

**WORKSHOP ON THE SENSITIZATION OF  
GOVERNMENT OFFICERS ON  
SELF SUSTAINABILITY OF CRAFT CLUSTERS  
IN INDIA**

**25-29 March, 2000**

**PROGRAMME MATERIAL**

**ORGANISED BY  
ICA DOMUS TRUST, NEW DELHI**

**COLLABORATORS**

**I.C.A., R.O.A.P., NEW DELHI  
VAMNICOM, PUNE**

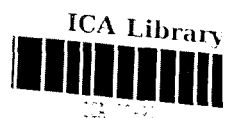
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**AT  
Vaikunth Mehta  
National Institute of Cooperative Management  
Pune-411 007**

**SUPPORTED BY  
Development Commissioner (Handicrafts)  
Ministry of Textiles  
Government of India  
NEW DELHI**

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ICA-



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**WORKSHOP ON SENSITIZATION OF GOVERNMENT OFFICERS ON  
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March 25 to 29, 2000**

**Organisers** : ICA DOMUS TRUST, New Delhi

**Collaborators** : International Cooperative Alliance, New Delhi &  
VM National Institute of Coop. Management, Pune

**Financial support** : Development Commissioner (Handicrafts), GOI, New Delhi

**Participants** : Senior Officers of the Office of the Development  
Commissioner (Handicrafts), Govt. of India and Senior  
Field Animators of NGOs

**PROGRAMME**  
REVISED

Date	Time	Topic
24/3/2000		Arrival of participants
25/3/2000	0930-1100 hrs	Inauguration – Mr.B.D.Sharma, ICA (Introduction-cum-climate setting)
	1100-1130 hrs	Tea break
	Session-I 1130-1300 hrs	Role of Govt. & NGOs as Development Partners cum Facilitators in Craft Development - Prof. K.Chellappan
	1300-1400 hrs	Lunch break
	Session II 1400-1530 hrs	Problems of Handicraft Groups & Cooperatives - Prof. V.O. Varkey, VAMNICOM - Ms. Smita Diwase, VAMNICOM
	1530-1545 hrs	Tea break
Session III 1545-1900 hrs	Identification of Development Partners- Requisite parameters & procedures - Mr.Rajiv I.D.Mehta, ICA	

	2000-2200 hrs.	<b>Welcome Dinner</b>
26/3/2000	0800-1100 hrs.	<b>Women Empowerment- needs &amp; Importance for Development of Craft Clusters</b> - Mr.Rajiv I.D.Mehta, ICA - Ms.Smita Diwase, VAMNICOM
	1100-1115 hrs	Tea break
	Session V 1115-1300 hrs	Options to meet capital needs – ways to strengthen capital base – with reference to cooperatives - Mr. B.D. Sharma, ICA
	1300-1400 hrs	Lunch break
	1400 –15.30 hrs	Group Exercise – Thrift & Credit Activity
	1530-19.30 hrs	Thrift and Credit Cooperatives
27/3/2000	Session VI 0900-1000 hrs.	<b>Issues Governing Self Sustainability of Craft Clusters</b> - Mr.Rajiv I.D.Mehta, ICA
	1000-1100 hrs	<b>Appropriate Management System for Successful functioning of Craft Clusters (SHGs &amp; Coops.)</b> - Mr. Rajiv I.D. Mehta, ICA
	1100-1115 hrs	Tea break
	Session VII 1115-1300 hrs	<b>Management Practices of Cooperatives in Japan &amp; South Korea</b> - Mr. M.V.Madane, Ex-Project Director, ICA
	1300-1400 hrs	Lunch break
	1400-1700 hrs	Case presentation : <b>Gramin Mahila Va Balak Vikas Mandal</b> - Prof.K.Dinker Rao, NIBM, Pune
	1700-1715 hrs	Tea break

	1715-1830 hrs	Case Study - (i) Midland Leathers (ii) Jute Handicraft Study
	1900-2030 hrs	Stage Show on Self Help Groups
28/3/2000	0830 -1015hrs	Appropriate Management System for Successful Functioning of Craft Clusters - <i>Rajiv I. D. Mehta</i>
	1030 hrs.	Departure for field visits
	1100 hrs	Briefing on field visit at Bank of Maharashtra, Hadapsar Branch - - Mr. Temghere, BOM
	1130-1630hrs	Field visit ( Urlidewachi )
	1700-2000hrs	Case study presentation
29/3/2000	0930-1100 hrs	Appropriate Management System Session Continued... <i>Rajiv I. D. Mehta, ICA</i>
	1100-1200 hrs	Field Visit Report by participants
	1200-1300 hrs	Communication & Observation Caution ! <i>Rajiv I. D. Mehta, ICA</i>
	1300-1400 hrs	Lunch break
	1400-1500 hrs	Evaluation Session
	1500-1515 hrs	Tea break
	1515-1700 hrs	Closing Session - Mr. Alok Verma, Additional Development - Commissioner (Handicrafts), Govt. of India - Dr. Robby Tulus, Regional Director, ICA - Mr. B. D. Sharma, Director (SOWECA), ICA - Mr. B. B. Bank, Director, VAMNICOM - Prof. K. Elumalai, VAMNICOM

WORKSHOP ON SENSITIZATION OF GOVERNMENT OFFICERS ON THE  
SELF-SUSTAINABILITY OF CRAFT CLUSTERS  
( 25-29 March, 2000 )

WELCOME NOTE BY THE  
PROGRAMME COORDINATOR

**Rajiv I.D.Mehta**  
**International Cooperative Alliance**  
New Delhi  
Room No.25  
VAMNICOM Hostel  
Pune

March 24<sup>th</sup> , 2000

Dear Participant,

Hearty welcome to the VAMNICOM, Pune. Hope you find yourself comfortable and happy amidst the academic environment of the VAMNICOM. Trust, it is a good change.

I am enclosing day-to-day work schedule for your immediate information. I am also attaching a questionnaire on your expectations from the workshop. I understand you are tired from the long journey to this place, nevertheless, do hope that you would spare time to go through the course contents and answer the questions.

I look forward to meeting you over dinner tonight.

With kind regards,

Yours sincerely,

  
( **Rajiv I.D.Mehta** )

**WORKSHOP ON SELF SUSTAINABILITY OF CRAFT CLUSTERS**  
**( 25-29 March, 2000 at Vamnicom, Pune )**

1. What do you expect from the Workshop ?

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2. Do you suggest any specific addition/alternation in the programme contents ?

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-----  
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3. Are you satisfied with the sequencing of workshop sessions ? If not, please give your feed forward.

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4. Are you happy with the duration of Workshop ? If not, why? Please specify.

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5. What should be the medium of communication ?

(a) English (b) Hindi (c) Both Hindi & English

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Please answer the above questions. It will enable the organisers to fine tune the sessions.

Name and Address

शिल्प समूहों की स्वनिर्भरता पर कार्यशाला  
( 25 - 29 मार्च 2000 )

कृपया निम्न प्रश्नों का उत्तर देने का कष्ट करें । आपके जवाब हमें कार्यशाला के विभिन्न चरणों को अधिक प्रभावी बनाने में सहायक होंगे ।

1. आपकी कार्यशाला से क्या अपेक्षाएँ हैं ?
2. क्या आप कार्यशाला के पाठ्यक्रम में किसी प्रकार का बदलाव चाहते हैं ? संक्षिप्त में बताएँ ।
3. क्या आप कार्यशाला के विभिन्न चरणों के क्रम से संतुष्ट हैं ? यदि नहीं, तो कृपया विस्थापित क्रम बताएँ ।
4. क्या आप कार्यशाला की अवधि से प्रसन्न हैं ? यदि नहीं, तो कृपया विशेषकर बताएँ ।
5. कार्यशाला में संवाद का माध्यम क्या होना चाहिये ?  
(अ) अंग्रेजी (ब) हिन्दी (स) दोनों, हिन्दी व अंग्रेजी ।

नाम व पता



Workshop on Self Sustainability of  
CRAFT CLUSTERS

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Boarding Schedule

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24 - 30 March 2000

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Venue : GUEST HOUSE LOUNGE

Morning Tea	-	6am (Room Service)
Breakfast	-	8am to 9am
Lunch	-	1pm to 2pm
Dinner	-	8.30pm to 9.30pm

Note : Kindly make sure that the timings mentioned above are strictly adhered to.

—————x



# Registration Form

Name :

Address : (off)

(Res)

Phone/Fax : off \_\_\_\_\_ Res \_\_\_\_\_

Food Preference : Veg / Non veg

Arrival Detail : Date \_\_\_\_\_

Mode \_\_\_\_\_

Fare \_\_\_\_\_ (For NGO, only)

(Enclose photocopy)

Departure Detail : Date \_\_\_\_\_

Mode \_\_\_\_\_

Time \_\_\_\_\_

Fare \_\_\_\_\_ (For NGO, only)

(Enclose photocopy)

Is it your first visit to Pune? Yes / No

Any health problem, please specify.

**WORKSHOP ON SENSITIZATION OF GOVERNMENT OFFICERS ON  
SELF SUSTAINABILITY OF CRAFT CLUSTERS IN INDIA  
March 25 to 29, 2000**

***INAUGURATION  
March 25, 2000 – 09.30 am to 11 am.***

1. 09.00 am to 09.30 am - Registration  
(Conference Hall, 1st Floor)
2. 45 minutes - Introduction
3. 15 minutes - Overview of the workshop  
Rajiv I.D.Mehta, ICA
4. 10 minutes - VAMNICOM- An introduction  
Prof.K.Elumalai
5. 15 minutes - Inaugural Address  
Mr.B.D.Sharma  
Director (SOWECA)  
ICA, New Delhi
6. 5 minutes - Vote of thanks  
Prof.Paramjit Sharma  
VAMNICOM

\*\*\*\*

# OVERVIEW OF THE WORKSHOP

*By Rajiv I.D.Mehta*

The workshop has been organised to explore and examine what you can do to manage change in the overall approach to tackle the issues governing sustainability of craft persons and the clusters in the light of challenges and potentials towering before the handicraft sector.

Change is part of life, one might say, a defining characteristic of life. The period we are living in, is characterised by many opportunities for managers to use change creatively and constructively. Change provides opportunities to look again at areas of work that have been too long neglected and to ask those small questions :

Why have we always done it this way ? and Is there a better way ?

Change can also give us a chance to ask the huge questions which can make an enormous difference to work – like –

*Who are we doing this for ?  
Does the customer want this ?  
Do we need to do it at all ?*

So, change is a glorious and life enchancing feature of our existence.

But When change is imposed rather than self-determined, the feelings of false euphoria, anger, frustration and guilt are likely to be acute, and in either case it is worth watching for signs of these feelings when involved in change.

So, What can be done about these feelings associated with change ?

We list below a number of suggestions which have been found to help :

- ❖ Listen a lot
- ❖ Show understanding
- ❖ Provide sweet tea and blankets by supporting more than usual

- ❖ Share all the information you can, even if it is controversial, share it with open mind
- ❖ Find out what is important (to listen or to argue) to ensure that the valued features do emerge in the changed situation
- ❖ Seek your fellow colleagues' wisdom in considering how to manage the change.

In the present context, we are going to focus heavily on groups. The reason for this concentration is that groups represent both the segments –

- ❖ The heart of resistance in change averse mind sets i.e. who deny changes and do not want them and
- ❖ Those who are the power house for change in dynamic culture.

The task being set before you all is to shift your focus of attention from one facet of the feature to another facet till you have seen all the facets of group dynamics. Time available is too short to scan through the entire spectrum of group dynamics but is not too short either to have a macro view of the craft clusters which could be developed in an integrated manner by using the dynamics of group culture.

Let me take this opportunity to formally welcome you to the workshop and also to thank you for your invigorating response to the questionnaire given to you to have the feed forward for climate setting of the workshop.

For your kind information, the objectives of the workshop are –

- ❖ To understand the importance of selecting the right development partners as primary stake holders
- ❖ To closely understand the concept of society and a community enterprise
- ❖ To understand the concept of SHGs and
- ❖ To learn application of community empowerment tools in bringing self – sustainability.

After having gone through most of the answer to the feed forward questionnaire, we have decided to include a session on identification of the right development partners – Requisite parameters and procedure.

This session will be placed at number III and as such will shift the earlier marked III session to number IV.

I hope the workshop will enlighten the path of handicraft development in India by sensitizing your thinking and planning process.

Thankyou all,

**ROLE OF GOVT. AND NGOs AS  
DEVELOPMENT PARTNERS**

**CUM**

**FACILITATORS**

**IN CRAFT DEVELOPMENT**

**BY**

**PROF.K.CHELLAPPAN  
VAMNICOM,PUNE**

**ROLE OF GOVT. & NGOs AS DEVELOPMENT PARTNERS/  
FACILITATORS IN CRAFT DEVELOPMENT**

ACRC – PANT COMMITTEE 1989 – ORGN. COOPS. FOR RURAL  
POOR – SANKARAN COMMITTEE

I. WORKING GROUP ON PROMOTION OF SHGs (1991) MINISTRY OF  
AGRI. DEPT. COOPERATION CHAIRMAN : JNL SHRIVASTAVA

- PROMOTE SHGs BY SHPIs /VAs/NGOs/PACS – CONVERT INTO COOPERATIVES
- SHG = COOPERATIVE (SAME ETHICS AND PHILOSOPHY) – REORGN. AND REVITALISATION
- PACS ORGANISE SHGs FOR VARIOUS ACTIVITIES-VIABLE – BDPs DIVERSIFICATION
- TRAINING ORIENTATION IN ORGANISING SHGs

II IFAD (ITALY) INITIATIVE WITH NABARD – MRCP 1992

- PROMOTE SHG – PEOPLE’S PARTICIPATION – VDA, VDC
- SHGs LINK WITH BANKS (COOP. +COMMERCIAL + RRBs)

III R.D.POVERTY ALLIEVIATION PROGRAMMES MERGED,  
RESTRUCTURED IN TO SWARNAJAYANTHI GRAM  
SWAROZGAR YOJANA (SGSY) w.e.f. 1.4.99



IV. FINANCE BUDGET 2000-2001 DEVELOPMENTS

V. HANDICRAFTS SCENARIO AND IMPORTANCE

VI. INTERPLAY OF DIFF. AGENCIES AND SCHEMES OF HANDICRAFTS

VII. EVERDAY NEWS “NGOs DOING YEOMAN’S ERVICE” TO POOR AND NEEDY.

SUCCESSFUL NGO MODELS –SOSVA-SEWA-BAIF-MYRADA (GULBERGA) - SOCIO-ECONOMIC REHABILITATION, HEALTH CARE, CHILDCARE (RCH), ENVIRONMENTAL PROTECTION, WOMEN EMPOWERMENT, WATERSIED, CAPACITY BUILDING AND ORGANISING SHG, LINK WITH Fis. SUSTAINABLE RURAL DEVELOPMENT FAMILY CRAFTSMAN BASED INTERVENTIONS –

WHAT, HOW AND WHY?

VIII. SHG

<u>BPL</u>	<u>1973-74</u>	<u>1993-94</u>	
	56.44%	37.24%	( 244 million people)

2 decades around 20% reduction

VIII Plan=Rs.11,000pa; IX Plan=Rs.13,000to19,650 pa  
in different states

→ Now Atleast Rs.2000 pm Net income to be ensured.  
Anti poverty Programmes = Self Employment Programmes

Swarnajayanthi Gram Swarojgar Yojana (SGSY)	Merger and restructuring of
--	-----------------------------

IRDP+TRYSEM+DWCRA +SITRA +GKY.
-----------------------------------

Wef . 1-4.99 for 5 years.

A holistic approach to BPL

SGSY = SHG, Trg, credit , technology, Infrastructure,  
Marketing

<b>TARGET</b>
---------------

Cover	30% of BPL families in 5 years	
	50% groups	= SC/ST
	40%	= Women
	3%	= Disabled
	7%	= Others

## SGSY FUNDING :

- 75% Centre +25% state + (unspent amount of all IRDP schemes as on 1.4.99)
- As per incidence of poverty in States allocation
- Money will be released in phased manner

### I. LOANS

From banks

### II. SUBSIDY

- a) Indl : 30% of Project cost – Max Rs.7500/-  
SC/ST 50% of Project cost –Max Rs.10,000/-
- b) SHGs 50% of Project cost ceiling Rs.1.25 lakhs

### Project Allocation :

20% for Infrastructure

10% for Training (Skill development, technology upgrading, marketing, capacity building, empower women, link SHG with Banks) (duration as per activity)

15% for significant projects of National / International importance

## Marketing :

Market Intelligence – consultancy

Market through local / Experts by identified institutions

## Nodal Agencies and Project identification :

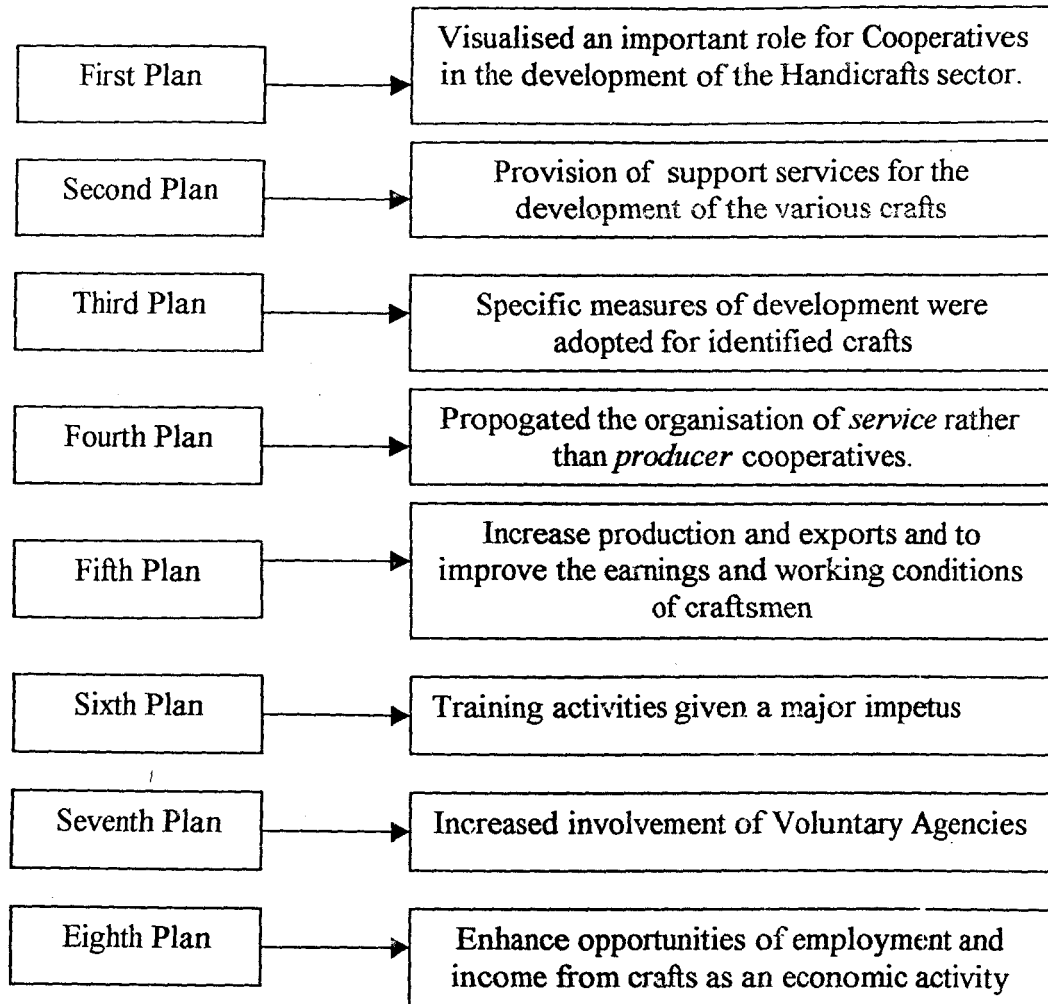
- Block SGSY committee
- 3-4 Key activities in each block by Gram Panchayat (GP) + Banks
- Rural Artisans – Cluster approach
- SHG with women + Exclusive for Women
- BPL Persons from BPL census and GP + Banks identify
- For District - DRDA + Banks + PRI +NGOs
- Banks (organise SHG –Pre Credit) + Post Credit (Monitoring, Supervision, Recovery)

## Finance budget 2000-2001 (Highlights)

### NABARD

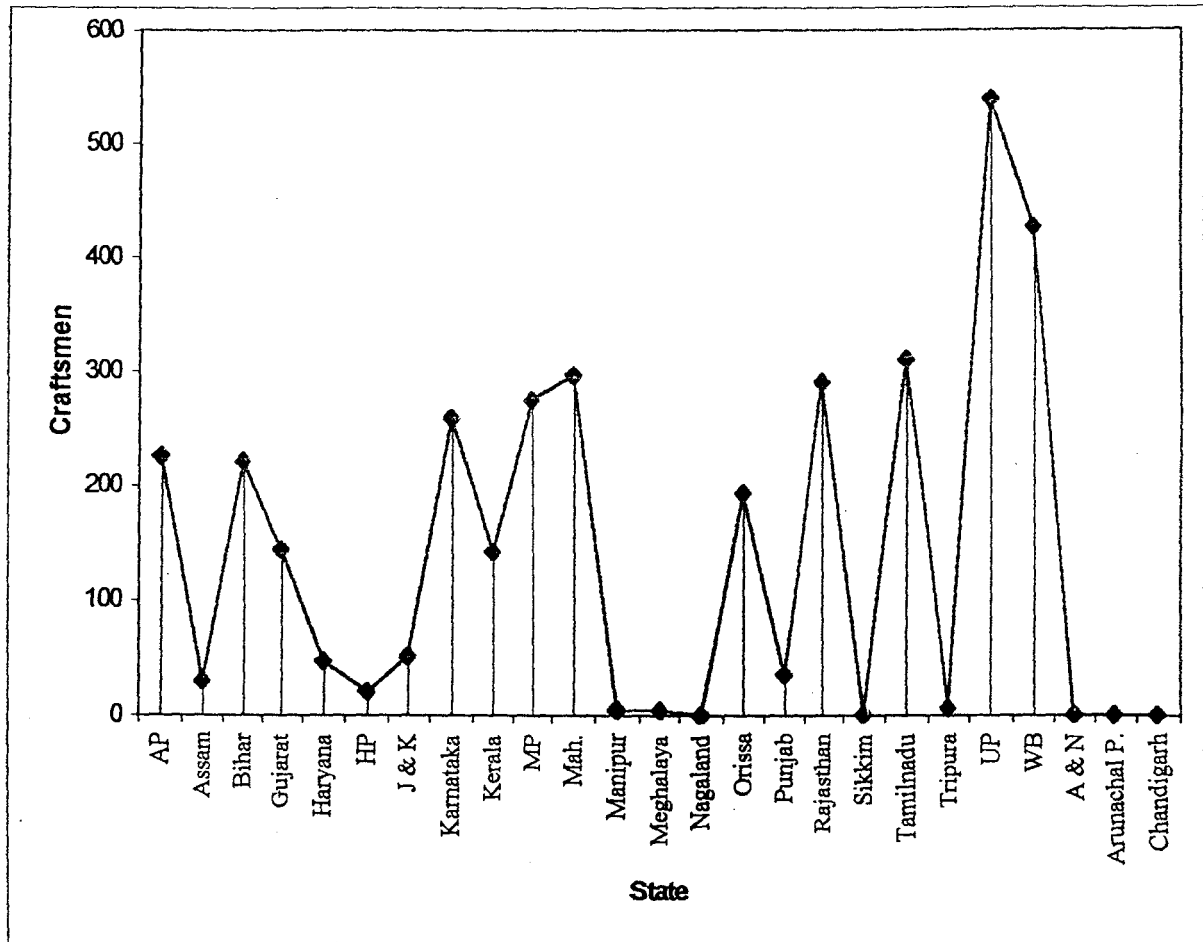
1999-2000	2000-2001
<u>Rural Infrastructure Development Fund V</u> Loan 3500 crores for 7years repayment for R1 Projects.	RIDF VI ➤ To 4500 crores (-) .5% interest (ENHANCED SCOPE OF RIDF VI) RIP + Gram Panchayat, NGOs and SHGs
NABARD + SIDBI financed 50,000 SHGs to develop micro enterprises	Addl One lakh will be covered
	MICRO FINANCE DEV.FUND created. Rs.100 crores will be spent for training and MIS of Micro enterprises of women, SC/ST/OBC in rural areas.
50 lakh Kisan credit cards cum Pass Books issued for farmers by commercial ,Cooperatives, RRBs.	Addl. 75 lakhs will be issued by March 2001.
	JANASHREE BIMA YOJANA INSURANCE is introduced now for BPL. Rs.10 pm pre-meminum –risk coverage upto Rs.50,000

## HANDICRAFTS INDUSTRY AND PLANNING ERA



# STATEWISE DISTRIBUTION OF CRAFTSPERSONS IN INDIA

Figures in '000



**DETAILS OF PLAN OUTLAY, EMPLOYMENT AND EXPORTS  
(PLAN I-PLAN VIII)**

<b>Plan</b>	<b>Plan Outlay (Rs in crores )</b>	<b>Employment generated (Lakhs)</b>	<b>Exports (Rs in crores )</b>
First	1.00	n.a	7.60
Second	9.00	n.a	9.60
Third	8.60	11.35	27.70
Fourth	14.52	14.90	180.70
Fifth	29.80	18.90	755.60
Sixth	110.90	27.40	1700.00
Seventh	122.80	42.15	6400.00
Eighth	223.00	77.65	27915.00

**PERCENTAGE OF PLAN OUTLAY FOR HANDICRAFTS TO TOTAL  
OUTLAY**

*Rs in crores*

<b>Plan</b>	<b>Total Plan Outlay</b>	<b>Outlay for Handicrafts</b>	<b>% Outlay for Handicrafts</b>
First	1960	1.00	0.05
Second	4672	9.00	0.19
Third	8577	8.60	0.10
Fourth	16160	14.52	0.08
Fifth	40712	29.80	0.07
Sixth	110821	110.90	0.01
Seventh	178570	122.80	0.06
Eighth	434100	223.00	0.51



## **What is SHG?**

**Homogenous groups of rural/urban poor (BPC)**

**Need Based organisation**

**Voluntarily coming together for removing exploitative tendencies and provide quality service to members**

## **Why SHG?**

**Fulfil needs of members through democratic management by evolving own rules and regulations**

## **Who can start SHG?**

- **VAs**
- **NGOs**
- **Banks / Comerical/ Cooperative/RRBs**
- **Cooperatives**

## What Process?

- **Visit villages and meet people**
- **Open dialogue with involvement and get participation**
- **Identify their personal requirements**
- **Open up market opportunities**
- **Sell ideas of self reliance and cooperation**
- **Gender sensitisation**
- **Records to be maintained**
- **Guide, supervise and exit**

## Advantages

1. **Economies of Scale**
2. **Saving Habit**
3. **Cost effective in credit delivery**
4. **Collective learning**
5. **Democratic culture**
6. **Mutual support and understanding**
7. **Empower poor to coordinate with external Agencies /dept/banks etc**
8. **Democratic control and increased participation**
9. **Rural Economic stability**
10. **Development of self confidence among members**
11. **Emergence of quality leadership**
12. **Easy recovery/monitoring for banks /F1**
13. **Upliftment of rural poor/women/SC/ST**

SHGs Popular in

Bangladesh, Malaysia, Korea, Philippines and Indonesia

→ RBI advised banks to give Micro entrepreneur credit through SHG in July 1991.

