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## Percy Barnevik, business leader and determined philanthropist tells Citywealth about Hand in Hand International

**Karen Jones interviews Percy Barnevik about a trust he founded which is revolutionising Southern India and in three years has created 80,000 female entrepreneurs.**

Born in a coastal fishing town in the South East part of Sweden, in Österlen, Percy Barnevik has come a long way. He received many accolades in his lifetime which included “CEO of Europe’s most respected company” in the Financial Times/Price Waterhouse survey for four years. Meeting Percy though, it is easy to believe that this information would have washed over him. A straight talking, determined man, his career

history has seen him transform global company fortunes and he is credited with creating industrial blueprints that others now use as guiding principles. He doesn’t like being on rich lists despite his fortune which is reported to stand at £73 million and says with some exasperation. “They get it wrong.”

Some years ago at 61, despite his distinguished career, boardroom politics left him



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## “I spend eighty five percent of my time in India, China and Afghanistan opening doors with governments.”



jaded which seemed to consolidate some thinking within him. He decided in quick succession to resign from chair positions at some of the biggest companies in the world including Astra Zeneca. He then launched what is now known as the public charitable trust called Hand in Hand International. It aims to help women and children in Southern India lift themselves from extreme poverty. Using £7million of his fortune to fund the launch, the trust now has growing assets of £2,582,193.95. This is interest from micro loans to its organised support help groups, investments and advances.

Although still on the board of General Motors which is itself experiencing a dramatic turnaround, he now devotes his life to his foundation in the capacity of adviser: and that doesn't just mean writing

cheques. I quiz Percy, who also works with the World Economic Forum, the International Monetary Fund and the World Bank, about his involvement, interested to see if he really does roll up his sleeves. “I spend eighty five percent of my time in India, China and Afghanistan opening doors with governments who he now proudly says. “Are starting to call us.” He continues. “Beijing badly needs job creation in villages and small towns to stop the poor gravitating into cities to find work and ending up in slums. China wants us to work with 1,000 villages and 2 million people in the Southern province of Yunnan.” Hand in Hand International also plans to create sustainable jobs for 300-400,000 South African women a year and is working in Afghanistan on a new pilot..

As Percy is Swedish, I struggle to make the

connection with some of the countries he chooses particularly Tamil Nadu, India which is where the biggest project has taking hold. He explains. “When you build businesses in these regions, you see such fast paced development; it's only natural that you want to see what you can do with philanthropy too.” Percy has worked with multinational companies for almost forty years creating value for shareholders in the region.

### The bottom billion

Tamil Nadu was historically colonised by the East India Company based in London. In the early 1600's, The East India company was awarded a twenty one year monopoly on trade with the East Indies to buy and sell items such as silk and cotton. The textile industry still plays a significant role in the Indian economy providing direct employment

“Using £7million of his fortune to fund the launch, the trust now has growing assets of £2,582,193.95.”

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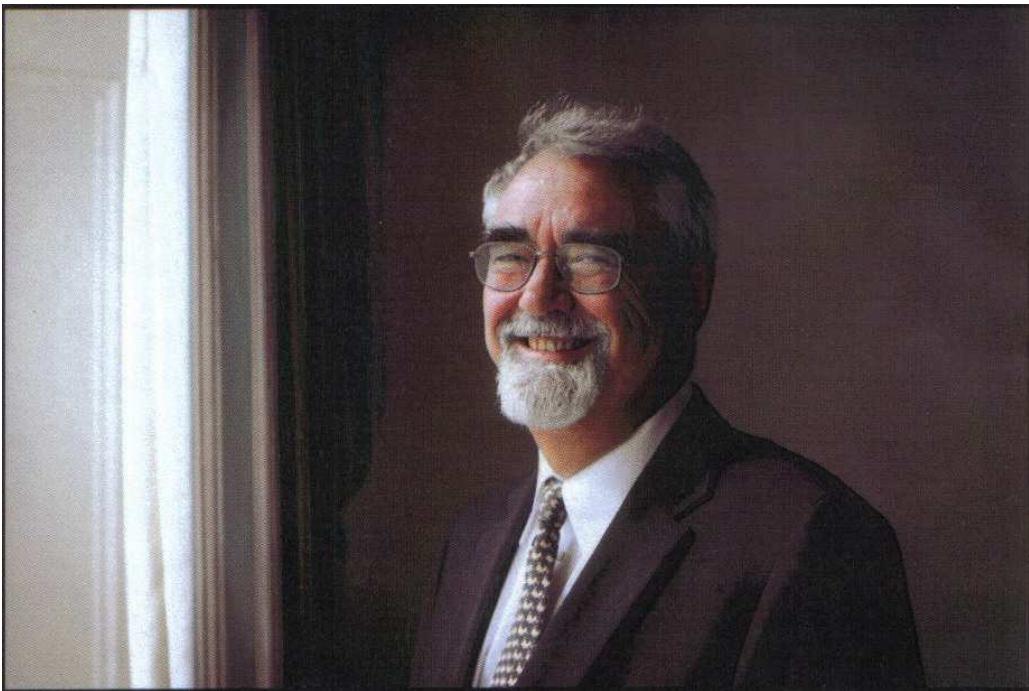
## “Beijing badly needs job creation in villages and small towns to stop the poor gravitating into cities to find work and ending up in slums.”

