



India's Hippocampus Writes a New Chapter for Children's Libraries

Published : March 24, 2011 in [India Knowledge@Wharton](http://knowledge.wharton.upenn.edu/india/article.cfm?articleid=4579)

In 1998, Umesh Malhotra, then an employee of Infosys Technologies, did a year-long consulting stint in the United States. He lived in the Bay Area of California with his wife and then-five year old son. The book-loving couple was drawn to the local public library; in particular, they liked the children's section which, besides being well-stocked with books, had a variety of activities for kids. When the Malhotras returned to India, they searched Bangalore in vain for the equivalent of that cheerful space.

Public libraries in India are not known for their user-friendliness. Bibliophiles either buy books or visit private lending libraries that function as rental stores for periodicals and paperbacks. Space is costly, and reading rooms are rarely part of the setup. School libraries, where they exist, are a hodgepodge of donated books, the majority of them related to academics. There is a museum-like quality to the best of them: expensive editions of books are on display, but under lock and key.

Malhotra decided it was time to take another approach. He drew up a business plan for a new kind of children's library, which would compete with videogames, television cartoons and other digital distractions for a city kid's free time. The library was named Hippocampus for the part of the brain that governs learning and memory formation. That title nicely shortens to hippo (as in hippopotamus), and a purple, grinning cartoon of the animal became the organization's logo.

Mom-and-pop libraries are not uncommon in urban India, renting mostly popular fiction, comics, movies and magazines. But a privately-owned, for-profit library specifically geared toward children is a novel concept in India -- and elsewhere, according to Malhotra. In 1999, Malhotra co-founded a company called Bangalore Labs with funding from ICICI Venture. This was one of the first companies in India to offer IT infrastructure managed services. Malhotra sold his stake in 2002. With adequate funds in hand, this engineer from the Indian Institute of Technology (IIT) Madras started Hippocampus.

Offering a New Experience

Detractors said Hippocampus was a good idea whose time had come -- and gone. "Kids don't read anymore," they told Malhotra. But he thought differently; perhaps children just didn't have access to the right opportunities or environment. In March 2003, the first Hippocampus opened in Koramangala, a newly-developed suburb of Bangalore dotted with upscale homes, including that of Infosys co-founder Nandan Nilekani.

Marketed as an "experience center," Hippocampus houses an extensive collection of titles and has a changing roster of weekend activities, holiday workshops and special events to keep young patrons coming back. There are beanbag chairs for lounging, a leafy backyard for the extra-energetic to tear around in, and a multimedia room to screen educational films. "An initiative like this is huge though it seems like a drop in the ocean," notes Sandhya Rao, editor of Tulika, a bilingual children's publishing house in India. "More children can become readers if they have access to books in a sunny environment." The workshops and changing roster of events are important because "there is constant need to reinvent the ways of engagement," says Mumbai-based Abhishek Chandan, head of a new British Council Library initiative. "Exposure [to], and the inclination to appreciate, creativity, arts [and] literature are more essential attributes now than ever before in the turbulent world we live in."



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Unlike most lending libraries, which charge a check-out fee for individual titles, the Hippocampus Children's Experience Center (HCC) offers flat membership rates in a variety of different packages. The packages allow users to borrow different numbers of books and multimedia items, and range from a six-month membership fee of approximately US\$41 to US\$80. Members also have to pay a one-time registration fee of approximately US\$11 and a refundable deposit between US\$22 and US\$55. In 2005, Malhotra moved beyond Bangalore and opened a HCC in Chennai. Membership across the two centers is currently around a few thousand, and has grown by word of mouth.

Malhotra declined to talk bottom-line or topline numbers. Given the membership fees, they can't be particularly high. "Our operating cash flow was positive from day one," he says. "[But] it took us 18 months to be profitable, as accountants see it."

