” and helping in better price opportunities. Processing cooperatives pay “bonus prices” to their members, in proportion to business done by them with the cooperative, which are often above the market prices. Employment generated by cooperatives has been estimated to be around 17 million man days.

Under the Constitution of India, Cooperatives is a State subject and hence each State has its distinct cooperative law and cooperative structure

The trajectory of cooperative development has been largely shaped in the past by government concerns for using them as development institutions and the various Acts for the registration of cooperatives, which were also basically meant for their control. The Government in the initial stages played favourites with the cooperatives and gave them preferential opportunities, in many cases, endowing them with monopoly rights in some lines of business. More recently, it provided the financially impaired Financial Cooperatives a huge Revival Package, linked of course, with a stringent regimen for cleansing their Balance Sheets. These concerns also resulted in the various problems and challenges faced by cooperatives, the most important being impaired governance, compounded by a sense of the lack of ownership by member stakeholders.

Since the 1990s, things began changing with the liberalization of the economy, the Model Law³³ and the enactment of Parallel Acts in many States. The Government’s tilt towards the sector has changed, partly due to the liberalization, but also resulting from the Government’s own financial imperatives. Various measures taken since, including enunciating a National Cooperative Policy, reflect the GOI intentions to provide a level playing field to cooperatives. The legislative interventions have undoubtedly had a positive impact on cooperative autonomy and freedom. Members of societies formed under the new law are reportedly playing active roles and these societies are doing well (however there is no official data being maintained on these cooperatives). To provide an overriding Authority, the 97th *Constitutional Amendment Act, 2011* that will ensure that no state laws can abrogate the autonomy and freedom of cooperatives enshrined in the Constitution, was passed in Parliament, making Government intentions clear in the matter of cooperative autonomy. Liberalisation has also affected policies with regard to other sectors that have a bearing on cooperative functioning.

Social Solidarity Economy in Andaman & Nicobar:

With a large tribal population in the Islands, and certainly Nicobar with its isolation, the role of SSE initiatives in this Territory is even more relevant.

The Locale with its special community life is also an ideal ground for SSE to flourish as the life and the living design itself is embedded in what are the principles of **solidarity** and **democratic** living. Dependent

³³ The Model Law was framed by the Chowdhury Brahm Perakash Committee set up By the Planning Commission, GOI . The Law was circulated to all State Governments for adoption.

on the coconut as a natural resource and mainstay of their past and current lives, the concern for **environment** and **ecological** balance is to be found in their day to day lives. The Tuhet (Joint Family/Lineage) system is based on needs as after marriage the young couples join whichever Tuhet requires their labour and wherever they can be supported, which makes for **sustainability**. Above all the system of Captaincy is a democratic system of **self management**.

Cooperatives in A&N are governed by the Co-operative Societies Act, 1912 ACT NO. 2 OF 1912 [1st March, 1912.] The history of the Co-operative Movement in A & N Islands dates back to the year 1926 with the framing of Cooperative Societies Rules under the Cooperative Societies Act 1912, since promulgated by the A & N Island Cooperative Societies Regulation, 1973 and Rules 1974.

The first cooperative society under the name “Rangachang Cooperative Land Syndicated Ltd.,” was organized and registered in South Andaman in the year 1946. Since then the number of Cooperatives has grown to 1200, but many are redundant.

In Car Nicobar before World War II, private traders hailing from other Asian countries prevented the Nicobarese from undertaking their own business dealings by instructing ships not to allot them any cargo space. The firm of R.A. Jadwet, an Indian firm, realising the problems of the Nicobarese encouraged them by providing them cargo space on their Burma bound ships. Taking note of the sympathetic treatment of the tribal inhabitants by the Company, the then British Government asked the Jadwet Company to take over the business of the Nicobar Islands under a Trade Agreement, which became effective from September 1945 and also licensed the Company to trade with the Nicobarese. The Company set up its headquarters between Mus and Malacca Villages and introduced money transactions and weights and measures in place of the erstwhile barter system used by traders. A few days before the War broke out, a Jadwet vessel carrying coconuts belonging to tribals to Burma was held up and reached its shores with great difficulty and subsequently during the war, the Company lost touch with the Nicobarese. However the value of the stock carried on behalf of the Nicobarese was paid by the Company to the islanders after the war, which along with their fair dealings engendered a feeling of trust among the simple island folk.