to an estimated thirty five million people. Improved economic status of the population includes call centres set up by companies such as Xansa working for British businesses and one of the largest film industries in India, Bollywood which rivals Bollywood. Percy points out that the poor aren't

rising out of poverty with this increasing prosperity. “They are shut outside with no way in and most earn only \$1 a day. People say ‘when the tide is rising it lifts all boats’ but this is not true in poor countries.”

Hand in Hand International through their mi-

cro finance for enterprise initiatives help women set up businesses in industries such as weaving, food production and building to connect them with the economic upturn. Alliance's set up with the garment and fashion industries help create buying channels for his newly created fe-



Percy Barnevik

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## The numbers continue to be impressive and future goals tough.

male entrepreneurs. Although he does concede that the market is a jungle for them. "Our entrepreneurs need a lot of backing to stop them being cheated and marketing is also an important issue. I think many of our success stories in business can be put down to effective marketing and mentoring'.

Keen to focus on joint efforts rather than accept praise himself he mentions a key member of staff. "Dr Kalpana Sankar, CEO and Managing Trustee has been the driving force in helping us achieve goals and measure progress and really make a difference. In just three years we have 8,000 people who are employees, whether full or part time and volunteers working at Hand in Hand International." And the numbers continue to be impressive and future

goals tough. "We want to help millions not thousands of women says Percy." And you almost hear a bang on

having authored several books on womens empowerment.

Part of Hand in Hand Internationals success



Percy Barnevik with his female entrepreneurs

the table as he makes his point.

Later I research Dr Kalpana Sankar and she has an enviable resume with a Ph D in natural science, has been a consultant for Christian Aid and Wetlands International on gender and microfinance issues and

which includes a majority Indian workforce and keeping administration costs to single digit figures, is bringing market forces to the operation. As Percy puts it. "We apply modern management techniques with measurements, decentralisation and accountability at grass roots

Citywealth charity support



**“We mentor our women, staying beside them through this journey which is why our success rate, measured in loans repaid, is over 95%.”**

**“We do not allow corruption. It is forbidden. Factory owners who try to stop us are reported to the police.”**

level. I believe that what gets measured gets done.” The organisation doesn’t employ Westerners to keep costs down “they volunteer” and they tend to be of a similar ilk to him, entrepreneurs in their sixties looking to give something back.

The main thrust of the work of the charity which shows an income of £656,118.69 from April '06 to March '07 is firstly to get children out of factories and back into school despite being ‘bonded’ or working to pay off a family debt. Hand in Hand International staff are regularly threatened by local business people keen not to lose their child workforce to study.

Here Percy takes a firm hand. “We do not allow corruption. It is forbidden. Factory owners who try to stop us are reported to the police.” Secondly they ignite entrepreneurial spirit in women with support groups and micro finance. Percy adds an interesting comment. “Micro finance without careful training, advice and support networks becomes debt slavery particularly if the money is not used to fund a work initiative but used for general consumption. It just makes things worse. I believe passionately in help then self help. We mentor our women, staying beside them through this journey which is why our success rate, meas-

ured in loans repaid, is over 95%.” Percy says with some satisfaction that they have “dried up the child market” and as if to back up his approach mentions the Tata Group, a \$21bn company operating from India, with some admiration. “They work without paying bribes.” A look at the Tata website reveals an impressive twenty company group spanning, steel, technology and consumer goods with an impressive vision on ethical behaviour.

As well as the business approach, Percy says he gets a huge amount of pleasure from his work. ‘Seeing villages transformed, children regaining their child-

**“The co-founder of Oriflame, Jonas af Jochnick had one of the brothers visit a Tamil Nadu project and went on to donate £2.3million from their family trust.”**



**HAND IN HAND**  
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hood and peoples lives being enriched in so many ways is a tonic and so enjoyable. I have enormous enthusiasm and am almost obsessed.” He smiles broadly.