→ SBI started loan to SHG – Feb.1992

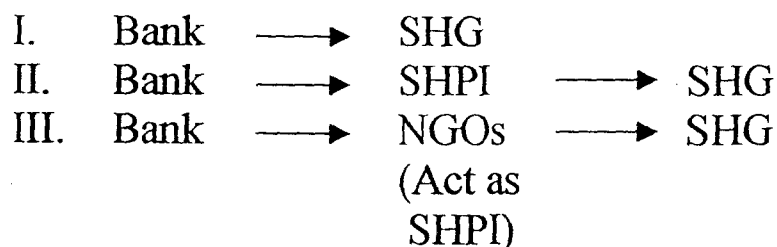
(+) Merits

Low transaction Cost  
High percent recovery  
Mobilisation of rural Savings

(-)Demerits

Non Viable  
Risk- Frozen <sup>credit,</sup>  
no legality

LINKAGE MODELS



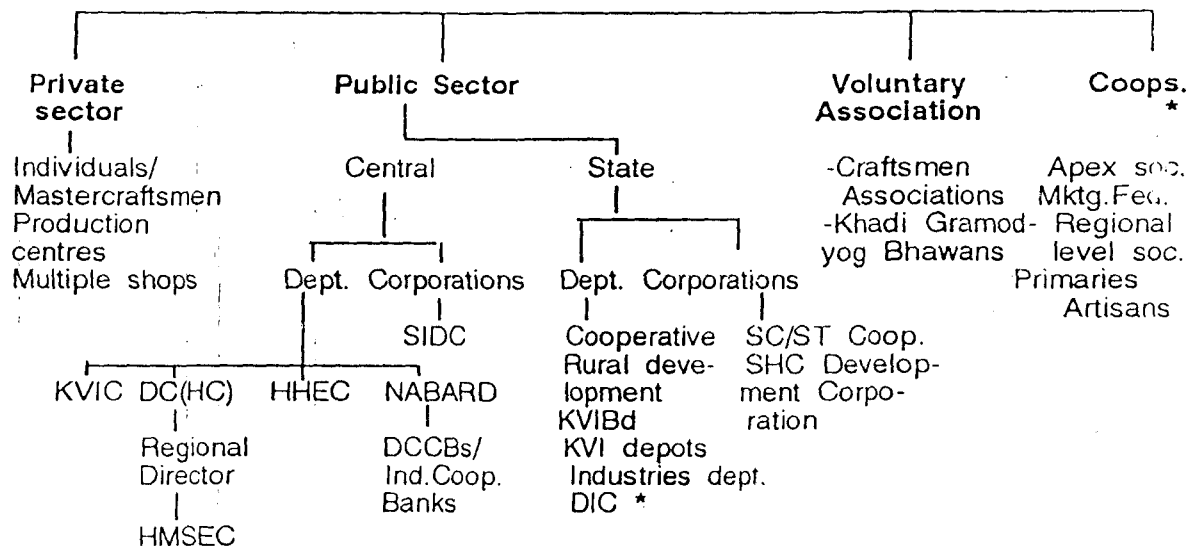
Progress of SHG Linkage Programme

Year	No. of SHGs linked	Bank Loan Rs. in Crores	Refinance Assistance Rs. in Crores
1992-93	255	0.29	0.27
1997-98	143.17	23.62	23.18

### 1.1.1: INSTITUTIONAL FRAMEWORK AND SUPPORT SYSTEM FOR HANDICRAFTS INDUSTRY IN MAHARASHTRA:

An interplay of the various supporting agencies involved in the development of handicrafts is depicted below.

Interplay of agencies for developing Handicrafts



**NB:**

- KVIC            Khadi & Village Industries Commission
- DC (HC)        Development Commissioner (Handicrafts)
- HMSEC          Handicrafts Marketing & Service Extension Centre
- HHEC           Handloom & Handicrafts Exports Corporation
- NABARD        National Bank for Agriculture & Rural Development
- DCCB           District Central Cooperative Bank
- SIDC            Small Industries Development Corporation
- DIC             District Industries Centre
- SHDC           State Handicrafts Development Corporation.

### 1.2.3: AGENCIES & SCHEMES FOR HANDICRAFTS/COOPS.

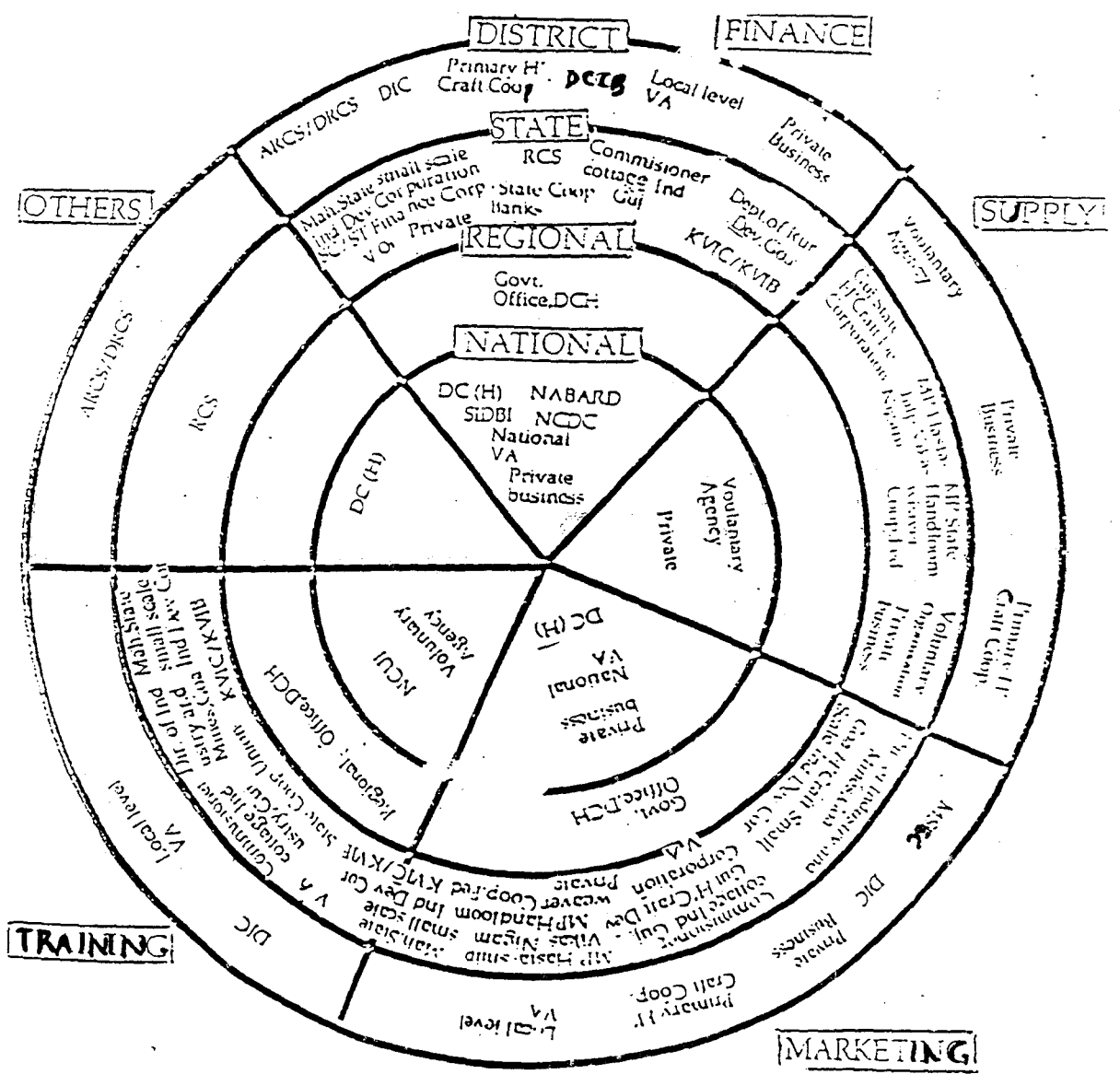
AGENCIES Development Commissioner (Handicrafts)	SCHEMES AVAILABLE FOR		
	Coops. and Corporations	Other than cooperatives	For all agencies
1. Training through			
a) Deptt. run by training centres	-	*	-
b) Apprenticeship training	-	*	-
c) Apex Co-op/State Co-op etc.	*	-	-
d) Member Education Programme	*	-	-
2. Marketing			
a) Share participation	*	*	-
b) Renovation of emporia (Market Development Scheme)	*	*	-
c) Craft development centres (Package of services like raw materials-design guidance,etc)	-	*	-
d) Publicity (posters, advertise- ment, video films, etc.)	*	*	*
e) Exhibition/fairs (National awards, etc.)	*	*	*
II Khadi & Village Industries Comm- ission/Board			
a) Machinery and implements	applicable to all		
b) Working capital & share capita			
c) Construction of bulg.& godowns			
d) Loans for stocking			
e) Training & publicity			
III Department of Cooperation			
a) Max. credit limit tax for borrowing	only or coops.		
b) Managerial subsidy			
c) Raw material quota			
d) Supervision			
e) Share participation			
IV NABARD			
Refinance facilities with conce- ssional rates of interest to Apex/DCC Banks for financing working capital to cooperatives	Coops.	Other than	Both coop- eratives
V Small Industries Development Corporation (Finance) State Handicrafts Development Corporation (Marketing)			

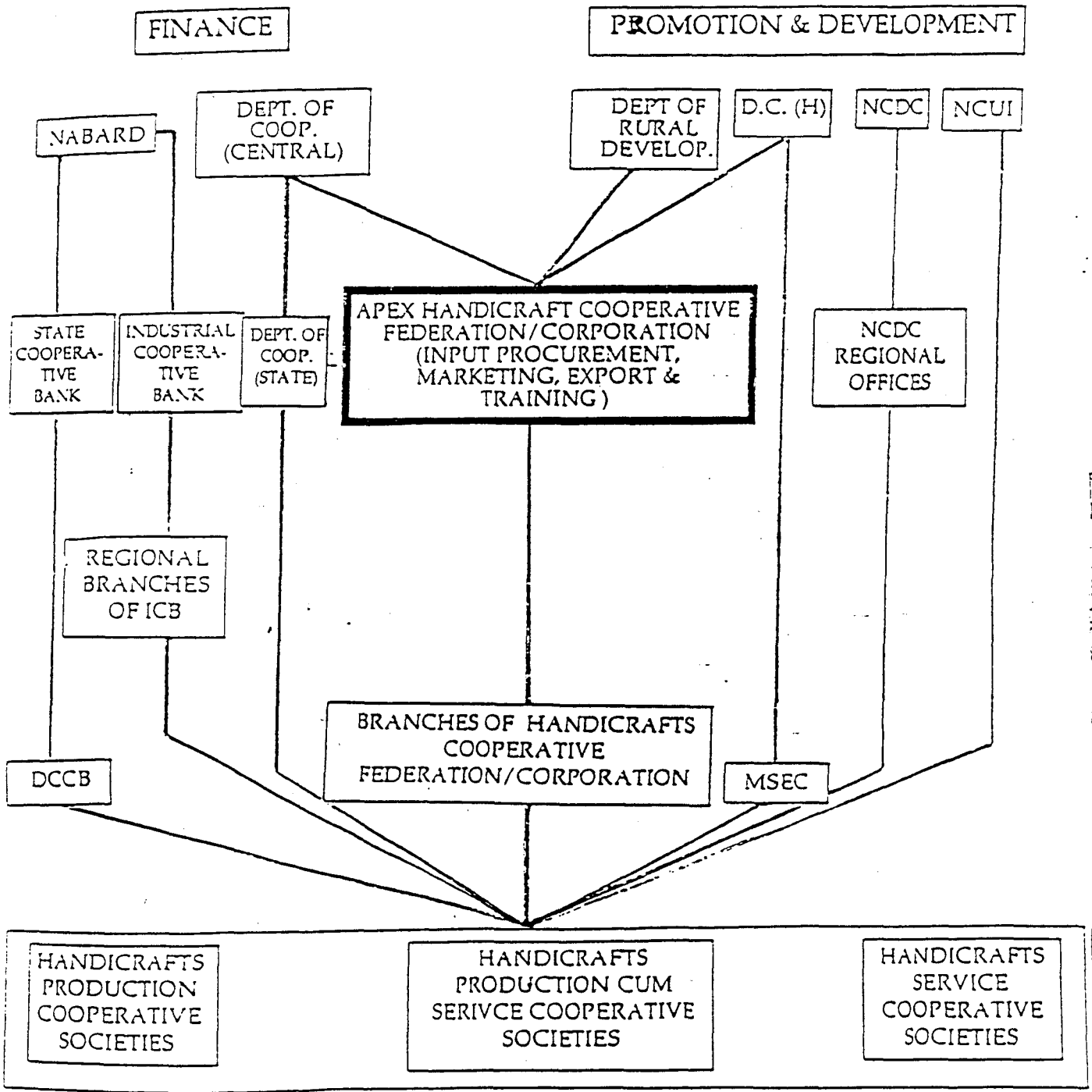
ORGANISATIONAL SETUP

Sr.	Level	Sector	Agency	Services				
				Finance	Supply	Marketing	Training	Others
1.	National	Govt.	DC (H)	Share Capital loan, Share participation, managerial subsidy	—	Asst through Sales Promotion, exhibition/fairs	—	Policy level planning
		Cooperative	NABARD SIDBI NCDC	Refinance facility Financial Assistance Financial Asst., WC, cash credit.	— — —	— — —	— — —	— — —
		Voluntary Organisation	NCUT National VA	Financial Asst. through grants	Provision of raw materials	Marketing of H'Craft Export Promotion	Coop. Education Technical training	— —
		Private	EPC Private business	— Provide credit facilities	— Supply of raw materials	Export marketing of handicrafts Marketing of finished products	— —	— —
2	Regional	Govt. Office, DCH	Regional	Share Capital loan Share participation Managerial subsidy	—	Sales Promotion Exhibition	Various training Schemes	—
3	State	Govt.	RCS	Sanction of loan, subsidy, share capital participation, grant for fixed assets	—	—	—	Supervising co. tr. / dit
			Dir. of Industry and Mines, Goa	—	—	Exhibitions, Publicity	Training centres chosen crafts	—
			Dept. of Rural Dev. Goa	Various schemes (IRDP, RLEGN, REP, DWBCA, TRYSEM)	—	—	—	—
		Public	Commissioner cottage Industry, Guj Mah. State small scale Ind Dev Corporation	Financial Assistance Provide finance through various Schemes	— —	Marketing assist. a.ice Marketing Assist-ance conduct fairs, exhibition, product promotion	Impart technical Training Training to develop skills	— —
			SC/ST Finance Corp.	Provide finance through various Schemes	—	—	—	—
			Guj State H'Craft Dev Corporation	—	Supply of raw material	Promotion, Marketing of H'Craft	Design input	—
			MP Haste-shilp Vikas Nigam	—	Supply of raw material	Marketing services Sales Promotion	Tech. guidance designs input advanced training	—
			Goa H'Craft Small Scale Ind Dev Cor	—	—	Sales promotion	—	—
		Cooperative	State Coop Banks schemes	Financial asst. under Govt./NABARD	—	—	—	—
			State Coop Union	—	—	—	Cooperative Education	—
			MP State Handloom weavers Coop. Fed	—	Supply of raw material	Marketing of H'Craft Handloom Cloth	—	—
		Development Agency	KVIC/KVIB	Credit at low rate of interest, WC, Share Capital	—	Publicity, Market support by KVIC	Training through Depot Training Centres	—
		Voluntary Agency	SEWA, Tribhuvandas Found.	Financial Assistance	Supply of raw materials	Marketing Asst. through prior orders	Training activity	—
		Private	Private Business	Financial Assistance through credit facility	Supply of raw material on credit/cash	Marketing of finished produce	—	—

District Govt. Local	ARCS/DRCS	Facilitate subsidy through various schemes MSEC	—	—	—	Registration Audit Insp.	—	—
	DIC	Share Capital loan, SC contribution loan for WC	—	—	—	Market Research, Market Survey, Exhibition	Sales Promotion, Appren. training, Entrepreneurial Dev. Programmes	Design input
Cooperative	Primary H' Craft Coop.	Credit Facility	Supply of raw material	—	—	Marketing of finished produce	—	—
Voluntary Agency	DCCB Local level VA	Credit Facility, Financial Assistance	Supply of raw material	—	—	Marketing Assistance thro' promotion, orders	Training, Activity	—
Private	Private Business	Financial Assistance	Supply of raw material	—	—	Marketing Assistance	—	—

MULTIPLICITY OF AGENCIES AT VARIOUS LEVELS





NATIONAL  
 STATE  
 REGIONAL  
 DISTRICT  
 PRIMARY



**PROBLEMS OF HANDICRAFT GROUPS AND  
COOPERATIVES**

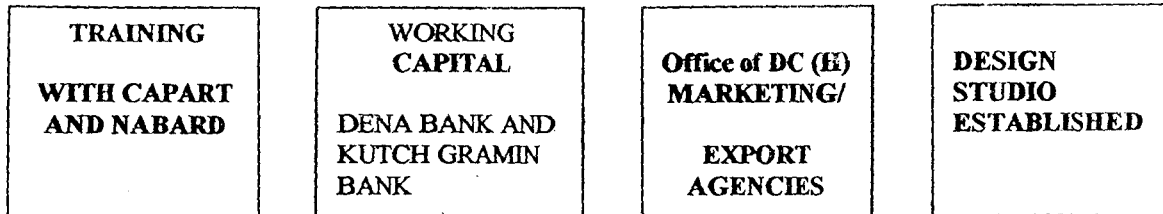
*By*

*Prof.V.O.Varkey, VAMNICOM  
Ms.Smita Diwase, VAMNICOM*

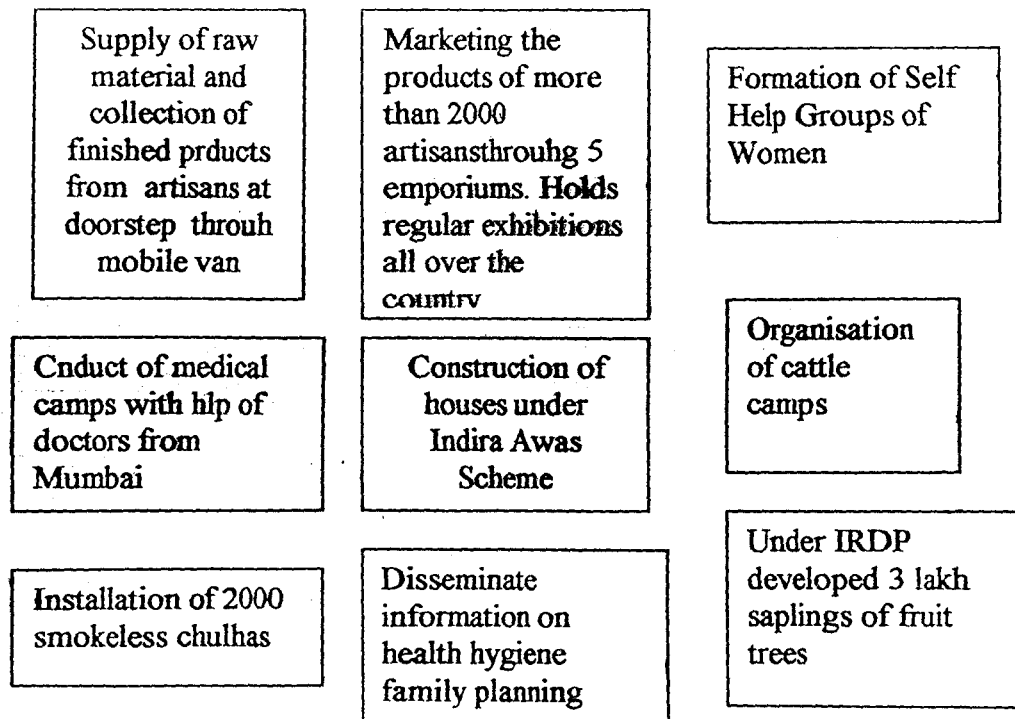
## SHRUJAN TRUST , GUJARAT

Provide self employment to rural artisans

### LINKAGES ESTABLISHED

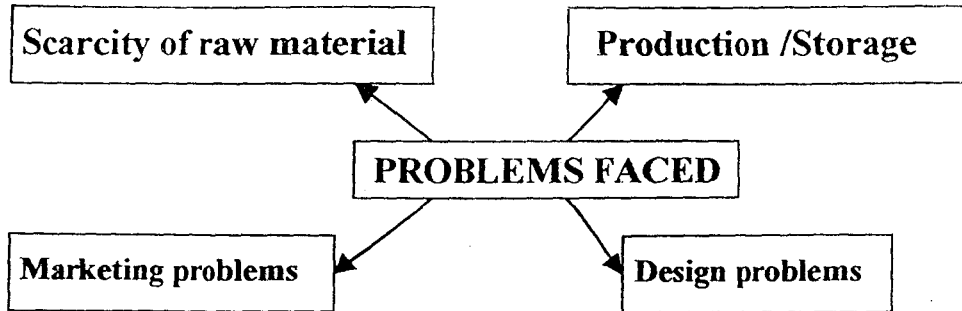


### ACTIVITIES



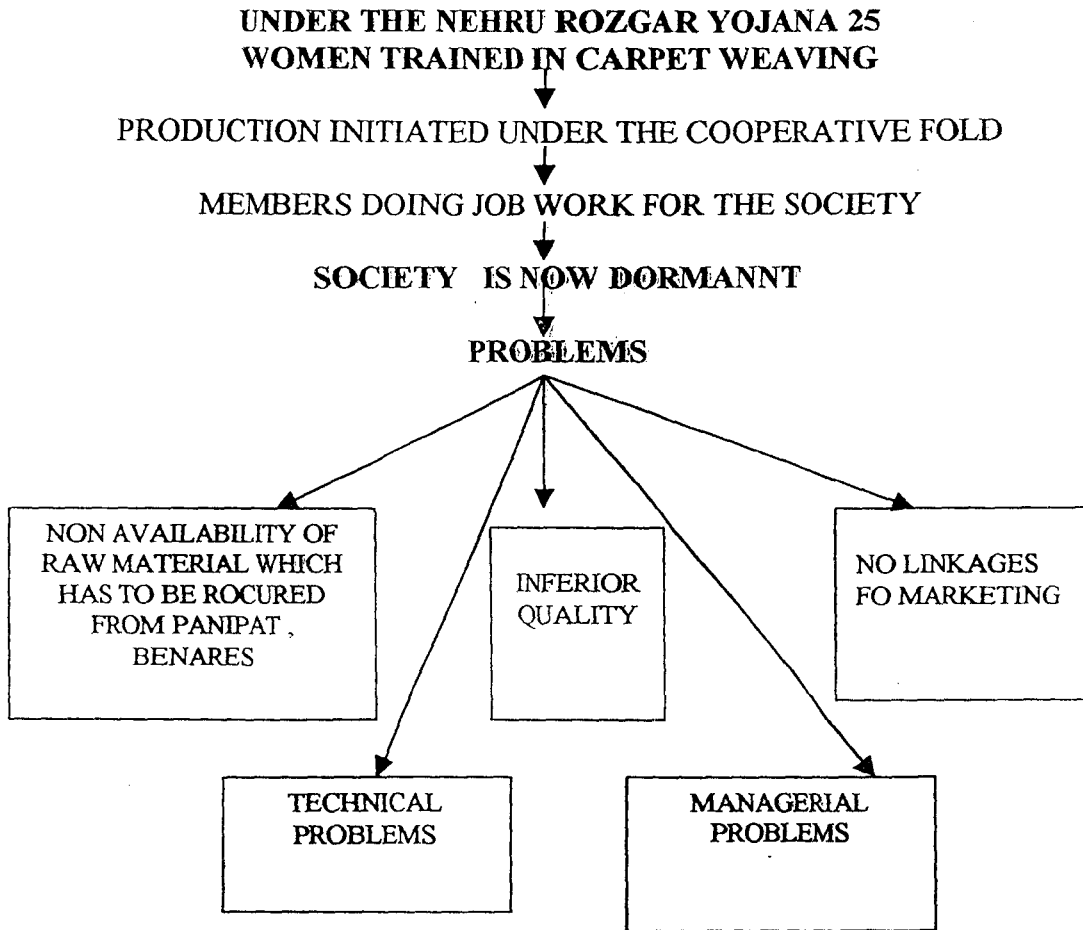
1. **KOLHAPUR DISTRICT POTTERY PRODUCERS OOPERATIVE SOCIETY LTD.**

**Activity undertaken : Supply of raw materials ( Shadu Clay)  
No production or marketing activity**



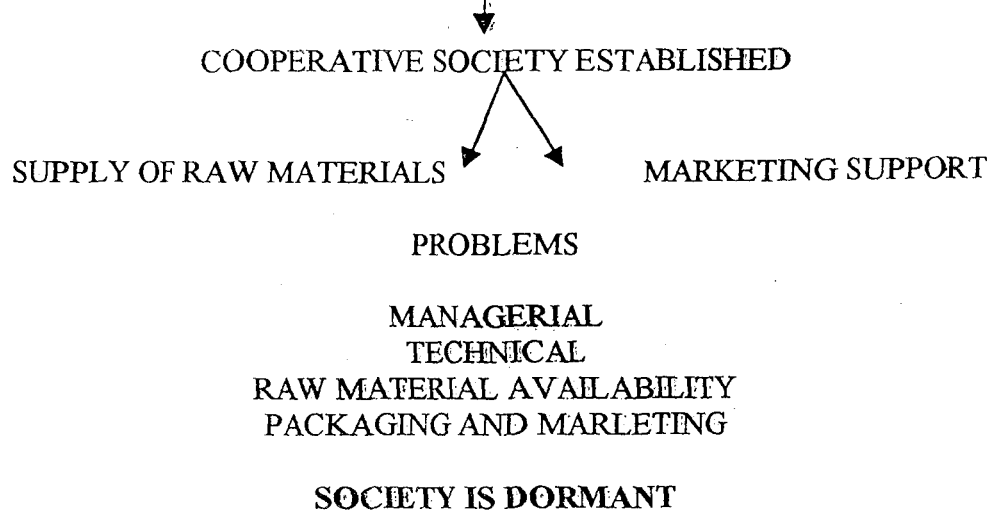
- **ONLY PROBLEM ADDRESSED IS SCARCITY OF RAW MATERIALS**
- **NO LINKAGE WITH ANY GOVERNMENT / OTHER BODIES TO EASE THE PROBLEM.**

