

# GROOTS

GRASSROOTS ORGANISATIONS OPERATING TOGETHER IN SISTERHOOD (SOUTH ASIA)

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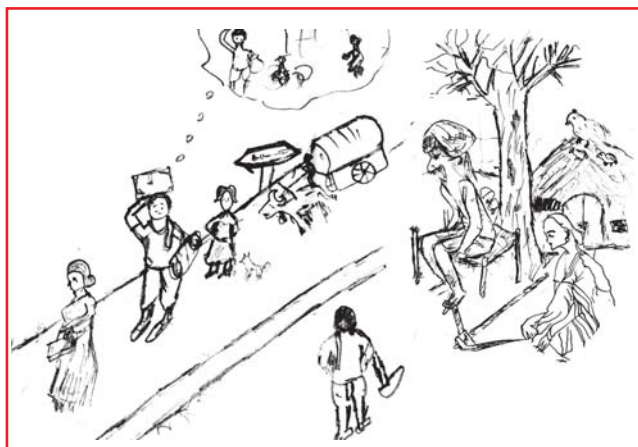
July 2007 - January 2008

## Editorial

### WHAT IS THE BURNING ISSUE THAT REQUIRES A RESOLUTION IN 2008?

At the dawn of 2008 our thoughts revert to the nearly 70% of the rural population, totally dependent on agriculture, either possessing a piece of land or otherwise. The reality seems to be that there is not much progress in their living/working conditions despite India having completed 60 years of independence. The state of farmers who possess better land holdings is even worse.

The current globalization, liberalization and privatization policies have not only been very harmful for agricultural prospects but have also pushed the rural populace back to poverty. The present growth rate of India is powered by technical and technological revolutions, warranting more and more hi-tech missionaries. It will not be out of place to say that such 8.2% growth rate has no meaning to these rural populations, where zero employment opportunities prevail and small/medium industries to cater to the problem of unemployment are not



encouraged. This not only obstructs the progress of the agricultural sector but also threatens our food/employment security.

Having been victims of the continued burden of indebtedness in village after village farmers commit suicide in large numbers. Is it not time for the policy makers/bureaucrats to concentrate on the dwindling economic situation of the rural masses, assuring them better prospects?

Dispossession of assets like land/other productive assets, low wage options, non-availability of work beyond 4 months and non-productive nature of agriculture make the rural setting an unattractive place to live in particularly for the rural youth. Series of droughts and high cost of agricultural products make it even worse for the farmers who are often considered as financial risk both by banks and financial



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institutions. All these and more form a major basis for the large-scale migration of the rural populace that is taking place to cities/urban centres. In fact, a massive socio-economic dimension of this process involves 2000 of them migrating to Kolkata, 25000 to Mumbai and 1.2 lakh to Delhi every year. The scenario is different in Tamil Nadu as the rural population of Dharmapuri, Vellore and Thiruvannamalai migrates to Karnataka whereas that of the southern districts of Tamil Nadu transit to Kerala as the city of Chennai is highly clogged due to migrants from rural areas inhabiting the slums.

The massive rural population is not only a problem in India but also in China. Taking their example it becomes a compulsion to prioritize the organization and initiate/expand new industrial ventures in rural areas. This would create a healthy rural environment. This must be our socio-economic goal for 2008. To move towards this end, is it possible to create a political will in India? Can we push our politicians and accelerate the planning process to take serious steps to save rural India from regional disparities/imbalance and towards development of a balanced agricultural sector? Will there be a possibility at least in 2008 to lay a strong foundation for effective economic/business ventures to plan for the prosperity of the rural population? The preceding years witnessed alarming suicide rates among the farmers from all parts of India. To this, what has been the response of the government?