The first cooperative society was registered in Car Nicobar in 1948 at Kinmai with a meagre capital of Rs.45, followed by the organisation of many more such societies, one in each of the 15 villages, and locally called Panam Hinengos (PH). These societies came to occupy a central part of village life, acting not only as business units but also as agencies that brought discipline in all related aspects of tribal life. Financially, they grew and also acted as a strong force for bringing their members to modernity through education and providing access to other amenities. The education and economic rise of the local tribes encouraged their active participation in the company. The company was transformed into a partnership firm, the Car Nicobar Trading Company, with 50% share being taken over by the 14 PH and the remaining share being owned by 5 partners. In time, the Nicobarese took over the company in entirety and in 1967, the M/s Nicobarese Commercial Company (NCC) owned by the 15 existing PH was formed.

The primary societies grew financially strong and profits were initially distributed among the member PH. Bonus and dividend payments were in turn paid by the PH to their members. The model was essentially a cooperative one, with the second tier being a private company but following the Cooperative Principles in practice.

In 1977, a team of senior bureaucrats of the Government of India, visited the Island to study and suggest measures for strengthening the cooperatives engaged in distributing consumer goods and in the marketing of tribal produce. The team observed that the NCC whose Board was elected by the PH was for all practical purposes a cooperative federation of the 15 PH and felt that converting it into a cooperative would endow it with several advantages such as access to assistance from the NCDC and concessions in the matter of Income tax, stamp duties and easier access to bank credit. The Panam Hinengos were agreeable to the recommendations, provided their other arrangements such as sourcing, staffing etc. were not disturbed. Says **Karthikeyan Narainswamy, the Managing Director, EHL**, who joined the Coop in 1982, “ *The concept of Cooperatives started early in the island, before 1950. The village cooperative called PACS (Primary Agricultural Cooperative Society) or ‘Panam Hinengo’ in the local language – Panam (Primary) and Hinengo (Cooperative) – first started in a village called Kinmai. It spread to all the 15 villages. Initially they traded in consumer goods and cloth for their livelihood. Coconuts were being used for bartering till the time Indian Rupee was introduced by the British.*”.

About Ellon Hinengo Ltd. (EHL) – Car Nicobar Best Practice

The Central Cooperative Marketing Society, (in the local language) Ellon Hinengo Ltd., Carnicobar was registered on 5th April, 1977 with Registration No. 251 under the Section 8 of the Andaman & Nicobar Islands Cooperative Society Act 1973. The first and only Central Tribal Cooperative Society of the Territory, the Society was registered as a Marketing Society with multipurpose activities, with Car Nicobar as its area of operation although it can and has extended its activities to the whole Nicobar Island Group.

Mandate:

As per its Bye laws, the canvas of its activities is vast. EHL is to act as the central organisation of the affiliated societies to further their interests in the areas of Marketing, Consumer goods, Cottage and Small Scale Industries, Fishing, Transport, Credit, Supervision, Cooperative Education and Training, Postal Services, Tourism, Construction, Recreational Activities etc.

The Model

The Management model that EHL follows is the cooperative model. It is the only Central Society registered in its area of operation and is a second tier cooperative with 15 primary cooperatives, or Panam Hinengos (PH) as they are locally called, as its Members. As earlier mentioned, the model underwent several mutations over the years, starting as 15 Panam Hinengos logged into a model that was essentially a cooperative one, with the second tier being a private company but following the Cooperative Principles in practice. In time, convinced by the strengths that would accrue to them by adopting the Cooperative Model in entirety, the PH joined hands to form EHL

Organisational Structure

All PH are registered under the Cooperative Societies Act 1973. Elections to the posts of President, Treasurer, Secretary, 4 Directors, 2 of whom are women, are held every 5 years. The Presidents of all PH then contest election to the EHL Board, which is constituted of 9 Directors, 2 women among them and also holding a 5 year term. The Board meets twice in 3 months and has full autonomy in day to day functioning

in line with the EHL Bye-laws. All its decisions are taken in a democratic and free and cordial manner in these meetings.

The day to day functions of the EHL are carried out by the Managing Director, who is assisted by an Advisor, General Manager, Senior Executive Manager and Managers who are the Divisional Heads of the different Divisions of EHL. **Bishop Richardson**, a visionary who had played a pivotal role in initiating the cooperative movement in A&N was elected as the **first President of the Society**. On his request, the Jadwet Company, which was withdrawing its operations on the Island agreed to lend the services of one of its partners to guide the Nicobarese in the initial period of their operations and accordingly **Mr. Y.E. Jadwet** was engaged as the first Managing Director of the EHL. Under his guidance and with his acumen, the EHL made remarkable progress including its shipping activity.