2. **NIVEDITTA CARPET PRODUCERS COOPERATIVE SOCIETY LTD.,  
SANGLI**



2. **SHANTINIKETAN MAHILA HASTAKALA SAHAKARI SOCIETY LTD.**

75 WOMEN ARTISANS TRAINED UNDER THE SCHEMES OF THE OFFICE OF  
THE DEVELOPMENT COMMISSIONER HANDICRAFTS

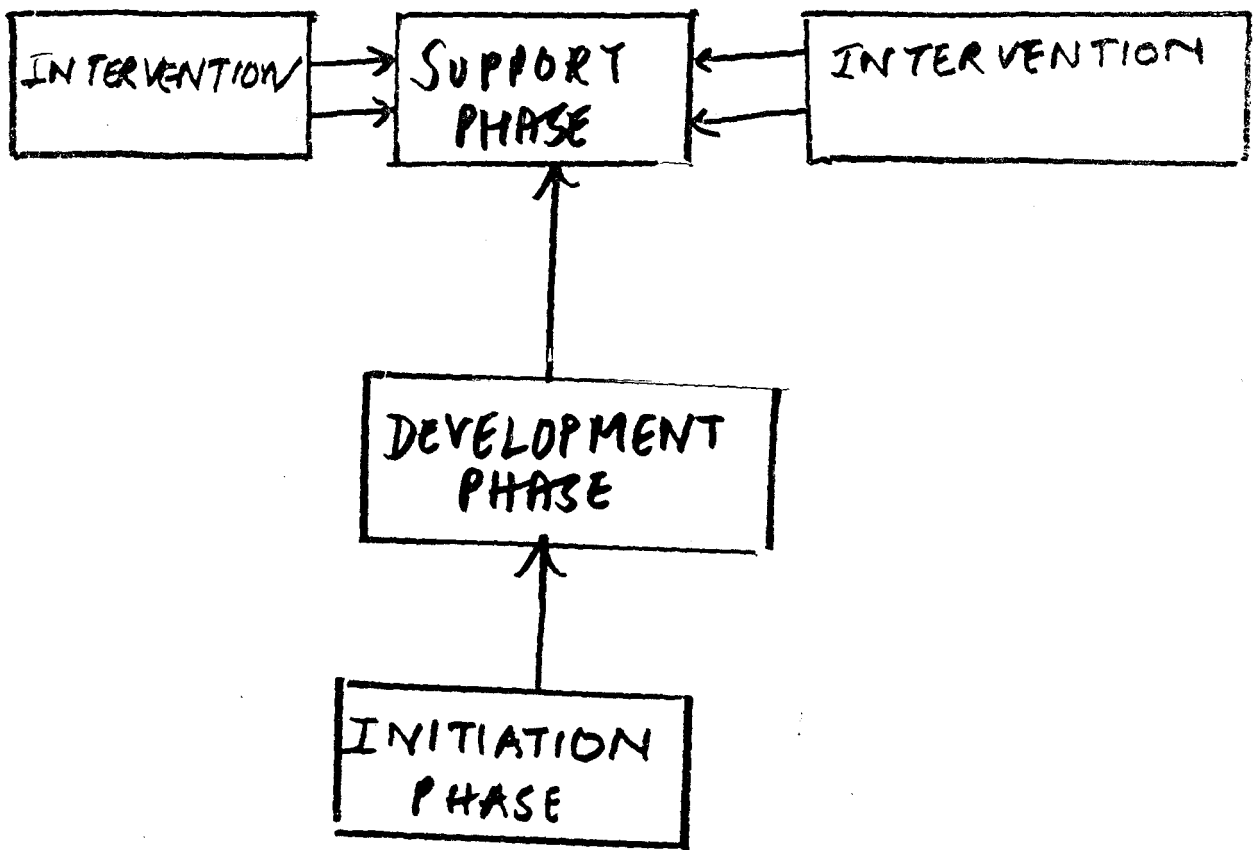


SHGs /  
Cooperatives      SHGs /  
Cooperatives      SHGs /  
Cooperatives

Organisation of artisans  
sustaining interest in various  
activities, ensuring active participation  
and acting as a linkage between  
artisans and NGO for availing  
support services.

→ NGO

All Support, liaisoning with  
Govt Dept, programmes targeted  
at H'craft sector.



**IDENTIFICATION OF RIGHT  
DEVELOPMENT  
PARTNERS**

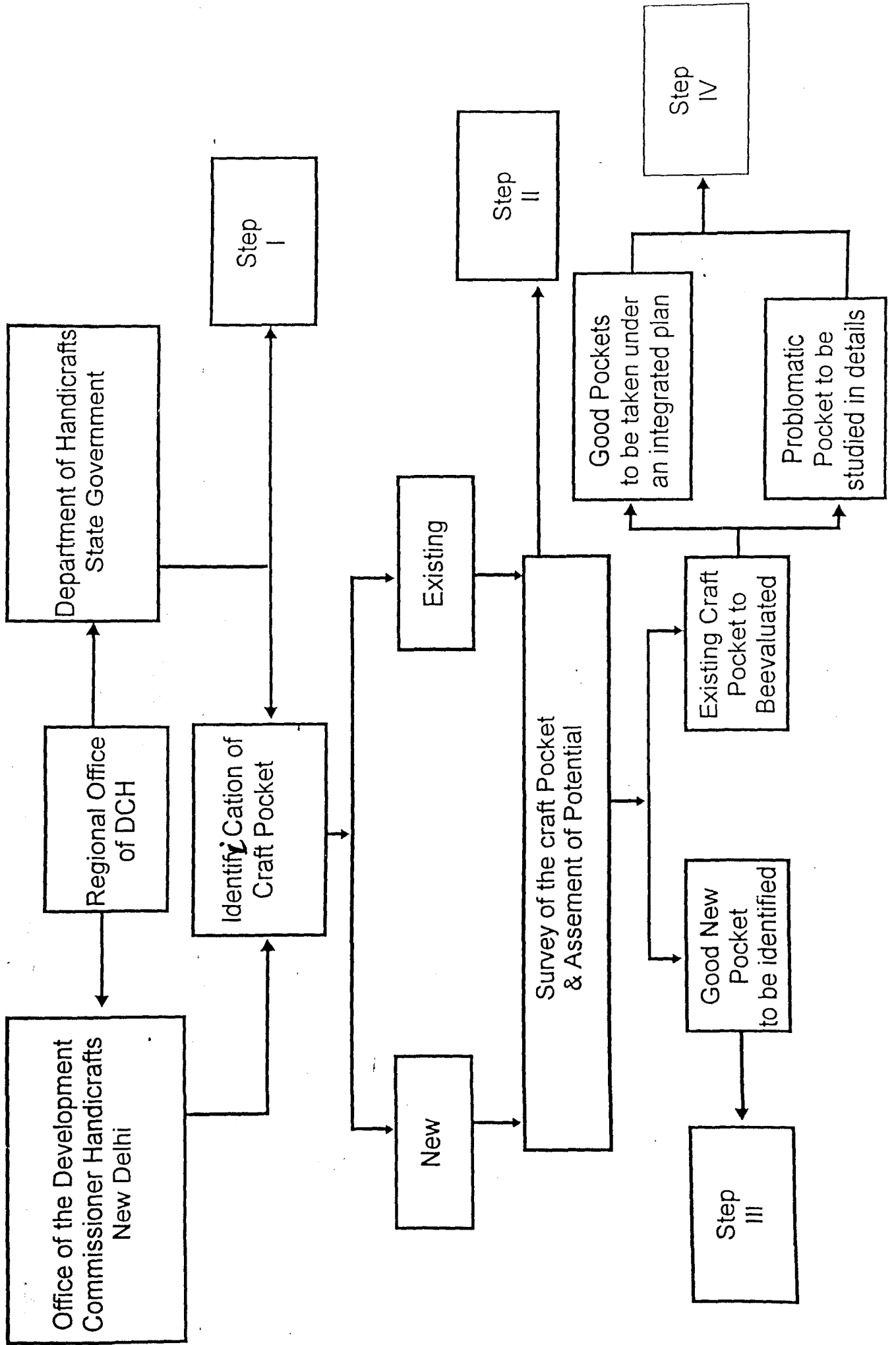
**REQUISITE PARAMETERS AND  
PROCEDURE**

**BY**

**MR. RAJIV I.D. MEHTA,  
ICA, NEW DELHI**



INTEGRATED DEVELOPMENT OF ARTISANS' CLUSTERS IN INDIA



Objectives :

- (i) Collection of information & necessary data for Identification and Selection of Craft Persons' Clusters & Craft activity
- (ii) Development of action plan and benchmark information of THE SELECTED CRAFT CLUSTERS
- (iii) Information on existing craft practices & expert opinion on FUTURE R & D EFFORTS.
- (iv) Sensitization of potential partners

Input :

- (i) Interview with key informants
- (ii) LGD / FGD, Seasonal Calendar
- (iii) Secondary Data Source
- (iv) Opinion survey

Output :

Identification of Right Development Partners and Finalisation of Intervention Strategy

## अपने बारे में कैसे जाने

हम प्रायः एक दूसरे के बारे में अधिक नहीं जानते हैं क्योंकि हम एक साथ काम करते हुए भी पारस्परिक सम्बन्धों की गहराई में नहीं जाते हैं ।

स्वावलम्बन के उद्देश्य को ध्यान में रखते हुए दृष्टशिल्प उत्पादन को एक सामूहिक व्यवसाय के रूप में आधुनिक उपयोगी माना गया है ।

अतः यह परम आवश्यक हो जाता है कि हम एक दूसरे के बारे में साधारण से कुछ ज्यादा रूप में जाने ।

नीचे कुछ बातें पूछी गयी हैं, जिनका उत्तर पूर्ण ईमानदारी व ध्यान से दें । इसके पश्चात् इन बातों को बिना देखे, अपने बारे में पूर्ण जानकारी दें तथा यदि कोई बात बोलने में रह गई हो तो उसे ध्यान पूर्वक पुनः पढ़ें, हो सकता है वह बात पूर्ण सत्य नहीं हो ।

इसके पश्चात् हम एक दूसरे के बारे में अधिक विस्तार से जानने के लिए, प्रत्येक सदस्य द्वारा बताई गई बातों पर एक परिचर्चा आयोजित करेंगे ताकि हम एक दूसरे की अच्छी बातों व कमजोरियों को अच्छी तरह से जान लें ।

1. मेरा नाम \_\_\_\_\_

2. मेरी उम्र \_\_\_\_\_

3. मेरा जन्मस्थान \_\_\_\_\_

4. मैं निम्न व्यक्तियों के साथ रहता / रहती हूँ —

नाम व्यक्ति

सम्बन्ध/रिश्ता

5. मैं अपने आप को इस प्रकार जानता / जानती हूँ —

(अ) मैं हर काम बहुत ध्यान से व सुव्यवस्थित ढंग से करता / करती हूँ

(ब) मैं हर काम जल्दबाजी में करता / करती हूँ परन्तु काम पूरा कर लेता/लेती हूँ

(स) मैं हर काम बिना सोचे करता/करती हूँ तथा कई बार पूरा नहीं कर पाता/पाती हूँ ।

6. मैं अपने व्यवहार में
- (अ) मृदुभावी हूँ  
(ब) साधारण हूँ  
(स) चिड़चिड़ा हूँ
7. मुझे अपनी कमजोरियाँ / कमियाँ मालूम है – हों / नहीं
8. यदि हों , तो अपनी कोई दो कमजोरियाँ बताएँ
9. मैं खर्चा करने में
- (अ) बहुत असावधान व खर्चीला / खर्चीली हूँ  
(ब) आसानी से खर्चा करता/करती हूँ  
(स) बहुत सोच कर खर्चा करता/करती हूँ
10. माह के अन्त में मेरे पास
- (अ) रोजमर्रा के खर्चों के लिए पैसे होते हैं.  
(ब) रोजमर्रा के खर्चों के लिए पैसे नहीं होते हैं
11. मैंने निम्न बातों के लिए कर्जा / ऋण लिया है –
- (अ) घर खर्च / स्कूल फीस  
(ब) बीमारी / जन्म/मृत्यु / विवाह  
(स) धन्धे के लिए
12. मैंने कर्जा / ऋण बनिये से/ बैंक से / बचत समूह से लिया है ।
13. यदि आपने कर्जा / ऋण लिया है तो कृपया बताएँ कि आपका यह अनुभव कैसा रहा  
(अच्छा या बुरा) ।
14. कृपया उक्त अनुभव के बारे में कुछ स्पष्ट रूप से बताएँ

15. मेरे आस पास रहने वालों से मेरे सम्बन्ध

- (अ) आत्मीय हैं
- (ब) मैत्रीय हैं
- (स) सामान्य हैं
- (द) कटु हैं ।

16. मैं अपने मित्रों के काम आता हूँ / आती हूँ ।

17. मेरे मित्र मेरे काम आते हैं ।

18. मुझे निम्न कार्या मे रुचि है

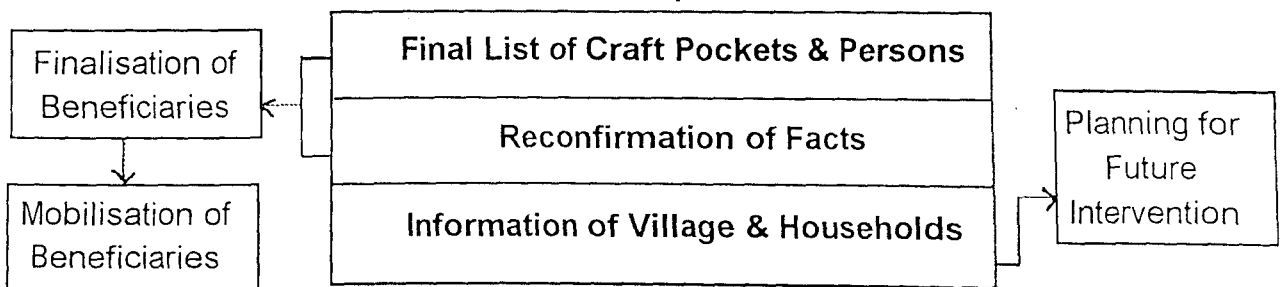
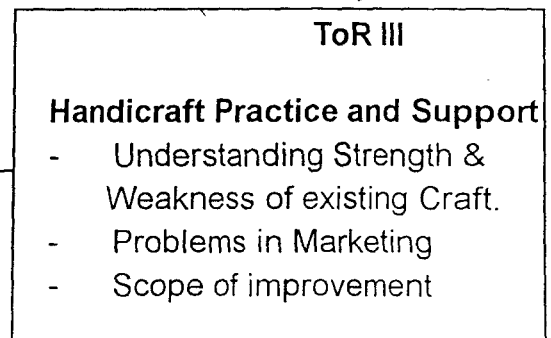
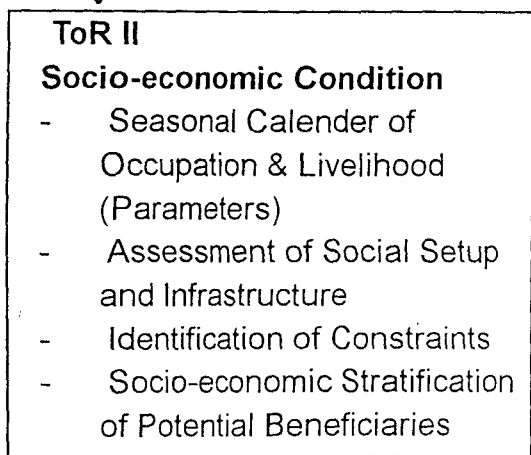
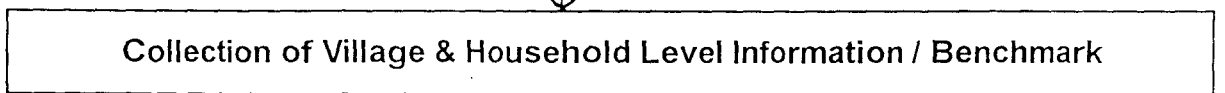
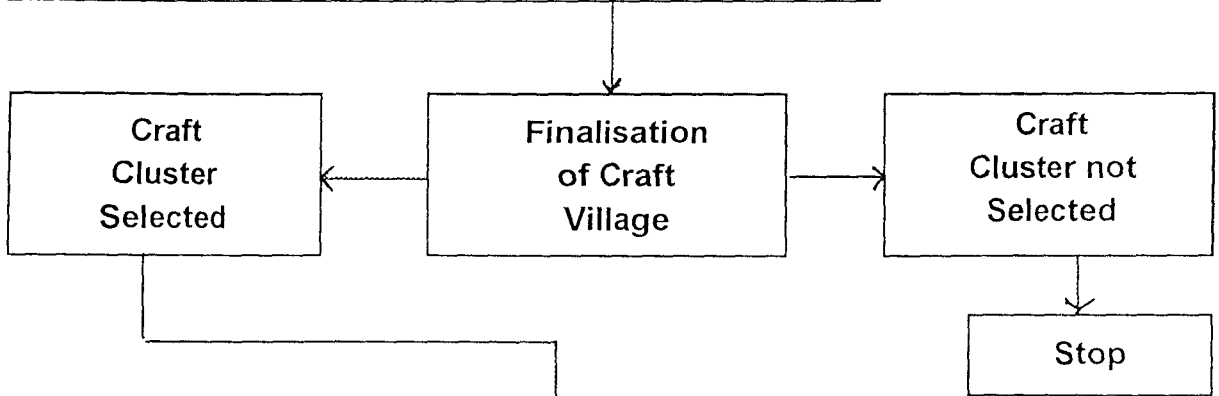
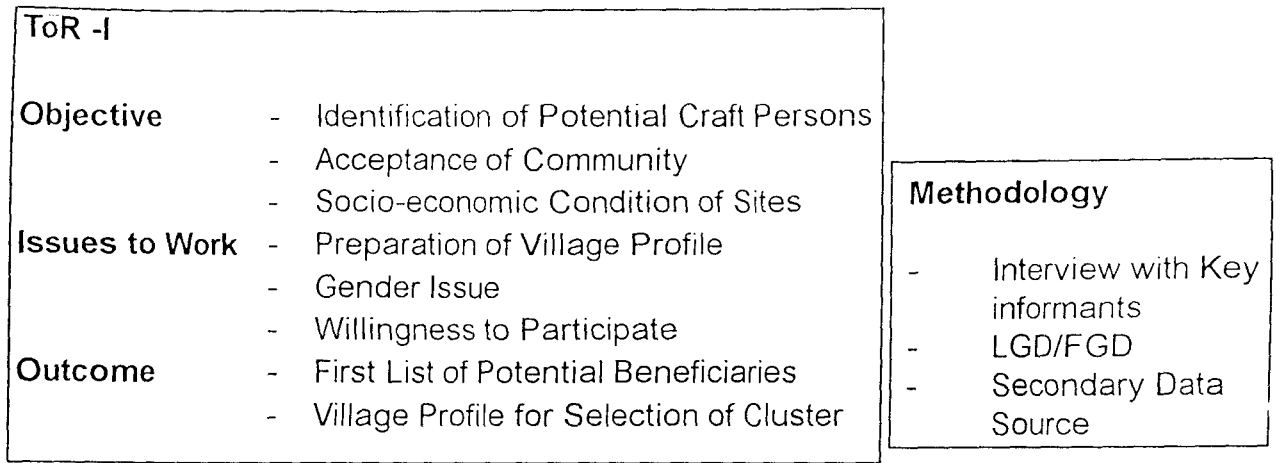
- (अ) घर का काम
- (ब) खेती का काम
- (स) मवेशी चराने का काम
- (द) मजदूरी का काम
- (य) अन्य अपनी पसंद से लिखें

19. मेरे पास दैनिक कार्यों के अलावा खाली समय रहता है / नहीं रहता है

20. खाली समय में मेरी गतिविधि निम्नानुसार होती है

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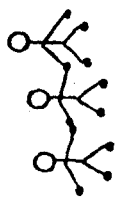
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**FLOW CHART OF BASE LINE SURVEY**

SUSTAINABILITY (SELF-HELP)

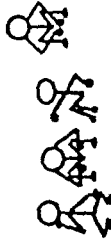
**What is SHG?**  
 A Small Homogeneous Group living in close proximity and of similar Socio-Economic status, working collectively towards attainment of common social economic and cultural objectives



PERFORMING

Getting down to work well at its task

Self-reliant in terms of Social & Economic Management

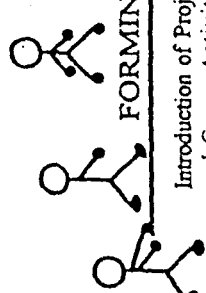


NORMING

Establishment of Groups Norms

STORMING

Understand what is "SHG", getting to know each other, sharing problem



FORMING

Introduction of Project and Group Activities

**TOR-III**

- To make SHG aware of the importance of Thrift and Credit (T & C)
- To familiarize SHG with T & C procedure and establish T & C

**TOR-II**

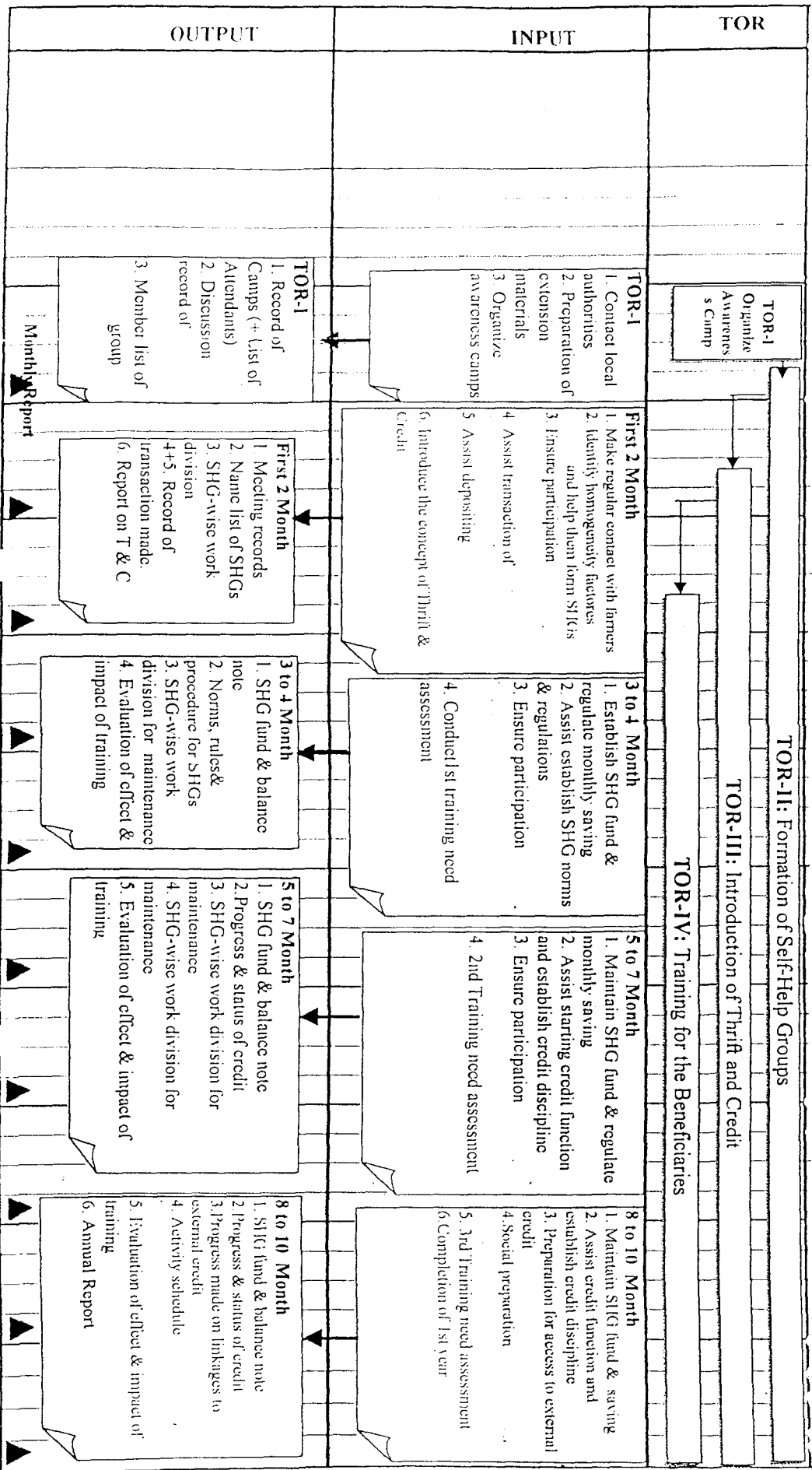
- a) To help beneficiaries, identify their needs and objective of SHG
- b) To help SHG in making norms for smooth functioning
- c) To organise SHG for participation

**TOR-IV**

- To assess training needs of members of SHGs and help assist in Training

**TOR-I**

- To organize awareness camps on the objective and approaches





### Comparative Advantages of PRA :

<b>Conventional Rural Appraisal (CRA)</b>	<b>Participatory Rural Appraisal (PRA)</b>
1. Top down approach	Bottom up approach
2. Unfriendly approach	Friendly approach
3. Specialised approach in project formulation	Indigenous approach in project formulation
4. Imposing	Natural
5. No importance to the local experience & knowledge	Importance to the experience and knowledge of the local aged persons
6. Lack of complete knowledge of local techniques, resources and knowledge	Complete & upto date information on local techniques, resources and capacity
7. Not much importance given to interpersonal relations	Due importance given to interpersonal relation

### Parameters of PRA :

- Experienced interviewers
- Polite behaviour
- Partnership
- Flexibility
- Sensitivity
- Mindset orientation
- Direct observation
- Mutual trust & relationship
- Concrete proposals
- Appropriate Management system and
- Sustainable development

### Checklist of PRA :

- understanding of local culture, social set-up and occupational means
- involvement of commoners in the village
- visit the village at the time when maximum villagers are at home

- accord a patient audience
- identification with the villagers/target group
- obtain maximum information on the indigenous knowledge & wealth
- invite suggestions and advice from the villagers to overcome local social & economic problems
- be suggestive and positive with an open mind (no prejudices)
- arrive at conclusions after an in-depth and logical analysis
- give due importance to gender issues
- discuss all the issues concerning education, health, nutrition, social evils, child care and employment opportunities
- leave your complete address and particulars with the villagers for an intimate enduring relationship and
- schedule future meetings & plans.