The concept of “**financial inclusion**” is being discussed these days to help the poor and the vulnerable. What is this concept of financial inclusion? It is a suggestive concept implying the provision of all inclusive financial

services at an affordable cost to the vast section of the disadvantaged/vulnerable rural population/low income groups and is the only solution if executed through proper channels. Such financial inclusion could include savings, loans, insurance, payments and remittance facilities. This will provide an opportunity to reach the “un-banked” segments of rural population and will safeguard them even in the case of internal and external calamities. Can we apply the same principle to rural areas, as what happened in many urban centres, for those households particularly to those who are landless or holding less than **1 acre of land**? This concept becomes even more significant as one glances through the figures where 21% of the rural populace in Andhra Pradesh and Uttar Pradesh benefited from financial facilitation. Of these only 13% were landless and marginal farmers who owned less than one acre\*. This clearly shows the sluggish nature of our financial system and the insensitiveness of the authorities towards the prevailing issues. The reasons may be many. High transaction costs, complicated procedures and formalities involved, the inability of borrowers to provide tangible collateral security, and many more such impediments are the probable reasons.

Having agreed to apply the concept of financial inclusion the next step to consider is what would be the vehicle through which the new concept of rural credit could be made possible to reach the rural masses? Can there be co-operative credit societies or any other new community bank model? If we are to consider the co-operatives, what is the state of co-operatives today? Of the 30 co-operatives, nearly 13 to 14 are defunct institutions or loss-making bodies. Some of them

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are even primary agricultural bodies. If these defunct financial institutions could be utilized as a delivery mechanism for the rural extension of credit, is it possible to do so immediately without a drastic restructuring of these institutions or do we have to look for other alternatives?

Experience shows that the rural co-operatives and banks failed to reach the farmers all these years in spite of their presence at the grassroot level. The alternative may be for **civil society initiatives** to establish **community banking systems**. This can be a solution and an option for stakeholders management process. Each of the stakeholders in these groups can set one's own agenda according to one's needs/requirements. The difficulty is that the community-managed MFIs and SHGs are not fully financed by nationalized banks but are still funded by external funding agencies. One should take into consideration whether such small models working in pockets can create a massive change that could cover 70% of India's population.

For years as many rural families have faced only disappointments in the intermediate sector, it is better to find out viable mechanisms to give them access to credit directly other than the failed existing models. This would be an ideal system to help the rural masses and their business. The new system can facilitate farmers either to take low-interest loans or intensify the issue of farmers' credit card directly to the farming families and help them during drought-prone seasons or towards crop cultivation. This will prevent large-scale suicides in the future. Probably these options can certainly help **financial inclusion** to facilitate farming and establish farming as a business venture.

Issuing **crop insurance** would be another step forward both towards stabilizing the farming families and compensating the loss due to crop failures or price fluctuations. Also there must be a strong demand from the stakeholders (farmers) to the government to review the issue of farm subsidies. Though agricultural activities are less in the US they are highly protected. High subsidy options exist in other countries and the rates are 1.3% in Sri Lanka, 4.3% in Tunisia, 45% in USA and 45-50% in European countries.

We cannot forget the **Manipal experiment** that took place several years ago, where institutions were initiated by a visionary (**Mr. Ramesh Pai**) at **Manipal** along with options of credit and savings facilities to farmers that laid the foundation of the **Syndicate Bank** of today. Later, not many followed such experiments which is also one of the main reasons for the deterioration of rural situation of the masses.

Currently to establish effective economic and business ventures, to access better opportunities for future ventures, credit flow through **financial inclusion conceptualization and training of excellence and know-how** alone will help achieve results. The process certainly will induce the producers to manufacture products of excellence as most of the rural units even today deal in major production of textiles, handicraft and other consumable items. Therefore, instead of expanding more and more new industrial ventures in the **urban centres**, our industrial planning should focus on the process of organizing/planning industrial ventures in rural areas to help the 70% of rural masses. Will our planners and policy makers be sensitive to these issues and keep up the New Year resolution?