Activities of the EHL

The EHL is currently engaged in the following activities:

1. **Marketing of Member produce**, largely copra (dried coconut) and Betel nut. It handles around 15-20000 MT of copra and betel nut annually. The produce of PH is procured at a price that is fixed from time to time based on prevailing market prices at Port Blair. The growers receive immediate payment on delivery of their produce, which is intermittently stored in the EHL Godown at the Mus jetty and shipped as soon as possible to Port Blair, where the best possible sale rates are identified. When the prices fall to less than acceptable levels, the Price Support Scheme of the Government is accessed. Payment to growers is through e- banking.
2. **Consumer goods and general merchandise distribution** through its 13 Fair Price shops. It arranges for purchase and supply of items of critical consumption, including Fruit and Vegetables and coordinates with the Department of Civil Supplies for reasonable rates
3. **Shipping** – is the lifeline of the people of Carnicobar. The *MSV Safeena* , a ship owned by the Jadwet Company was the first ship of the EHL ,transferred to the EHL at a token value . The EHL owns and currently operates 3 Ocean going vessels including the fair MSV Safeena³⁴,the pride of the Fleet (having at one stage owned 7), MV Bay Island, MV Ebrahim Ali Hussain, and carries Cargo and Freight between Port Blair, the Mainland and inter Islands.”*NCDC extended to us financial support to buy 7 ships, which we bought from Denmark, all of them being second hand, 8 to 15 years old. A ship’s shelf life is typically 20 years but we are rebuilding/renovating them to keep them sea worthy for another 10 years. This way, each ship is being run for 30 years after which they are scrapped as per the requirement of the law. So far we have scrapped 3 ships (MV Richardson, MV Dominic and MV Solomon). All the ships were procured with the help of financial assistance from NCDC and we paid the interest fully on time (Karthikeyan,)”*.
4. **Engineering and Construction**- Enlisted as a Contractor with several Government Departments, its Construction Division undertakes civil works construction for the Andaman Harbour, Military Engineering Services; Andaman Public Works Department and other such agencies. It has constructed the Mus Jetty, which was destroyed in the Tsunami, the Breakwater, which is a source

³⁴ The oldest motor sailing vessel in Asia, with a proud history of service, including in World War II

of pride, having withstood the Tsunami and is also engaged in the construction of the expansion of the air strip. The EHL had just completed a road stretch near Malacca, when the Team visited.

5. **Supply of Petroleum products** 50000 litres of petrol and 75000 litres of High Speed Diesel monthly and Air Trephine Fuel to the Air Force station at Car Nicobar and distributor of LPG for domestic use. The Society has its own petrol pump for the Inhabitants of the Island.
6. **Stevedoring cargo**, from ships that berth at the Car Nicobar Port for which it has 2 Licenses, issued by the Port Management. Around 12000 tonnes is handled leading to jobs for 100 unemployed tribal Nicobarese youth. This includes the POL products.
7. It runs a **Workshop** and has a **Transport Division** employing approximately 45 youth. The EHL owns 9 trucks and other Light Vehicles and plays an important role in the activities of all Divisions.

*“There were many divisions in the Society, Consumer Division, Marketing, Agriculture, Stevedoring, Handling passenger aircraft that flew on the Island. This is the only Society which handled passenger aircraft for 8 years when Air India was not operating on the Island. We did a lot of Civil construction work and were the largest bidder and undertook work such as building the Car Nicobar Break water, Harbour work, Stevedoring in Mid Sea, Designing, etc.Our administration differs from other Societies as others cannot enter our area. We are working only in the area of agriculture, procuring commodities such as betel nuts and copra (processed coconut) and marketing them on the Indian mainland. From the Mainland, we procure other consumer essential goods, cloth, etc and sell them to the consumer at cost price, i.e. without any margins through our fair price shop (**Karthikeyan**)”.*

Financials

The Authorised Share Capital of the EHL is Rs 10 million. *“With a paid up capital of Rs. 15 lakhs, Ellon Hinengo Ltd (Central Cooperative Society) was formed. This paid up capital has now increased to Rs. 75 lakhs and our reserves amount to more than Rs. 6 crores. Initially the Cooperative was working within the Car Nicobar island only and the Cooperative has been registered under Andaman Nicobar Cooperative Regulation Act 1973 (under Special Tribal Act)”(**Karthikeyan**).*

The EHL was able to reach an annual **Business Turnover** of around Rs.300 Million (Rs. 71 =1Euro) by 2012 with **Profits** of around Rs.10 million, almost close to the pre Tsunami levels. In 2014-15, the turnover had substantially increased to Rs 301 million with profits around Rs. 23 Million.

The society is financially sound and has a good credit rating.

Employment

Through its various activities, the EHL has been able to create job opportunities for its members and youth. It has total staff strength of 122, 50% of whom are women. Besides, its various activities such as Stevedoring, Construction, and Transport etc. create jobs for unemployed youth of the Island.