ग्रुप बनाने वाले साथी की भूमिका :

ग्रुप बनाने में पहल करने वाले साथी को निम्न भूमिका निभानी पड़ती हैं :

1. वह एक प्रेरक है । दूसरों को सोचने और काम करने के लिये बढ़ावा देता है ।
2. वह एक मित्र है । सब के साथ दोस्ती बढ़ाता है ।
3. वह एक शिक्षक है, मिलने पर और बैठक में नई-नई बातों की जानकारी देता है ।
4. वह एक सीखने वाला भी है । लोगों से बातचीत करने से काफी कुछ सीखता है ।
5. वह एक सहायक है । सभी का भाग लेने के लिए साथ देता रहता है ।
6. वह बातचीत को आगे बढ़ाता है । लोगों की बात सुनकर ऐसे सवाल पूछता है या सुझाव देता है जिससे बातचीत आगे बढ़े और कोई सहमति बन सके ।
7. वह प्रशिक्षण देने वाला है । सदस्यों को ग्रुप चलाने के लिए नयी-नयी बातें बताता रहता है ।

## अर्ध रचित (अनौपचारिक) साक्षात्कार

प्रस्तावित निर्देश:-

1. 2 से 4 विभिन्न पृष्ठभूमि के साक्षात्कारकों का दल
2. पारंपरिक तरीके से अभिनंदन करते हुए अपने दल के गांव वासियों से कुछ सीखने के उद्देश्य से आने का जिज्ञा करें तथा संक्षिप्त में अपने उद्देश्य के बारे में कहें।
3. कुछ सामान्य रूचि अथवा कुछ दृष्टिगोचर वस्तु के संदर्भ में पूछताछ आरंभ करें।
4. साक्षात्कार अनौपचारिक तरीके से करें।
5. प्रत्येक सदस्य को उसके प्रश्न का पूर्ण वाक्य समाप्त करने दें।
6. संवेदनशील प्रश्नों की ओर ध्यानपूर्वक बढ़ें।
7. बातचीत को लिखने का कार्य बारी बारी से बदल कर करें।
8. अनकहे संकेतों के बारे में सजग रहें।
9. ऐसे प्रश्न ना पूछें जिनमें उत्तर छुपा हो तथा आदर्श मूल्यों पर फैसले ना सुनाएँ।
10. ऐसे प्रश्न भी ना पूछें जिनका उत्तर केवल हाँ अथवा ना हो।
11. व्यक्ति साक्षात्कार 45 मिनट से अधिक न हो।
12. समूह साक्षात्कार दो घंटे से अधिक न हो।
13. प्रत्येक साक्षात्कारक के पास अपनी पुस्तिका में पूछे जाने वाले मुख्य प्रश्नों एवं विषयों की सूची उपलब्ध हो।

## प्रश्न पूछने के लिए साधारण मार्ग निर्देश

- कठिन एवं संवेदनशील प्रश्नों से शुरूआत ना करें उन्हें उपयुक्त समय पर पूछें।
- जवाब देने वाले व्यक्ति के पास शायद प्रश्न का जवाब तुरन्त मौजूद ना हों अतः उसकी इस स्थिति को ध्यान में रखते हुए उसे आराम से जवाब देने में मदद करें। कृपया इस बात का ध्यान रखें कि आपकी बातों को सुनकर व आपके प्रश्नों का जवाब देकर वो आपकी मदद कर रहा हों।
- ध्यान पूर्वक इस बात का निर्णय लें कि आपको भावुक व संवेदनशील प्रश्न पूछने हैं या नहीं।
- अप्रासंगिक प्रश्न ना पूछें एवं धारणाएँ ना रखें।
- उलझन वाले प्रश्न ना पूछें।
- अगर आवश्यक हो तो एक प्रश्न को कई तरह से पूछने का प्रयास करें।
- प्रत्यक्ष एवं अप्रत्यक्ष (सीधे टेढ़े) रूप में प्रश्न पूछें।





## अर्ध रचित (अनौपचारिक) साक्षात्कार के दौरान की जाने वाली सामान्य त्रुटियाँ

1. बारिकी नजदीकी से नही सुनना।
2. जवाब देने वाले को प्रश्न के उत्तर के बारे में मदद करना (उसकी जुबान पर शब्द रखना)
3. असंदर्भित प्रश्न पूछना।
4. असंवेदनशील प्रश्न पूछना।
5. प्रत्येक चीज को मान लेना (उत्तर के सही/गलत को नही पहचानना)
6. जानकारीयों को अत्याधिक सामान्य करना।
7. साक्षात्कार को अधिक लम्बा खीचना।
8. पढ़े लिखे, धनी, बुजुर्ग व पुरूषों की बातों पर ज्यादा विश्वास करना।
9. साक्षात्कारक के विचारों एवं पूर्व निर्धारित धारणाओं के अनुरूप ना आने वाली बातों की उपेक्षा करना
10. पूरी बातों को अपनी पुस्तिका में नही लिखना।

ग्रुप के नियम आमतौर पर नीचे लिखी बातों के बारे में ही बनाये जाते हैं :

- अ. ग्रुप के सदस्यों के अधिकार और कर्तव्य ।
- ब. ग्रुप द्वारा प्रजातांत्रिक तरीकों से काम करना ।
- स. ग्रुप द्वारा प्रतिनिधियों का चुनाव ।
- द. ग्रुप की बैठकों का ब्यौरा रखना ।
- य. सदस्यों द्वारा बचत ।
- र. पैसा रखने के लिये बैंक में खाता ।
- ल. ग्रुप के काम को ठीक तरह से चलाने के लिये दस्तावेज़ ।
- व. सरकारी कार्यक्रमों से सम्बन्ध जोड़ना ।

## कार्य समूह के लक्षण

-  साझा लक्ष्य के अन्तर्गत एकल काम
-  काम के द्वारा सम्बन्ध में सुदृढ़ता
-  समूह का विकास—काम के विकास पर आधारित
-  नेतृत्व क्षमता के आधार पर



समूह के अन्दर सहमति विकसित करने के लिए आवश्यक है, कि

1. कोई भी सदस्य, मात्र अपनी बात पर न अड़े न अपनी बात को मनवाने के जिद ठानें। इसे हार – जीत का मुद्दा न बनाकर, जो भी “उचित” हो उसे ही समूह का सामूहिक निर्णय ठहराये।
2. विचारों में अन्तर, मतभेद या सम्बन्धित भविष्य वाणी को, सहमति प्राप्त करने दिशा में अवरोधक नहीं वरन् सहायक समझें।
3. समस्याओं का सही निदान तभी हो सकता है, जब हरेक सदस्य सुनने और समझने की जिम्मेदारी बरतें। इससे हरेक सदस्य निर्णय प्रक्रिया में अपने को भागीदार मानता है।
4. अगर कोई मतभेद उत्पन्न हो, तो उसे जबर्दस्ती या समय से पहले, बिना बात की तह में गये, मिटाने की भूल न करें।
5. हरेक सदस्य काम की उत्तमता और आंकलन के प्रति जागरुक रहें। काम ठीक न होने पर, चर्चा हेतु तत्पर रहें।
6. सही नतीजे के लिए आवश्यक सूचना, तर्क और भावना का मेल बिठाये।
7. अपनी बात और भावना को तथ्य एवं निर्णय प्रक्रिया द्वारा स्पष्ट करें।

समूह की समस्याएँ

समूह का काम निम्नलिखित समस्याओं से प्रभावित होता है

अ. संवाद की समस्या

ब. आकलन की समस्या

स. नियंत्रण की समस्या

द. निर्णय की समस्या

य. तनाव कम करने की समस्या

र. पुनःजुड़ाव की समस्या

समूह की सुदृढ़ता निम्नलिखित बातों पर निर्भर करती है :—

- ✉ सहभागिता व्दारा स्वामित्व
- ✉ तकनीकी एवं प्रबन्धकीय कार्यों हेतु क्षमता विकास
- ✉ स्पष्ट लाभ एवं प्रभाव

## BE AWARE OF FOLLOWING LIMITATIONS

### *KEY INFORMANT INTERVIEW:*

- ⇒ Samples of informants small
- ⇒ Bias of informants
- ⇒ Lack of confidence in interviewer
- ⇒ Bias of interviewer

### *LARGE & FOCUS GROUP DISCUSSION*

- ⇒ Formal leader / Influential person monopolise the discussions
- ⇒ Formal leader / Influential person direct others to answer according to their preference
- ⇒ Bias of interviewer

**WOMEN EMPOWERMENT**

**NEEDS AND IMPORTANCE FOR DEVELOPMENT**

**OF**

**CRAFT CLUSTERS**

**BY**

**MR.RAJIV I.D.MEHTA, ICA**

**MS.SMITA DIWASE, VAMNICOM**

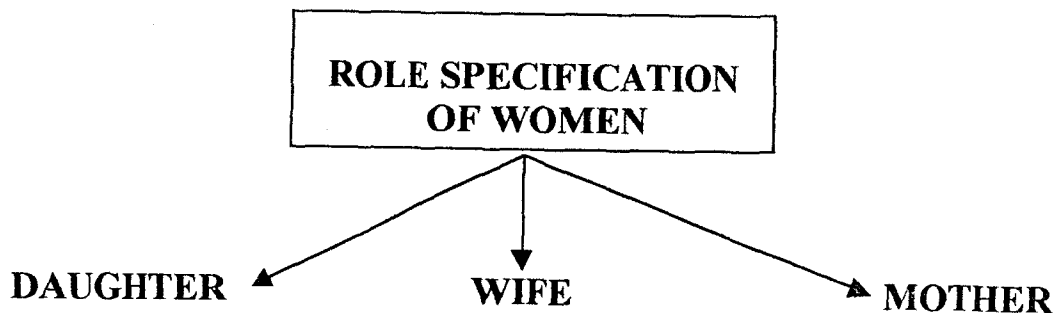
# **EMPOWERMENT OF WOMEN**

**DEVELOPMENT OF WOMEN CAN BE CATEGORISED  
INTO THE THREE PHASES OF**

**LIBERATION  
ENLIGHTENMENT  
EMPOWERMENT**

**PHASE I : LIBERATION**

**EARLY NINETEENTH CENTURY**



**THIS PHASE CHARACTERISED LIBERATION FROM SOCIO-RELIGIOUS PRACTISES SUCH AS CHILD MARRIAGES, SATI, WIDOW REMARRIAGE, ATROCITIES AGAINST THE GIRL CHILD.**

# EMPOWERMENT

**POWER** is a a sense of internal strength and confidence, the right to determine choices in life and the ability to influence.

## *Power from*

Power emanates from within.

## *Power with*

Importance of groups and working together

## *Power to*

Generative or productive power

## *Power Over*

Social processes and decision making that affects our lives

**“ Women Empowerment has been defined as the process by which Women become aware of the power dynamics in their context, develop skills and capabilities for gaining some reasonable control over their lives and exercise this control without infringing upon the rights of others and Support the empowerment of others.”**

**STATIC  
EMPOWERMENT**

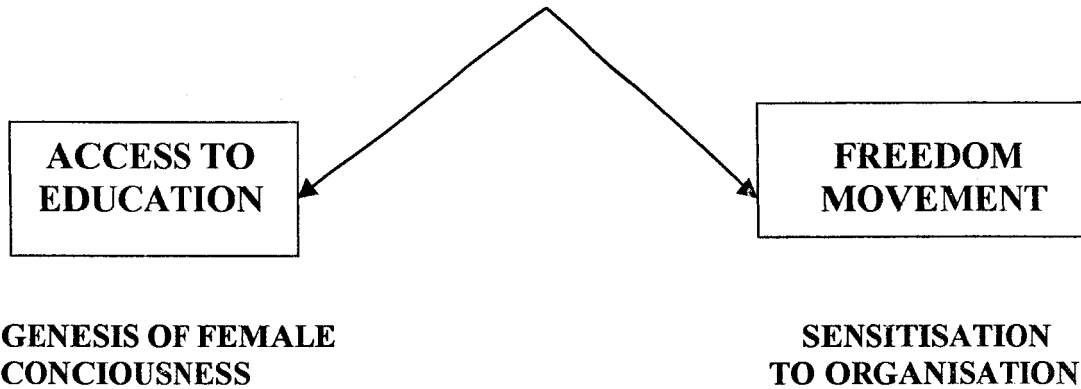
**DYANAMIC  
EMPOWERMENT**

**Women can be empowered  
by external groups  
by or individuals**

**External groups can only  
facilitate empowerment  
creating enabling conditions  
for groups to empower  
themselves.**

**PHASE II**

**ENLIGHTENMENT**



**“ Educate a man, you educate an individual  
Educate a Women, you educate a family”**



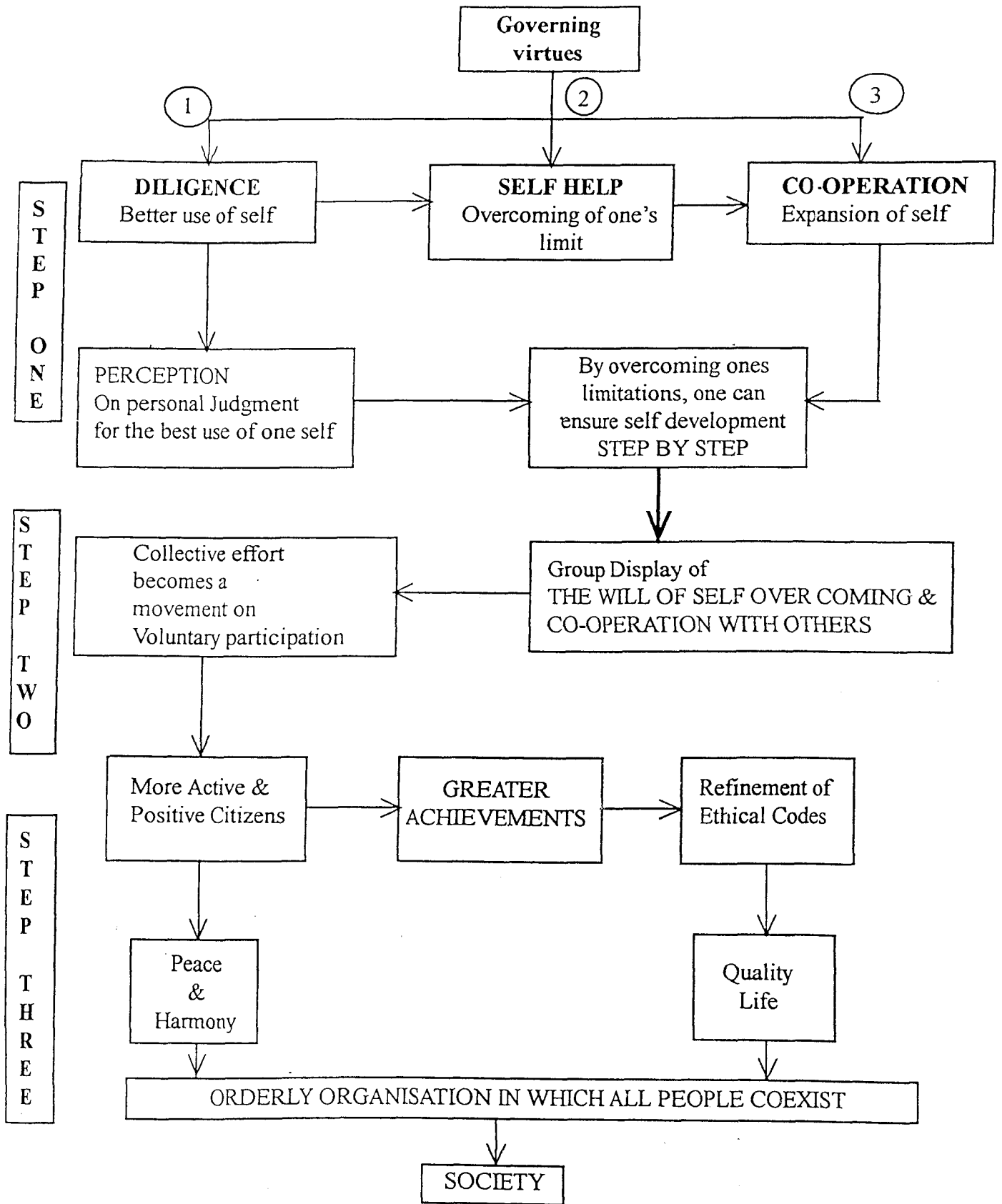
### PHASE III

## TOWARDS EMPOWERMENT

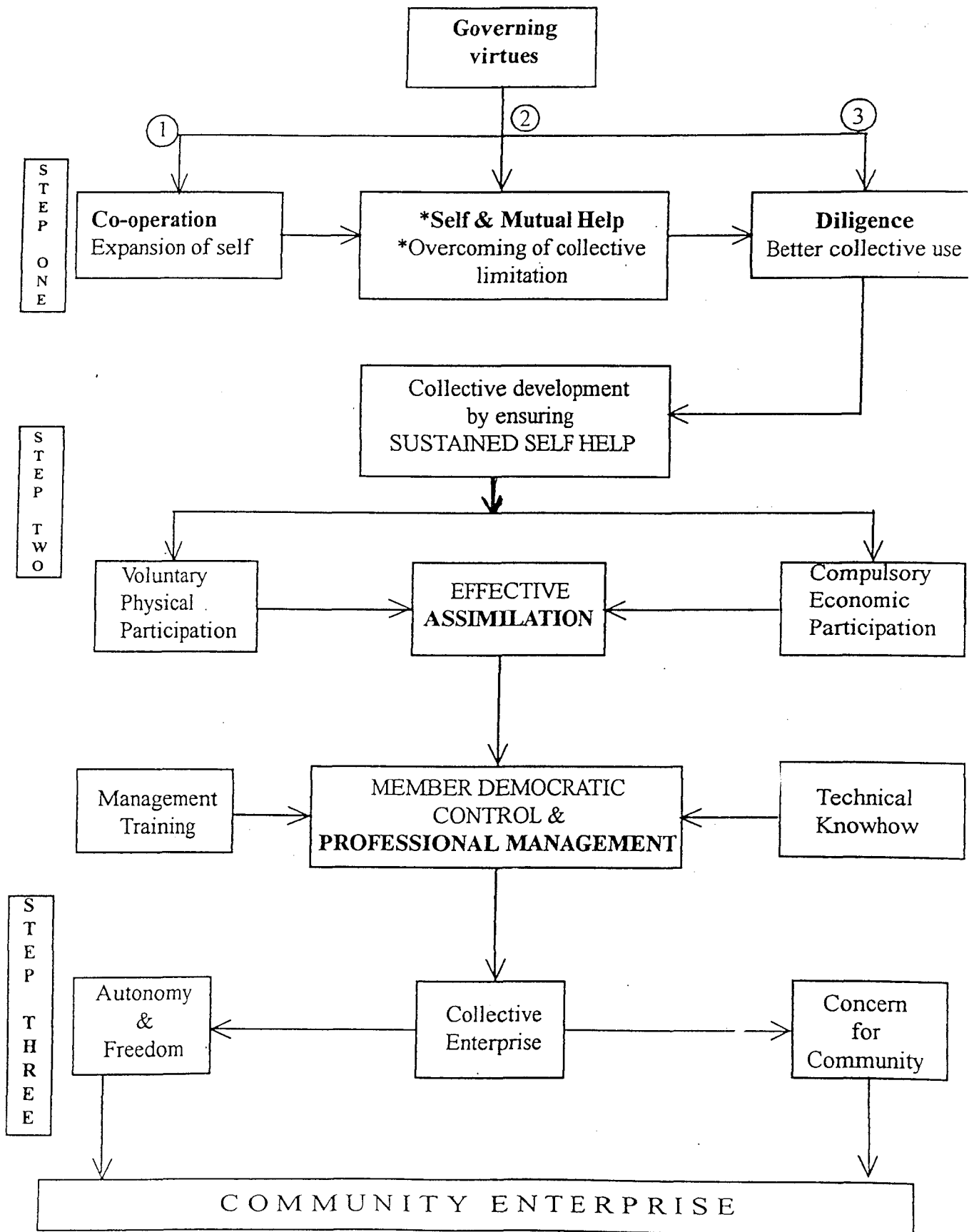


**“ A society that categorically excludes half its members from the process by which it rules itself will be ruled in a way that is less than fully human”**

# Participatory Concept - A Society



# Practical - Participatory Approach - A Community Enterprise



### Why Women Thrift Co-ops?

1. Women work all their lives but have no assets in their name. No savings of their own.
2. They get hardest hit when they age, can no longer put in good day's work, might well have lost their husbands who are older than the women, therefore, have lost some sense of ownership over even the home they live in, and feel vulnerable with their children who now need to support them.
3. The savings, however little, in the years while they work, might serve as social security for them in their old age.
4. The savings ought not to be kept in a bank because :
  - a. the saving in bank would earn a low rate of interest.
  - b. The savings would work for someone else
  - c. At most a woman could have in times of need up to the saved amount

#### **Whereas in a thrift co-op**

- a. Rates of interest on savings and loans would be decided by the women.
- b. From day one, these savings ought to work for them, by being made available to such savers among them who need loans from time to time, as multiple (three times) of their savings, on terms and conditions to be decided by them.
- c. They earn from the interest on the loans (market rate 24% because the money lenders pledge valuables otherwise refuse and in co-op no physical security but social security) and
- d. Surplus being shared / utilised as they ought appropriate.

The size and numbers of loans may grow with growth in savings.

5. All decisions will be made by the members (women savers-cum-borrowers) on democratic basis, based on co-operative philosophy.

(Only Surplus amount to be deposited in Bank)

### **Basic Design of Women's Thrift Co-op**

1. 50 women (members) meet on a fixed day and time each month, each with a monthly savings of Rs. 30 (1 Re a day) in their village.
2. Women bring loan installments and interest payable, too, to the meeting.
3. With the pooled savings and loan installments and interest received, fresh loans are made to eligible members, based on need and group decision, upto 3 times their savings. Loans are made available for petty trade, animal husbandry, home improvement, education, health, consumption etc.
4. All such groups in a village and in neighbouring villages within 5-10 kms radius, form a thrift co-op, with group accounts being merged, with a common identity, common staff, common review meetings, member pass books are update, and further, two sets of records kept of the transactions which take place – one to be retained at the village with the group President and other to be taken to thrift co-op's headquarters.
5. Thrift co-ops charge members 24% interest on loans and pay 12% interest on thrift. They try and give an additional 3% to members at the year end as a bonus on surplus earned.
6. Thrift co-ops are managed democratically, and work on the principles of co-operation ~~founded~~ by International Co-operative Alliance.  
founded

## **Comparative Advantage and Essentials of THRIFT CO-OPERATIVES**

Thrift coops are essentially cooperative financial institutions and therefore, committed by definition to member control and member service. How does this commitment convert to action?

1. The thrift coop is based on mutual aid amongst members, not on external aid. Member identification with the thrift coop is therefore, very high, as it is not perceived as an institution dependent for its survival on external goodwill or finance, but on members goodwill, member's thrift and member's responsible actions.
2. Members do not perceive the thrift coop as a social service or charitable organisation. They see it as their bank, their financial institution. Therefore, their decisions when managing the thrift coop are governed by financial discipline useful to member development rather than by a desire to be of "Public" service.
3. Since all decisions on management are taken by members or their chosen leaders, and since bad decisions could result in their savings being eroded, they tend to be cautious when fixing interest rates, penalties, wages for staff, etc.
4. Membership is voluntary and self-selecting. No external agency is involved in identification of who should be members. Membership cuts across class, caste, religion, depending on local dynamics. Membership can be refused. Mutual trust and the willingness to work with one another is, therefore, one of the foundations of the thrift coop. Withdrawal from membership is permitted, but for subsequent re-admission, the individual may be asked to bring back the amount of thrift withdrawn at time of membership withdrawal.
5. All members must save regularly with the thrift coop, and may borrow when in need. The thrift coop thus ensures that its members gradually increase their financial stake in the organisation and that they are active. The dangers of bogus membership, or large inactive membership which turns up only to till election results, are overcome as a result.
6. Thrift coops, because of their large membership, has a decentralised, democratic decision making set up. Regular thrift and loan business takes place at the village group meeting. In a given village, there can be several such groups. Unutilised funds at the end of these meetings are taken to the headquarters (situated within the same 10 km radius), for use by the

other member groups under the same thrift coop. Presidents of the groups from a representative general body which meets 3-4 times a year, while all the members of all the groups under a thrift coop meet annually once a year. The managing committee consists of 12-15 elected from among the groups presidents, by the representative general body and meets at least once a month. All staff are members as well. This set up provides several opportunities to members to air grievances openly, and to influence the decision making process.

7. Annual reports and accounts are presented in the general meeting and copies given to all members. Minutes books and other records are maintained by staff and leaders as in any organisation.
8. Leaders are taken on study tours to other thrift banks, for vision and team building.
9. The regular meeting at various levels provide a major training ground, common planning and strategising forum, and peer pressure build up. The larger meetings also create a political presence, which proves a major asset in confidence building and in public accountability, but also brings on very quickly external attempts to hijack the process or to subvert it.
10. Audit on an ongoing basis has been another contributor to accountability.

