



“If you have money and infrastructure, you can create programs like poverty graduation or eyeglasses with government machinery that can implement designs”: Atul Satija of The/Nudge Institute on distributing glasses by working with government development, social welfare, and poverty alleviation agencies.

Ambika Samarytha-Howard

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Ambika Samarytha-Howard: Some organizations have been using eyeglasses as part of their health care implementation and delivery portfolio. Is that what you’re doing, or do you have any other models to share?

Atul Satija: At The/Nudge, we also do some ecosystem work. We look at what creates very large scale change in society, like big social movements and how they come about. If you look at India in the last 75 or so years since independence, most of the big waves of change go through early stage ideas that are prototyped well. If the ideas are impactful and potentially scalable, these prototypes start to propagate. Other people follow it and start implementing the same designs, so propagation happens.

Once the propagation is successful, in a very few cases you hit an inflection point, usually coming through policy, technology, unit economics, or sometimes at the intersection of all of these, where that inflection point starts creating large-scale proliferation. At The/Nudge, we call it the three Ps of social scale. You prototype, the idea starts to propagate, and in some cases, the proliferation happens.

Ambika Samarytha-Howard: That's your tipping point?

Atul Satija: Yes, the inflection point is where you start to see proliferation begin to happen. It is not just in the social sector. If you look at the IT industry in India, the early idea was that if you bring a software problem from the US to India at the cost and the quality equation of an Indian engineer, there is more business to be had. That was a prototype. In microfinance, if you give money to the poor without a collateral, money will come back as long as a few conditions are true. Give it to the men. Give it to women in a collective. Give it in a base location order, or migratory setting, and microfinance started to work.

Once the early evidence is strong, and in some cases, where there is scalability of the idea, it starts to propagate. The IT Industry started with TCS [Tata Consultancy Services], but Wipro Ltd. moved into IT. Infosys was born. HCL [HCL Technologies Limited] became a software company. We saw that in the Green Revolution. We saw that in White Revolution in India, with Operation Flood. We saw that in UPI [Unified Programming Interface] now as well, where the early experiment was the BHIM app [Bharat Interface for Money] that the government did to prove that UPI works.

Ambika Samarytha-Howard: Can you explain what UPI is?

Atul Satija: The Unified Programming Interface is how people can transfer money from one person to the other without having to use any third-party application provider like a Visa or Mastercard or any other bank. I can transfer money from my bank account to you directly on a mobile phone, which is now being used by almost every Indian. It's now the largest digital banking platform worldwide.

Ambika Samarytha-Howard: Both microcredit and the Green Revolution is about poverty reduction, which is your mission at The/Nudge. The "how" is important. You're entering it specifically through the health portfolios and health sectors?



Atul Satija: Actually, no. The/Nudge is a poverty alleviation organization, but we focus on poverty alleviation entirely through jobs and livelihoods of India's poor. If you look at the history of poverty eradication in any country, all of these are economic movements. Education and health are critical, but no country solved for poverty after solving for education.

If you look at China's journey out of poverty, it's an economic movement through manufacturing and trade. We saw an industrial revolution in Europe. Singapore was built in a decade. Hong Kong, Taiwan, South Korea, Japan. No country solves for poverty after solving for education. These are parallel journeys. Good quality education creates a very different kind of labor market that allows you to have very different kinds of economic waves to happen. We strongly believe that if the current generation is to see zero poverty in India, we have to find these big economic waves that will create jobs or improve livelihoods and incomes of India's poor.

The/Nudge is a poverty alleviation organization focusing on jobs and livelihoods of India's poor. The way we do that is through two accesses. One is you find out what solutions actually work for livelihoods. Is it scalable? If yes, what is our role in that? For example, if you take the eyeglasses work we are doing, we realized that there was evidence that eyeglasses do

contribute to immediate income increase and productivity increase, which leads to income increase.



