

# GROOTS

GRASSROOTS ORGANISATIONS OPERATING TOGETHER IN SISTERHOOD (SOUTH ASIA)

Vol.16, Issue 33

January - June 2012

*Editorial*

## Should MSME Play a Pivotal Role in Village Reconstruction?

The major setback for development of rural areas is due to climatic change, failure of monsoon and non-availability of natural resources. As a result, the rural economy is now facing a difficult time and there is a need to revive the rural scenario. In fact, as the recent census shows, a large number of rural people (about 93.1 million of them) have migrated to cities from the villages. This is equally adverse and detrimental to the development of urban areas - resulting in an unhealthy environment both for employment/ livelihood and living options. Urban migration leads to increase of slums, pollution and eruption of life threatening diseases in major cities. Since major cities already face unemployment, the need of the hour is to create alternate employment options for skilled labourers such as electricians, masons, carpenters, machine operators and others migrating from villages and other places. Therefore, the focus on Micro, Small and Medium Enterprises (MSMEs) becomes a necessity to not only reduce the poverty in our country but also spruce up the employment options.



To recollect the incidents that took place way back in the 70s, the government, understanding the situation initiated many Industrial Training Institutes (ITIs) so that the skilled labourers with some training could benefit and move on to the next position in the ladder as middle level workers with training options. In a similar way, it is therefore imperative to create such options in rural areas too for the revival of rural economy. Few alternate options that can be considered are firstly to promote the Micro, Small and Medium Industries as a panacea to generate employment among the rural artisans and tiny establishments and promotion of rural entrepreneurs who would automatically pave the way for skilled human potential in the rural areas too. Secondly, the tiny small scale industries, if decentralized according to the local needs and requirements, would certainly contribute to the economic development of the rural areas.

The khadi and village industries play a pivotal role in the overall industrial development of the country.



They have been a significant contributor to the national income, with their huge involvement in country's industrial production, particularly exports. They not only help in providing employment opportunities to millions of people across the country - especially to the village artisans and rural skilled workers - but also curtail the problem of economic concentration in the hands of a few. Thereby, they create a sound entrepreneurial base in the economy by developing/nurturing the talents/skills of small and medium scale entrepreneurs. Without question, such MSMEs have huge potential both in terms of creation of employment and encouraging the growth of related sectors. And these MSMEs can certainly play a significant role in the global value chain by enhancing their productivity, technology upgradation, quality improvement, skill development, access to both domestic and international markets, and the like.

If the agriculture sector picks up, certainly the agro-industries would grow and so would the service sector simultaneously do so through MSME options. When dispersed industrial progress takes place in rural areas, other service sectors like housing would start to thrive, thereby creating business for construction industries. This in a way can emerge as one of the options for development of MSMEs. In fact, there is a growing necessity for such a promotion of 'chains of industries' even in rural areas and the government must create appropriate enabling policies to so that MSMEs can turbo-charge India's inclusive growth process just as China/Japan and other countries in East Asia have done in the past.

The contribution of MSME to the economic growth of the country should therefore be recognized well by the planners/policymakers. In India, these enterprises account for almost 45% of manufacturing output, 95% of the number of industrial units and 40% of exports. Clearly, they are the engines of (economic and inclusive) growth. Besides, the sector provides employment to almost 60 million people - including women and vulnerable/marginalized sectors of

society thereby making it one of the largest sources of employment (due to the failure of agriculture sector) in India.

Besides, this sector has the capacity to generate significant economic activity in rural areas, as it typically uses local raw materials/skills and often, provides people with employment close to the areas where they live/work. Therefore, the rural economy cannot be isolated, but rather it should be integrated with other sectors of the economy to bring in rural prosperity at this juncture when the overall rural situation is gloomy. And MSMEs can certainly play a crucial role acting as a vital link between the rural economy and industrial sector.