All employees as a policy are/become EHL members and hence have a stake in the Society, which undeniably results in enhanced quality of work. The commitment and sense of job satisfaction of most workers was visibly felt, when they talked about the work of the Society, with a sense of pride and well being. The Society for them is their own and meets all their needs and wants. Having witnessed and participated in the work that the EHL did post Tsunami has also been an added factor for their growing commitment and involvement. For the same reason, there is zero turnover in employment.

The Elders among the EHL Management, who have so far run the Society over the last couple of decades, with exemplary dedication and acumen, maintaining a fine tuned balance with the traditions of the Nicobarese, are now slowly weaning the Society away from its dependence on themselves. They consciously want to hand the affairs to a younger, more modern generation, but hope that the basic values would not be surrendered in this process. There is already an ongoing process of grooming a couple of the younger, brighter Members, who have also been given the role of Spokespersons for the Tribal Community in the whole Island Territory. Alongside, the EHL has also recruited 2 young Management Trainees, who joined work during the Team's visit. The EHL Board members are conscious of the genuine need to groom the younger generation and instil in them a desire to serve the Island community, as all too imminent lurks the danger of attraction of the bright City lights.

For this purpose and with the intention of creating a strong base of professionals, EHL has also been assisting bright and needy students with scholarships for higher studies and aims to enhance its support in this area through its "Nicobar Social and Educational Foundation Trust"

EHL Tsunami Work

The severe earth quake and Tsunami that struck the Nicobar Group of Islands on December 26, 2004 decimated the entire infrastructure built up over the last three decades by the EHL and the Panam Hinengos, apart from leading to loss of lives and destruction of plantations, the last of which will have a long term effect on the livelihoods of the tribal inhabitants, who depend on the plantations for a meagre living.

The EHL lost 12 Fair Price Shops (FPS), its vast complex of godowns, administrative and other buildings including its Head Office, staff quarters, guest house, motor garage, textile shop, stock in trade and cash in 12 villages, all of which was washed away. A cinema hall that it had built was badly damaged. Transport vehicles, machinery, furniture and fixtures and office documents are some of the other casualties. 12 of the 15 PH were also completely washed away along with all their infrastructure and equipment. The Society also lost 14 of its staff members, including the then MD, Mr. F.S. Richardson.

Although the EHL was devastated by the losses it had suffered as a result of the Tsunami, it immediately sprang into action to provide succour and relief to the Islanders and tried to restart crucial operations. It started up its petrol pump on 14th January 2005, just 3 weeks after the disaster, to supply fuel for the Government run vehicles plying for relief operations. Fair Price Shops were set up in houses spared for the purpose by the tribal owners in the villages of Chukchucha, Jayanti and Sawai. In October 2005, as soon as road connectivity was restored, 5 additional FPS were restarted in Tamaloo, Kakana, Malacca, Perka, and Arong and soon extended to other villages also.

In the days immediately following upon the Tsunami, the EHL was at the forefront of relief operations in Carnic working alongside, and to support the District Administration. During this period, the Society undertook the distribution of rations, clothes, medicines, materials, utensils, torches, emergency lamps, mineral water, mosquito nets to the people worth Rs. 0.575 million from its own funds. Additionally, EHL's ship made 3 trips to and from Port Blair to Car Nicobar to transport essential commodities and other materials free of cost incurring an expenditure of Rs 1.90 million for this purpose. The EHL spared no efforts or expense to do its bit not only for its members but for all those affected by the Tsunami. The Captains of the Member PH played a vital role, opening up their homes and hearths to villagers whose houses had been washed away and many tales of such generosity were recounted during the visit.

Total damage to the EHL in terms of Fixed Assets had been assessed at Rs. 71.458 Million by the Government approved Surveyor and Loss Assessor. Together with losses incurred on account of Vehicles, Other equipment, Copra stocks and Stock in Trade in the Head Office and Branches, the damages have been assessed as accounting for Rs. 93.542 Million.

The EHL, which had to start rebuilding its operations and infrastructure afresh, prioritized the need for the immediate repair and reconstruction of a 500 MT godown, which could then be used to store material for the other construction and provisions for distribution. Of the 20 vehicles that the EHL had owned earlier, most were gone. Some vehicles were later repaired and re-used and a couple purchased, but the transport system had taken a hit and so this was given second priority. With support from the Cooperatives UK (through ICA-AP), the EHL constructed two 500 MT Godowns at Chukchucha & at Mus Jetty, 14 Fair Price Shops for consumer business and bought 3 Trucks.

Visits were undertaken to these during the Team's stay in Car Nicobar and discussions held with the Managers and the Staff of the Godowns and the FPS. The earlier project locations by and large located on or near the beaches all over the Island since the villages were located there, resulting in their being unable to escape the tidal destruction have since been relocated, and accordingly the projects have also been moved, to interior locales closer to the roads that connect the island.