Because we saw that the product is simple, creates impact, and is potentially scalable, we realized that we have built muscles in engaging government and partnering with government to prioritize and scale. We saw that we have a unique role to play in this, because the prototype phase was over, and it was propagating for the last decade. It was just not proliferating because nonprofit organizations themselves didn't have the capital required for proliferation.



Markets in remote areas weren't ready to go because it is not a repeat purchase product with high margins. Markets had no incentive. Governments were not attending to it, and nonprofits didn't have the capital.



We said if it is a solution that is simple and propagating really well, we can't incentivize markets artificially, it has to make money for them. Can the government prioritize it, given that it touches the poor and there is immediate social benefit? We put together the business plan, tying this together by saying that India is a unique place, the government has money, and it is looking for simple solutions. We have a solution that is simple and creates a very good impact, especially in the lives of the poor. Can we bring the two together and see whether there is an opportunity to scale this?

Ambika Samarytha-Howard: Before the eyeglasses, you were doing many other things. Eyeglasses are just a small part of your portfolio, right?



Atul Satija: It's a new initiative. Our larger program that we've been working on for the last six years now is poverty graduation. In that program, we already saw early signs of success in governments allocating capital, picking poverty graduation as their design, and leveraging partners like The/Nudge for technical assistance to scale it up. We saw that collectively. We have three state governments and two union ministries already allocating money on poverty graduation.

Ambika Samarytha-Howard: Can you describe your model for poverty graduation? How do you provide the technical assistance for it?



Atul Satija: Poverty graduation basically brings the cash and care together. Governments are very good in getting cash to people, and end users are very good traditionally at getting care to people, but their clients don't come and meet, and they are not sequenced. In the way that a child goes from level 4 to level 5 to level 6, if you take a rural poor family from level 1 to level 2 to level 3, by building both things, opportunities come to them in terms of capital assets they can leverage, and capabilities to use the assets with, and they can start improving their family's situation.

Poverty graduation is simply graduating a family out of extreme poverty by bringing investment and capabilities into the household. It is sequenced in a fashion to go from point A to point B, point B being out of poverty, which is measured as increase in income, increase in assets, increase in savings and credit, and social and economic resilience coming from participation in markets and political systems. This program is the design of it. The technical assistance we provide to the government in this program hinges on five or six things.

In the top-down design of the program, they need some support on how the government should allocate capital, when and how should the money be given, how to select the families, et cetera. Livelihood research is very important. [What is the impact of] backyard poultry, goat or pig rearing work, or small grocery stores? Will they be selling things on a highway or provide a service? Is it farm-based or non-farm livelihoods? Each rural area has its own natural, social, economic, political, and community resources. If you use the assets well, you come up with a certain basket of livelihoods. We do that research for the government with our partners.



Then comes the design technology. The technology platform that the government is using for poverty graduation is something we had to build with the government's guidance for technology, data, monitoring and evaluation, learning and development of the field, along with resources, not at a village level, but at a block and a district and a state level. Then we gave it to them to host as an open source public code.

Ambika Samarytha-Howard: When you have this very precise workflow that you've been doing for six years, and then someone like the Livelihood Impact Fund comes in with a solution that we know is working, how do you integrate that into what you just described?

Atul Satija: Poverty graduation is a separate team, with 300 people in the organization running that program with the governments. While doing that, we build certain muscles at The/Nudge. We know how government systems function, how the government is making decisions, what the government priorities are, and how we can be helpful to the government in their priorities, et cetera.

Because we have built certain muscles of working with the government in poverty graduation, and the presbyopia eyeglasses initiative required similar muscles in our business plan, we realized that we could play a unique role. We could work with the government to build a case for it. If governments prioritize it, the money flow can happen. If it happens, you can make distribution of glasses at scale that otherwise hasn't happened. If that starts to happen in phase two, you will see markets also come in because there is enough density of glasses in villages to make it worth their while.