As the MSME sector creates a majority of the country's new employment, the approach now would be to focus mainly on developing an attractive and supportive climate for its development. Despite its commendable contribution to the nation's economy, MSMEs continue to face many challenges. However, they still remain an important source of growth and development because of the vital role that they (MSMEs) play in job creation. Therefore, the government should take the initiative to understand the dynamics of this sector by developing it further and providing it the necessary support by undertaking initiatives that can lead to its burgeoning growth and development.

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## NATIONAL/INTERNATIONAL EVENTS

### President's Participation

As a member of NCDC, Dr. Jaya Arunachalam participated in the 72<sup>nd</sup> Meeting of the general council of NCDC on 21 February 2012 at New Delhi. At the meeting she drew the attention of Chairman, Ministry of Agriculture and Cooperation Shri. Sharad Pawar with regard to deteriorating condition of rural areas and migration of rural masses to urban areas deserting villages. She expressed her views on population with regard to increase of 91 million in urban areas which is not a healthy trend and suggested that the Ministry need to take up necessary measures expeditiously to arrest this trend. Further 2012 being the International Year of Cooperative the President WWF suggested youth and women should be involved in cooperatives particularly to facilitate consumer activities, infrastructure creation, employment generating activities to retain the young people in the villages. ■

President WWF visited Hyderabad branch in Andhra Pradesh and Bidar branch in Karnataka on 23 & 24 February 2012 to review the branch activities/progress. She attended the area meeting in Rasalpara, Hyderabad; Dhumsapur and Myloor in Bidar where nearly 50-100 members participated. The discussions at the area meetings focussed on membership, progress in occupation/life and children's education particularly girl child. ■

Ms. Letika Saran, DGP (Training) and Dr. Jaya Arunachalam were invited by Vijaya group of Hospitals to celebrate International Women's Day. The function took place at B. Nagi Reddi Hall on 3 March 2012. While delivering the speech, President WWF focused on WWF's healthcare programme that strengthened the role of women entrepreneurs and advised them on issues such as major health ailments, nutritional requirements particularly the welfare of the girl child and small family norms. She also threw light on heinous practices of female foeticide, infant mortality and child labour that still persist in poorer communities that prompted WWF to initiate few



*Dr. Jaya Arunachalam at Vijaya Hospital*

branches to check such detrimental practices on women and children.

She stressed that the women entrepreneurs as head of households were created awareness through WWF's training that made them alternate leaders in household where the male contribution was almost nil due to unemployment and alcoholism. ■

As participation in seminars/conferences is an ongoing process in WWF, the President WWF had hectic schedule in the month of March attending seminars/conferences. Addressing the conference on Corporate Governance at Bharath University, Selaiyur, Chennai on 9 March 2012, Dr. Jaya Arunachalam left for Delhi to participate in the Round Table Conference on 14 March 2012 at the premises of United Nations Development Programme, New Delhi to share her views on "Advancing Women's Economic/Political Leadership: Transforming Lives, Transforming India". The discussion mostly focussed on general issues with Ms. Helen Clark, Chair of UN Development Group, Administrator of UNDP from US. Being the former Prime Minister of New Zealand, was well aware of the critical challenges on women's economic and political leadership and was interested to know more about India to draw upon the experience and insights of the leaders of the women's movement who are striving to bring change at the grassroot so as to draw the attention of planners and policy makers to bring in change at policy level. This she said was to

facilitate to build a wider constituency for investing in women's leadership in economic and political spheres, the issues that can reach the centre stage in policy dialogues. Several women leaders from different parts of India along with Dr. Jaya Arunachalam attended the conference. ■

As part of Annual Day celebration, the School of Management, Sambhram Group of Institutions its Director invited President WWF on 22 March 2012 to inspire the students and faculties with regard to the work of WWF. Apart from large number of students, Mr. Vishwas Mugadal, CEO Castle Rock Research-India was inspired on listening to the activities/ programme of WWF and as a testimony to this he posted his views on his blog site that reads as follows : "I had the opportunity to meet Dr. Jaya Arunachalam the founder of Working Women's Forum yesterday at Sambhram college in Bangalore. I was invited by Dr. Mishra, the director of the business school to speak at the 'management conclave' and inspire MBA students, being one of the industry experts chosen to inspire and guide future leaders. However at this occasion I personally got inspired by another icon who was present at the ceremony, Padmasri Dr. Jaya Arunachalam and the work of WWF. Dr. Jaya is the President of Working Women's Forum-India, a pioneer in social mobilization strategy who has transformed over a million women in extreme poverty. Her foundation works largely to generate activities to meet the challenge of the twenty-first century in education, employment and promote institutions relevant to advance technology. Dr. Jaya brings about a body of