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## NATIONAL AND INTERNATIONAL EVENTS

### ICNW Representative Participates at UNESCAP Consultative Meet at Bangkok

Dr. Nandini Azad, Director WWF/ICNW was invited as a resource speaker for the training workshop organized by the **United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP)** where she spoke on empowerment in rural communities through building capacities in entrepreneurship and the use of ICT as a tool for marketing their products in a paper titled “**An Analysis of Working Women’s Forum (India)/Indian Co-operative Network for Women**” at the Consultative Meeting for the establishment of a regional knowledge network of rural women cooperatives by the Economic and Social Commission for Asia and the Pacific, Bangkok on 23-24 August 2007. Later Mr. Win Myint Aung, Consultant, UNESCAP visited WWF/ICNW and discussed with the staff regarding the creation of a website to market the products of the clients.

### President WWF Inaugurates Narsapur Market



*Dr. Jaya Arunachalam Inaugurates Narsapur Market*

Heeding to the request of the fisherwomen living in Pathapadu area, Narsapur, for a shanty to sell their produce, Dr. Jaya Arunachalam visited Andhra Pradesh to inaugurate the fish market constructed by WWF on 11.09.2007 that was completely devastated during the tsunami in the year 2004.

Later the President participated in mass meetings of the three branches, i.e. Narsapur, Bhimavaram and Palakol conducted in Kovur, Pathapadu, Kaikuluru and Gollalakoderu areas to have direct interaction with the clients and to get to know their problems, demands and suggestions.

### Mass Meetings in Chennai Urban Slums



*President addressing mass meeting in Chennai*

As Review and Mass Meetings are a regular feature in the Forum, the mass meetings were conducted in the areas on 11, 12, 15 and 16 October 2007 in Chennai. The President visited the Chennai branches, i.e. North, South and Central Chennai and addressed nearly 8000

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members. A visit on 11 October to Pattalam, Kannikapuram, Sharma Nagar and B.V. Colony, on 12 October to Appar Nagar, on 15 October to T.P.Chathiram, 7<sup>th</sup> Block Mugappair, Thiruverkadu and Kundrathoor and on 16 October 2007 to Trustpuram, Alwarthirunagar, Venkatapuram and P.M.Dharga provided a platform to know the needs/requirements of the members. The fact that 8000 members turned up from the 13 areas showed the impact and success of the programme. The President stressed that the training programmes in WWF are not just conducted for the sake of conducting but are very important as they bring to light the activities of the Forum. Members should realize that loan is not the only important aspect but the training is also equally important. She further stated that the members who are with the Forum for nearly two - three decades can play a significant role in introducing new members and other poor women in their neighbourhood. She further added that good repayers can also avail heavy loans. The importance of skill training (food/chemical processing) was also highlighted as it would be profitable for members to sell their produce in the neighbourhoods. In keeping with the trend of rendering service to the grassroot women and to maintain the grassroot character of the organization applications from unemployed girls, widows and destitute women were invited to work in the organization. The President also elucidated on various insurance schemes of social security, scholarship and health insurance.

## President's Participation in Seminars

On 25 October 2007 Dr. Jaya Arunachalam participated in the seminar organized by the Centre for Women's Studies at **Justice Basheer Ahmed Sayeed College for Women** on "Entrepreneurial Skills Development for Women". The gradual progress of the Forum and the challenges faced by the entrepreneurs were discussed in depth.

Later the President participated in the meeting at the Centre for Women's Studies, **Aligarth Muslim University** and delivered a speech on "Reassessing Third World Feminism from the Perspective of Grassroot Workers in India - A Glance at WWF's Experiment in India" on 19-21 November 2007.

In connection with the diamond jubilee celebrations of **Ethiraj College for Women, Chennai** the Department of commerce organized a one-day National Seminar on 5 December 2007. Dr. Jaya Arunachalam as a panelist participated in the event and spoke on "Success Stories of Women Entrepreneurs - A Glance at Working Women's Forum". The session was interactive where the students were eager to obtain the suggestions of the President.