The construction is good and well ventilated. The FPS have been furnished with shelves for display. The shelves appeared to be well stocked. Discussions with the staff present showed that they were aware of the business dealings in regard to their own outlets. Most of the Managers were of the opinion that with more and varied stocks, their turnover could be increased significantly. Each shop displays the number of their members in different income groups, based on the GOI classification of persons belonging to Below Poverty Line who are entitled to rations at low prices. Each unit constructed with support from the Cooperatives UK also has a Board on display acknowledging the assistance. The business levels of the primaries and EHL outlets has since picked up.

The reconstruction has been completed in time and in an efficient manner, despite the odds of a badly destroyed economy and a community that has been uprooted from its homes and traditional occupations and has had to start life all over again from Ground Zero.

EHL has been able to regenerate the minimal infrastructure needed to meet the basic consumer goods needs of the Car Nicobar societies and the mobility required to ensure that the supply lines are maintained and the

community social needs are met. It has been efficiently constructed by the Construction Division of the EHL, which has acquired a formidable reputation in the construction activity in Car Nicobar.

The assistance has directly benefitted the 8000 members of the Panam Hinengos and also the other members of the community and has helped the PH to restart their business activities and bring them above the pre Tsunami levels. The Community on Car Nicobar is among the most isolated in the world and for them even this simple aid for improving their living standards has an immense meaning, which cannot be valued in monetary terms. The reconstruction activity has also had a beneficial impact in terms of providing direct and indirect employment to the Nicobarese.

EHL has several projects in the pipe-line, which will have beneficial impact on the lives and occupations of not only its members but also all Islanders. It has plans to establish an integrated Coconut oil manufacturing facility and is already in dialogue with the NABARD (National Bank for Agriculture and Rural Development) for financial assistance for this purpose. It plans to set up a cold store facility on the Island and also invest in a deep sea fishing venture. It also has plans for a large Shopping Complex, for which it has drawn up the layout and Plans. This would also serve as a hub for other Islands, who are also in the same boat and need to travel great distances for their more than immediate needs. Such a complex would help the Islanders save on the expenses that they often have to incur for visits to Port Blair. The SCB has expressed interest in hiring a part of the constructed premises for its own Branch. The EHL has also planned for a large Training complex as a part of the complex, which would be used for training of its staff and member education. The Island is at present not open to tourists and visitors. With its breathtaking beauty and golden beaches, it would be a great tourist attraction and provide a great opportunity to the Island, with a multiplier effect. The EHL has plans for initiating Day Tourism Packages, if permission is granted.

Social and Ecological activities

The EHL through its member PH has an outreach into the social and cultural life of the community. The Directors being Village First Captains have a feel of the pulse of the Members, who have implicit faith in their leadership and come to them with their problems. The Society is there through good times and bad and helps out with its infrastructure and equipment, at festival times, weddings and most importantly deaths. The Society Vehicles are sent as Hearses to carry the dead and their families for the last rites. They are also used as Ambulances in times of need.

The Tribal give freely and warmly and community service is a common form of giving. EHL Directors and staff support these activities and participate in festivities, canoe races, games and social occasions. In fact this unique umbrella cooperative is but a natural extension of the concept of the Tuhet.

EHL's Social & Educational Foundation felicitates toppers in various streams in the All India secondary School Examination and a trophy for the best Secondary School. The EHL has also helped patients with Medical assistance in deserving cases and plans to do more in these areas.

"We support the community by sponsoring candidates who want to go for higher studies and sometimes we help them if they need support for treatment, like some medical help. There are cases where we have helped, like one Mr. Michael, who had undergone kidney transplantation 7-8 years back. EHL supported him and he is doing well now and the best part is he working in EHL system now. There are many cases of

people referred from Car Nicobar under medical grounds for treatment and EHL helps them by supporting/facilitating them to reach the main land and come back again. Sometimes we support them financially also. Another area is the funeral service. We give our vehicles for funeral service without any charges; we do it as a voluntary service” (Amin Musa, General Manager, EHL).

Concern for the environment is a deep-rooted conviction of the tribal members, whose whole survival is dependent on the natural resources. The Tsunami has brought home the importance of nurturing the environment more stringently. EHL has helped their members with the Replantation Scheme, which the Government has facilitated in the aftermath of the devastation. The ancient system of *Takoya*, of demarcating a certain part of the plantation of a dead person of certain status in the community as a green area for a period of up to 5 years as an offering to appease the spirits, still persists and is practiced and is but a variant of the sentiment of **Concern for the Environment** in another guise. “*when an old person dies, we segregate a small portion of land to rejuvenate. No one is allowed to go there or farm there until the village captains decree so. A typical period would be for around 4-5 years. The same would be done also with a portion of the coast – no fishing would be allowed. After the time is over the trees – rejuvenated – are bountiful and that portion of the sea gives a lot of fish” (Nicolas, Customer, EHL)*

The Team was lucky to see one such demarcated area in the Village of Kakana.