commendable social work in past 33 years. She initiated the forum with 800 women, has now become a social movement of more than 12 lakh women providing them with organised platform, to access credit, education, healthcare and training towards promoting social and financial independence to fight poverty. She is truly an icon. We all look up to her and aspire to bring about a paradigm shift in the society with our contributions in terms of Corporate Social Responsibility". ■

President WWF as a member of the board, attended the Board Meeting of Tamil Nadu Veterinary and Animal Sciences University on 10 April 2012 in Chennai and suggested few promotional activities to boost up agriculture and animal husbandry in rural areas and one such suggestion is to set up a mobile unit for every 10 villages to promote artificial insemination and train women in animal husbandry. ■

The year 2012 being the International Year of Cooperative, President ICNW/WWF was invited by the International Raiffeisen Union to speak at the International Raiffeisen Conference on 3 May 2012 at Bonn, Germany. The session commenced with the delegates sharing their views on the status of cooperatives where the focus of the forenoon session was on the role of Corporate Social Responsibility Sustainability, Solidarity, Legal framework and adoption of new marketing techniques in Co-operative Management.

As the discussion was in the process, Dr. Jaya Arunachalam, put forth her views and stated that to develop the cooperative as a worldwide conceptual issues more focus should be on research/ development. Besides this, study on successful cooperatives in developing countries is essential not only to assess them but also whenever there is a need/necessity. This particularly would facilitate rural youth as microfinance has not spread in rural areas as much as in urban areas. Dr, Jaya Arunachalam, President, Working Women's Forum provided an insight into the self-help initiative of poor women in India through her experiment of Indian Cooperative Network for Women. It was the first credit cooperative of women



*Annual Day Celebration at Sambhram Institution*



*Dr. Jaya Arunachalam at IRU Conference*

in India founded in 1981 with 2,500 members. The idea expanded to several States in the Southern parts of India in 3780 villages and 2405 slums with more than 1.3 million women members enabling 544,872 poor women to become small entrepreneurs with the help of microcredit from the cooperative. Women as members not only improved their living standard but also played a significant role in the economic development and reached the much required gender equality. Besides their children could go to school instead of work. Further Director General of the CIF (Confédération des Institutions Financières), Alpha Ouedraogo, stated a similar experience in West Africa. The first financing cooperatives were founded there in the 60's and 70's. The microcredit contribute to improve the living conditions of nearly 3 million members in the region. Dr. Paul Armbruster, Head of the International Relations Department of DGRV (German Cooperative and Raiffeisen Confederation) and IRU Secretary General underlined that the microcredit showed that poor can save and utilize credit in a proven society as what was said by Dr. Jaya Arunachalam from India and Alpha Quedraogo, West Africa, he added that credit alone is not sufficient as the cooperatives are also active in the field of agriculture and trade. At the outset the requirement is a legal frame which is of primary significance for healthy growth of cooperatives.

Further the discussion was on the status of cooperatives globally and the message delivered to the delegates gathered at the conference under the general

theme “The Raiffeisen Idea A Model Fit for the Future” was that “Cooperatives in developing countries show that it empowers people.”

The second key message was that since almost 1 billion individuals have joined cooperatives in approximately 100 countries, the importance is not in what would be achieved in 2012, but the year 2012 could be used as a platform to shape the future. Besides the cooperative values, members have to become the real stakeholders and particularly stand united in difficult times to sort out differences and bring forward improvements as emphasized by Director General of the ICAMr. Charles Gould.