Community Initiative

If profits had been the main objective, the venture may have taken a different route. But Malhotra's aim was to replicate his son's experience at an American library for kids who had never had a glimpse of that world. Knowing that Malhotra did not want to run "just another business," a contact suggested a visit to an orphanage in a nearby slum in Bangalore to see if the children there were in need of a library. They were. So Hippocampus set one up for them, donating the books.

But a month later, the collection sat on the shelves, gathering dust. "Children don't want to read," Malhotra was told. While this was disappointing, he took heart from survey reports, which revealed that young children from the poorest of slums were interested in picture books. In the hope of making an impact on the larger system, Malhotra went directly to government schools that served slum children. Such establishments often have indifferent teachers and lack basic amenities like classroom furniture and clean toilets. Yet, some headmasters agreed that a working library was a good resource and wanted one for their schools. "I knew I could help because of the Hippocampus experience," Malhotra says. This venture gave him confidence and credibility for what lay ahead.

In 2004, the Hippocampus Reading Foundation (HRF) -- a nonprofit organization -- was founded with the goal of inspiring underprivileged children living in urban areas to read for fun. Part of the profit from HCC goes to the foundation; in addition, individual and corporate donors contribute significantly. These funds support librarian training and program development. "It is not a classic charity," Malhotra notes, because HRF was never meant to be financially self-sustaining -- but the organization's mission had to be self-sustaining as a movement. The orphanage experience had taught Malhotra an important lesson: People do not value what is given to them for free. While the endemic indifference of the school system could not be remedied, HRF could ensure that the library, at least, was a welcoming place for students. That year, the team set up a pilot in five government schools in Bangalore.

The operating model for these HRF libraries is straightforward. At its most minimal, a children's library is a room with age-appropriate reading material. Government schools or community centers provide the space for the libraries, so capital costs are low. Sometimes, the library is just a bookshelf in one corner of a classroom. Community-based partner organizations, including Rotary International, fund the book purchases. (It takes less than US\$700 to stock a library for 300 students.) HRF then trains a teacher or a dedicated individual to get the library up and running, and then mentors them for three years. "The cost of training is largely borne by the foundation," Malhotra says. Library operating costs and the librarian's salary are paid for by a monthly fee of approximately 25 U.S. cents per student.

"But making a library work for children of first-generation learners was tougher than we imagined," Malhotra adds.

Within three years, the Hippocampus team found a scalable solution to the challenge of drawing tentative readers into the unfamiliar world of books. Going beyond children's literature in English, they scoured the market for books in vernacular languages. That helped. But one constraint remained: Fewer than half the children could read at a grade-appropriate level, even in their native tongues. So students could still become frustrated by books they picked off the shelf at random during any mandated library hour.

Building on Innovation

Then came the team's "Eureka Moment." They began to color-code the books in the catalog -- green, red,

orange, white, blue or yellow -- based on the level of difficulty. GROWBY is the acronym for this technique. In addition, reading cards with pictures and simple text to help assess a student's skills were made available. Using this method, librarians had the means to match the child with the right books in the spectrum. The program, GROW BY Reading (GBR), makes it possible to track a reader's progress. Sponsors also have a tool to evaluate the effectiveness of the initiative.

The GBR program became the engine of the foundation's growth. Other features were added to the template to help children become lifelong readers. The team designed activities, or paper-based games, for books in the catalog. While few students look forward to quizzes at school, the children viewed these informal tests as a reward for reading a book, according to Sangeetha Menon, head of operations at the HRF. As in the Hippocampus experience centers, the reading rooms of the foundation's libraries are not quiet zones. "Shhhhh! is something you will rarely hear in our libraries," Menon says. Such vibrant spaces allow children to share the excitement generated by forays into the world of fiction. Near the entrance of a typical library, a "reading wall" has changing selections of colorful clippings from magazines and newspapers picked by the librarians. Everything is displayed at a child's eye level. The HRF has set up 64 libraries in Karnataka. The organization also has one in Tamil Nadu and is in the process of setting up 95 more libraries there.