Communication and Advocacy

EHL is a little on the back foot as far as explicit initiative in this area is concerned. It was expressed often by the senior members that the work should speak for itself. In their case, the work does indeed stand out and their contribution is recognized in all quarters in the Administration of the Territory and EHL is universally cited as a Society that has taken the cause of cooperatives forward and is to be emulated.

Rajiv Mehta, formerly of ICA, was very impressed with their clarity of vision, when they were advocating the cause for the Reconstruction Project, “*first and foremost, their need identification was so clear and simple; they had very clearly and convincingly spelt out their needs, so logically and convincingly*”. Similarly, they also were facilitated by the ICA Research Committee to present their work at the ICA research Seminar in Beijing, which was indeed impressive.

Two of the younger staff members of the EHL, Mr. Musa, General Manager and Mr. Davidson, Executive Director are also the Spokespersons for the Tribal Council. They have been playing a trouble shooting role in bringing to the fore and in the Lt. Governor’s court where these decisions are taken, the difficulties faced by the Islanders and visitors as a result of the Island’s few and far available facilities for communicating with the world outside. The Team experienced this first hand in their attempt at getting to Car Nicobar, which is God’s own country, when it comes to its pristine and unspoilt beauty, but is zealously protected from outsiders. No one can enter Car Nicobar without a special Tribal Pass to get in, which is increasingly difficult to get and one has subsequently to negotiate one’s way onto a helicopter flight to get there. We got there alright but almost did not get back! Guest accommodation on the Island is also sparse, there is a single Government Guest House with 8 rooms, largely meant for Government Officers on duty and we found it difficult to get our weeks in advance pre booked and confirmed rooms, as the persons occupying it were unwilling to vacate the same as the ship they were to take out of there did not come in on the particular day due to inclement weather. This is also an especial problem when there is an emergency medical case.

However, all said and done, they do need to become more visible, publicize their efforts and lobby and speak out more loudly for support to their activities and facilities.

Networking, Affiliations and Openness to existing Networks

The EHL is a member of several networks, both on the Mainland and in the Administrative Capital, Port Blair. It has a Director on the Boards of the A&N State Cooperative Bank, The A&N State Cooperative Union, which runs a Cooperative Training College and A&N State Marketing Federation, among others. All the above mentioned stake holders spoke highly of the EHL and its activities but felt that the Society will have to move ahead at a faster pace, with new activities and new technology as well as diversification in their existing business if they are to withstand the growing competition.

While the Society members are open to both existing and new relations and eager to get the best of what is on offer, they are caught up in their difficult existence. With their remoteness and lack of communication facilities (Mobile phones do not work and email/internet is virtually nonexistent), they have their hands full with managing business activities, facing ever increasing competition with increasing liberalization. The EHL is also a Member of the NCUI and the NAFED, both of which are headquartered on the Mainland. It contributes to the Cooperative Education Fund of the sector maintained by the NCUI and negotiates with the NAFED for copra supplies under the Price Support operations, when the prices fall at times of market gluts.

Evaluation of the Good Practice

Economic and Social impact and Potential

The community in which the EHL has its roots is a naturally fertile soil for a SSE (in this case because of historical reasons, a cooperative) to grow in and flourish. The Tuhet or family lineage system on which the Villages and the PH are based, is characterized by solidarity, collective ownership, need, equity, gender sensitivity, self management and democratic functioning. The EHL, which as demonstrated in its day to day functioning impeccably follows the Cooperative Principles that are almost congruent with the principles of Social Solidarity, is hence a natural extension of the Family system of the Island. Each Village is constituted of several Tuhets and has a First Captain, and a few Captains to whom the land of the village usually belongs. Land is allocated to different heads of families for use and the usufruct of this land is used by the family. The PH is a natural extension of the system, with Tuhet Heads being the Members and electing the Captains, who in turn elect their representatives to the EHL Board. The PH are headed usually by the Village Captains and have come to occupy a central part of village life, acting not only as business units but also as agencies that have brought discipline in all related aspects of tribal life. Financially, as they grew they also acted as a strong force for bringing their members to modernity through education and providing access to other amenities such as health.