<b>Advantages and disadvantages for members in their dealing with</b>		
<b>A bank</b>	<b>A moneylender</b>	<b>A thrift coop</b>
1. Multiple savings opportunities	No savings opportunities	Initially, only regular thrift opportunity for multiple savings opportunities.
2. Facility to with draw savings in times of need	Not applicable	Thrift withdrawable only on with drawl from membership
3. Low rate of interest on savings	Not applicable	Assured 12% pa interest on thrift plus bonus at year end
4. Schematic loans (often one time loans)	Loans to suit individual needs	Loans to suit individual needs repeated loans possible
5. Small loans discouraged	Small loans available	Larger loans available only after 5-6 years
6. Larger loans (Rs.5000) potentially available	Larger loan available	Larger loan available only after 5-6 years
7. Interest rate on loan reasonable	Interest rate on loan very high	Interest rate on loan quite high
8. Guarantee/hypothecation procedure cumbersome and mystifying	Items of value of utility mortgaged and except in case of immovable property, item inaccessible till loan fully repaid	Items of value or utility "pledged" through simple procedure and items in use and available during period of responsible borrowing
9. Loan to be repaid in installments with interest	Loan to be repaid in lumpsum while interest to be remitted regularly	Loan to be repaid in installments with interest
10. Decisions on payback period, interest rates, installments, and other operating rules, by bank	Decisions on payback period, interest rates, installments and other operating rules, by money lender	Decision on payback period , interest rates in stallments and other operating rules framed through mutual agreement by members
11. Borrower's role that of client	Borrower's role that of client	Borrower's role that of client, owner, director.
12. Bank transactions conducted in a "public" (therefore respectable) place	Moneylender transaction conducted in lender's home resulting in vulnerability in negotiation	Thrift coop transaction conducted in village, in open public place
13. Bank not accountable to clients with regard to its own performance	Moneylender not accountable to clients with regard to own performance	Thrift coop fully accountable to member and dependent on member satisfaction for own progress
14. Confidentiality of transactions maintained	Confidentiality of transactions maintained	Transactions transparent confidentiality not possible (but desirable ?)
15. Bank branch not available in every	Moneylender available in village	Thrift coop services available in village



village		
16. Bank branch open most days	Moneylender available most days	Thrift coop available for transaction only once a month (at least in early stages)
17. Profits not for sharing amongst clients	Profits not for sharing among clients	Surplus for utilisation as decided by members
18. Staff not accountable to clients	Staff not accountable to clients	Staff accountable to clients
19. Unvialable for bank to give large numbers of small loans and take large numbers of small savings on regular basis in a concentrated geographical area	Could give small loans but does not have the infrastructure to deal with large numbers of such loans	Designed to deal with large numbers of small savings and small loans
20. Deposits guaranteed	Not applicable	Deposits not guaranteed
21. Recovery possible legally	Muscle power used for recovery	Social pressure used for recovery
22. Overall recovery rate poor	High recovery rate	High recovery rate (which may change when larger loans are given ?)
23. Multiple financial service offered	Very limited services offered	Limited services offered

**TRAINING NEEDS ASSESSMENT SCHEDULE FOR NGOs**

1. **Name of the NGO :**

2. **Year of establishment :**

3. **Does the NGO undertake thrift and credit activities**

Yes : 1

No : 2

4. **If yes, when did it initiate it (year)?**

5. **Other activities undertaken by the NGO :**

6. **Who are targets of thrift and credit activities :**

Women alone : 1

Men alone : 2

Both men and women : 3

7. **If code the code is 3 for question 6, what is the percentage of men and women clients?**

Percentage

Men

Women

8. **Are the clients organised into groups?**

Yes : 1

No : 2

9. **If yes, what is the average size of the group?**

10. Please provide the following details

Number of groups	
Total number of clients	
Amount of savings	
Amount of loans outstanding	
Amount of loans overdue	
Repayment rate (%)	
Average loan size	
Rate of interest (per annum)	

11. Number and amount of loans disbursed by purpose :

Purpose	Number	Amount
Consumption		
Business / Trade		
Agriculture		
Others (specify)		

12. Total number of staff members involved in thrift and credit activity

	Number
Credit officers (Managers, accountants, etc)	
Field level supervisors	
Others	

13. Number of functionaries engaged in thrift and credit activity?

14. Number of new recruits among them.

15. Profile of new recruits

Position	Age	Sex	Educational Qualification

16. Details of training programmes attended by functionaries attached to the Project

Training programme	Who attended	Conducted by	Duration	Inputs received	Year

17. How does the NGO rate its training capabilities in the following areas ?

	Good	Average	Poor
Group mobilisation and organisation			
Group development			
Conflict Resolution			
Leaders' Training			
Credit Management			
Monitoring f T and C activities			
Any other			

18. What training would the NGO like to impart in their newly recruited functionaries?

Type of Training	For Whom ?

**PREPARATION OF WOMEN**  
**FOR THRIFT & CREDIT ACTIVITIES**

1. **How confident are you in handling money?**  
Confident : 1                      Not confident : 2                      Never handled money : 3
  
2. **Do you know how to count?**                      Yes : 1                      No. : 2
  
3. **Do you go to the market?**                      Yes : 1                      No. : 2
  
4. **If yes, whom do you go with?**  
Alone : 1                      With husband : 2                      with friends : 3
  
5. **If no,**
  - 5.1 Why?
  - 5.2 Who makes the purchases?
  
6. **Where is the market located?**  
Within the village  
Outside the village
  
7. **What does the family usually buy from the market?**  
Food grains  
Vegetables  
Clothes  
Household accessories  
Agricultural implements  
Others
  
8. **Do you pay for the item purchased at the time of the purchase?**  
Yes : 1                      No : 2
  
9. **If no, when do you pay and how?**

**10. How do you manage money**

<b>In times of</b>	<b>How do you manage money?</b>
Food Shortage	
Sickness	
Marriage and festivals	
Shortage of cash to pay wages, buy fertilisers, bring water to the field, pay electricity bill	

**11. What, other than agriculture, can you do to increase your income?**

**12. What do you feel about being part of a group?**

**13. What do you feel about saving Rs. 30 a month?**

**14. Will you save even after the project income stops in the initial phase?**

## WOMEN THRIFT & CREDIT CO-OPERATIVES

### Objectives :

- (a) To inculcate the habit of saving smallest possible amount out of daily expenses.
- (b) To pool the savings(thrift) in order to meet protective loan requirements.
- (c) To earn self respect by sharing the family responsibilities at critical times.
- (d) To augment alternative income resources by setting up a community enterprise.

### Input required :

- (a) Motivation and awareness building exercises (initially setting up a core group of village animators and then organising Self Help Groups of Women artisans for thrift and credit activities).
- (b) Discussions on existing government support for establishing a community enterprise (owned and managed by women) and dovetailing it with women thrift and credit cooperative groups.
- (c) Formalisation of the Women Self Help Groups into thrift and credit co-operative society for attaining body corporate status and starting alternative income generation activities for better self sustainance.
- (d) Discussions with the group members and support agencies to arrive at Alternative Income Generation Activites.
- (e) Finalisation of Thrift and Credit Activity Chart.

### Output Expected :

- (a) Vibrant and viable thrift and credit group of women
- (b) Enhanced levels of understanding about the collective action and community empowerment.
- (c) Improved social status of women artisans due to lesser dependancy on money lenders and husbands to meet their protective consumption needs.
- (d) Better family and village profile due to collective intense involvement of the community.
- (e) Decision on viability of operations and Alternative Income Resources.



## OPTIONS FOR THRIFT & CREDIT ACTIVITY

<u>S.No.</u>	<u>Item</u>	<u>Option A</u>	<u>B</u>	<u>C</u>
(a)	Type of Savings	A regular Saving with fixed amount is essential.		
(b)	Interval of Savings	Weekly at the time of Wage	Monthly Pooling but Saving (from wage) every week or daily	Monthly Pooling but daily Saving from available budget for consumption
(c)	Amount of Savings	Equal to one day wage or on their capacity to save (Lower ceiling necessary but upper ceiling not)	Rs. 20 to 30 out of the wages earned but equal Saving by all	Rs. 1 to 3 daily out of daily expense budget Equal by all (It is really a thrift)
(d)	Withdrawal	After 2 Years of Savings	After attaining minimum thrift amount to meet Production needs of members	Disbursal to members in multiple of their thrift amount with % age coverage as per the multiple adopted. (If 3 times then 33.33% members every month)
(e)	Interest Rate on Savings	Higher than Bank's rate	Higher than the Bank's rate	Higher than Bank's rate

		<u>Option A</u>	<u>B</u>	<u>C</u>
(f)	Interest on loans	Lesser than Bank's rate	Equal to Market rate	Equal to higher limit of market rate
g,	Advantages	Members earn more on interest (deposit) and pay less on loans	Members get more interest on deposits and pay market rate but get rid of lenders' unreasonable conditions.	Members pay higher limit of the market rate charged on loans but this amount remains with group and gives good earning
		Individual can get loan after 2 years to start some income generation activity	A group enterprise could be started after attaining minimum size of the deposit	It helps the group to make use of the thrift to meet their protective loan needs
			No external funding initially	The interest on loans becomes compulsory saving
				Community enterprises started by external support

Vaikunth Mehta  
NATIONAL INSTITUTE OF COOPERATIVE MANGEMENT  
Pune 411 007

WORKSHOP ON SENSITIZATION OF GOVT.OFFICERS ON  
SELF SUSTAINABILITY OF CRAFT CLUSTERS  
IN INDIA ( 25-29 March, 2000)

GROUP I

1. Shri P.K.Khullar
2. " V.K.Mahajan
3. " S.Rammamorthy
4. " B.M.Mishra
5. " Gurumoorthy
6. " Arun Gangal
7. " Ajit Singh
8. " Mahavir Parshad

b) - 'C'

- Savings from daily expense budget shall be convenient and shall inculcate a consistent habit and responsibility in the members.
- Shall leave flexibility with the members to the monthly savings target after satisfying the <sup>var</sup> competing & conflicting needs of the members.

(c) - 'B'

- Fixed amount equal savings shall give a feeling of 'growing together' to the members.
- shall not develop a sense of disparity among the members.

d) - 'B' mutually

- a monthly agreed minimum thrift amount shall lead to building confidence of the members.
- members shall get time to plan for effective and productive deployment of the accumulated thrift amount.
- withdrawals being based on member's and Group's needs, shall lead to proper utilisation of funds.

(e) - 'B'

- Shall keep the members attracted and motivated to save
- the accrued interest shall remain with the member.

(f) - 'B'

- there shall be no opportunity of other lenders luring the members of the group.
- the interest paid shall remain with the group contributing towards the total capital base of the thrift amount, which when re-deployed in productive use, shall yield income for the group.

(g) - 'B'

GROUP II

1. Shri K.Panchaksharam
2. " S.K.Jana
3. " H.K.Sharma
4. " A.T.Meshram
5. " P.P.Saxena
6. " K.S.Rathor
7. " S.A.Razak

## Group - II

<u>S.No</u>	<u>Issue</u>	<u>Option</u>	<u>Reasons</u>
a)	Type of Saving	'c'	—
b)	Interval of Savings	'c'	<ul style="list-style-type: none"><li>- Daily saving is easy.</li><li>- It creates habit of savings.</li></ul>
c)	Amount of Saving	'c'	<ul style="list-style-type: none"><li>- Re 1/- p. day</li><li>- Equal savings by all members</li></ul>
d)	Withdrawal	'c'	<ul style="list-style-type: none"><li>- It may help member to meet expenditure on immediate requirement even at initial stage.</li><li>- It increases mutual confidence and commitment.</li></ul>
e)	Interest rate on saving	—	—

f) Interest on loan

'c'

- This amount remains with group and give good earning.

\* - To discourage members for taking loans and inculcate the habit of savings.

- Amount accumulated can be used for protective purpose.

g) Advantages

'c'

\*

- Supportive
- Protective / Productive
- Attractive for external support



GROUP - III

1. Shri P.K.Paliwal
2. " V.P.Thakur
3. " S.N.Singh
4. " A.K.Agnihotri
5. " Sant Lal
6. Smt. Shashi Bala
7. " I.G.Kaware
8. " S.Z.Hussain

(EM)

OPTION

'C'

(b)

1. IT CO-RELATE TO THE ACTIVITY OF THREAT & CREDIT & TARGET INCOME GROUP - CONTINUITY, ILLITERACY FACTOR TAKEN CARE OF.

III - 4116

'C'

(c)

THE HOMOGENEITY OF THE GROUP IS ENSURED, IT IS A ROUTINE ACTIVITY

'c'

(d)

THE PROTECTIVE NEEDS ARE COVERED THAT ENHANCE THE COHESIVENESS OF THE GROUP THAT LEADS TO THEIR PRODUCTIVE NEEDS

- THE FAITH & CONFIDENCE INCREASED OF THE MEMBERS AS THERE IS RETURN ON INVESTMENT

NO INTEREST ON SAVINGS BE GIVEN AS THE POSSIBILITY OF DISINTERESTED MEMBERS LEADING TO INHOMOGENEITY IN THE GROUP IS MORE

'C'

RECOVERY IS FAST. INTENTION IS TO REPAY; AMT. CAN BE USED BETTER PRODUCTIVE PURPOSE. BONUS & SURPLUS AT THE YEAR END.

'C' - Group Dynamics Starts Quickly, Social Needs are catered.

1977

**OPTIONS TO MEET CAPITAL NEEDS  
WAYS TO**

**STRENGTHEN CAPITAL BASE**

**WITH RESPECT TO COOPERATIVE**

**BY**

**MR.B.D.SHARMA,  
ICA, NEW DELHI**

I.L.O. REPORT ON "HANDICRAFTS  
AND SMALL SCALE INDUSTRIES IN  
ASIAN COUNTRIES REPORTED  
"IT WOULD BE DESIRABLE IN  
ENCOURAGING HANDICRAFT  
PERSONS TO FOSTER THEIR  
ASSOCIATIONS ON COOP. LINES  
THEREBY ENABLING THEMSELVES  
JOINTLY TO CONTROL THE ORGN.  
AND TO AVOID THE RISK OF  
EXPLOITATION".

WORKING GROUP ON 6TH 5 YR. PLAN  
"COOP. IMPORTANT FORM OF ORGN.  
WHICH CAN HELP POOR CRAFTSMEN  
IN GETTING THE BENEFIT THAT  
SHOULD FLOW TO THEM. COOPS.  
HAVE TO BE BUILT ON SOUND LINES.  
THERE SHOULD BE COOPS. OF  
CRAFTPERSONS, FOR CRAFTPERSONS  
AND BY CRAFTPERSONS".

# PROBLEMS OF HANDICRAFTS COOPS.

## 4 FUNCTIONAL AREAS:

### 1. PRODUCTION:

- PRODUCTS, DESIGN, ETC.
- EQUIPMENTS
- RAW MATERIAL
- PRODUCTION TECHNIQUE/
- WORK PLACE, STORAGE <sup>SKILL</sup> FACILITY ETC.
- QUALITY LACKING

### 2. FINANCE

- LACK OF CREDIT
- SHORTAGE OF FINANCE
- ECONOMICALLY NOT VIABLE
- TRADE CREDIT NOT AVAILABLE.
- CONSUMPTION CREDIT NOT AVAILABLE.
- FINANCIAL IRREGULARITIES.

### 3. MARKETING:

- BIGGEST PROBLEM - COMPETITION
- MARKETING STRATEGY MIX
- PRICE SENSITIVE CUSTOMER
- DISTRIBUTION OUTLETS NEEDED.
- PUBLICITY LACKING AND ADVERTISEMENT UNAFFORDABLE.
- MACHINE MADE GOODS CHEAP
- EXHIBITIONS AND FAIRS MAIN SALES POINTS.
- NOT ABLE TO PARTICIPATE DUE TO FINANCIAL AND PERSONAL PROBLEMS.

#### 4. PERSONNEL

- FINANCIALLY NOT AFFORDABLE.
- UNWILLINGNESS
- QUALIFIED AND EXPERIENCED PEOPLE NOT AFFORDABLE.
- SKILL UPGRADATION SLOW.
  
- HANDICRAFTS PERSONS ILLITERATE SO NOT ABLE TO ABSORB MODERN MANAGEMENT METHODS
- MEMBERS DISLOYAL
- LACK OF MANAGERIAL TRAINING.
- LACK OF LEADERSHIP.
- LACK OF COOP. KNOWLEDGE.

#### 5. OTHERS :

- DUPLICATION OF COOPS.
- COOP. DEPARTMENT - VERY MEAGRE ROLE (REG. No).
- LACK OF LIAISONING WITH OTHER ORGANISATIONS.
- VESTED INTERESTS.

# COMPETENCIES TO DEAL WITH PEOPLE

## A PERSONAL COMPETENCE:

### 1. SELF AWARENESS —

INTERNAL INTUITIONS; SELF  
CONFIDENCE

### 2. SELF REGULATION —

ADAPTABILITY; INNOVATION

### 3. MOTIVATION —

INITIATIVE; OPTIMISM;  
ACHIEVEMENT DRIVE.

## 3. SOCIAL COMPETENCE.

(HANDLING RELATIONSHIPS)

### 1. EMPATHY — CONCERN FOR OTHERS

### 2. SOCIAL SKILLS —

PERSUASIONS; CONFLICT  
MANAGEMENT; LEADERSHIP;  
CHANGE CATALYST; BONDING  
WORKING WITH OTHERS



## WHAT IS A COOPERATIVE ?

JOINTLY OWNED BUSINESS ENTERPRISE AND DEMOCRATICALLY CONTROLLED BY THEIR MEMBERS TO MEET THEIR SHARED ECONOMIC, SOCIAL, CULTURAL NEEDS AND ASPIRATIONS

VALUES : SELF HELP, MUTUAL HELP, SELF RESPONSIBILITY, DEMOCRACY, EQUALITY, EQUITY, SOLIDARITY

PRINCIPLES :

VOLUNTARY & OPEN MEMBERSHIP  
DEMOCRATIC MEMBER CONTROL  
MEMBER ECONOMIC PARTICIPATION  
AUTONOMY & INDEPENDENCE  
EDUCATION, TRAINING & INFORMATION  
COOPERATION AMONG COOPERATIVES  
CONCERN FOR COMMUNITY

# CHOOSING AN APPROPRIATE INSTITUTIONAL FRAME

III

TYPE	STRENGTHS	WEAKNESSES	OPPORTUNITIES	THREATS
SELF-HELP GROUPS				
NGO-SPONSORED & CONTROLLED				
COOPS				
GOVT SPONSORED PRIVATE				
SECTOR- SPONSORED.				

# OPTIONS TO MEET CAPITAL NEEDS IV

## CONTEXTS :

1. CRAFT CLUSTERS—  
INDIVIDUAL ARTISANS OR  
INSTITUTIONS
  
2. CHARACTERISTICS OF  
ARTISANS/CRAFTSMEN.
  - A SKILLED WORKER
  - AN ENTREPRENEUR
  - A CONSUMER
  - A SOCIAL BEING
  - POOR
  
3. ENVIRONMENT
  - MARKET ORIENTED
  - COMPETITIVE
  - EXPLOITATIVE

# SUCCESS OF ENTERPRISE DEPENDS ON:

- MARKET LINKAGES
- TECHNOLOGY
- RESOURCES
- MANAGEMENT

NEED ANALYSIS MUST PRECEDE  
THE CHOICE OF OPTIONS

## OPTIONS:

### I. INTERNAL FINANCE

- OWN RESOURCES
- SHARE CAPITAL
- RETAINED EARNINGS
- DEPOSITS
- DEFERRED PAYMENT SYSTEMS

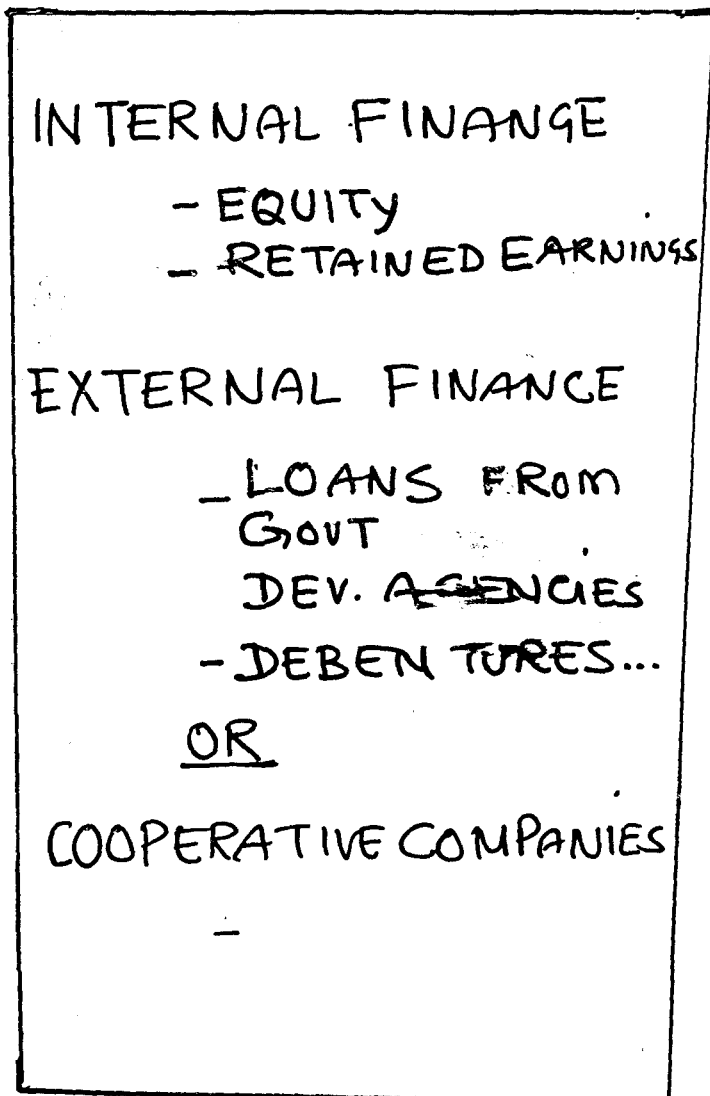
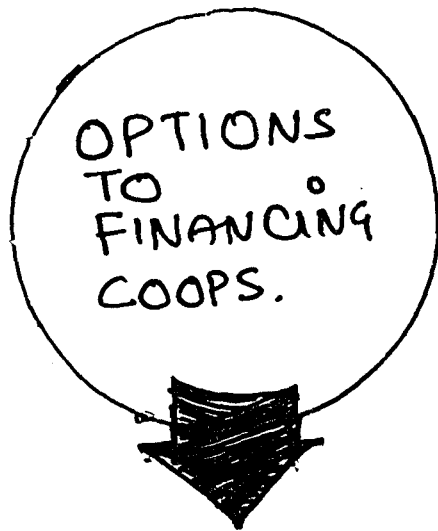
### II. EXTERNAL FINANCE:

- LOANS; DEBENTURES; MUTUAL FUNDS; DEPOSITS; VENTURE CAPITAL; FRANCHISING

### III. REVOLVING FUND

### IV. MICRO-FINANCE

### V. STRATEGIC ALLIANCE



## INTERNAL FINANCE

- ★ MEMBERS SHARE CAPITAL
- ★ NON WITHDRAWABLE RESERVES
- ★ WITHDRAWABLE RESERVES
- ★ NON WITHDRAWABLE DEPOSITS and
- ★ WITHDRAWABLE DEPOSITS

## WHY INTERNAL FINANCING ?

### KEY ISSUES

- ★ ABILITY TO RAISE LONGTERM / STF
- ★ REASONABLE COST OF CAPITAL
- ★ SOUND CAPITAL STRUCTURE
- ★ PROPER ALIGNMENT BETWEEN BENEFITS & FINANCIAL RISK

**Major Constraints in Raising Capital**

- ★ **GOVERNMENTS' ATTITUDE**
- ★ **COOPERATIVES AS GOVT. INSTRUMENT**
- ★ **LOW RETURN ON CAPITAL**
- ★ **POOR MEMBERS AWARENESS**
- ★ **EXCESSIVE GOVT. CONTROL**

## **Financial Engagement of Govt. in Cooperatives**

- **NABARD REFINANCE AGRI. COOPS.**
- **GOVT. PARTICIPATION IN SHARE CAPITAL**
- **NCDC**
- **NDDB**
- **IDBI**
- **IFCI**
- **WORKING SUPPORT BY GOVT.**



**Nature of Governments' Financial Engagement**

- **LOANS AT CONCESSIONAL RATE OF INTEREST**
- **GRANTS AND SUBSIDIES**
- **CONTRIBUTION TOWARDS SHARE CAPITAL**
- **STANDING GUARANTEES FOR LOANS**
- **TAX EXEMPTION AND CONCESSION**

## WHY COOPERATIVES HAVE POOR INTERNAL FINANCING

- ★ BLURRED ORGANISATIONAL OBJECTIVES  
ECONOMIC OR SOCIAL
- ★ INCOME TAX ACT
- ★ DIVIDEND DISTRIBUTION
- ★ COOPERATIVE SOCIETIES' ACT
- ★ RESTRICTIVE MEMBERSHIP

## HIGH POWER COMMITTEE RECOMMENDATIONS

- ★ NON MEMBERS SHARE CAPITAL  
PREFERENCE SHARES  
STAKE HOLDERS (DUTCH EXPERIENCE)
- ★ ACCEPTANCE OF DEPOSITS
- ★ FLOTATION OF DEBENTURES
- ★ MUTUAL FUND

## OTHER OPTIONS (IRMA STUDY)

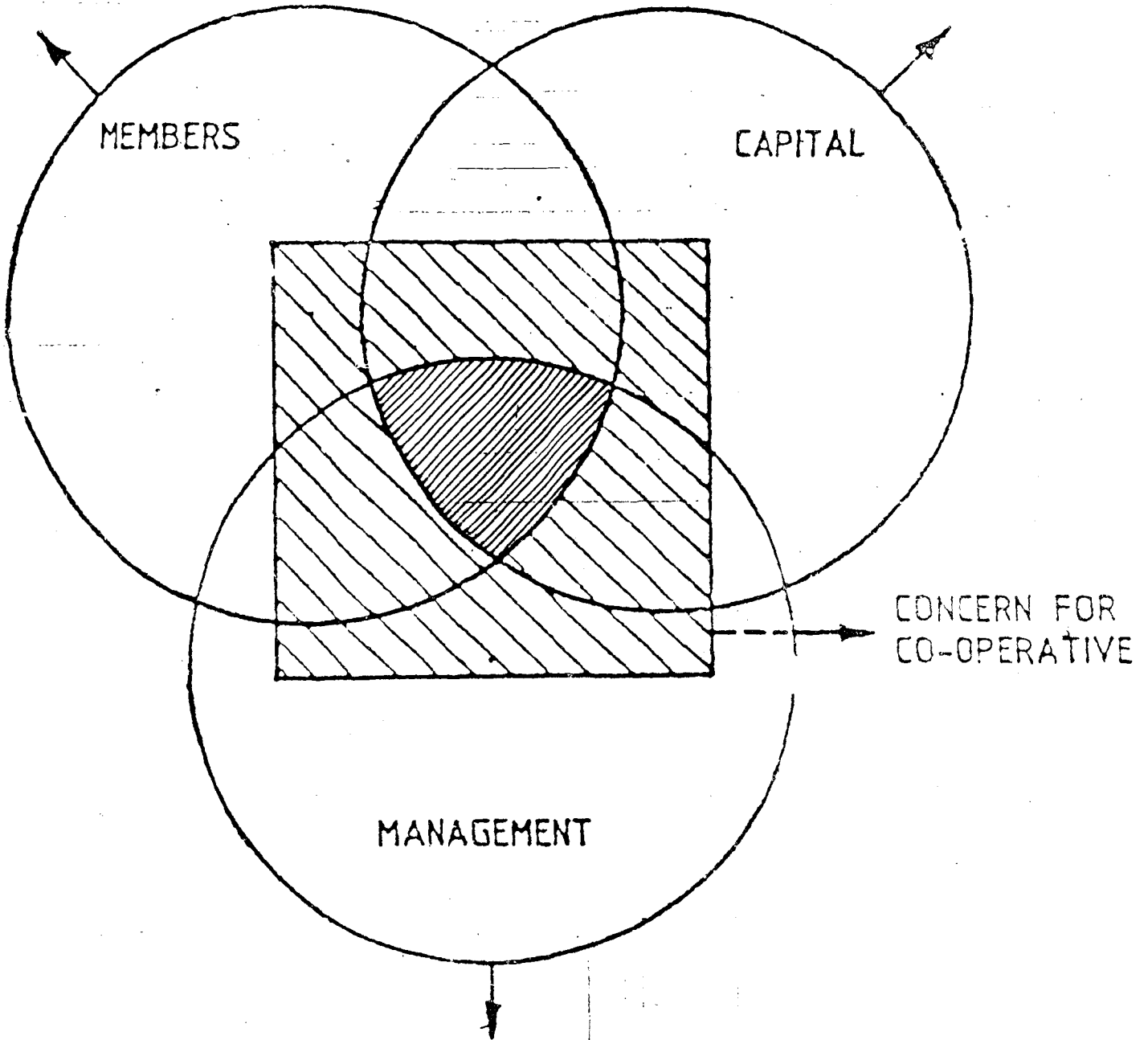
- ★ VENTURE CAPITAL
- ★ FRANCHISING (APEX)
- ★ NEW ENTRANTS

## **Alternatives in Capital Formation**

- ⇒ **ENHANCING SHARE CONTRIBUTION BY MEMBERS**
- ⇒ **SELLING QAUSI SHARES TO EXTERNAL SOURCE**
- ⇒ **PAY HIGHER INTEREST**
- ⇒ **CHANGE SHARE VALUES**
- ⇒ **INDIVIDUALISED CAPITAL**
- ⇒ **COOPERATIVE SUBSIDIARIES**

CONCERN FOR  
BENEFITS

CONCERN FOR  
RECOVERY &  
CONTROL



MEMBERS

CAPITAL

MANAGEMENT

CONCERN FOR  
CO-OPERATIVE

CONCERN FOR LIFE-TIME INCOME



ENTITY DISSONANCE

MANAGEMENT PRACTICES OF COOPERATIVES  
IN JAPAN AND SOUTH KOREA

Among the countries on the Asian Continent, the countries of the Orient viz., Japan, South Korea and China have developed unique management practices for their cooperatives and as a result of these practices, have achieved remarkable successes in their operations:

The basic concept adopted by these countries is that of the Multi-purpose Cooperatives.