The conference winded with a note that 2012 is not an end in itself it should be a platform to address the challenges faced by the management and communicate to people at large collectively as to what is so special in cooperatives. Further innovative activities must be tried/implemented.

*Mr Franky Depickere, President, IRU complemented Dr. Jaya Arunachalam for her contribution to the whole event and her willingness to express her views and further quoted “the fact that the event had such a positive echo and that became a success is also her merit.”* ■

Dr. Jaya Arunachalam participated in the Labor, Trade and Crafts Advisory Council meeting of the Fetzer Institute From May 22 to May 25, 2012. A private operating foundation located in Kalamazoo, Michigan (USA), the Fetzer Institute's mission is to foster awareness of the power of love and forgiveness in the emerging global community. Dr. Jaya Arunachalam was invited as one of the adviser by Fetzer Advisory Council on Labor, Trade and Crafts consisting of 12 members. The individuals work together to help the Institute identify positive exemplars of love and forgiveness in their respective fields of endeavor. As part of this, during the meeting, Dr. Jaya Arunachalam spoke on the relevance of workers movements around the world not only related to labour class but also to trade and craftsmen. In her remarks, Dr. Arunachalam stressed on the social movement of *Mahatma Gandhi*



*Dr. Jaya Arunachalam with Advisory Council Members at FAC*

in India and that of **Martin Luther King** in U.S., and the parallels between those movements particularly as it relates to workers. Dr. Jaya Arunachalam pointed that Mahatma Gandhi went one step further, noting that not only Gandhi was concerned about the welfare of labour and craftsmen but also advocated that every Indian should wear handspun and hand-woven cloth woven by these workers and use the products of village industries as a means to support the rural artisans. Further Dr. Jaya Arunachalam highlighted that Working Women's Forum movement is modelled on the notion of the two great visionaries - Mahatma Gandhi and Martin Luther King and concluded with the quote of Martin Luther King who said "I learned my patience from Jesus Christ and learned operating techniques from Mahatma Gandhi." The council meeting further touched upon other topics such as - future of humanity and work in a mechanised world, women's empowerment and leadership, economic justice, social justice, power of love and forgiveness in action through art and craft. ■

Indian Farmers Fertiliser Cooperative (IFFCO) Ltd., hosted a two day 'International Cooperative Conference' at Manekshaw Centre, New Delhi based on the theme "**Cooperative Enterprises Build a Better World**" to mark the celebration of "International year of cooperatives 2012" on 4 & 5 July 2012.

Inaugurating the International Cooperative Conference, Hon'ble President of India Smt. Pratibha Patil said that "Cooperatives are enterprises based on people coming together and working collectively to

achieve greater benefit. These are basically peoples' institutions and can draw on the enterprise and the capacity of their members for achieving success." She also said that the cooperative movement could ensure inclusive growth especially enabling women and youth to make their invaluable contributions to the country's development. Shri. Sharad Pawar, Union Minister for Agriculture in his key note speech said that there is no organization better than a Cooperative which has potential to serve the interest of weaker sections of the society. Shri. Pawar said that there is an urgent need to revamp the Cooperative Institutions to work as autonomous and professional Cooperative organizations accountable to the members to be managed by the members themselves.

Dr. Bijendra Singh, Chairman, NAFED chaired the first session of the second day of the International Conference that began with Mrs. Jaya Arunachalam, President, Indian Cooperative Network for Women, Chennai presenting a highly nuanced discussion on the issue of women empowerment. Dwelling on the subject at length, among other things she appealed to the cooperatives to devise the ways and means of enabling Indian women to assert themselves and their point of view in the country's current scheme of things. Mr. R.K. Tiwari, Joint Secretary and Central Registrar of Cooperatives dwelt on the importance of appropriate policies in strengthening the Indian cooperative sector during this session. Describing the conference as a milestone, he underlined the crucial role of the cooperative sector in the country's economic transformation.