The EHL, the apex of the PH, through its activities, has had an immense **economic and social impact** on the lives of its members, helping them in all aspects of their wellbeing. Its economic impact can be seen from the business opportunities that it has given its members, where none existed, leading to concomitant growth of incomes. Through its ships, which ply between the Islands and the Mainland, it markets the member produce, copra, which is the main lifeline of the tribal. It pays the Member PH a pre fixed price, based on the prevailing market price, at the time of procurement of their produce, sells their produce at the

best possible price on the Mainland and pays dividends and bonuses to the PH, who in turn pass on the same to the producer. The doing away with the middleman results in a larger share of value added for the producers. Says **Mehmood, once a Driver and now the Head, Transport Division, EHL** ‘*When I was still in school, there was an organisation called the Nicobar Commercial Company. It was an excellent cooperative that truly imbibed Nicobari social solidarity. I also recognized how happy the local population was and how they lived in complete peace and harmony. It played a vital role in the development of the island, which was consequently taken forward by EHL.*’

Its fast growth has been enabled by its captive fleet of ships, in fact a brilliant and innovative initiative, which has enabled EHL’s control over the movement of goods to and from the Mainland, thus enabling it to cut costs and reap the difference for its members. It works both ways, since EHL ships bring back to the Island, supplies of essential commodities, consumer items, daily necessities, and fruit and vegetables, and in addition, petroleum products, Petrol, Diesel, ATF, and LPG and so on, which are essential to life on the Island and has a large demand from the Air Force. Its reconstruction work after the Tsunami devastation has virtually brought the Island back to life as it were and restored the Island’s already fragile economy, bringing it back to pre Tsunami levels of business and profits in record time and today way beyond.

EHL has provided employment to many unemployed youth, through its various Divisions and has given them an opportunity to rise in the organization. Most of the employees express a deep sense of satisfaction with their work and feel they have a part to play in the decision making. “*So, when I joined in 1980, I was first assigned to the Workshop as a mechanic, then a driver and now I am in charge of all Transport. It is the Transport section that facilitates trade between the Panam Hinengos and EHL.....I am very happy working here, but then I loved Car Nicobar from the very beginning. In fact, you could say it was a mini-Singapore in pre-Tsunami days, but in spite of the Tsunami, Nicobar remains a very special place (Mehmood)*”.

It has provided support, when needed, to the community in health, education and in their transition to modern values and living both through awareness generation and education and through providing direct access.

EHL is present at all stages of the life cycle of its Members, births, marriages, festivities, in sickness and in health and most visibly in death and times of sorrow, with its ever ready transport vehicles. In fact, it often helps the Government by hiring out its vehicles to it in times of need and if its vehicles are idle.

Captain Danavelu, the Captain of the MV Bay Island says “*Mostly EHL is doing a service for the people of Car Nicobar. They have good set-ups, Transportany medical help. At times, we have been diverted only for patients or students. If there are no ships or any mode of transport, we have been asked to go and transport them so that they can take their exams*”.

Anand, an EHL Member adds “*the Nicobari Home at South Point, Port Blair) constructed and maintained by EHL Office is of great benefit for Nicobari people as it provides transit accommodation. EHL also bears the cost towards electricity bills, water bill, and some minor repairing work etc for the welfare and peaceful existence of the Nicobari community*”.

EHL’s social impact is visible from its exemplary work, particularly in periods of calamity and trial, such as the Tsunami, which virtually decimated its assets and wiped out large settlements, and exhibits its strong basis of **solidarity and concern for community**. The EHL spared no efforts or expense to do its bit, not

only for its members but for all those affected by the Tsunami. The Captains of the Member PH played a vital role, opening up their homes and hearths to villagers whose houses had been washed away.

Transformative Impact

The EHL has transformed the lives of its Members and the general community through providing them better outlets and value addition for their produce, employment opportunities and a chance to rise within the organization. It has helped young students with their education, always with the hope that they will return and serve the community. Without EHL's help in the disastrous aftermath of the Tsunami, getting back to a semblance of their former life would have been for the Community a difficult task. EHL has put them on their feet and given them back their livelihood opportunities.

“I am working in this Society since 1982 (34 years) and find this to be a unique working place. For the augmenting of vessels I have travelled to many parts of the world. This kind of service oriented Society, I have not seen anywhere. The Management, the Board of the Society makes working here comfortable, the staff enjoys freedom and do not feel that they are being paid to work. The feeling amongst us is that we are members with a mission to serve the needy. That is also the reason why we have been able to come up fast after Tsunami (Karthikeyan)”

“They are doing such good work that without them imagining the economic activity in Car Nicobar is practically impossible (Vasudha Mishra, MD National Cooperative Development Corporation)”

“The impact of EHL was realized during the Tsunami. The rehabilitation and building the island would not have been possible, if EHL were not there. In the development of southern group of islands in Andaman, a major role is being played by EHL. They play a role in supply of food items, petrol, diesel, construction activities, etc., lot of efforts are being made by EHL. EHL is a very good Society” (Srinivasan, MD ANCOFED).