Now Percy has proven his programme works, he is keen for others to join him. Donations have mainly come from other private individuals so far and from the start, the plan was to always involve others. The co-founder of Oriflame, Jonas af Jochnick had one of his brothers visit a Tamil Nadu project and went on to donate £2.3million from their family trust. Oriflame produce natu-

ral, Swedish cosmetics and earn 635mn euro in annual sales. Other donations have included £5million from a family foundation who are partnering and donations around the £75,000 mark. He says that schools in Sweden are also working to get donations for them. And last month a Lehman Brothers MD scaled the Matterhorn to raise £17,500 to support a village for a whole year.

Percy not only has volume plans to revolutionise the lives of the bottom billion, he also has ambitions for world peace. “When you see extreme poverty for the young who come out of

school in countries like Egypt with no hope of work, this becomes part of a global problem. They are angry. It’s no wonder they become involved in politics and rail against capitalism and the west. Ninety percent of all terrorism can be traced back to extreme poverty. If we can eradicate this, I believe we can reduce conflict. My vision is that in twenty years time we will have made a step toward world peace with our work and empowering women is the fastest way to achieve it.”

#### **The low down**

Hand in Hand International is a public charita-

**“A Lehman Brothers MD scaled the Matterhorn to raise £17,500 to support a village for a whole year..”**

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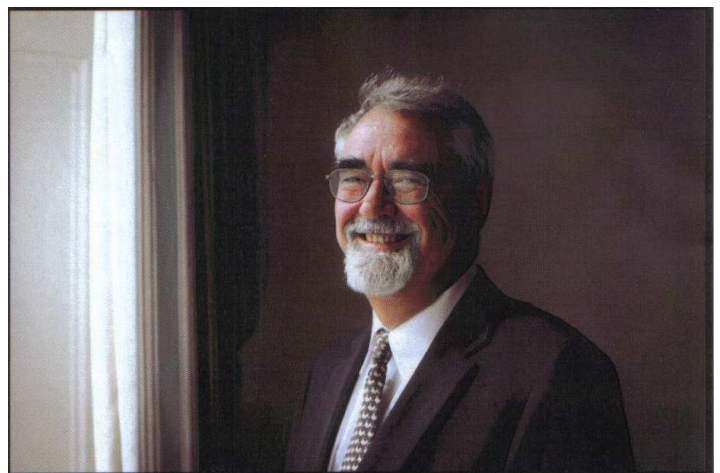
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## “Donations are often around the £75,000 mark.”

ble trust active in the Southern Indian state of Tamil Nadu with 62 millions people. It has five independent trustees and the CEO Dr Kalpana Sankar. There are 1,300 employees, 1,300 part time teachers and 5,500 volunteers. The vision is to eradicate child labour and to reduce poverty with education, employment, income generation and empowerment. In order to do this the trust use a five pillar programme. 1. School programs that look for children working with transit and residential places with innovative teaching methods. Assisting government schools to modernise. So far 11,000 children have been moved from work into schooling. 2. Self help groups and micro finance for enterprise and job creation for lowest level caste women.

242,000 women have been organised into self help support groups and 80,000 family businesses set up. The trusts target is to set up 1.3 million jobs in Tamil Nadu by 2011. 3. Citizen centres to provide basic information on registering for government schemes and voting. They provide computers, access to office services and a reference library. Hand in Hand International plan for 4,000 centres in five years covering 10,000 villages. 4. Medical camps to access health care and deal with issues such as family planning, nutrition and alcohol abuse. 5. Environmental protection and waste management. This includes digging water tanks, building terraces in wasteland to create cultivable land and forestation. Two projects are



Other donations have included £5million from a family foundation who are partnering with Hand in Hand international

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Hand in Hand International

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### Further information

[www.hihseed.org](http://www.hihseed.org)

### Visit

[www.hihseed.org](http://www.hihseed.org) . A new film just shot in Tamil Nadu is pre-viewed.

[www.tamilnadutourism.org/](http://www.tamilnadutourism.org/)

[www.tamilnadutourism.org/sanfran/making-films.html](http://www.tamilnadutourism.org/sanfran/making-films.html)

[www.tata.com](http://www.tata.com)

backed by The National Bank of Agriculture and Rural Development NABARD. They are also supporting a decentralised waste management scheme for recycling. This pilot plant employs 100 people and serves 15,000 households. Within ten years they plan to set up 100 plants serving 10 million people. Hand in Hand International are forging links with partners like Ericsson who have 8,430 employees to provide technology and handsets in the region.

### What donations buy

\$15 will pay for one woman to attend financial and entrepreneurial training for a family business. \$50 will pay for one child to attend school. \$45,000 will pay for the construction and equipping of a residential school. \$25,000 will pay for the sponsorship of one village of around 2000 people making it child labour free, improving government schools, making people literate, starting 200 mi-

cro enterprises and 2 medium sized companies, equipping and running a citizen's centre for 250 people and create 1 solid waste unit

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