These multi-purpose cooperatives have developed integrated services, through a single organisation, taking into consideration the entire farm household requirements, family needs and other socio-economic needs of members and their families.

Advance planning is the key to organise inputs and services for the cooperative members. Planning is the basis of their operational plans for future.

Each household is also helped in preparing a separate plan for farming, inputs, marketing, education, housing and leisure.

The assets of each household are taking into consideration along with the available manpower and the liquid resources while preparing the income plan for them.

The farm and technical advisers help the cooperative members in planning his production, which includes small industries in certain areas, on the basis of his resources and manpower. Various combinations are offered in planning such operations.

Surplus manpower in the rural household is advised to take-up employment in neighbourhood industries to complement the farm income.

In consumer cooperatives, the emphasis is on backward integration of services through production and processing of products required for consumer outlets in order to give a maximum benefit of quality products at reasonable prices.

In industrial cooperatives, the emphasis is on procurement of raw material which is locally available and the focal point is the traditional art and craft of the area. This helps in the preservation of local tradition of producing silk, handicrafts and products like hand-made paper.

Continuous innovations and upgrading of services of cooperatives is ably supported by members by participating in cooperative activities throughout the year.

M.V. Madane

**FIELD VISIT**

**PREPARATIONS**

**BY**

**PROF.K.DINKAR RAO, NIBM**

**MR.RAJIV I.D.MEHTA, ICA**

## स्व-सहायता समूह के प्रशिक्षण कार्यक्रम का विवरण

● लक्ष्य समूह	—	स्व-सहायता समूह के सदस्य
● अवधि	—	तीन दिवस
● प्रशिक्षण का आयोजन	—	ग्राम पंचायत/समूह क्षेत्रीयवार
● प्रतिभागियों का विवरण		
● समूहों की संख्या	—	तीन समूह के सदस्य (अधिकतम)
● समूह सदस्य	—	25
● अन्य (उत्प्रेरक)	—	5
योग		30 सदस्य

समूह सदस्यों का प्रशिक्षण कार्यक्रम

दिन पहला  (कुल 5 घंटे)	कार्यक्रम की शुरुआत	प्रतिभागियों का परिचय	प्रशिक्षण से अपेक्षाएँ?	गाँव में महिला/पुरुष की दिनचर्या
	15 मिनट	1 ¼ घंटा	½ घंटा	1 घंटा
	गाँव के विकास हेतु शासन से उपलब्ध सुविधायें, किनके लिये एवं उपयोग?		शासकीय/अशासकीय व जनप्रतिनिधियों से संबंधों की जानकारी	
	1 घंटा		1 घंटा	
दूसरा दिन  (कुल 5½ घंटे)	गरीब कौन है?	गरीब कर्ज क्यों लेते हैं?	स्व सहायता समूह क्या है?	समूह क्यों?
	45 मिनट	45 मिनट	1 घंटा	½ घंटा
	बचत कैसे एवं समूह में बचत करने के फायदे		समूह नेता कैसा हो?	समूह की बैठकें कैसी हो?
	½ घंटा		1 घंटा	1 घंटा
दिन तीसरा  (कुल 4 घंटे)	स्व सहायता समूहों को सामाजिक मुद्दे के प्रति जागरूकता		समूह में रखे जाने वाले रिकार्ड्स	पूरे प्रशिक्षण कार्यक्रम को दोहराना एवं समापन
	1 ½ घंटा		1 ½ घंटा	1 घंटा



## असंगठित क्षेत्र की ग्रामीण निर्धन महिलाओं की ऋण संबंधी आवश्यकताएँ एवं दिक्कतें

1. छोटी-छोटी जरूरतों के लिए पुरुषों पर निर्भर।
2. पर्दा प्रथा।
3. निरक्षरता।
4. पति ने पहले से कर्ज ले रखा है।
5. घरेलू कार्य का बोझ।
6. बैंक जाने से घबराती है।
7. साहूकार/महाजन आसानी से उपलब्ध हो जाता है।
8. आत्म विश्वास की कमी।
9. अभिव्यक्ति की कमी।
10. निर्णय लेने की स्वतंत्रता नहीं होना।
11. बैंक की प्रक्रिया जटिल होना।
12. उपभोक्ता ऋण बैंक से प्राप्त नहीं होते हैं।
13. बैंक पास नहीं है।
14. बैंकर्स गाँव में नहीं आते हैं।

## स्व-सहायता समूह (सेल्फ हेल्प ग्रुप) SHG बचत एवं साख समूह (थ्रिफ्ट एण्ड क्रेडिट ग्रुप)

### क्या ?

1. स्व-सहायता समूह 15-20 महिलाओं का समूह है,
2. एक समान लक्ष्य के लिए इकट्ठे होते हैं,
3. उन महिलाओं की सामाजिक आर्थिक स्थिति लगभग समान होती है।

### क्यों ?

1. महिलाओं में संगठन हेतु,
2. ग्रामीणों में फैले शोषण को हटाने हेतु,
3. ग्रामीण महिलाओं में आत्मविश्वास पैदा करने हेतु,
4. ग्रामीण महिलाओं को आर्थिक रूप से आत्म निर्भर बनाने हेतु।

### लक्ष्य समूह ?

ग्रामीण क्षेत्र की निर्धन महिलाएँ। इसमें:

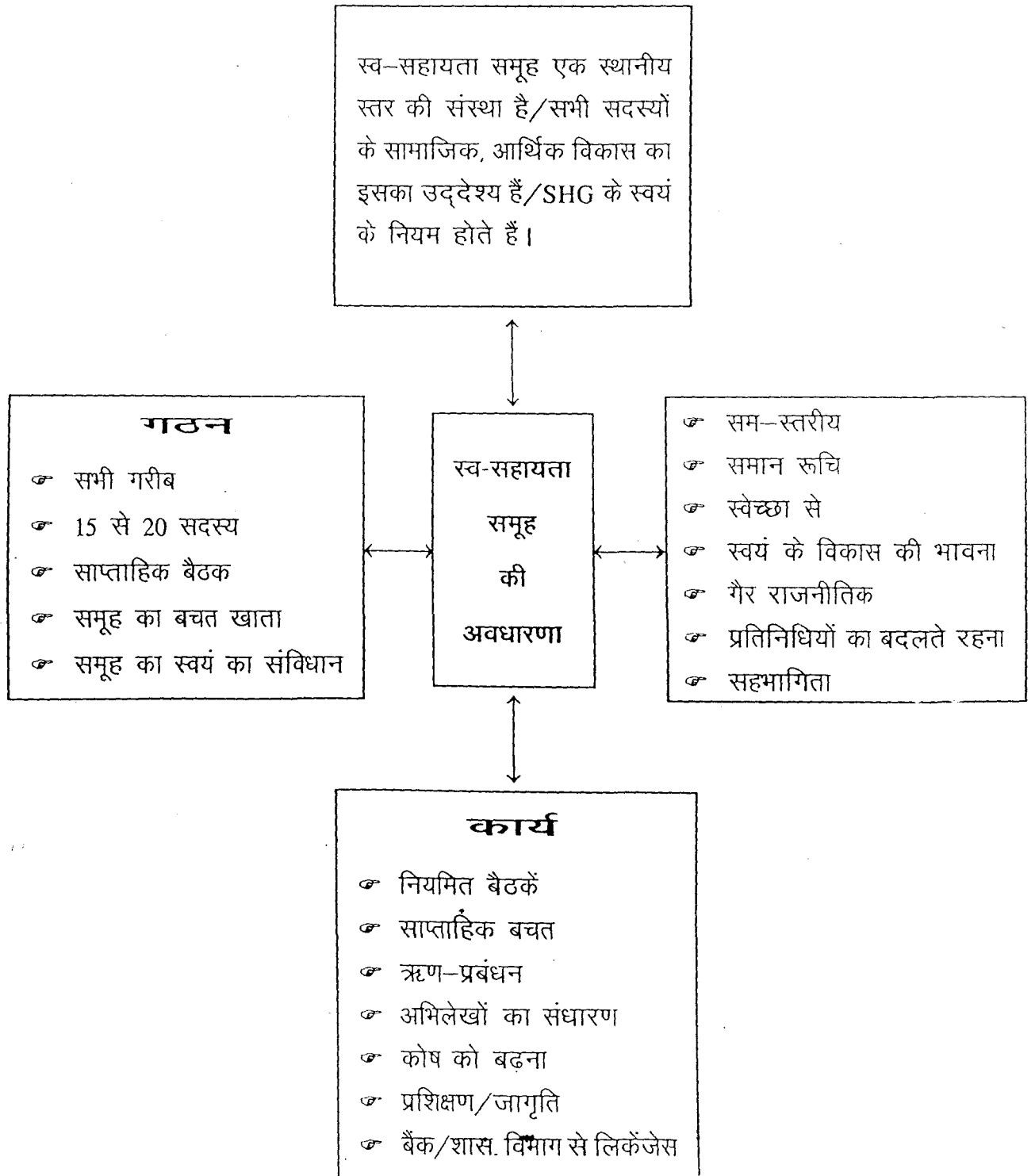
1. भूमिहीन परिवारों की कृषि श्रमिक महिलाएँ,
2. सीमान्त कृषक परिवारों की महिलाएँ,
3. ग्रामीण शिल्पी परिवारों की महिलाएँ,
4. लघु व्यवसायी महिलाएँ।

(परिवार की वार्षिक आय अधिकतम 11,000/-)

# स्व-सहायता समूह

स्व-सहायता समूह क्या है?

स्व-सहायता समूह गरीब लोगों का समूह है। जिनका एक उद्देश्य होता है। वे अपनी समस्याओं पर चर्चा करते हैं और सभी सदस्यों की सहभागिता से निर्णय लेते हैं।



## Gramin Mahila va Balak Vikas Mandal, Pune

C/o. Gramin Vikas Kendra, Bank of Maharashtra  
7/A-2, 'Janmangal', Hadapsar Industrial Estate  
Pune 411 013, ( Maharashtra)  
Tel : 670 815

Dear Friends,

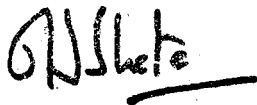
Gramin Mahila va Balak Vikas Mandal (GMBVM) is a Trust registered under the Bombay Public Trust Act, 1950. Founded in 1989, its emergence relates to implementation of the scheme : Development of Women and Children in Rural Areas (DWCRA). The scheme was implemented under the sponsorship of UNICEF. In the true spirit of DWCRA, as envisaged by UNICEF, our Trust visualized women as mothers - a vehicle for bringing succour to children through better living standard, health and education. In order to strengthen women, the GMBVM initiated income generating activities for them. By organizing women and propagating self reliant methods, health and education facilities have also been improved simultaneously.

With the launching of the International Fund for Agricultural Development (IFAD) supported credit linked development intervention : Maharashtra Rural Credit Project (MRCP) initially in 4 districts of Maharashtra in 1994 and extended to 6 more in 1998, GMBVM became one of the most important Non-Government Organizations (NGOs) to assume the responsibility for spreading self-help culture in thrift and credit among the Below the Poverty Line (BPL) women in Pune district. Presently, GMBVM has formed 104 Self-Help Groups (SHGs) in the district. Of these, 50 have been linked with banks, and their members have started various income generating activities, which come under micro finance.

Like the UNICEF aid enjoyed between 1986 and 1990, IFAD support would come to an end in 2001. We at GMBVM feel the trust should gradually become self-reliant not only to sustain the existing women groups but enlarge the coverage to empower them for greater participation in the development process. Needless to state the working of GMBVM would require continuance of its committed cadre and increase their number. We are endeavouring herewith to expand our corpus so as to enable ourselves to maintain our staff to work with the same vigour. In this context, we solicit your generosity to contribute your mite. We are covered under 80 G and therefore any donation to us would enjoy tax concession.

We look forward to your joining us in this noble cause of social development.

Yours sincerely



N.B. Shete  
Chairman

**Secret Behind Sheer Joy**

**Gramin Mahila va Balak Vikas Mandal, Pune**

C/o. Gramin Vikas Kendra, Bank of Maharashtra  
7/A-2, 'Janmangal', Hadapsar Industrial Estate  
Pune 411 013, ( Maharashtra)  
Tel : 670 815

## ***Secret Behind Sheer Joy***

### **Gramin Mahila va Balak Vikas Mandal, Pune**

#### **Preamble**

No more dependence, no more doles for every small need. Self-reliance and confidence is an invaluable asset for future generations, and the secret of a happy family.

In India the man is treated as the head of the family, whereas the woman has a secondary status. Earning and providing security have always been the responsibility of the man whereas a woman's role is confined to the kitchen and bearing children.

During the last 50 years, there has been some degree of change in the urban areas in regard to male dominance. Yet in the rural areas the male influence remains prominent. Thus women in the rural areas did not get the opportunities to contribute their best to development process, rendering their potential largely unutilized. Since women remained unnoticed, rural development was also adversely affected.

For the improvement of health, education, social status, and for increasing job opportunities of the rural women and children, in the year 1987 Bank of Maharashtra (BOM) and National Institute of Bank Management (NIBM), Pune started work in 17 villages in Velhe taluka of Pune district.

#### **Establishment of the Mandal**

Five women Below the Poverty Line (BPL) of Velhe taluka inspired and helped by BOM and NIBM, established the Gramin Mahila va Balak Vikas Mandal (GMBVM) in January 27, 1989.

High ranking officials of BOM and faculty of NIBM, interested in social work, have been part of the organisation since the beginning. BOM's Maharashtra Executor and Trustee Co. Ltd. is managing the trust and their representative is an active member of GMBVM.

For the smooth functioning of GMBVM, the bank has provided the infrastructure and facilities available in its Rural Development Centres (RDCs) at Hadapsar and Bhigwan. Besides the above, the bank has also assigned the services of the designated agricultural officers, women officers and technical staff, to GMBVM without cost.

Coordinator of RDC, Hadapsar acts as the secretary of the trust. One of the dedicated Professors of NIBM is the Chairman of the trust. The Mandal has also appointed women project workers as per the project requirement.

The trust started functioning with a UNICEF sponsored scheme : Development of Women and Children in Rural Areas. In subsequent years, it has been implementing, International Fund of Agricultural Development (IFAD) assisted by Maharashtra Rural Credit Project (MRCP) coordinated by the Government of Maharashtra and the National Bank for Agriculture and Rural Development.

#### ***Review of Progress***

The Mandal is trying to work towards the overall upliftment of the rural women in

the areas of health, education, organization, environment, income generation and self-reliance.

### **Health**

Complete medical check-up including blood - testing of 542 women and 1728 children of 17 villages has been carried out. To maintain overall hygiene and cleanliness women of 40 villages were influenced and encouraged to build toilets in their houses.

### **Literacy Drive**

In 7 villages kindergartens for small children were started. 1234 women of 17 villages have been covered under adult education.

### **Environment**

In 19 villages, 6789 trees have been planted to provide environmental balance.

To maintain cleanliness, about 87 Soak Pits have been provided in 7 villages. To control pollution and the prevent cutting of trees, about 567 smokeless chulla and 23 solar cookers have been distributed.

### **Income Generation**

By tapping the latent potential of rural women, and by organizing them, group economic activities such as : making of umbrellas, petticoats, pickles, files, chalks, woolen clothes, hosiery and leather articles were started. In this context, they were also helped in procurement of raw materials and marketing of their products. Thanks to these efforts, 203 women from 17 villages have improved their incomes and living standards. In Velhe, Savitribai Phule Mahila Audyogik Sahakari Sanstha has been established.

### **Development through Self-reliance**

Since 1993, GMBVM has been associated with IFAD sponsored MRCP, a credit linked development programme, implemented in 6 talukas of Pune district.

Even though the villagers have few requirements, they are always in dire needs. These are often met through credit from greedy money-lenders, who charge usurious interest rates. To counter this situation, 2759 women living below the poverty line from 37 villages were enlightened about the importance of savings. Homogeneous groups of 15-20 women were initiated to practice thrift and credit. In this process, 104 women Self-Help Groups (SHGs) having 1957 members were formed in 30 villages. The savings of these women have been gradually increasing. They have managed to save Rs. 10,68,320 at the nearest Bank. On the basis of these savings, these poor women have taken loans of Rs. 8 lakhs to start various economic activities : bangal selling, chappal selling, stationery, cutlery, stove repairing, popcorn, vermicelli, animal husbandry, rationing shop, etc. 24 of these groups have taken bank loans twice.

Group leaders are given training in organization, leadership, health, cleanliness, etc. For the welfare of the village, a Village Development Committee (VDC) has been established.

The VDC initiates necessary action for social activities as per need such as water supply, road construction, well-digging, opening up of nursery schools, starting of ST buses etc. It also purviews identification of credit needs of the village, preparing a plan, and identifying the needy and eligible individuals for loans, and ensuring their recovery.

The GMBVM has been functioning for the last 10 years.

### **Our Future Plans**

- To provide training and guidance to DWCRA projects
- Hold exhibitions and fairs to market goods made by rural women
- Open shops at the district level to sell the goods produced by rural women
- Counsel distressed women in the villages
- Participate actively in the schemes of the Central Government and State Government like  
Adivasi Women Development Scheme  
Indira Mahila Vikas Yojana  
Kishori Vikas Jojana
- Develop personality of the rural women, improve employment opportunities and provide necessary training.

### **Humble Request**

The work and responsibilities of the Mandal are increasing. With your financial assistance, the Mandal will be able to work more efficiently and effectively.

We are requesting you to donate generously to the GMBV Mandal.

Donations to GMBVM are covered under 80 G of the Income Tax Act and enjoy tax concessions.

With this contribution you would be helping the poor rural women and their children to be better educated, financially independent and have a fuller rural life.

### **BOARD OF TRUSTEES**

Dr N B Shete, **Chairman** : Professor, NIBM, Pune

Dr K Dinker Rao, Professor, NIBM, Pune

Executive Durector, BOM, Pune

Smt Sarubai Ramchandra Kadam, Velhe, Pune

Smt Anjanabai Hanumant Bhikule, Vihir, Velhe, Pune

Smt Asha Dilip Shilimkar, Varoti, Velhe, Pune

Smt Nanda Laxman Raut, Antroli, Velhe, Pune

Smt Gavubai Raghunath Kadu, Ghevande, Velhe, Pune

Executive Trustee : The Maharashtra Executor and Trustee Co. Ltd.

Honorary Secretary : Shri Anil Sitaram Gujar, Coordinator, Rural Development Centre, BOM, Hadapsar, Pune.

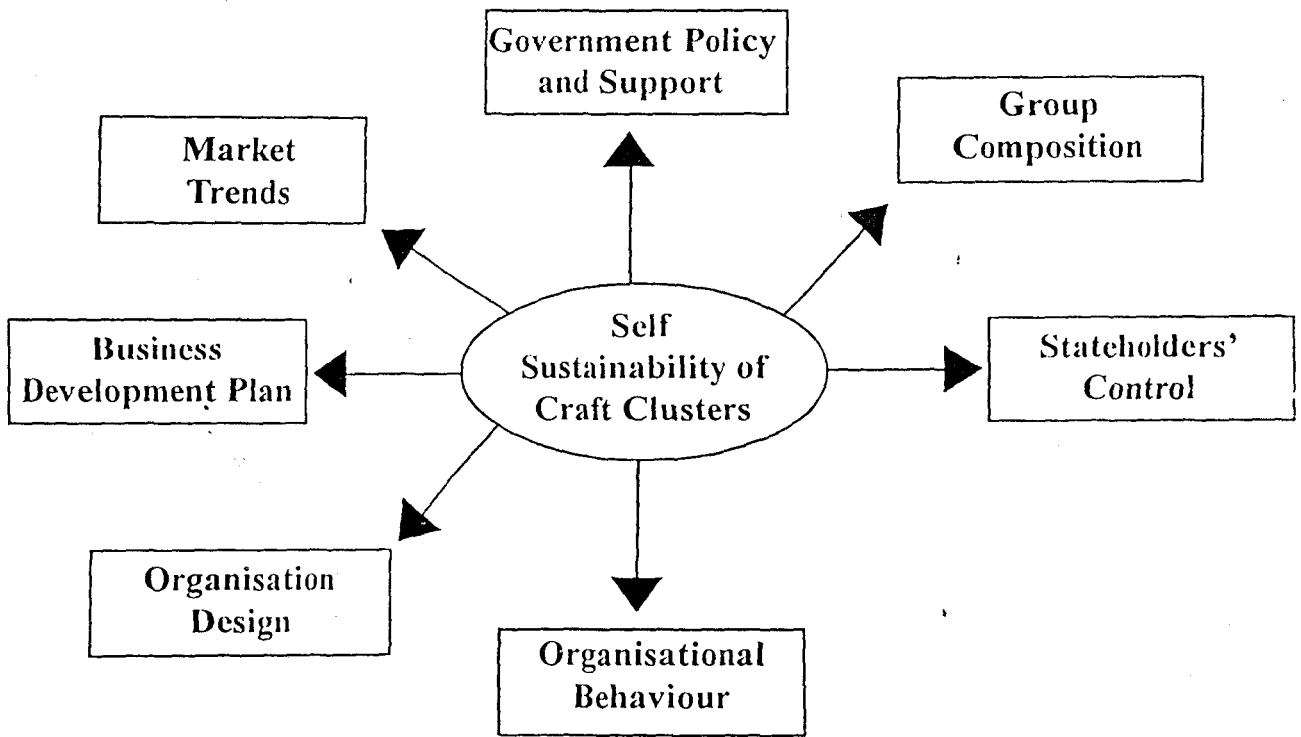


**ISSUES GOVERNING SELF-  
SUSTAINABILITY**

**OF CRAFT CLUSTERS**

**BY**

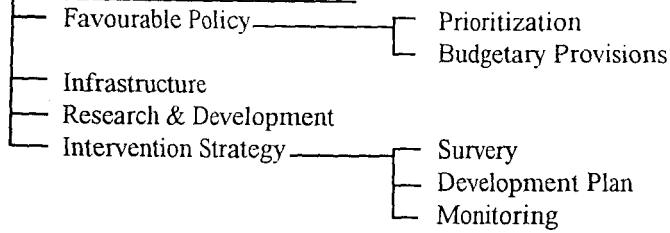
**MR. RAJIV I.D. MEHTA,  
ICA, NEW DELHI**



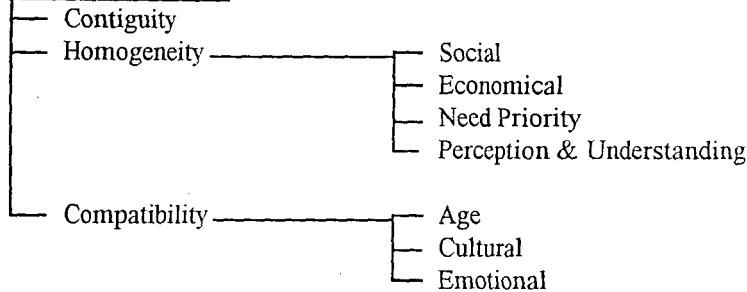
**ISSUE GOVERNING SELF SUSTAINABILITY  
OF CRAFT CLUSTERS**

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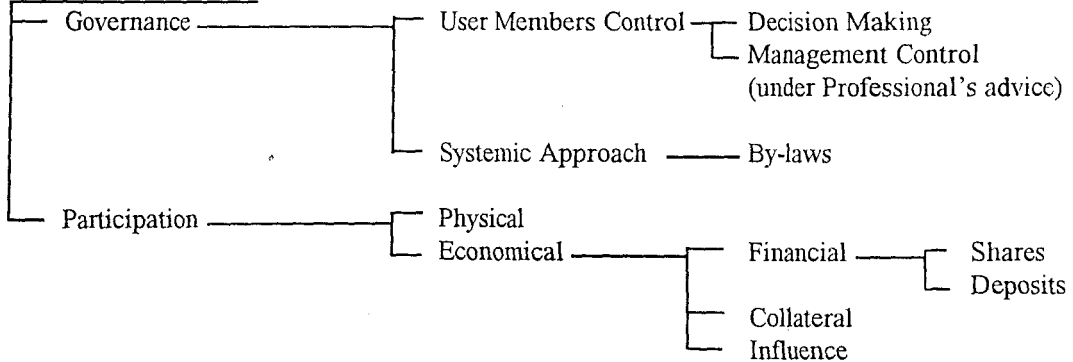
**A. Government Policy & Support**



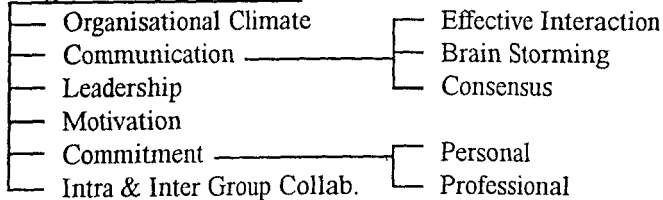
**B. Group Composition**



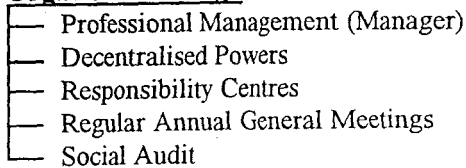
**C. Stakeholders' Control**

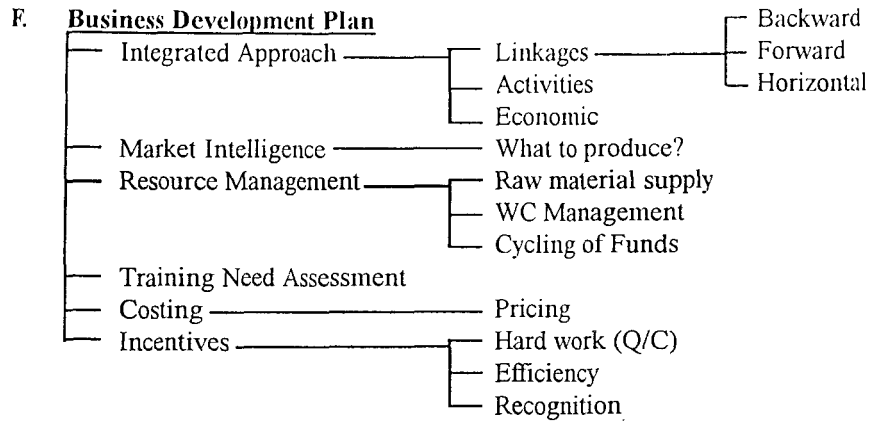


**D. Organisational Behaviour**



**E. Organisation Design**





- G. Market Trends**
- Globalisation / Liberalisation
  - Market Mix
  - Market Segment Analysis
  - Credit Policy