Sustainability and Potential

The PH and EHL have survived over a few decades, and grown in capacity and diversity of activities. The EHL has demonstrated its power to survive, sustain and rise stronger from the ashes of its destruction as in the post Tsunami period, where it exhibited its immense potential for the exemplary revival of an economy that had been virtually wiped out in terms of its assets and livelihood resources.

The EHL presents a good deal of potential for increasing its areas of work and catering to its member needs. However some stakeholders point out that there is an urgent need for EHL to induct technology and professionalize its working, if it is to survive in the face of the competition that it is increasingly bound to face.” *There exists a huge potential to exploit Coconut. At present, the tribals are processing Coconut to get only Copra and selling it, whereas Coconut can give 5 bye products. EHL can set up an integrated coconut based unit, which will benefit both EHL and the tribals” (Ravindra Rao, MD ANCOBANK).*

“They have resources but they require technology support and training from institutions and once they receive it they will do very well. The island is blessed with abundance of coconuts which is 100% virgin and is growing without any fertilizer. Currently only limited bye products are produced from the coconut, whereas there is scope for many more. I understand there are 17 byproducts of coconut. If necessary

technologies to under value addition of coconuts would do wonders for EHL” (Srinivasan. MD ANCOFED)

Policy Impact:

The District Administration as well as the Andaman and Nicobar Administration have a high regard for the EHL and its ability to execute work allotted to it. During the post Tsunami efforts, the EHL worked with the Administration tirelessly to help with rescue and deliver relief material. So EHL for them is a Society that stands out and is pointed out as an example to others.

The concerned Acts were amended for EHL to take up its shipping activity. These activities *‘have also earned it a unique reputation as it is perhaps the only Society in India which owns so many ships. In fact, the MS Act has been amended to allow cooperatives to register ships’ (Captain Danavelu).*

Participatory Space Open to the Territory:

The EHL in theory is free to operate anywhere in the country and enter into any activity that it feels is beneficial to its Members, either singly or in partnership with other institutions, both private and public. However, it is constrained by its location, remoteness and communication between Car Nicobar and the Mainland, which makes for delays that can be hard hitting, and costly, both because of distance and delays, which makes it difficult for them to compete in the market.

Lessons to be learnt:

Understanding the core competency and planning gradually & sustainably, unity among and effective involvement of members as well as effective leadership are some of the factors behind the success of EHL.

“ One thing to learn is that if you keep yourselves rooted to the ground realities of where you are functioning, what are the possibilities, what are the requirements of members; like any good cooperative, EHL can show us the way. We have to expand in a sustainable fashion; they have done it bit by bit, 1 to 2 to 4 vessels, 1 to 3 trucks. They have done as and when they could expand, not mindlessly done that, so that is a lesson that one can learn, to understand their core competency and work on that, that is what we can learn” (Vasudha Mishra).

“This Society is underlined by unity which is the key to their success. John Richardson the founder of EHL was the man behind the Cooperative doing well” (Srinivasan). “The only important factor behind the success of this intervention was the effective involvement of the primary cooperatives; they could very effectively convey their needs to their Central Tribal Cooperative Society, which we call EHL and the relationship between secondary and primary coops is very cooperative. So it is all about the relationship between the Member and the leader and leader and other secondary structures that exist. In this case, the Panam Hinengos, the primary societies and the EHL, the central society enjoy complete coordination and complete cordialityThe role played by Mr. Jadwet, the Managing Director, who was earlier working with the Jadwet Group of Companies was very important, rather very critical. He mobilised the members’ involvement, he developed the leadership by discussing with the more enlightened members of the tribal community and he made them good cooperative leaders, who understood the needs of the tribals. I am sure that this cooperative in isolation will become one of the most successful cooperatives only because of effective members’ participation and effective leadership” (Rajiv Mehta).

“Exemplary leadership, honesty of a simple folk, far removed from the ways of modern “civilisation”, the need to unite simply because of the isolation they face and democratic functioning are some of the reasons responsible for their success. The contribution of the founder chairman Bishop Richardson and Managing Director in mobilising the tribal community and their vision and dedication has taken the EHL forward to reach this level”(**Dr. Wankhede, MD Indian Farm Forestry Development Cooperative**).

Individual Story:

Mr. Davidson, the Executive Director, EHL cites his own example of an individual story in the following words: *“My role model is the Late Bishop John Richardson. I was young when he left for his heavenly abode. Since my youth, I have been inspired by his message of living in unity and harmony and would like the younger generation also to follow the same. Living and working in Unity is the key for success of our small island.*

I wanted to get into Shipping as a Captain, but the late Ebrahim Haji Hussain advised me not to work in a ship but work for a ship. I am very grateful to the Jadwet family who showed me the way to do business and showed me the path”.