*Dr. Jaya Arunachalam along with other panelist during the Diamond Jubilee Celebrations*

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## **Students from Harvard and MIT visit WWF**

Students from Harvard and MIT visited WWF on 14 July 2007 to observe and study the tsunami rehabilitation work and the insurance scheme that is on the anvil in WWF. Various queries like the procedures adopted in conducting survey, identification of victims demands/needs and welfare measures provided were elicited. Visiting the houses constructed for the tsunami affected people provided them an opportunity to know more about the crisis management and the rehabilitation work of the Forum.

## **World Vision India, Bhopal ADP visit WWF**



*Interaction with the World Vision Team, Bhopal*

On 10 August 2007, a 14-member team led by Ms. Jayanthi Prem, Ms. Grace Shefali Lal and Ms. Angie Anna Tarun from World Vision India, Bhopal ADP were on a three-day visit to the Forum. As the members were mostly housewives, their aim was to see the functioning of WWF and have an overview of the structure, training provided to the members, functioning of banking sector for replication of the Forum's work in their hometown. Attending the training, the

members showed keen interest to work and earn, be courageous, move forward and face challenges to sustain their livelihood. Later they visited Children's Home (Kamaraj Illam) in Tambaram and spent the day with the children interacting with them and listening/watching their dance/song programmes. On 11 August 2007 they left for Vellore for a house visit and also to have an overview of the members' business ventures. On 12 August 2007, the feedback session brought to light a drastic change in the attitude of the members. A positive impact of the programme was clearly visible.

## **Samuel Perryman, Medical Aid Coordinator from Sri Lankan Aid visits WWF**

On 13 August 2007 Samuel Perryman, Medical Aid Coordinator from Sri Lankan Aid visited WWF to have an in depth view of the reproductive healthcare programme of WWF. He was eager to know the process adopted in implementation of the programme and the methods adopted in convincing the women members, the mode of training implemented to the health workers/supervisors, the review techniques adopted, problems encountered, remedy arrived at, etc.

## **Students from Semester at Sea Visit WWF**

A team of 22 students from various U.S. Universities along with Prof. Alicia Cook visited Working Women's Forum (India) on 19 October 2007. During their visit, orientation regarding the structure of WWF and banking procedures were briefed to them. The team had a lengthy discussion with the President, WWF and raised



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*Orientation programme with Semester at Sea Students*

queries relating to the Forum's work/activities. Apart from these details they were also interested

in eliciting other details of the Forum, i.e. the number of members, people involved in training, identification of poverty-stricken areas, procedures adopted for selection of clients, loan disbursement details, resistance if any by outside agents, the reason for micro-credit provided only to women, changes in the traditional role of women, functioning of ICNW, etc. Later the team interacted with the trainers/members of WWF where various topics of general interest namely superstitious beliefs, responsible head of the household, reproductive health care, etc. were discussed.

## **PROF. SAMEER PRASAD AND PROF. JERRY GOSEN VISIT WWF**



*Prof. Sameer & Gosen listening to the clients occupational problem*

Prof. Sameer Prasad and Prof. Jerry Gosen from University of Wisconsin-Whitewater USA were on a three-day visit from 4 to 6 January 2008 to WWF. The purpose of their visit was to impart alternative skill training to the members either to take up additional occupations or for their future advancement. On the first day nearly 200 members attended the meeting and narrated the problems they faced in their trade. They were

eager to know the marketing strategies and other details for diversification of their trade. Later, business strategies to retain their existing trade and their customers were highlighted to them. Further, they added that a direct approach between them and the customers is very crucial to know the demands of the customers and their problems. If there are any intermediaries, then communication between them will automatically get distorted. Moreover, the members should discuss their problems in their groups rather than seek the help of an outsider. The meeting winded up with a positive note with regard to the adoption of marketing strategies and alternative skill training. Similarly, they visited Kanchipuram weavers the following day to know more on the working/marketing problems of the members. On 6 January a courtesy visit to Kamaraj Illam - a Children's Home in Tambaram made their visit memorable.

