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Ashoka demonstrates its Hybrid Value Chain business model produces success in new affordable housing in India

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Ashoka Innovators for the Public announced today that, working in India collaboratively with international and local businesses, citizen sector organizations, technology, architecture, energy and finance innovations, it has successfully demonstrated its Hybrid Value Chain (HVC) framework is a success in creating new homes in the affordable housing market in India.

In 2009 Ashoka launched Housing for All (HFA), a housing sector example of how HVC business models can unleash untapped profits and open new markets for corporations if they collaborate and create products and delivery systems with the citizens they ultimately want as new customers. This project, financed in partnership with the Hilti Foundation, focuses on providing new homes to families at the bottom of the economic pyramid in India. It is part of an international demonstration for how HVCs can accelerate development of low-income housing markets globally, including projects in Brazil, and Colombia.

In India, where the current demand for affordable housing is more than 26 million houses, HFA provided strategic support to launch "Umang Lambha" in May 2010. The project was developed through a unique partnership with DBS Affordable Home Strategy Ltd, a for-profit developer, and SAATH Charitable Trust, a non-profit, citizen organization. Together with architects and home financiers, the DBS Umang Lambha project in Ahmedabad has conclusively demonstrated that this HVC business model has overcome the barriers that often have hindered collaboration in the past, and has leveraged the unique resources of all those entities and experts necessary to offer affordable houses to all those families now living in unhealthy and unsafe conditions in slums.

These types of HVC partnerships are rapidly spreading the growth of Affordable Housing in India. Under the Ashoka's HFA program, over 10,000 homes are being planned and under construction in 6 cities unlocking a market potential of 400 Crore Rupees. These partnerships between developers and materials suppliers, not-profit citizen organizations, architects and

housing finance companies will provide in the short term over 50,000 people to live in better housing conditions.

“We are delighted that the collaborations we helped to broker here in India have shown such excellent results in the demonstration phase,” said Valeria Budinich, Vice President at Ashoka, here in India along with local and international colleagues. “New alliances to design, build, finance, market and scale up affordable housing throughout India are now in place. Over the next four years, Housing for All in India will start new projects based on this model in many states throughout India. Our ambition is to show how market forces – together with citizen collaboration – are capable of building millions of affordable homes in India – and throughout the world – so that all families will be able to live a dignified life,” said Budinich.

“This is the goal of Ashoka,” Budinich emphasized, “to have citizens and businesses address the most pressing issues the world faces, and doing so together, create solutions that work, that can be scaled up and that transform the relationship between business and citizens into one that provides large profits and social benefit. We envision this work getting us closer to a world where everyone is a Full Economic Citizen – in their community and their nation.”

Evaluating and judging its project a success and ready to scale up, Ashoka also used the occasion to issue an advance release of, “Access to Housing at the Base of the Pyramid – Enabling Markets for Affordable Housing,” outlining the challenges of affordable housing and recommendations to overcome them, based on the power of collaborations, such as those demonstrated in the DBS & Saath Charitable Trust business model.

For more information about HFA in India, and to acquire a copy of the “Access to Housing” report, contact Ms. Rashi Gupta at rashi@the-practice.net ^[1]

About Ashoka

Founded in 1980, Ashoka is the world’s working community of leading social entrepreneurs, with more than 3,000 worldwide. As Ashoka expands its capacity to integrate and connect social and business entrepreneurs around the world, it builds an entrepreneurial infrastructure comprised of a series of global initiatives that supports the fast growing needs of the citizen sector. Ashoka’s goal is to create individuals and societies where ‘Everyone is a Changemaker’ – able to participate as confident teams in the process of change that our fast-paced world demands. For more information, visit india.ashoka.org.

About Ashoka’s Full Economic Citizenship initiative

Ashoka’s Full Economic Citizenship (FEC) is one of Ashoka’s key global initiatives to achieve an Everyone a Changemaker world. Its various projects are designed to solve serious problems, and give citizens the opportunity and the capacity to exercise their economic, social and cultural rights. To achieve FEC, citizens must have access to essential income, housing, food, health care, products and other services, and an active role in efforts to improve society as consumer, producer and holder of assets. FEC seeks to end the exclusion of two-thirds of the world’s population through catalyzing business and social alliances, called Hybrid value Chains, which transform markets and redefine value in game-changing ways. For more information, visit <http://fec.ashoka.org> ^[2]

About Hilti Foundation

Created in 1996 by the Martin Hilti Family Trust, the Hilti Foundation supports selected activities and projects from around the world where the claims “help to self-help” and “sustainability” are clearly formulated. The Hilti Foundation has been jointly funded by the

Martin Hilti Family Trust and the Hilti Group since 2007. Under the mission statement “we build a better future,” the Hilti Foundation supports projects from the areas of education, culture, and social entrepreneurship that, in spite of their differences, all meet one criterion: they all emphasize a sustainable contribution to societal development and have the goal of being self-supporting over the medium term. For this reason the Foundation both facilitates these projects for a limited period of time and also ties any sponsorship with the call for personal and corporate responsibility. For more information, visit www.hiltifoundation.org [3]

About DBS Communities

DBS Communities is the flagship enterprise of DBS Affordable Home Strategy Ltd (DBS), a company set up in 2009 to create viable enterprise models for making affordable housing available to low income families in urban India who have very limited or no access to the formal real estate market as of today. This enterprise is conceived on a completely new paradigm of real estate development built on the inherent strengths of a community-based approach. For more information, visit www.dbscommunities.com [4]

About SAATH

SAATH is a non-governmental organization registered, as a public charitable trust in Gujarat, India. SAATH uses market-based strategies to create inclusive societies by empowering India’s urban and rural poor. SAATH’s one-stop, integrated services reach over 100,000 slum dwellers in Ahmedabad, and many more in Gujarat and Rajasthan states of India. For more information, visit www.saath.org [5]

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Links:

[1] <mailto:rashi@the-practice.net>

[2] <http://fec.ashoka.org>

[3] <http://www.hiltifoundation.org>

[4] <http://www.dbscommunities.com>

[5] <http://www.saath.org>