

Remembering Verghese Kurien

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Verghese Kurien, who passed away recently, will be best known for building Amul into one of India's most valuable brands which is an organisation of nearly three million smallholder dairy producers and a Rs 12,000 crore farmer-owned business. He will also be remembered for creating the National Dairy Development Board which replicated Amul's complex institutional model across India.

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Verghese Kurien was a remarkable man. He leaves behind an equally remarkable legacy in the institutions he built, the ideas he propounded, a dairy industry the country can be proud of, and a deep imprint on our thinking about development and democracy.

With his passing on 9 September, an era has ended. Affectionately remembered as the father of India's white revolution, Kurien was in his prime for over half a century until the late 1990s during which he honed and exercised his extraordinary powers as a manager running a large farmer organisation, as a leader of men and as a builder of institutions.

I had the privilege of working with him during the late 1970s and all of the 1980s when he was at his creative peak. Like hundreds of young men and women who passed through the "Kurien School of Life", I was deeply influenced by his view

of the world, his managerial and leadership style, and his enigmatic personality.

Man, Manager, Leader

Kurien was exceptionally gifted. He had an exquisite sense of humour which he often directed at himself. Once in a large conference at Vigyan Bhawan in New Delhi, he had the house roaring in laughter as he narrated how Indian Airlines had misprinted his name on the boarding pass as V K Urine. Outsiders often found him arrogant but marvelled at his performance as a manager. An article in the Food and Agriculture Organisation's *Ceres* (1978) quoted a German economist saying, "He [Kurien] can be a son-of-a-bitch in some of his dealings with people, but he gets things done". Kurien gleefully shared photocopies of the article with his friends and family, including his mother.

He gave all credit for his achievements to his early associates, often telling us youngsters that he let Tribhuvandas Patel and H M Dalaya to do all the work while he liberally used his "gift of the gab". When he wanted, Kurien could be extremely

gracious and unleash his irresistible charm; however, those of us around him found him a tough taskmaster.

Kurien was not given to sycophancy but was adept at managing relationships with the high and mighty. He had a distinct style of dealing with a succession of prime ministers, presidents, foreign heads of state, whom he and his wife hosted at their home in Anand. Even as honorary chairman of the National Dairy Development Board (NDDB), he always sent in his resignation when a new prime minister took charge. He also went out of his way to maintain active contact with his political friends, especially when they were out of power.

Kurien was a fighter. He could be ruthless, even vicious when he sensed a threat to his institutions and the cause he had embraced. An article criticising Operation Flood in *Illustrated Weekly* in 1983 posed one such threat. A lesser man would have been unnerved by such a frontal media assault on his life's work, but not Kurien. He mobilised his war machine and issued a comprehensive response that led to government intervention and a high-level enquiry. Eventually, Kurien and his institutions emerged out of the crisis unscathed and vindicated.

Kurien was an inspirational leader and used his gift of the gab to great effect. He drove his people hard, yet the morale of his staff remained high because he could communicate to them his vision and ideas in a manner that was compelling and uplifting. He held his audiences – students, officials, journalists, scientists – in thrall whenever he talked about his life and work with Amul and his strategy of modernising Indian dairying on cooperative lines. The key source of the growing aura around Kurien was his unfaltering integrity.

Kurien had a high regard for the Indian farmer. He abhorred thinking of farmers as poor, helpless, in need of doles. He always lauded their wisdom and native genius and was derisive about anti-poverty programmes, which he thought treated farmers as supplicants. He loved their rusticity and simplicity and despite a language barrier bonded instantly with pro-farmer leaders like Tribhuvandas

Patel, Devi Lal, Balram Jakhar, Paramasivam, and Lal Bahadur Shastri. Tribhuvandas Patel remained Kurien's guiding spirit until his last days.

In contrast, he was an unrelenting critic of the bureaucracy and the Indian Administrative Service (IAS), but had the uncanny knack of winning friends even while bitterly criticising them. He bad-mouthed the IAS all his life yet his closest friends and supporters, starting with the venerable H M Patel, were all from the IAS.

As Amul and Operation Flood began getting critically evaluated, he also became increasingly critical of economists and social scientists. At the end of an erudite keynote address he was invited to deliver to the Indian Society of Agricultural Economics in Pune in 1984, he concluded by telling the large gathering how he hated economists: "May your tribe perish. You are never there where the action is. You come after the event and glibly find faults. If I am born again, I will become an economist, so that others do all the work, while all I do is criticise..." He got a standing ovation. One economist he fondly remembered was V M Dandekar. Both agreed that India's large population of unproductive bovines was a drag on the livestock economy but were chary of taking a public stand for cow slaughter. Sometime during the 1960s, both were sharing the stage in a largely attended farmer meeting where farmers were sharing their experiences of artificial insemination of cattle. A farmer leader was waxing eloquent about how sending *gau-mata* to the slaughterhouse was like sending one's own mother to her death. Dandekar, as irreverent as Kurien, snatched the microphone and asked him, "Now that you have got your *gau-mata* artificially

inseminated, why don't you consider getting your mother artificially inseminated?" To the merriment of all around, Kurien never tired of narrating this incident all his life.

Kurien was an ardent believer in promoting scientific temper. However, he also believed that for an organisation like the NDDB, which was created to promote farmer cooperatives, vacillating on the core idea of organisational purpose could spread confusion and undermine single-minded pursuit of the goal. He agreed that private and multinational companies could play a role in modernising India's dairy industry but to his officers he would always say, "The world may have devised many ways to skin the cat but for us in the Dairy Board there is only one way, the Amul way".