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## Schneiber's Family Visit WWF



*President with Schneiber family*

On 9 January 2008, Ms. Laura Schneiber, Katie Schneiber, Jacqueline Schneiber and Spencer Behling from US visited WWF. Meeting the President Dr. Jaya Arunachalam they were

interested to know the motive behind the initiation of the Forum, the issues handled and the process, procedures and techniques adopted in tackling issues. Later, the fundamentals of micro-credit, group formation, type of occupation, average loan size, leadership training, and origin of WWF were discussed. The training charts displayed further substantiated the required information. A visit to Patinapakkam area provided an opportunity to interact with the members directly and know more about the impact of the programme. The extent of the impact is aptly provided in their quotes where they stated “it is educational, inspiring and an eye opener”.

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## WWF CO-ORDINATORS/STAFF ATTEND SEMINARS/TRAINING WORKSHOPS

A national level seminar on Co-operatives and Microfinance – Co-operating out of Poverty was organized on 23 and 24 August 2007 by the Tranqubar Bishop Manickam Lutheran College, Porayar. The Secretary, National Council for Co-operative Training delivered the inaugural address and Dr. Asha, Programme Co-ordinator, WWF delivered the keynote address. Discussion on microfinance in historical perspective, co-operative banks and microfinance, role of NGOs and SHGs in microfinance, microfinance and RBI/NABARD, impact of microfinance on rural development and co-operating out of poverty were the topics that were discussed during the

two-day seminar. At the valedictory function Dr. R. Kannan, former Registrar of Co-operative Society, Tamil Nadu and currently Chief Vigilance Officer, Madras Fertilizers Limited, Govt. of India presided over the function. He not only lauded the exemplary work of Working Women's Forum (India) but also its Founder President Dr. Jaya Arunachalam. In his presidential address he stated that Dr. Jaya Arunachalam belongs to the period of freedom fighters and has been doing good service to the downtrodden. He compared the work of WWF with other MFIs and said that WWF is rendering service to the women at the grassroot level for nearly three decades and hence the



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founder is not concerned about money, whereas upcoming MFIs tied up with corporate banks that benefited them rather than the poor. The two-day seminar was winded up with the Joint Director, Co-operative Audit, Chennai with Mr. Selvyn Joseph releasing the seminar proceedings.

Ms. S. Nandini, Programme Coordinator and Ms. Sheela, ICNW staff attended the **Global Financial Education Training of Trainers Workshop in Mumbai** from 18-27 September 2007. The GFEP programme was facilitated by Ms. Lillian Diaz and Ms. Maria Perdomo of Microfinance Opportunities and Freedom from Hunger, with support from Citi Foundation. The purpose of the workshop was to improve the ability of the trainers and train the poor clients to manage their finances adopting simple procedures/techniques. Moreover the materials were very professional and simple to use in day-to-day life. The training curriculum included

details on the involvement of the people in various programmes by adopting techniques like skits, making charts, mind games, queries were posed and feed back elicited. The workshop facilitated poor clients to improve, plan and manage the financial aspects of their income. The training was very interactive and participatory as it not only trained the participants how to deal with the poor clients but also how the Forum can adopt the techniques to the local environment and implement them practically.



*WWF/ICNW Staff at refresher training programme*

To keep abreast of the latest banking procedures in the current scenario, the staff from ICNW/WWF attended the five-day refresher training programme at **Natesan Institute of Co-operative Management from 24 to 28 September 2007**. Around 30 staff from various branches of WWF attended the training programme. The course covered aspects on accounting procedures, stress reduction through yoga, emotional equilibrium besides motivation, computerization process and included a field visit.