Ambika Samarytha-Howard: Let's talk about the government part. That's probably the question you get asked the most, because this idea of an NGO coming in and doing design or technical assistance has been done, but working with governments is both the hardest thing to do as well as the only thing you can do to scale. What have you seen that's working or not working with the Indian government? Do you feel it's a matter of finding a champion in government who's pushing things forward?



Atul Satija: India is in a very unique place compared to other countries because you have multiple union ministries: Ministry of Social Justice, Ministry of Rural Development, Ministry of Women and Child, MSMEs [Ministry of Small and Medium Enterprises], and Ministry of Labor. All these industries, all these ministries, have incentives to solve for productivity of people and better incomes for their constituencies, which means you have multiple potential customers in union ministries to prioritize it. Then you multiply that by each state, and they have the same as well. If you take states and union territories, you have 30 customers there, and you have union ministries as well, which means you're talking about 100 to 150 unique government agencies that could potentially be talked to, to prioritize this. Now, obviously, if you talk to a union health ministry, and all state health ministries, you are able to then have a conversation because you have a central buy-in.



Given that the product is simple, and the budgets are relatively small compared to everything else, we will see small little shoots emerge in different parts of the country as we go and talk, because in the health ministry, that is a very small topic. If you take the health budget of India, the vision budget is less than 1%. Within vision budget, there are more complex problems like cataract, glaucoma, et cetera, which means presbyopia is very, very small even within vision.

Union ministries' attention to this problem is unlikely to be very high, given the mandate they have. In certain states where they're looking at labor productivity right now, it has to work on timing, the size of the state, how they look at it, and usually the right person. Sometimes it just resonates well with one person and not the other. If you're able to find a few champions like that, the movement will start. In between, if you're able to get one of the union ministries to prioritize it, it will be great too.



We are working right now in parallel with a couple of union ministries, and many, many state governments. Pilots are starting, but our north star is getting governments to see the value and prove the impact of it. Then hopefully, more and more governments will come in, and we'll see the numbers start to scale.

Ambika Samarytha-Howard: Let's talk about a few of the places where you're starting these pilots.

Atul Satija: Two objectives to the pilots. The first bucket is continuing to learn more about how to design it better. What impact does it create? If you choose, let us say livelihood A versus livelihood B, is the impact very different? Are there areas where there is no impact in productivity and income that we thought was there?



There's a lot more to learn here. On evidence building and distribution pilots, does the state rural livelihood mission machinery distribute eyeglasses better with simple training, or do we have to work with the health ministry to distribute? Which field distribution system works better?

One option is the livelihood machinery, like the rural development field cadres. The second is the health machinery field cadres. Within these departments, there are also two or three different options available. You can try an entrepreneurship route or you can try a services route. People can be incentivized to distribute glasses based on targets. The other is you are a field cadre, you get paid a salary, you get training, and you go out and do eyeglasses screening, et cetera.

One objective of the pilot is to learn the eye trade, experiment, design, and understand the impact. Basically, that's about working with a small set of communities that are representative statistically of the larger population, but you're trying to learn about distribution, trainings, incentives, design, which machinery works, et cetera.



The second objective of the pilot is to build a case with the government so they can build a case for themselves to allocate money. We can do them in parallel, but you want to be okay to fail when you are doing pilots to learn. When you are doing a pilot to work with governments to showcase, you want to make sure that the pilot will work. You are convinced you know how it will work, but when you're doing a pilot with a particular constituency in a state which the government is focused on, you want to show them that it works. You want to remove all the chances of failure for that.

These are the two kinds of pilots we are doing right now. The Northern Karnataka pilot was for us to learn, because The/Nudge is already working in these communities on poverty graduation. Can I use my existing trust in these communities to try out a pilot to see what works?

Ambika Samarytha-Howard: How has that pilot been going?

↗ **Atul Satija:** It's gone really well. We learned a few things. We realized that most people who got the glasses in the first round are still using them, even when we went back to them after three or six months.