*Her Excellency President of India and Hon'ble Minister Shri. Sharad Pawar at IFFCO Conference*

Shri. Harish Rawat, Minister of State for Agriculture, GOI, Shri. Shivajirao Patil, Sr. Cooperator, Mr. Wilson H Beebe, Chairman, National Cooperative Business Association (NCBA) and Mr. Mamoru Moteki, Director, ICA were guest of honor of the conference. The conference was attended by delegates from USA, Canada, China, Japan, Korea, Srilanka, Malaysia, Indonesia & Mauritius. Top representatives from national level cooperatives like ICA-AP, NCUI, NAFED, NCCF, KRIBHCO, AARDO, FISHCOPFED, SFAC and NABARD shared their views during the conference. The Conference was concluded with a closing remark from Shri. Charan Das Mahant, Minister of State for Agriculture & Food Processing. ■

Ms. S.Nandini, Programme coordinator participated in the South Zone Cooperative Conference organized by National Cooperative Union of India (NCUI) in collaboration with the State Cooperative Union at Thiruvananthapuram in Kerala on March 12, 2012 and

presented a paper on Best Practices/Success Stories Indian Cooperative Network for Women. The conference reviewed the progress made by cooperatives in the Southern Zone. Further focused on challenges faced by cooperatives and solutions to be thought of to popularize cooperative as excellent business model. ■

## Visit

Ms. Indu Krishnamurthy, loan counsellor from Community Loan Association of Montreal (ACEM), Canada visited Working Women's Forum (India) to get acquainted with the nuances of microfinance activities of WWF that has transformed thousands of women from pavement hawkers to entrepreneur. She visited Adiramapattinam branch in Tamil Nadu on 18 April 2012 and observed the activities/programmes such as training, microcredit, micro insurance, etc. Later she visited Chennai headquarters for an interaction with the President to have an indepth view of the Forum. ■

## ACTIVITIES/PROGRAMMES IN WWF

Working Women's Forum (India) organized *train the trainer programme* in Chennai in partnership with Indian school of business, Hyderabad and Goldman Sachs, Hong Kong on 16 & 17 February 2012. The programme focused on communication skill with regard to marketing and customer understanding.

Ms. Anjana Chatterjee, Political/Economic Specialist at U.S. Consulate office, Chennai inaugurated the programme and expressed that the training programme would benefit the participants at large. Nearly 36 participants who were trainers, organizers and 9 observers from 14 branches of 3 southern states of Working Women's Forum (India) i.e., Tamil Nadu, Karnataka and Andhra Pradesh participated in the programme. Participants were not only enthusiastic but were also determined and eager to apply the concepts learned in their day-to-day activity. The diversity of these trainers also extended to differences in levels of expertise and exposure to gain knowledge, skills, etc. The participatory methodology have been a momentum to the training programme. Interactive session enabled the participants to engage themselves actively in each of these sessions. Besides it was facilitated by audio visuals, practical sessions, games,



*Train the Trainer programme*

and field visits. The outcome of the two-day training workshop was that the participants became aware on business costing, pricing, marketing, etc. Exchange of knowledge and skills amongst the participants was clearly visible as a positive outcome of the training. ■

WWF's Training of Trainers programme was conducted in partnership with NABARD for 30 field staff at Gandhigram Rural University, Dindigul from 27 February to 2 March 2012. They were oriented on urban/rural community mobilization, focus group discussion on issue tackling, role of trainers/field staff, team building skills, local community development,



*Participants at Train the Trainer programme*

need assessment/improvement in business, hygienic practices, motivational techniques, skill training, promotion of entrepreneurship among women, identification of potential members, marketing strategies, financial literacy etc. ■

## **WE NEED YOUR INPUTS !!!**

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

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## **What People Say about GROOTS**

The news letter is informative.

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Thank you for sending me Groots, half yearly newsletter. I would like to thank you for giving me an opportunity to pursue my internship. It was a great learning experience interning at WWF. Wishing you all the very best for all your future endeavours.

*Priyanka Karunan  
Stella Maris College*

Thank you for sending GROOTS regularly which keeps us updated about the excellent work of WWF. All credit to your inspiring leadership and initiative.

*D.S.K. Rao  
Regional Director for Asia-Pasic  
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