This innovative approach to children's libraries caught the attention of other players, big and small, in the education sector. Room to Read, a San Francisco-based international organization committed to bringing literacy to children in the developing world, was one of them. Started a decade ago by a Microsoft executive, Room to Read has established more than 11,200 libraries in nine countries in Asia and sub-Saharan Africa. "A program had to be put in place [that] could ensure that children pick up required cues to read independently, on a regular basis," notes Sunisha Ahuja, country director of Room to Read, India. Hippocampus has a clear vision of what a children's library should be -- a place that sparks a love of reading -- and has put a lot of thoughtful planning into realizing this vision, she adds.

Last year, Room to Read began collaborating with the Hippocampus Foundation, as did Sarva Siksha Abhiyan (SSA), the Indian government's program under the United Nations' Education for All initiative. The key is to provide children the right kind of books in school libraries, says Sandhya Sharma, project director for SSA, Karnataka state. (Bangalore is the capital of Karnataka.)

Elements of the GROW BY Reading program promise to translate well across states in linguistically-diverse India, and beyond. Working with a new language means finding the right books and developing activities for the titles, says Malhotra. Sometimes the pickings can be slim when it comes to children's literature in regional languages. This is a real challenge but regional-language publishers will wake to the demand, he predicts. Room to Read will adapt the GBR program in the eight Indian states where it operates, according to Ahuja. It has already been implemented in 200 schools in Rajasthan and Chhattisgarh states. The GBR book-leveling strategy has been rolled out in all the countries where Room to Read has a presence, she adds.

Since these methods evolved from the experience of working with constraints like limited resources, minimally-qualified librarians and underperforming schools, the approach should work in most comparable settings, notes Sandhya Rao (who shares her name with the editor of Tulika). A trustee on the board of the HRF, she recently gave a training workshop on the foundation's techniques in Siem Reap, Cambodia, for Room to Read's Southeast Asian arm.

Empowering Micro-entrepreneurs

While Room to Read is taking the model abroad, Malhotra's sights are trained on rural India, and a new for-profit venture called Hippocampus Learning Center (HLC) that is designed to cater to the after-school needs of young children. Libraries are a vital component of the center. Malhotra's team selects a candidate from a village, training him or her to set up the center and run it. This micro-entrepreneur, who raises the capital (around US\$220) for the venture, charges students a monthly fee of US\$1.50 for the after-school facilities; they pay 25 U.S. cents for the library, the same as patrons in the cities. The learning center earns its revenue from the annual fee of approximately US\$10 that each student pays at the beginning of the school year.

The demand for after-school centers runs deep. Survey reports indicate that the quality of primary

education offered by government schools in rural India is dismal. Last year, the HLC set up pilots in about 10 villages in Karnataka. India has 600,000 villages with nearly 150 million children enrolled in rural schools. "Our dream is to establish 100,000 centers within the next decade," says Malhotra.

There are challenges aplenty in running this bottom-of-the-pyramid venture. Good trainers can't be paid high salaries because the costs cannot be passed on to clients. "Nor is it easy to train someone who is not fluent in English to teach the language to kids," Malhotra points out. In addition, there is a macroeconomic trend working against ventures in rural India: people from villages are steadily moving to cities, says [Reuben Abraham](#), professor and executive director of the Centre for Emerging Markets Solutions at the Hyderabad-based Indian School of Business. For instance, the early adopters of a new system like Hippocampus may also be the first migrants to the cities, meaning the learning centers will have to start with a new crop of clients every so often. Besides, willingness and the ability to pay consistently for a service are two different things, Abraham notes. Malhotra, who is confident he has hit a good price point, says he is not unduly worried about larger economic trends he cannot control.

In the urban space, the experience centers aspire to be model children's libraries, in hopes that others will use Hippocampus's expertise to emulate this approach. This year, e-readers -- portable digital devices used for reading books and periodicals -- will be introduced in the multimedia rooms at the experience centers. "In the not-so-distant future, prices may come down to a point where it makes sense to deploy such devices in rural libraries," Malhotra says.

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