Some are using glasses for non-livelihood reasons. For example, women at home now feel they're able to wear glasses while cooking in their village huts. They have a different kind of benefit. They're able to mix salt and spice and sugar differently, because they can see it. It's those benefits, which are not a livelihood impact. It's a nutritional impact. There's stress and mental health [improvements] that may release her to be more productive in other places, like supporting a household to make everything work, that is, non-paid economic productive work.

Then there are many other families who are able to use glasses very well for their direct livelihoods in garment factories, et cetera. There are cases in which we did not find success, because people felt they might spoil the glasses if they took them into a rough place like the field. They needed glasses, but they kept them at home because they thought they may get damaged, almost as if they were an asset, but it was meant to be used in the field, for example. A lot of learning came out of that project.

↗ We also realized that about 72% of the families were very comfortable paying more for the price of the second pair of glasses after they've gotten the first pair of glasses for free, which is known in other places. We saw that happen in Karnataka as well. The families were comfortable

paying out of their own pocket because now they saw the value, which validates an early hypothesis that if you build out a market, people will be able to pay if markets are providing glasses in those communities. That was an interesting learning in Northern Karnataka.

We are expanding our pilots right now to more places because we think there is a lot more to learn than we know today. In many cases, governments are also coming to us to demonstrate a small pilot project. From a medium-term standpoint, continuing to work with governments to build a case will require more pilots. In some cases, our own learning will also require pilots. We are dialing up more on pilots.



We are doing one with AIIMS [All India Institute of Medical Sciences] to build a case that with very limited training, both health and non-health cadres can distribute eyeglasses very effectively. This then gives comfort to policy makers that we are not going to compromise quality or health by doing low-touch trainings and distributing glasses at scale. It's part learning, part case-building. It's somewhere in between where we will learn. Whatever is learned, we will want to document and share with the governments on how this works.

Ambika Samarytha-Howard: The one in Bangalore is mostly learning?



Atul Satija: Purely learning. In Kendujhar, a district of Odisha, we are starting a pilot now for about 100,000 glasses, which is sizable, to show that you can actually do a saturation approach in a few blocks of a district. We will take a large number of blocks to explore whether a saturation model creates a certain density of conversations around glasses, with everybody de-stigmatizing glasses so people use them with more comfort, and not worry about how others will perceive them, which is an issue in many communities.

Ambika Samarytha-Howard: First you'll do the screenings and distribute glasses for free, and then see if the saturation model works for the second pair?



Atul Satija: Yes. We are going to use the government field distribution. Government is very excited there. The health minister, the district administration, the health secretary, the chief secretary, and the government administration are all very keen to see this pilot. This will serve to understand distribution and to build a case with the government, but we are not touching the design part of it too much. We are looking at secondary outcomes on saturation, stigma, comfort to wear, et cetera. Most of it is to distribute glasses in an entire district, to see how it starts to incentivize markets to come in later. If you start to see social outcomes come out of it, productive outcomes, then the government will be keen to evaluate and see whether they want to do something larger.

Ambika Samarytha-Howard: When are you starting that pilot? The AIIMS pilot is already going on, right?

Atul Satija: Exactly. UP [Uttar Pradesh] has also been running an entrepreneurship model pilot in a couple of districts close to Delhi, and the Karnataka pilot is happening, but AIIMS is yet to start. We are now evaluating the Odisha pilot to start shortly. We'll be starting an AIIMS pilot

close to Delhi and CR again as well, and we are evaluating a few more places too, potentially Rajasthan.

Ambika Samarytha-Howard: How long have the UP and Bangalore pilots been running?

Atul Satija: Bangalore distribution happened close to about six months back. We are now evaluating data and observing how it is flowing. The UP pilot has been ongoing for the last two months. In Odisha, we will be targeting distribution starting somewhere in mid-May onwards to June.

Ambika Samarytha-Howard: Regarding the two types of entrepreneurship and the field workers, how does role development work? For example, this idea of creating entrepreneurs versus creating workers. When you're trying to scale a program, if you keep trying to just get people to do one thing, then they will do that, but until people start taking ownership of it, it will never scale. Can you talk a little bit more about that in terms of the eyeglass work and as part of rural development?