*Training of Trainers Programme in Mumbai*

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Similarly a team of nine staff from various branches attended a one-week training programme from 12 to 16 November 2007 at **Central Food Training Research Institute (CFTRI) Mysore**. They were exposed to various demonstrations and trainings such as making of pickles, tomato ketchup, jam, squash, bakery/spice products and packaging methods. The training programme was very useful as the participants not only became aware of the nutrient contents but also became familiar with the calorie content, techniques to be adopted in the preparation/preservation of foodstuff; advantages/disadvantages of chemicals used in food products, the importance of low-cost products such as ragi and their nutrient value. Overall the programme was very informative as it not only provided them a space to learn but also to utilize and implement it in future.

It is a regular feature in the Forum to update the skill of the trainers and field organizers. In this perspective 32 organizers, supervisors and the members of WWF from various branches attended the five-day refresher training programme conducted at **Gandhigram Rural Institute, Gandhigram** from 19- 23 November 2007. The training included lectures on the role of trainers and field staff, participatory rural appraisal techniques, reproductive rights, family

planning methods, HIV/AIDS, nutrition, awareness on gender-related issues, girl child, motivational training, stress management and the steps to reduce it in day-to-day life, health, hygiene and cleanliness, orientation on diabetics and methods to deal with the disease. The whole programme was not only useful to the trainees but created an optimistic view in their mind also.

## **Avneet Kaur Intern at WWF**

Ms. Avneet Kaur, student of Stella Maris College was in the Forum for the 15-day internship programme from 15 to 28 November 2007. The internship provided an opportunity not only to learn about the functioning of the Forum but also enabled her to make an in depth analysis of the activities undertaken by the Forum in 14 branches of three southern states. She observed the various activities of the Forum and visited the co-operative bank ICNW, reviewed the techniques of public relations used in the organization in communicating with employees, customers, community, government, etc. She visited some of the areas in Chennai to know more about the members and the impact of training programmes. While interacting with the members she was very happy to see the tremendous changes that took place in the lives of women particularly after joining the Forum.

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## AWARDS / HONOURS



*Dr. Jaya Arunachalam receiving the Economic Development Leadership Award*

PR Syndicate, Chennai honoured Dr. Jaya Arunachalam with the **socio PR 2007** on 3 November 2007 for facilitating/empowering poor women for nearly three decades.

10<sup>th</sup> Excellence “**Economic Development Leadership Award**” was presented to Dr. Jaya Arunachalam during the national seminar **Emerging India Challenges and Opportunities** on 27 November 2007 in New Delhi by the Economic Development Forum.

Dr. Jaya Arunachalam is honoured with the **2<sup>nd</sup> Bharat Gaurav Award**. The same would be conferred on 28<sup>th</sup> February 2008 by the **Citizen Forum on Human Rights**, at Gandhidham, Gujarat, considering the outstanding work rendered to the needy and downtrodden people.

### WE NEED YOUR INPUTS !!!

Letters, Ideas, Comments, Articles or Contributions for our Newsletter?

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**Mr. Bill Clinton on the Forum in his Latest Book "GIVING" published in 2007**

*Former President of USA Mr. Bill Clinton reference in his book "GIVING" published in September 2007 aptly testifies the services of the Founder, President WWF 'Jaya Arunachalam' who has empowered 800,000 women over the last 29 years through microcredit, political involvement, access to education and healthcare for their children.*



## What People Say about GROOTS...

It is very informative and brings out the good work being done. The unorganized/informal sector of workers who form the bulk of the working population in India definitely need immediate attention of the society as a whole.

*Smt. Asha Murty, IAS  
Special Chief Secretary, Rtd.  
Labour Employment, Training & Factories Department  
Government of Andhra Pradesh*

The volume is very useful for all sections of people.

*Mr. S. Gurumurthy, Private Secretary  
To the Governor of Karnataka*

It is indeed very interesting and informative publication.

*Ms. Odile Sot-Lanzrath  
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