**APPROPRIATE MANAGEMENT SYSTEM**

**FOR**

**SUCCESSFUL FUNCTIONING OF**

**CRAFT CLUSTERS**

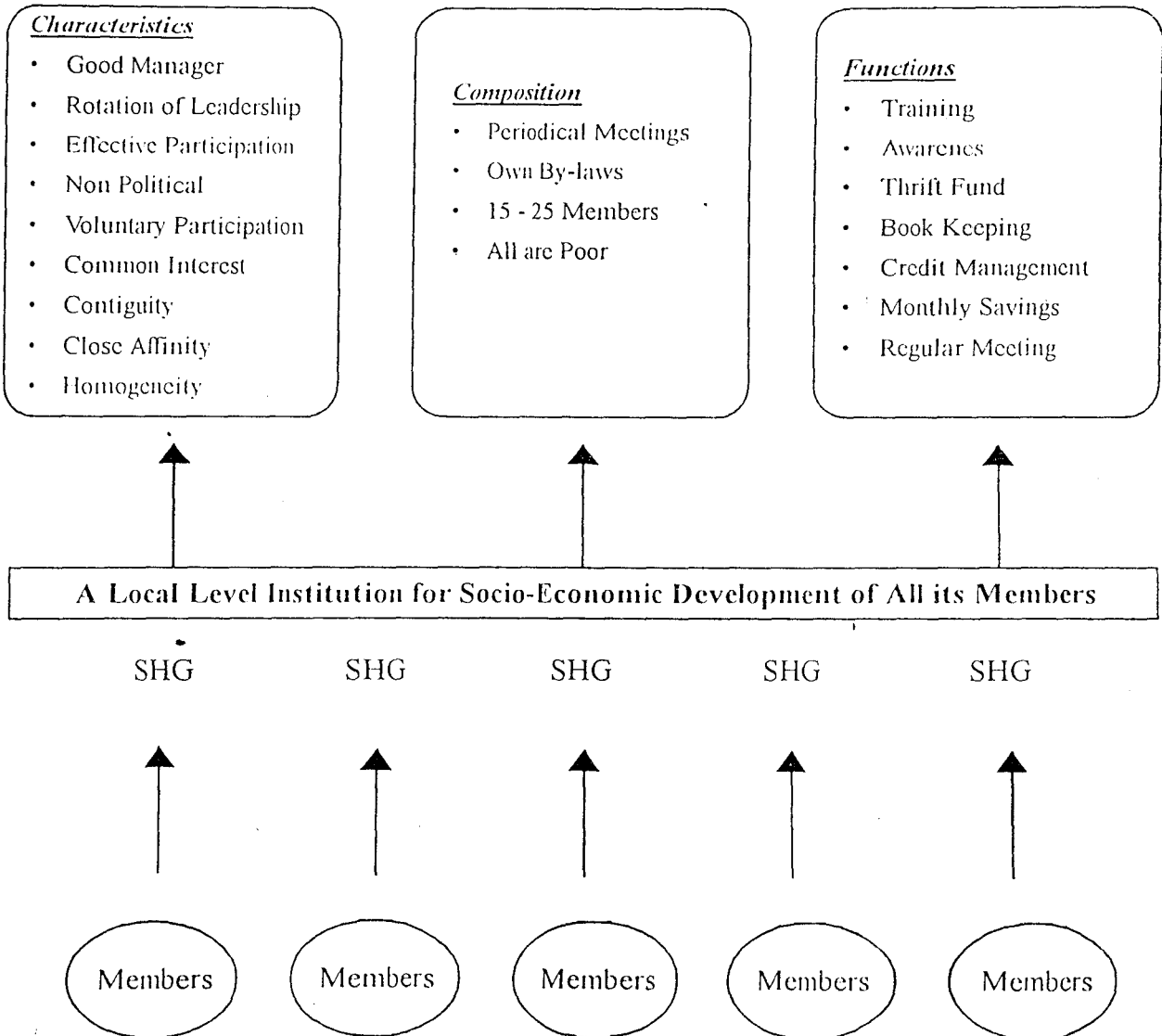
**( SHGs & COOPERATIVES )**

**BY**

**MR.RAJIV I.D.MEHTA,  
ICA**

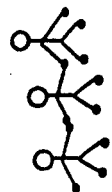
**APPROPRIATE MANAGEMENT SYSTEM FOR  
SUCCESSFUL FUNCTIONING OF CRAFT CLUSTERS  
(SHGs & CO-OPERATIVES)**

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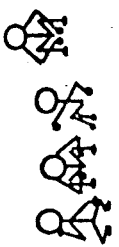
**What is SHG?**

A Small Homogeneous Group living in close proximity and of similar Socio-Economic status, working collectively towards attainment of common social economic and cultural objectives



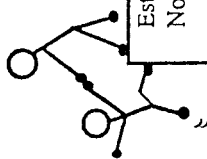
**PERFORMING**

Getting down to work well at its task



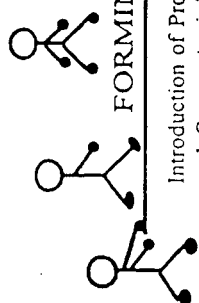
**NORMING**

Establishment of Groups Norms



**STORMING**

Understand what is "SHG", getting to know each other, sharing problem



**FORMING**

Introduction of Project and Group Activities

**TOR - I**

To organize awareness camps on the objective and approaches

**TOR - II**

a) To help beneficiaries, identify their needs and objective of SHG

b) To help SHG in making norms for smooth functioning

c) To organise SHG for participation

**TOR - III**

To make SHG aware of the importance of Thrift and Credit (T & C)

To familiarize SHG with T & C procedure and establish T & C

**TOR - IV**

To assess training needs of members of SHGs and help/assist in Training

**Process of Beneficiary Mobilization**

## GROUP DEVELOPMENT SEQUENCE

- a) **FORMING** : The First phase when members' concern are about : who else is in the group; how will he/she fit in and what is it all about (objectives)
- b) **STORMING** : Who is in charge ;How does he/she get her/his say ; How can he/she protect her self from attack ; How can he/she impose self determined change to fit into a group and the pre-requisites.
- c) **NORMING** : It is most turbulent phase ; Group settle down and establish processes and procedures ; working regulations ; acceptable and unacceptable code of conduct ; duties & responsibilities of members and their elected representatives and related issues.
- d) **PERFORMING** : Group getting down to working well at its TASK.

### There could be two situations :

- (i) When the group gets down to work without having undergone the phases a, b, & c above, the members often tend to split saying "We have got all sorts of ideas but we can't implement them because no one ever listens to us" (here group is doing apparent work)
- (ii) When the members of the group are doing real work and are committed to making something happen rather than merely justifying its position with unresolved conflicts.

### **PROCESS**

: Proficient groups are able to move into a brief discussion of process and then quickly get back into content with renewed vigour & purpose.

Inept groups wrangle over content, not noticing the process issues thus reducing commitment and direction.

A useful tool in understanding process is the behaviours which members can use in programming discussion.



Following behaviour are either not reflected or under - used in Indian co-op organisations :

- **Propose** - suggesting a course of action (members usually tend to be on receiving end)
- **Support ideas** - saying 'Yes' or 'I agree' or some brief comment like that
- **Support person** - valuing another person for contribution.
- **Open** - acknowledging responsibility for a mistake.
- **Summarise** - bringing ideas together.
- **Test understanding** - trying out understanding of an idea with a question.
- **Seek information** - any other question

Periodical & frequent TEAM MEETINGS are most essential to overcome behavioural inhibitions.

First Few (Four or Five) meetings (TEAM MEETINGS) must seek answers to following questions. Each members must answer -

1. What do we value about our team meetings ?
2. What do not you like about them ?
3. What do you see as their purposes ?
4. What should their purposes be ?
5. What could we do to make them better ?
6. What might prevent us making them better ?

Having sought answers to above would sustain momentum. We must review after four or five meetings, the progress made.

We should not expect miracles, as it is a slow going process to build a group and we must find out an action oriented rather than a blame oriented way.

### NEED OF SELF HELP GROUPS :

1. **SHGs** are necessary to overcome exploitation, create confidence for the economic self reliance of rural poor (particularly women who are mostly invisible in the social structure).
2. **SHGs** enable the poor and weak to come together for a common objective and gain strength from each other to deal with exploitation.
3. **SHGs** become the basis 'for action and change'
4. **SHGs** also help building of relationship of mutual trust among the members and between the promoting organisation and the rural poor by dint of genuine efforts.
5. **SHGs** become a "community enterprise" of the local area.
6. **SHGs** provide easy access to credit at reasonable cost and with assured recovery and continuity.
7. **SHGs** enjoy full autonomy and freedom and no interference of influential persons/politicians.

### TARGET GROUPS :

#### 1. Poor women in unorganised sector :

- (a) They do not own land
- (b) Mostly look after the families
- (c) Involved in wage earning activities
- (d) Fewer and lower paid opportunities to work
- (e) Underemployed and casual part time worker
- (f) More vulnerable because of lack of skills and education
- (g) Mobility very limited due to social reasons
- (h) Heavy responsibilities at home restricts them to work full time outside home
- (i) Treated as "a person to spend rather than earn". (They work almost 18 hours at home and outside but not recognised)
- (j) Do not have easy access to land and other assets.

#### 2. Landless, agricultural labourers and disadvantaged groups:

Victims of exploitation by capitalists and big farmers.

### 3. Village artisans :

Exploited by middle men and traders.

### STEPS FOR PROMOTION OF SHG :

1. Understanding the problems of village and other undesirable practices followed in the society. (Involve local leaders in the meeting)
2. Discuss important problems of the poor, particularly those relating to women (Tactfully broach the idea of having savings and explain its features)
3. Discuss programmes particularly those related to income generating activities (Discuss alternatives and govt. programmes being conducted in the area for rural poor. Involve officers of govt. development deptts)
4. Define the objectives of the group
5. Identify persons with leadership qualities
6. Select effective group leader
7. Ensure participation, communication and consensus among members and finalise the working regulations
8. Conflicts should be dealt with discreetly and carefully by an indepth analysis of the reasons attributing to difference of opinion.

### CHARACTERISTICS OF A VIABLE GROUP :

Group should be homogenous and other heterogeneous members from upper strata of society could join as advisors/promoters with the consent of all.

#### (a) Composition :

Group could be informal initially and adopt demonstrative procedures.

#### (b) Rules :

Rules and regulations should incorporate following

- Objectives
- Membership procedure
- Rights and obligation of members and office bearers
- Procedure for holding meetings
- Decision making procedure

- Maintenance of books of accounts
- Maintenance of records and proceeding book
- Arbitration and conflict resolution procedure

**(c) Meetings:**

Meetings should be held regularly without domination of anyone with encouragement to weaker people

**(d) Size :**

In order to have effective participation of members, the size of the group may not exceed 20 or 25.

**(e) Attendance :**

Attendance in the meeting must be ensured for all and the prior intimation of absenteeism should be given by explaining reasons.

**(f) Savings :**

Each member should save some amount regularly (weekly or monthly) as decided by the group.

**(g) Leadership :**

Group leader should be elected and term should be six months initially and one year after the group gets established.

**(h) Monitoring & Evaluation :**

Working of the group should be regularly reviewed by all members and proper analysis be done of failures.

Social and community action programmes could be taken up in a limited manner (if acceptable to all) and be monitored.

Non members could also participate in welfare programmes like literacy, health, education, family planning, stopping alcohol consumption, smoking and other social undesirable features like dowry, large spendings on social/religious ceremonies, beating wife etc.

## EXPECTATIONS FROM VOLUNTEERS

1. Receive initial foundation training
2. Take the Gram Sabha into confidence and create consensus in support of craft community.
3. Understanding of infrastructure in the village and extent and nature of social problems including literacy and nutritional problems.
4. Identification of the common interests of the group members and infuse confidence among them to get start.
5. Generate awareness on the craft development schemes and the role of the craft persons in achieving the objectives of schemes.
6. Initiation of group activity and confidence building among the member craft persons.
7. Start capacity building among the group members by identifying members with leadership qualities and sharing with them groups responsibilities.
8. Good understanding of the power hierarchy within the village and visible and latent conflicts between different groups and between men and women in the village.
9. Assessment of attitudinal changes required among men and women in the village. Plan exposure trips to some dynamic group operating in balanced situations and mindsets.
10. Organise FGD within women and men users of different resources such forests, common lands, water bodies etc. to understand changes in the conditions and use patterns of different resources and analysis of problems and perceptions. Identifying possible alternative IGA for the members in the village.
11. Identification of issues to be dealt with the Gram Sabha for creating a consensus in favour of more comprehensive community support and participation. Getting a resolution signed to this effect in Gram Sabha. It shall have been made clear in advance that the quorum of such a meeting should be as close as possible to 100% of the village women and men.
12. Understanding of the statutory obligation of the manager of the group as specified in the guidelines.

## TRAINING OF THE GROUP MEMBERS

Training should cover the following important aspects :-

- (i) Knowledge about the SHG - its organisation, focus, goal and objectives as also its structure.
- (ii) Advantages of Self Help Groups and need for having groups.
- (iii) Duties and responsibilities of the members of the group.
- (iv) Criteria of membership, selection of member, assets criteria, loan sanction, supervision and repayment.
- (v) Process of decision making, recognition of problems, respect and equality for each member and guidelines for effective participation and communication.
- (vi) Need for documentation, what are the documents which the group should have, how to maintain documents.
- (vii) Awareness about village and surrounding problems.
- (viii) Broad understanding about Government programmes, handicraft activities and whom to approach for what.
- (ix) Personal hygiene, Nutrition, Environmental sanitation, mother and child care, prenatal and antenatal care, immunization, deworming etc.
- (x) What is saving rotation of common fund, interest, repayment, knowledge about financial institution particularly local bank branch.
- (xi) What is a group, what is a society, structure of the society and various strates in society.
- (xii) Women inside home, women outside home, what is the role of women at all levels and development, women's due share.
- (xiii) How can we solve conflict and how do we accord priorities.
- (xiv) Laws on women and case studies
- (xv) Resource Managemetn - what are the resources/available in the local area, how to utilise it for members etc.
- (xvi) Incme Generation Programmes (IGP) - what are possible IGPs for the group and members and utilisation of income.

**Specimen of Rules & Regulations for informal unregistered  
Self Help Groups (SHGs)**

1. The group will work, under the name of ..... and its office will be located in ..... village.
2. Area of operation will cover the village ..... And the major objectives of the group will be
  - (i) To promote savings and credit as an institution of social economic change and development through the provisions of a package for poor people in the area.
  - (ii) To improve the poor/women/men's access to credit for :-
    - ◆ Assistance in their existing employment;
    - ◆ Generation of further employment;
    - ◆ Asset redemption and
    - ◆ Tiding over consumption/social consumption needs.
  - (iii) To demonstrate and replicate participative approach for
    - ◆ Undertaking production of handicrafts / Thrift & Credit Activity.
    - ◆ Effective utilisation of credit resources leading to self reliance.
  - (iv) To undertake such other activity necessary for the social/economic development of the people in the area.
3. The main function of the group will be to create environment to facilitate the achievement of the objectives given above.
- 4 (i) The membership of the group will be open to all residents of village ..... irrespective of caste, creed and colour but minors/lunatics, insolvent and persons of doubtful character will not be admitted.
  - (ii) The minimum number of members will be 5 and the number will not exceed 25. Membership will be permitted only with the consent of all other members of the group.
  - (iii) Group may admit associate members for purposes of mobilising deposits/assisting in development efforts. Such members will not be eligible for loans nor any vote in any meeting, etc.
  - (iv) The membership fees amount will be as prescribed by the Managing Committee.
- 5 Group members will mobilise the support of villagers for which they will use fully the local resources. The group will also undertake social services like Family Planning, Health Education, Eradication of Illiteracy and will not allow political pressures to operate in the group meeting or otherwise. Membership of those who absent themselves for 3 consecutive meetings will be terminated by the Management Committee and a suitable penalty may also be levied for those who are absent from a meeting without prior notice.
- 6 The funds of the group will be raised by the membership fees, donations, subsidies, grants, aids, contributions and receipts from other sources as also borrowings from financial agencies. The funds will be used mainly for lending for income generation activities and other purposes laid down in these rules at rates of interest which will be decided by the members of the group/Managing Committee.

- 7 The affairs of the group will be managed by the Managing Committee consisting of either all the members or minimum five elected representatives and its meeting will be held regularly atleast once in a month to discuss and decide all matters concerning the group working including sanction of loans/review of loan/action for default, new members, etc. The office bearers of the group will be (i) a group leader who shall be exofficio chairman of the group (ii) a secretary and (iii) a treasurer who will be appointed by all the members.
- 8 Any member can leave the group provided he either (a) clears all its dues to the group and the bank, if he has taken loan or (b) other members of the group agree to discharge his dues.
- 9 The quorum in the Management Committee meeting will be atleast 50% of the total members and minutes of all the proceedings of the meetings will be kept in which the name of members present will be recorded. The minutes will be signed by Chairman and Secretary.
- 10 For all lendings/borrowings from banks/NGO/and other financial institutions, the members will be jointly and severally liable and it will be their duties to keep a check on proper disbursement and utilisation of funds and their recovery on time.
- 11 All transactions of loans, recoveries, deposits will be done in the group meetings.
- 12 Each members will save and contribute a compulsory deposit every month which may carry interest as prescribed by the Management Committee. The members may also keep optional deposits with the group on such terms and conditions which will be decided by the Management Committee.
- 13 The bank's account in the name of group will be operated by the group leader and Secretary after approval of the Managing Committee. All operations will be done jointly by the Chairman and Treasurer or Secretary who will ensure that necessary books of accounts – cash book and members ledger, etc., are maintained. The books will be kept under the custody of group leader to be decided by the Managing Committee/Secretary.
- 14 Necessary arrangement will be made to organise timely audit and for taking action on the findings of audit.
- 15 All conflicts will be resolved by mutual discussion without interference of outsiders.
- 16 The group would celebrate its anniversary every year.

**Note :** The group may develop its rules and regulations broadly on the lines given in this specimen. The rules and regulations so developed will be signed by all members who are forming group. Subsequently members who will join the group later will give undertaking to observe the rules and regulations if admitted to the Group.



## Self Help Group

### Group member's personal information

1. Name .....
2. Age .....
3. Occupation .....
4. Village .....
5. Father's/Husband's Name ..... Age .....
6. No. of family members ..... Male..... Female.....
7. Head of family's name .....
8. Marital status: single/married/divorced/deserted/others
9. Information about male/female members of family :

Members Name (Male/Female)	Age	Relationship with head of family	Education	Main Occupation	Part time Occupation

10. How many earning members ? ..... Male ..... Female

11. What is total annual income of the family? Source of income :

Agriculture ..... Rs.

Non - agriculture ..... Rs.

Homestead (Income from vegetable) ..... Rs.

Fruits, poultry etc.)

Total ..... Rs.

12. Ownership of land to be filed in the proforma given below: (in decimal)

Own Land					Land taken	Land taken for share cropping	Area of land in possession
Home Stead	Agriculture Garden	Fishing Tank	Non cultivable land	Mortgaged land			

13. Statistics of livestock and poultry:

Cow	Goat	Sheep	Duck	Hen	other

14. Description of house:

Approx- market price of the home: Rs. ....

15. Description of other assets:

Radio	Bicycle	Omaments	Bed	Table	Chair	other
-------	---------	----------	-----	-------	-------	-------

16. Money borrowed or lent

	Rs.	Annual rate of interest
Owing Due to you		
(a) Relatives/Friends		
(b) Money lenders/ landlord/shopkeeper		
(c) Bank/Society		
(d) Others		
Total		

17. Has any of your property been mortgaged to others?  
(Furniture/ornaments/homestead/cultivable land/others)

Terms and conditions on mortgage;

18. Is there a family member who is a member of any other group?

Yes

No

19. Which group do they belong .....

20. Have you suffered or are you suffering for a long time from any disease?

Please indicate the disease and how long?

21. Give a description of your occupation and the nature of your work .....

22. During which month of the year is your income more meagre and why?

**Group Membership Application Form**

SHG Name .....

- 1. Name .....
- 2. Father's / Husband's Name .....
- 3. Address .....
- 4. Are you a permanent resident ..... Yes ..... No  
of village
- 5. Where is your father's domicile? .....

I am fully aware of my duties and responsibilities as a group members and after clearly understanding all the rules of the group have decided to apply for membership in this group.

I will abide by all the rules regulations of the group, if I get a loan ..... through I will make repayment regularly to completely repay the loan. If for any reason I have to leave the group then I will pay the entire amount due to the Group in one lump sum.

I will always work as a team member and will most willingly perform various activities incorporated in the by laws.

I will not do anything or help anyone do anything that might be regarded as being against the interest of the group.

The information I have provided about myself in his form is completely true. At any later if it is proved that I have intentionally provided false information, then my membership will be cancelled and I will be obliged to repay the full amount of loan in a lump sum. I will abide by any rules and regulations applicable to me that may be introduced from time to time by the Group.

**Signature of applicant**

(a) Recommendation of Group Committee

We are willing to take the applicant as a member of our group. He will abide by all rules of the group centre and the bank. Information furnished here are true to the best of our knowledge.

**Signature of Group Chairman**

### 1. MEMBERSHIP REGISTER (Format)

S. No.	Name & Address of Member	Membership No.	Age (Years)	Occupation	Date of Joining the Group	Signature of Member	Other Information Remarks
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1.							
2.							
3.							
4.							
5.							

### 1. MEMBERSHIP REGISTER (Sample)

S. No.	Name & Address of Member	Membership No.	Age (Years)	Occupation	Date of Joining the Group	Signature of Member	Other Information Remarks
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1.	Sneh W/o Jibran Vill. & P.O. Sukhpur	01/95	31	Agricul. Labour	28.12.95		
2.	Lata W/o Abheyram	02/95	34	-do-	28.12.95		
3.	Vidya W/o Shriram	03/95	26	Tailoring	28.12.95		
4.	Krishana W/o Mehar Singh Vill. & P.O. Teh. Distt.	04/95	35	Household	28.12.95		
5.	Mary W/o Joseph Vill. & P.O., The., Distt.	05/96	28	-do-	02.01.96		

## 2. MINUTES BOOK (Format)

Date of Meeting (1)	Issues Discussed (2)	Decisions Taken (3)
22.01.96	(i)  (ii)  (iii)  (iv)  (v)	(i)  (ii)  (iii)  (iv)  (v)

## 2. MINUTES BOOK (Sample)

Date of Meeting (1)	Issues Discussed (2)	Decisions Taken (3)
22.01.96	(i) Smt. A&B have applied for Membership. They may be admitted as new members. (ii) All members shall save Rs. 10 / - per month as against the existing Rs. 5 / - per month (iii) All members have deposited their savings @ Rs. 5 / - for the current month. (iv) Smt.D has applied for a loan of Rs. 500 / -. (v) Interest on lendings out of group's own funds should be @ 12% per annum.	(i) Approved.  (ii) Agreed to by all members.  (iii) It has been recorded in cash book, savings resister & member's pass book. (iv) Approved. She will reply in 10 monthly instalments @ Rs.50/ per month. (v) Agreed to by all members.

### 3. CASH - CUM - DAY BOOK (Format)

Date (1)	Particulars (2)	Receipts (3)	Payments (4)	Balance (5)	Signature (6)
	Closing balance				

### 3. CASH - CUM - DAY BOOK (Sample)

Date (1)	Particulars (2)	Receipts (3)	Payments (4)	Balance (5)	Signature (6)
01.01.96	Opening Balance	-	-	100	
	Saving received from				
	Smt. Ansuiya	10	-		
	" Bimla	20	-		
	" Chameli	10	-		
	" Devi	15	-		
	" Ella	10	-		
	Repayment of loan				
	Instalment by				
	Smt. Hira Devi	150	-		
	" Krishna	200	-		
	" Neera	150	-		
	Loans given to				
	Smt. Tima Amma	-	200		
	" Devi Rani	-	200		
	Expenses on purchase of books	-	20		
	Amount deposited in Bank				
	Account No. Receipt No.		200		
	Closing balance	565	620	45	

#### 4. SAVINGS REGISTER (Format)

Sl. No.	Name & Address of Member	A/C No.	Previous balance if any	April-96			May-96			Jun-96			Mar-97		
				During the month	Withdrawals if any	Balance	During the month	Withdrawals if any	Balance	During the month	Withdrawals if any	Balance	During the month	Withdrawals if any	Balance
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
1.															
2.															
3.															
4.															
5.															
6.															
7.															
8.															
9.															
10.															
11.															
12.															
13.															
14.															
15.															
<b>Total</b>															

#### 4. SAVINGS REGISTER (Sample)

Sl. No.	Name & Address of Member	A/C No.	Previous balance if any	April-96			May-96			Jun-96			Mar-97		
				During the month	Withdrawals if any	Balance	During the month	Withdrawals if any	Balance	During the month	Withdrawals if any	Balance	During the month	Withdrawals if any	Balance
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
1.	A	1/96	200	20	-	220	20	-	240	20	-	260		Similar for each up to Feb next year may be	
2.	B	2/96	220	20	-	240	20	-	260	20	-	280			
3.	C	3/96	300	30	-	330	30	-	360	30	-	390			
4.	D	4/96	350	15	-	365	20	-	385	20	-	405			
5.	E	5/96	150	10	-	160	10	-	170	10	-	180			
6.	F														
7.	G														
8.	H														
9.	I														
10.	J														
11.	K														
12.	L														
13.	M														
14.	N														
15.	O														
<b>Total</b>			2180	440	-	2620	430	-	3050	450	-	3500			

### 5. LOAN LEDGER (Format)

Date	Particulars	Due for repayment	Repaid Pl.	Intt.	Dafault (if any)	Balance loan outstanding	Remarks
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)

### 5. LOAN LEDGER (Sample)

Date	Particulars	Due for repayment	Repaid Pl.	Intt.	Dafault (if any)	Balance loan outstanding	Remarks
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1.5.96	Loan advanced	-	-	-	-	1000	
4.6.96	Repayment of Loan Instalment	100	100	10	-	900	
1.7.96	- do -	100	90	9	10	810	
1.8.96	- do -	110	110	8	-	700	
1.9.96	- do -	100	-	-	100	700	
2.10.96	Repayments	200	150	15	50	550	
1.11.96	- do -	150	150	10	-	400	



**6. SUMMARY OF LOAN, RECOVERIES ETC.(Format)**

Sl. No.	Name & Address of Member	A/C No.	Apr-96				May-96			
			Amt. due for repayment	Amt. repaid	Default if any	Balance loan out-standing	Amt. due for repayment	Amt. repaid	Default if any	Balance loan out-standing
1	2	3	4	5	6	7	8	9	10	11
1.										
2.										
3.										
4.										
5.										
<b>Total</b>										

**6. SUMMARY OF LOAN, RECOVERIES ETC. (Sample)**

Sl. No.	Name & Address of Member	A/C No.	Apr-96				May-96				
			Amt. due for repayment	Amt. repaid	Default if any	Balance loan out-standing	Amt. due for repayment	Amt. repaid	Default if any	Balance loan out-standing	
1	2	3	4	5	6	7	8	9	10	11	
1.	A	1/96	-	-	-	-	100	100	-	900	Similar for each up to of next year please be
2.	B	2/96	200	150	50	1250	250	250	-	1000	
3.	C	3/96	100	100	-	800	100	-	100	800	
4.	D	4/96	50	30	20	370	70	20	50	350	
5.	E	5/96	200	-	200	1000	400	400	-	600	
<b>Total</b>			<b>2700</b>	<b>2250</b>	<b>450</b>	<b>12700</b>	<b>2950</b>	<b>2600</b>	<b>350</b>	<b>13050</b>	

## Formalisation of SHGs into Co-operative Societies

Economic empowerment of the self help group is the first and foremost requirement before getting into the knitty-gritty of formalising the group into a Co-operative Society.