Atul Satija: I talk about this as a two by two. There is a rural development field machinery and there is a health field machinery. That's one axis. Think of it as two columns, rural development and health. The other is basically the model. You could use an entrepreneurship model or you could use the Carter model. Call it a gig job versus entrepreneurship. We could try both.



Now if you zoom out, an entrepreneurship model with women in India has been tried routinely in health initiatives. ASHA India workers usually make more money from the services they provide than the fixed salary they get. Many people have tried women entrepreneurs to distribute glasses and other eye care. The problem we have seen in the case of eyeglasses is that if you don't solve for mobility, especially in eyeglasses, you can never make enough money to keep doing it, because the cost of the product is very low and customer density is not very high.

If you want to solve for mobility, then you need to increase the customer base for the women to target, or you bring men and women together in the cohort, making sure that everybody has a bike or a two-wheeler to travel, and that you don't have too many people competing in that area. Which means it is not a village ASHA worker that is going door by door on foot. You need somebody on a bike with a bag distributing eyeglasses in a cluster of villages. Your density and field cadre design is very different in this case.



For eyeglasses in particular, people have not tried larger clusters with mobility of the field staff. They have tried women cadres on foot in local areas, and there is never enough business to be had. When we are trying a model, we feel like we should try entrepreneurship once again with larger clusters and give geographic access, in the way that resellers say they will be the only one selling Mercedes-Benz in this entire town. If you put in three resellers, they don't have enough of a base.



You have to use those principles to say that you have to almost create an exclusive market for one field staff so they know that they have enough customers. With a certain incidence rate of presbyopia, they know you have enough customers there. When we try the entrepreneurship model, whether it is in rural development cadres, or healthcare, we will have to try these larger clusters with mobility.

For healthcare, it is more difficult to create an entrepreneurship cadre because health doesn't have enough services to provide. In rural development, you do everything from health to livelihoods to financial services to any other social protection schemes, et cetera. Therefore it is easier to try out this entrepreneurship model with new cadres in rural development.

When you look at the pure cadre model like the field machinery, we will try this with both ministries, the health ministry and the rural development ministry. Based on the comfort for each state to try it out, we'll see where it lands.

Ambika Samarytha-Howard: Is the entrepreneurship cluster model what you're trying in Odisha?

 **Atul Satija:** In Odisha, we will try the field cadre model, but we still have to decide whether it's the health field machinery or the rural development field machinery. Today, we don't think it is going to be the entrepreneurship model. It's going to be a field cadre getting trained to distribute glasses.

Ambika Samarytha-Howard: Are you trying the entrepreneurship model in any other place in India?

Atul Satija: In Uttar Pradesh, we are working with a couple of large hospitals, and we have hired a field staff. We are doing the entrepreneurship model for the last two months so we already have some early data coming out of that. We're tabulating that data now, but maybe in a month or so, we'll have early signs of what's working and what's not working.

Ambika Samarytha-Howard: What are you learning? They're two very opposite things in some ways, because one is very meta, and one is really in the weeds.

Atul Satija: To me, they're actually not that different, in the sense that you have a field cadre. In poverty graduation, the differences are obvious. It's a three-year product where the same person is working with the same 40 women for three years and their families. Here, you are just going in and out. You go to screen people, distribute glasses, and observe how people use them, but you're not interfering after that on what's happening with the customer and the glasses. It's a point solution and this is a deep product.

This has a lot of gravity and weight because over three years, there's heavy complexity, and careful sequencing of 100 steps versus, let's say, a similar smaller SOP [standard operating procedure]. The products are different, but the business model on the ground isn't that different. When you see it from another standpoint, a large part of the work is to build the evidence that the program creates impact, and then taking it to governments and asking if they have

considered poverty graduation or presbyopia glasses, by showing that this approach creates this much income increase for the family.