Impact on Indian Dairying

Kurien will be best known for building Amul as one of India's most valuable brands, which is an organisation of nearly three million smallholder dairy producers, and a Rs 12,000 crore farmer-owned business. He will also be remembered for creating the NDDB, which under Operation Flood I and II, replicated Amul's complex institutional model across India. Although the replication was uneven, the fact remains that together the Amul pattern dairy cooperatives today operate a business of Rs 33,000-35,000 crore annually and despite the growing competition from the private sector over the past two decades, dairy cooperatives have not only held forth but are growing their business turnover at a steady 12-15% annually. In 2010, around 1,44,000 village dairy cooperatives procured an average of 26 million kg/day of milk from 14.5 million primary members. Their district unions and

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state-level federations marketed 22 million litres of liquid milk daily (NDDB 2011) and dairy co-ops pump Rs 25,000 crore/year into India's villages as cash income to milk producers. As a rural employment guarantee programme, the success of dairy co-ops is hard to match.

Kurien's most significant contribution was in prevailing upon successive prime ministers to keep multinational dairy companies out of India for 30 years while our own indigenous dairy industry took root and came into its own. But for this grace period, the complexion of Indian dairying today would have been very different. To understand how different, all one needs to do is to walk into a grocer's shop in Colombo, Dhaka or Lahore and ask for a local brand of packaged milk or product. There is hardly any local dairy industry or indigenous dairy brand in any other south Asian country – the bulk of the urban demand for dairy products in these countries is met by milk from New Zealand even as their own local milk producers crave for a remunerative market. On the other hand, one can pick up several indigenous cooperative and private brands of packaged milk and other dairy products in any Indian town or city.

Kurien's thinking is particularly relevant today in the context of the ongoing debate on foreign direct investment (FDI) in multi-brand retail. If what FDI has done to the indigenous dairy industry in Sri Lanka and Bangladesh is any indication, FDI in multi-brand retail may not augur well for Indian agriculture unless there is some way to ensure that the new players source the bulk of their farm products locally.

Cooperative Movement

Kurien was deeply wedded to the cooperative ideal. He believed that putting the farmer in control of production, procurement, processing and marketing of farm produce was the only way to develop Indian agriculture. He also espoused the view that strong cooperatives underpin democratic governance structures at the state and central level. However, he also believed that the cooperative movement in India suffered from a poverty of ideas. He accepted international

cooperative principles as the normative basis for cooperation but questioned if adhering to these principles ensured success of cooperatives.

In the dairy cooperative movement, Kurien ensured that there was no poverty of ideas. In replicating Amul under Operation Flood I and II, Kurien distilled a set of elegant and compelling design principles derived from the success of several early dairy unions of Gujarat: First, the presence of a stable and remunerative market is a precondition for surplus milk production. Second, one must capture the market before organising producers into cooperatives. Third, initially externally sourced milk supplies need to be used to capture the market while cooperatives are being established. Fourth, as the market is captured, extant traditional trade is forced to withdraw and surplus milk in the villages has nowhere to go but to the newly-formed cooperatives. Fifth, for sustaining a distinctive competitive advantage, a cooperative union must have a powder plant to deal with seasonal fluctuations in milk production. Sixth, for the new structure to remain efficient and subservient to producers, it needs to be managed by professionals accountable to a board elected by producers.

There is no rocket science in these – just simple economic logic. Yet, the ubiquity of these simple design principles is evident only in their rampant violation. How many cooperatives in India have governing boards elected by members? How many non-governmental organisations and government programmes ensure a stable and remunerative market before organising producer cooperatives? How many of them assure better prices at their doorstep before they persevere to help farmers increase production?

Nation Building

Kurien was a serial institution builder. During the 1970s and 1980s, he built a whole family of institutions around NDDB to realise his dream of a strong Indian dairy industry founded on cooperative lines. For the scores of new cooperatives that were coming up around the country, there was a need to produce

professional managers. Kurien first went to his cousin Ravi Matthai, the founder-director of the Indian Institute of Management at Ahmedabad (IIMA), and offered to fund a separate programme at IIMA to train cooperative managers with an appropriate value system. When this did not work out, in 1979 Kurien went ahead and founded the Institute of Rural Management at Anand (IRMA) and over 30 years, IRMA graduates have made a mark in the cooperative, agri-business and non-profit sectors of the Indian economy.

IRMA's mandate has a powerful appeal. Beginning with Indira Gandhi, a succession of prime ministers, presidents and other top leaders graced IRMA's convocations, which in the early years were attended, besides graduating students, by tens of thousands of farmers. There was a period in the late 1980s when whoever spoke at the IRMA convocation moved to a position of greater power and influence soon after. As chairman of IRMA, Kurien would tickle his convocation speakers about the strong probability of them being "kicked upstairs". Sure enough, Manmohan Singh, who spoke at the 1991 convocation became the finance minister in the Narasimha Rao government.

Through the 1990s Kurien was a precious resource the country had. His achievements were recognised by showering him with awards and honours but the country failed to put his talents to good use. Few people understood the Indian farmer as Kurien did; even fewer understood what it would take to jumpstart Indian agriculture. As a champion player in search of a playing field had he got a few years as India's food-agriculture minister, Kurien would have likely to have done to Indian agriculture what Manmohan Singh did to reform industry, banking and finance.

For all his impressive accomplishments, however, for the common man, Kurien will forever remain the man behind the impish Amul girl promoting with her "utterly, butterfly" smile the Taste of India.

REFERENCES

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