When governments start creating schemes, you have to work with them to write guidelines and policy briefs, build a case internally, find global data, et cetera. Once the scheme is created in poverty graduation, we do livelihood research, design of the program, technology, data, M&E [monitoring and evaluation], and impact. Almost everything we will do here will be similar. We provide the screening, training, and the L&D [learning and development]. We bring the technology, the data, the design of the program and the overall program implementation support system.

Here we also have a national PMU [project management unit], state PMUs, and district and block people. Last mile is being done by the government machinery on both sides. They are more similar than dissimilar in the business plan, as we are approaching it. Obviously, the products are very different. In one, you are working with 40 families for three years, and the other is a point solution.

Ambika Samarytha-Howard: Going back to working with governments, almost everyone is looking to scale regionally, collectively, community-wise, and nationally. What advice would you give to other people? What have you tried that didn't work?

Atul Satija: I can come up with a million answers. There are lots of things to learn and unlearn when you work with the government. You go in with certain assumptions. Conservatively, 50% of the processes we used in our direct work, and 80% of the processes we used to do our work, had to be changed when we worked with the government on poverty evaluation scale-up.

Ambika Samarytha-Howard: Can you give some examples?

Atul Satija: Many. For example, when we were doing our work, let's say a family has to receive \$700 of capital assets over a period of three years. In our program, the money is available. With a simple request for allocation of capital assets in the community, the money can hit the ground within 24 hours. In government, it doesn't work like that. When you take the same process and design a government scheme like that, you realize that you actually designed for failure.

We learned the government had no problems saying that once you enroll the family, the budget for the family should sit at the village level. We designed the program as we have done it internally. Let the request come and the money flow. Here, at every step, there are four government layers, and if all of them are delayed by, let's say, two days to approve, a three-year program looks like a four-year program just on this one process change, because at every step, they will delay an approval.

We had to change the process so that the money flows upfront to the last mile, because then there's only one approval to get the money in real time. Government has already given that money. We just had to change the process. When we do the implementation we don't have to design for forgiveness because it's tightly controlled.

Here, like with cricket bats, you have forgiveness. You have to design the program for forgiveness to say that with a 30% failure, the program is successful. In your implementation, you cannot say 30% is a failure, it is a success. What does that mean? Can you allocate more

budget? Should you allocate more time? Should you change the process designs to have forgiveness, to say that approvals of this kind also mean the work can happen?

Ambika Samarytha-Howard: What's your answer? Should you change the budget or the time?

Atul Satija: If you look at governments that are inefficiently effective at times, it means that efficiency is okay to be compromised, but effectiveness can't be, and hence you are okay to have more budget and more time, but a low failure rate. You don't have to compromise on the poverty graduation. You can take more time than what you would take yourself, and you can take more budget, but if the families aren't graduating, then a million times zero is zero, right? You are okay to have more time, and you're okay to have more cost in government, but you want to have the core design done well. There you should not compromise, because it would look large-scale, with very bare impact.

Ambika Samarytha-Howard: Do you think people could do this in Bangladesh, or other countries? What makes the Indian context so interesting?

Atul Satija: For both of these cases, we have a very unique ecosystem for two reasons. One, the resources required for the government to do poverty alleviation work bottoms up. Most countries are poor, with poor people. We are the only large country which is rich, with poor people. Some countries in Latin America and Eastern Europe would be relatively better from a government budget standpoint. India has sufficient resources for the number of poor we have, which Nigeria and many countries in Africa will not have, so they need a lot more global aid, et cetera.



The second part, which is more important, is that in the last 20 years, India has built a very large social infrastructure that is very unique. One example, not just the ASHA workers that are very well-documented, is that 20 years back, the World Bank started funding self-help groups because microfinance results were obvious to everyone.

Over the last 20 years plus, India has organized 11.9 million self-help groups, like the women collectives. Each group has 8 to 10 women. When you think of the scale of it, you have 100 million women in India who are each a part of a self-help group. These women support half a billion people. Including their families, that's one and a half times the population of the US. 500 million people, or half a billion people, are connected through 100 million women, which are organized in 11.9 million self-help groups, but these groups are actually managed by field officers.

These field officers are insanely large in number. Just in the state of Jharkhand, there are 28,000 people doing this job. In Madhya Pradesh, which is one state, there are 68,000 people doing this. Rajasthan has 50,000 people doing this. When in a single state you have 68,000 people whose job is to wake up every day, go to a village, organize women, and support them to take credit and start doing their jobs and livelihoods, it's an insane infrastructure.

Now, is it high quality everywhere? The answer is no. It's broken in places. In some places, women sign a program [form?] that they joined a self-help group they don't even know. It's like a broken railroad infrastructure. You don't start building a new railroad infrastructure if you have two miles broken somewhere, and five miles broken somewhere else. You would fix that first.



A large part of our work is realizing that India has created this social fabric in the last 20 years, and you have resources, which means you can put trains on top of this infrastructure. If you have money and infrastructure, you can create programs like poverty graduation or eyeglasses with government machinery that can implement designs, because they have put this in place. That is very unique to India, so the opportunity in India to work with the government to scale social programs in a couple of ministries is very interesting.

Ambika Samarytha-Howard: Your work is very different in that you're part private, with some investment money and some philanthropic money, and then also working with government spending, so you have a mixed financing model. Can you talk about how your funding model works?



Atul Satija: In India there's a lot of experimentation happening on what might work when you work with the government. We have tried to make a slightly harder fundraising goal for ourselves because we don't take government money for any of our programs. What does that mean? It means that when we go to the government to work with them, we suggest that if this poverty graduation fits your priorities, why not allocate a government program?

Once the government commits \$100 for eyeglasses or poverty graduation to a program we work with them on, we don't take money for technical assistance. We ask them to cover our costs, and expect them to cover their costs. The \$100 goes entirely to the communities that the government wants to serve.

We know that to do technical assistance, you need to bring, let's say, \$8 to \$10 depending on the scale of the program. At a very large scale, 10% will become even lower, but just for simplicity, if you say 10% has to be brought on top, the programs become \$110, with \$100 from the government, and \$10 of technical assistance from partners like Nudge.

The unique opportunity in India, once again, is that for the \$10 that you need to allocate to the government for technical assistance, a large part of that can actually come from the CSR [corporate social responsibility] law, which mandates corporations to spend money within India. If the programs are sufficiently stable, CSR can give you, let's say, \$8 out of \$10 that you need to provide technical assistance to support the government. CSR funds higher leverage of their capital because the scale is bigger, even though not all the impact is theirs, but they're able to provide technical assistance to the government to create impact. That \$8 is not sufficient, even if it comes from corporations, because sometimes corporations have very stringent compliance requirements.



If government delays the program by three months, because let's say, some agency CEO changed, or a bureaucrat had a transfer, you again need to take some time to cool off and build the trust and then start the work again, which means that 100% of the money from corporations will put technical assistance partners like The/Nudge at risk, the program at risk, and the corporation at risk because you won't be compliant with the money spent in time for the impact. If you don't blend that money with philanthropy, the model's not going to work.



The way The/Nudge looks at this is to convince the government to put up the money for their agenda, which is social welfare and benefits, and poverty eradication. Once they do that, you bring the technical assistance budget from your side, and you raise that money from CSR for most part of the work, and the leftover risk is buffer money from philanthropy. In a very simplistic way, it becomes \$2 from philanthropy, \$8 from CSR, and \$100 from the government. Philanthropy gets, on a \$110 spending, 55X leverage, and the government gets a very great technical assistance partner, because this \$10 is very hard for the government to deliver. \$100 they can allocate.

CSR also gets a huge leverage because their \$8 creates \$110 of impact.

Ambika Samarytha-Howard: You're also trying to get private money and private funding from the diaspora, is that right?

Atul Satija: Yes. What I just talked about was the program cost. If I'm doing eyeglasses in India, any pilot for anything will need philanthropy capital, and we can do that. For government support, we can get CSR money, or philanthropy capital, but think about it for a nonprofit for a second.



As an institution, you build a Google, an Atlassian, a Goldman, or a Unilever by the fundamental principle that your product is costing a certain amount, or a service is costing \$100, and you're charging \$120. \$20 builds the company, because that is what you invest in your products and solutions for future and growth and all. Nonprofits fundamentally work on the principle that if the product is costing \$100, you can charge \$100 or less, but not \$101. The other way to say it is that if somebody's giving 100 rupees to me, my utilization can be 100 or more, it can't be 99.9, which is fundamentally against economics to build any institution. The only way you can build is when people know that you're charging 10%. Even in your work, if the cost of the interview is x, but if the price of the interview is not x plus, there is never an organization you can build.

What does that mean for the The/Nudge? We go to the Indian diaspora and say, if you want to see Indian nonprofits grow and scale, you don't have to give money today for programs, because you have a CSR law in India. If the programs are good, some foundations will give some philanthropy money to allow you to do the work you need to do. You should come and start building an organizational level with unrestricted money. Same way I'm giving \$1 million to Nudge. Whether you put money in program A or B, or just find a great CHRO [chief human resource officer] and pay a great CFO [chief financial officer], it doesn't matter. I'm trusting you to not spend this money on programs at all. If they can give money for corpus building, they can give money for, call it endowment corpus or org level unrestricted. That's the only way.

I've been very surprised that we have now 120 founding supporters because we are in the founding window of The/Nudge for the last five years. All these founding supporters give us money for our totally unrestricted corpus. It's individual philanthropy, not foundations.

Ambika Samarytha-Howard: How many of them are South Asian in the diaspora?

Atul Satija: Almost all of them are Indians. Actually, I wouldn't even say South Asian. Almost all of them are Indians because they're able to relate to our work. There are still 40 people in the US, 27 or so in Singapore, and the rest in India.

Ambika Samarytha-Howard: How is the global crisis and demise of USAID affecting your work? What is the opportunity for philanthropy in this regard?

Atul Satija: We have been fortunate, despite how difficult it has been for everybody else, because global aid is very small in India. It also goes directly to the government, even if it is World Bank, JICA [Japan International Cooperation Agency], or ADB [Asian Development Bank] kind of money. A lot of people in India were working on USAID projects, but we had zero dependency on any of the bilateral capital directly from the US, which means it has not affected any of our programs today. Obviously, how we were thinking about building that for the long term, and how you work with the US and India corridor, since a lot of businesses work across the state from the US to India still in many pockets, all of those opportunities are totally gone for us. It's more of a directional impact than short term impact for us.

I landed in the US 10 days ago, and I haven't had a conversation in the US with any foundation that has not touched on this as a starting topic of the conversation, or once you finish your work conversation, going to this topic after hours. In the US, the impact is very huge. Obviously, all the nonprofits that we partner with on part of our similar portfolios for the same foundations working in Africa, the impact is huge. Everything has changed overnight for them, also directionally. Definitely it's not just about cutting aid or reducing immigration. It's about chaos and being deliberately arbitrary.

Ambika Samarytha-Howard: Thank you.

ICON LEGEND



Advocacy



Money



Supply



Demand generation



Partnerships



Technology



Distribution channel



Regulation



Training



Media campaigns and marketing



Screening

Ambika Samarthya-Howard (she/her) is Solutions Journalism Network's Chief Innovation Officer. She strategizes on communications, metrics, impact, product and technology, leveraging platforms for the network and creating cool content. She also leads the Solutions Insights Lab, an initiative of SJN that uses targeted research and analysis to identify and interrogate what's working and what's not in a particular sector or field. She has an MFA from Columbia's film program and has been creating, teaching and writing at the intersection of storytelling and social good for two decades. She has produced content for Current TV, UNICEF, Havas, United Nations Population Fund (UNFPA) and Prism.

** This interview has been edited and condensed.*