While there is a definite pattern in terms of the stages of growth of SHG but the time for reaching maturity in terms of economic sovereignty and self governance varies with the socio cultural setting of the area as well as the experience and approach of the promoting agencies viz : NGO

Strength of the SHG lies in the level of motivation of the members and the profile of their leaders. The activities concerning thrift and credit addition to the main income generation activity act as the catalyst in strengthening the SHG. Therefore, it is presumed that the holistic approach of SHGs will be more acceptable to the group and will fast bring self reliance and maturity in the SHG.

The role of facilitators (NGOs & DCH) will be critical in strengthening group processes and truly instilling the concept of self help. Dissemination of right information and integration of linkages will lead to capacity building and networking of the SHGs thereby bringing long term sustainability to the SHGs.

It is expected that SHG consolidation will start soon after witnessing

- (a) the positive impact of credit plus approach as an integrated package of the activities of the group and
- (b) the sense of ownership and belongingness of the members to the group

due to the confidence that the member's needs and priorities were being heard and met.

Attention is required to be paid to building strong and sustainable groups due to the existence of vested interests and exploitative forces in the society, which could divest the poor of the potential benefits unless they are STRONG, UNITED, AWARE & in CONTROL of the activities of the group.

It would be too early to schedule the timings of SHG consolidation but in all probabilities it would become evident by the completion of first year of the intervention.

There is no one correct way in the process of SHG consolidation but multiple ways of performing the similar tasks and as a result respect diversity by framing compatible policies acceptable to the group would help building the right paradigm. Therefore, the design of SHG is being recommended keeping in mind the co-operative structure that would emerge to cater to multiple requirements of the members.

Sequence of activities is being enclosed to visualise consolidation of the Self Help Group for starting the formalisation process.

## SELF HELP GROUPS

### Process of Consolidation

#### Awareness & Motivation

- \* winning trust & confidence of member
- \* desired level of understanding on the needs & aspirations of the members
- \* acceptance of common needs
- \* approval of the members on the set of activities to meet the common needs

#### Group Formation

- \* purpose of group formation
- \* likely benefits of group
- \* advantages & difficulties in group operation
- \* review of the criteria used for identifying members & selecting leaders
- \* clarity of the goal & objectives & its adoption
- \* formulation of SHG rules & regulations
- \* response to individual & group credit needs
- \* importance of group savings
- \* acceptance of rules & regulations
- \* selection of leader & the secretary
- \* opening of compulsory group saving account for future capital need
- \* opening of thrift account for individual credit needs
- \* participatory approach in decision making & governance
- \* record maintenance and book keeping
- \* leadership development
- \* periodicity of meeting
- \* regularity of meeting
- \* members effective role & participation in the meeting

#### Consolidation

- \* members economic participation
- \* accountability of leaders & manager
- \* competence of the leaders & manager
- \* decision making on saving & credit
- \* methodology to hear the voice & grievances of weak & poor members especially women
- \* credit disbursement & recovery rate
- \* linkage & networking in other group
- \* coordination with banks & government agencies
- \* access to relevant development package of government & banks
- \* ability to influence policy making by effective participation in panchayat / VFC meetings
- \* confidence & sense of control
- \* flexibility in attitudes & approach towards community action

## ESSENTIALS OF CO-OPERATIVE FORMATION

1. Membership Minimum 21
2. Share Capital To meet working capital requirements. (It must be minimum 10% of total working capital requirement).
3. Linkages with Government or other relevant organisations to augment capital base, if found inadequate in col. 2
4. Business Turnover
  - a. Total volume of business transaction in last one year by the group.
  - b. Per capita income of the member from above transaction.
5. Business linkages with other agencies.
6. Benefit cost ratio
  - Cost :  
Salary to employees if any wages/charges to members establishment expenses.
  - Benefit or Revenue :
    - Commoditywise sale proceeds.
    - Income accrued to the group from the sale proceeds (Handling charges/ commission).
    - Income from other sources like :
      - Interest on deposits
      - Commission from other agencies.
7. Board of Management (BOM) essentially elected.
8. Periodicity of the meetings of the BOM and record keeping.
9. Participation/attendance in the meeting of BOM.

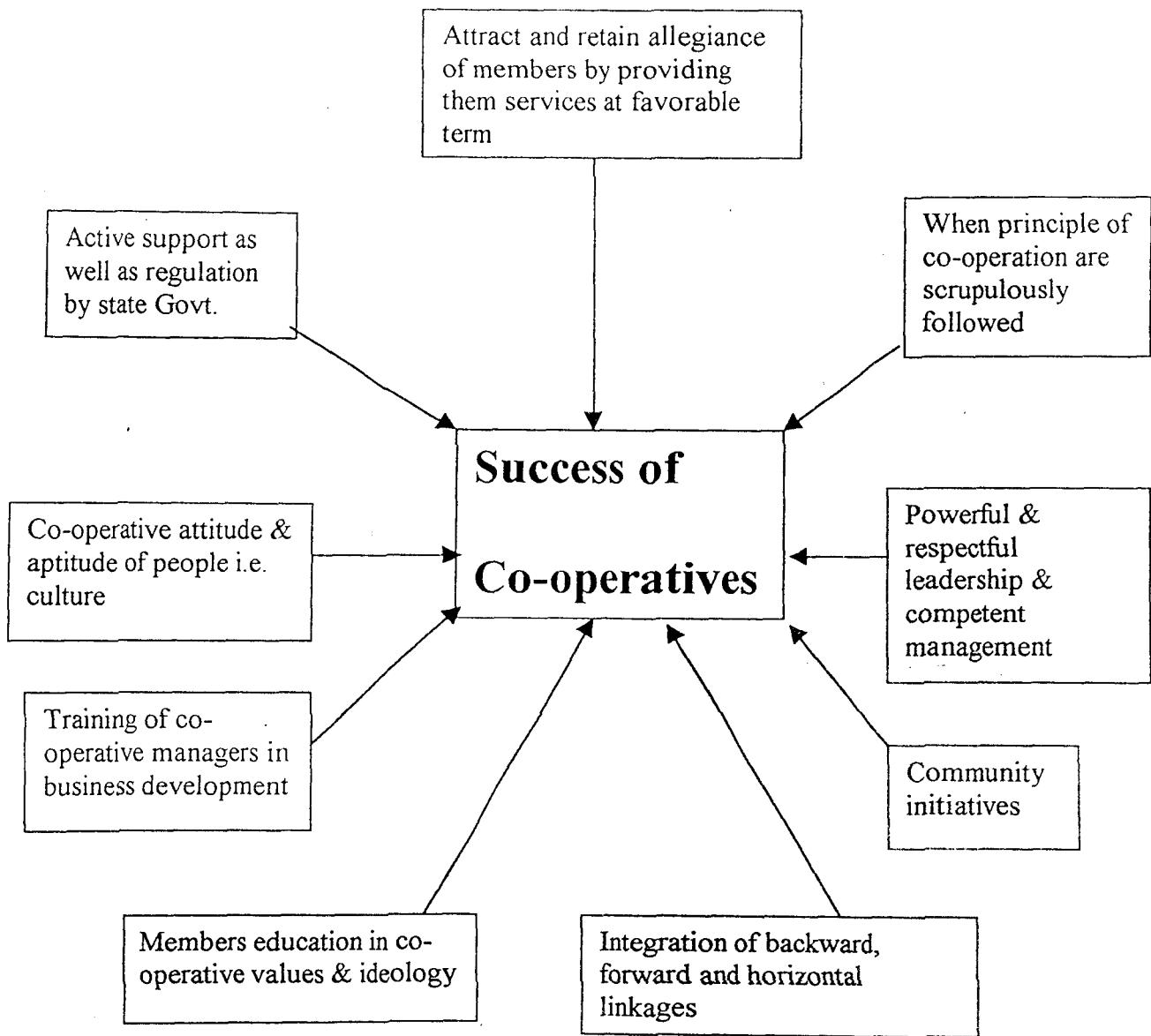
10. Meetings of the SHGs in the Co-op :
- Periodicity
  - Regularly
  - Loans advanced
  - Recovery percentage
  - Overdue percentage
  - Loan outstanding (each SHG wise)
  - Deposits (each SHG wise)

11. Audit
- Concurrent
  - Annual

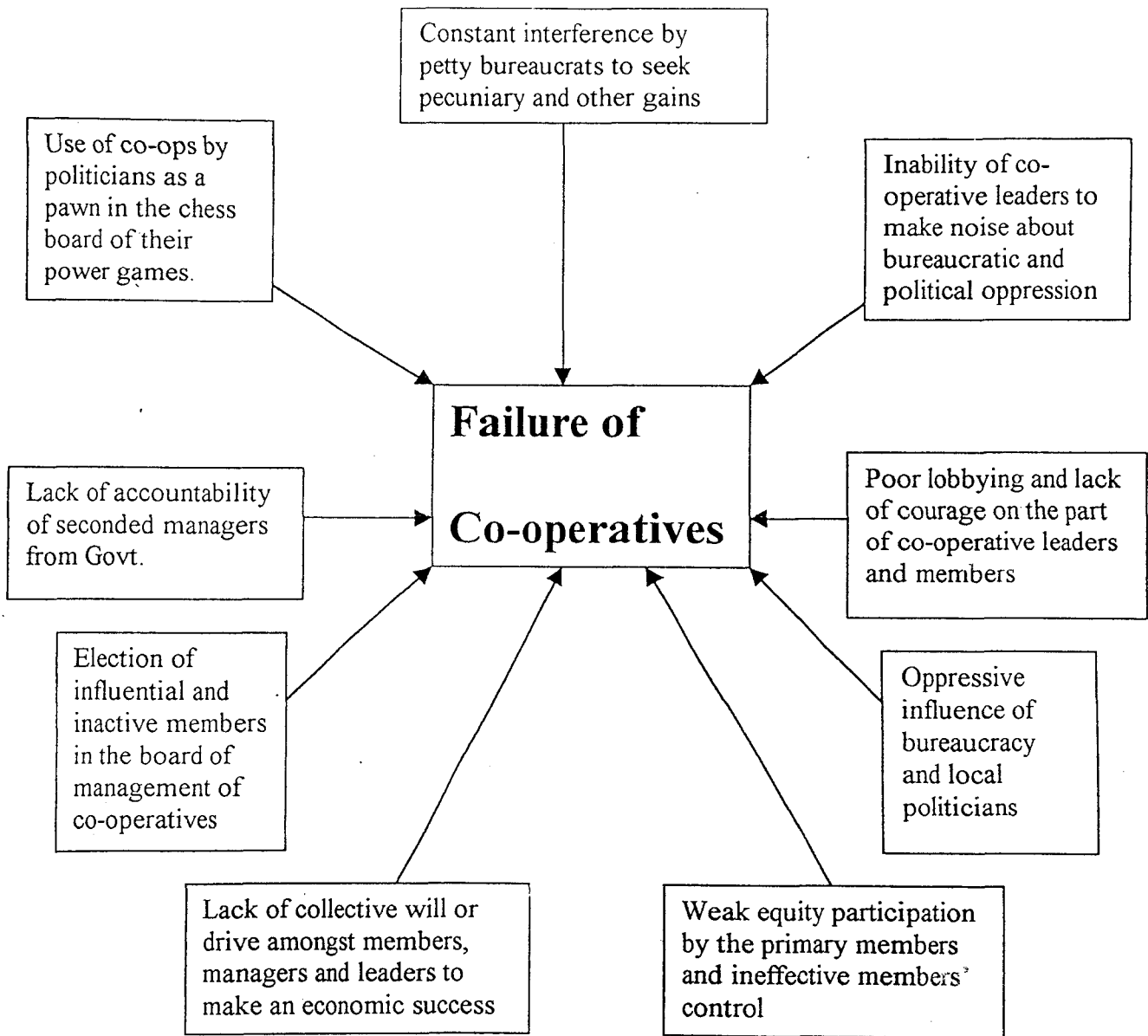
12. Annual General Meeting
- Status
  - Attendance
  - Record Keeping
  - Elections

A CO-OPERATIVE SOCIETY  
*(Appropriate Management System)*

- a. Members' Patronage (direct through the SHG s)  
↓
- b. Ownership of user members (direct)  
↓
- c. Control by user members.  
↓
- d. Management under the guidance of competent and experienced manager.  
↓
- e. Driven by the priorities of members and not by the development goals important to government.  
↓
- f. Serve purposes important to members better than can be served by other means.  
↓
- g. High level of patronage cohesiveness i.e. maximising member's business with co-op and intensify member's governance and decision making.  
↓
- h. Canvass for external support but not at the cost of outside interference.  
↓
- i. Election of the representatives on the basis of business transaction with the co-op.  
↓
- j. Stakes of the representatives in ensuring high performance of the co-op.  
↓
- k. Grooming of elected representatives to insulate managers from disruptive influences from the local socio-political environment and to demand good performance from the upper tiers in order to retain allegiance of members.  
↓
- l. Showing high sense of responsibility to the community through a self adopted set of by-laws.



## Factors influencing success of co-operatives



## Factors influencing failure of co-operatives



## CO-OPERATIVE SCENARIO

### *Problem Statement*

*Co-operatives have been perceived as vehicles for national development and people's organisation created to pursue the interests and needs of their members. In countries like India, the governments have played instrumental role in the creation of co-op systems to combat the onslaughts of poverty and illiteracy. Main tasks of the government have been to create proper atmosphere by way of facilitating co-op awareness and education among the masses and providing much needed support in terms of registration, financial assistance, audit and inspection. The sole objective behind the so called top down approach has been the empowerment of the co-operative movement. Despite the best of intentions the government still finds it extremely difficult to reverse the top down system. A few of the problems could be enumerated as under :*

- 1. Member's participation in the affairs of the co-op has not been effective and thus has de-democratised the system.*
- 2. Services of the co-op are not user friendly and as such the members have tremendous confidence in their old relationship with merchants and private money lenders.*
- 3. Members being too poor and co-ops being financially weak find it difficult to perform as an enterprise hence depend heavily on government for the supply of needed funds.*
- 4. Need of public / government funds leads to officials with little or no experience of the BUSINESS managing the co-ops.*

*Due to governments' financial assistance the co-ops have become defacto instruments of government and have virtually shelved in the needs and aspirations of the genuine members. The time has come when the government must redirect its statutory and development function to promote genuine and democratic co-ops aiming at self reliance and independence. Governments' assistance should not be used at the cost of undue interference in the management of co-ops. Rather, co-ops must be involved in the formulation of co-op legislation.*

### *Co-operative Vision :*

*Co-operatives are governed by seven principles incorporated in the ICA's statement on co-operative identity. Based on these principles, the co-ops as seen from the context of this submission :*

- Must have self governance by the active user members.*

- *Must be managed professionally by effective co-op business managers.*
- *Should not try to seek preferential treatment as it leads to loss of independence & business acumen.*
- *Must be competitive with other forms of enterprises with do not provide "Social Service".*
- *Must provide benefits to their members by identifying profitable activities so as to provide profitability and security that the users / investors demand.*
- *Must retain members' share on profits because greater the investment that members can identify as their own then greater is their sense of ownership and their commitment to use co-op's services that would enhance efficiency and efficacy of the co-ops.*

## CO-OPERATIVE MONITORING PARAMETERS

1. **Membership list**
  - Primary members
  - Nominal members
  
2. **Share capital by members**
  - By other sources (specify)
  - [could be share capital loan from state government coming in the form of "Repatriable Share Capital"]
  - or
  - Could be direct loan from National Co-operative Development Corporation or National SC/ST Dev. Corporation as "Margin Money Support".
  
3. **Board of Management**
  - Elected
  - Nominated
  - Dissolved (Administrator appointed by State Government).
  
4. **Business Transaction**
  - (a) Types of Activities :
    - Handicrafts
    - Minor Forest Produce Collection
    - Cottage Industry
  
  - (b) Volume of business transaction (per year) activitywise.
  
5. **Meetings of the Board of Management**
  - Periodicity
  - Attendance
  - Record Keeping
  - Regularity
  
6. **Activities of the Self Help Groups within co-op doing thirft and credit activities**
  - Number of SHGs
  - SHG wise membership
  - SHG wise savings

- SHG wise credit
- SHG wise recovery rate
- SHG wise access to relevant development package of Government and Banks.
- SHG wise audit status.

7. **Audit status of Co-op**

- a. Social Concurrent Audit
- b. Annual Audit

8. **General Body Meeting**

- Periodicity
- Attendance
- Transactions
- Record keeping
- Special Issues

9. **Linkages with other organisations**

- Federation (Secondary Tier)
- Gram Panchayat
- Other relevant organisations

**CASE STUDIES**

**BY**

**MR. RAJIV I.D. MEHTA,  
ICA**

## **CASE STUDY**

### **Establishment of trainers self-help group as 'Midland Leathers' & Evolution of Hamkadam Leather Coop.Society Ltd., Bhopal**

*State Govt. of Madhya Pradesh through the Rajiv Gandhi Gramodyog Mission (RGGM) in the year 1995 (April) under the auspices of National Leather Development Programme of UNDP, Central Leather Research Institute (CLRI) and Footwear Design and Development Institute (FDDI) signed an agreement, for setting up a subcentre of FDDI at Bhopal to impart skill upgradation and entrepreneurship development training to traditional shoe makers. The task was also to identify the potential pockets of leather artisans including shoe makers in the state and establish satellite centers of the FDDI sub-centres in the potential districts of the state under the guidance of FDDI sub-centre Bhopal.*

*The process began with the selection of 11 youths who had a fair idea about the shoe and leather industry. These youths were selected to work as trainers at the FDDI sub-centre, Bhopal with the main objective to impart skill upgradation training traditional shoemakers, and managing the centre as common facility centre (CFC) & coupled with the objective was the aspect of strict quality control using cost effective techniques thereby resorting to cost minimisation principle in capturing the market share.*

*The selected youths were first exposed to various segments of leather industry and the integral components of the economic scales attached with it. The foundation programme was held for the duration of one month at Bhopal under the banner at RGGM.*

*Thereafter, all the 11 selected youths were sent to FDDI NOIDA for a period of 45 days to learn basic sewing course on footwear from 22 May to 7<sup>th</sup> July, 1995.*

*A batch of three persons was sent to Kanpur from October to December, 1995 to learn cutting techniques.*

*CICOPA advises, International Cooperative Alliance was engaged to organise group mobilisation and cooperative awareness building campaigns at the sub-centre w.e.f. January, 1996. A series of sessions were held at Bhopal. ICA's intervention was also sought in designing the satellite centres and facilitating needed exposure to the trainers.*

*Two persons were sent to FDDI, NOIDA for a month (Sept.96) to learn management of artisans and then for factory attachment for one month (Oct.96) to a private factory (Step-Well) in Gurgaon.*

*One person was sent for the Basic Footwear Designing Course for a period of three months at FDDI, NOIDA (Sept. to Dec.96).*

*Two persons were sent to CLRI, Madras (August'96 to February'97) to undergo training on leather goods for a period of six months.*

*One person was sponsored by International Cooperative Alliance for participation in International Cooperative Trade Exhibition held at Chiangmai, Thailand in March'97 and was also afforded the opportunity to visit shoe manufacturing units in Chiangmai and Bangkok. Later he was sent to Shoe Design Centre, Karol Bagh, New Delhi for a period of one month (May'97) to learn basics of shoe design and marketing and the pricing mechanism governing the same.*

**A. Establishment of trainers self-help group of 11 members as 'Midland Leathers' (January 1998 onwards)**

*The need to have the Common Facility Centre (CFC) was one of the objectives of the venture. The trainers were motivated to form an informal group to under take the following activities :-*

- ⇒ To undertake commercial production of Footwear and Leather Goods items and run the CFC on a self-sustainable pattern.*

- ⇒ To accept job work concerning production of shoes and leather goods for Governmental, Semi-Governmental and Private agencies.
- ⇒ To conduct training programmes on basic skills and skill upgradation for shoes and leather goods.
- ⇒ To undertake education and community development programmes for the clusters of shoe makers and leather-artisans.

*With the above objective, SHG was formed in January, 1998 as 'Midland Leather'. The members contributed Rs.85,000 as seed money out of their salaries. As per the audited statement of accounts, the SHG has had a turnover of Rs.1.35 lakhs during the financial year 1998-1999. The accounts were audited and approved by the General Body.*

**Business Activities of SHG (Leather Products), Bhopal Registered as 'Midland Leather' (1998-1999) :**

- Jan'98 to June'98 : Training imparted to traditional shoe makers of Dhar & Bhopal.*
- July, 1998 : Exhibition of Design at Bhilai in MP – Prepared 150 designs*
- August, 1998 : Exhibition of improved designs at Bilaspur in MP – Prepared 200 Designs*
- September, 1998 : Improved the designs as per market feedback*
- October, 1998 : Executive trial order of 50 pairs of State industries Corpn. MP, (SIC)*
- Nov. & Dec'98 : Executed order of SIC, MP for production of 4000 pairs for MP Police*
- Jan.Feb. & Mar. 99 : Executed 1000 pairs repeat order for SIC and trial order of 1000 pairs for MP Scouts and Guides, Also participated in Mamatva Fair at Bhopal*
- Apr.May & June'99 : Participated in two sales exhibitions at Bhopal on May 3 – 10 and on June 10-14.*
- July'99 to Sept'99 : Prepared 80 samples for International Shoe Fair at Delhi. Procured trial order of Jodhpur/Jaipur market & supplied 800 pairs to buying agent.*
- Oct.- Dec'99 : Executed 9000 pairs repeat order from SIC.*



#### **A. Establishment of Hamkadam Leather Cooperative Society Ltd., Bhopal (21 members)**

On the basis of the business experience gathered as SHG, the members decided in June, 1999 to form a regular society on cooperative pattern with a view to consolidate and expand their business activities. Their cooperative society named 'Hamkadam Leather Cooperative Society Ltd.' was registered on 3.1.2000 with 12 local additional members who had received skill upgradation training from the centre. The share capital Rs.5000 was raised by their own contribution . Besides, the deposit balance of Rs.1 lac was transferred to the cooperative account. Members are depositing 20% of their wages in the share capital account under the M.P.State Cooperative Act. The business activities of the proposed cooperative society have already started. Some of the major ventures accomplished by the proposed cooperative society are given below. The proposed cooperative society has branded their footwear product as "Companion". The cooperative society has selected representatives to govern the functions with managerial responsibilities being shared by the members themselves. The trainers at the centre have taken the responsibility of marketing, finance and coordination whereas the raw material and production control is being looked after by the traditional shoemakers.

#### **Hamkadam Leather Co. Activities of Cooperative – Activities of**

1. Executed Production order of Jodhpur. (1000 pairs)
2. Executing production order of MPSIC (Police shoes) 10000 pairs
3. Sample development in leather goods in partnership with a Delhi based exporter. (Jacket sold. 100 pcs)
4. Execution of marketing orders of Dhar, DSMA (300 pairs per month)

5. *To extend marketing support to trained artisans.*
6. *Planning to start a retail counter in Bhopal*
7. *Appointed sales agents in Jaipur and Bhopal.*
8. *Supplied samples of 80 handcrafted juties (shoes) to Regal Footwear, Bangalore.*

### ***Future Plans***

1. *To obtain franchise of Liberty and Bata shoes and undertake their job work for M.P. (minimum 150 pairs/month assured order)*
2. *To collaborate with Jabalpur and Dhar centres on handcrafted ladies foot wear for supply to Bangalore and Delhi based exporters (200 pairs / month)*

### ***Please examine the following issues :***

1. *Need of group formation*
2. *Composition of group*
3. *Group Consolidation process*
4. *Capital Building Process*
5. *Management System*
6. *Suggestions*

\*\*\*\*\*

## **CASE STUDY**

### ***WOMEN JUTE HANDICRAFTS SOCIETIES***

Bhopal had witnessed one of the worst of century's gas disaster on 2 December, 1984. More than 3000 people had died and more than 8000 people had developed physiological problems. The Government of Madhya Pradesh had organised relief measures at war-footing level and had promoted gas victims' rehabilitation packages.

It was in the year 1995 when a survey was done by State Government to assess the number of families desirous of taking vocational programme on handicrafts. In all 593 families were identified in which the women heads of the families were interested in pursuing their economic interests through handicrafts.

The identified women were selected for skill building training programme organised by the Handicraft Development Corporation of M.P. (HSVN). With the financial support from UNDP National Jute Development Programme.

After the skill building training programme, 144 women living in close proximity decided to take up jute handicrafts as their principal income generation occupation. These women were organised into self help groups of 24 each. The craft training consultant of HSVN Mr.S.P.Kohli took the responsibility of facilitating the functioning of the groups.

It was at the end of 1996, when CICOPA Project of ICA collaborated with the Craft Development Centre of HSVN and organised motivation and awareness camps to sensitize the women to get organised into a formal group to attain body corporate status for an assured future.

The women members were also given the basic training on simple accounts keeping and maintenance. The women belong to very poor families and are falling in scheduled caste category.

Four bank accounts were opened and the payment of their job work was transferred in the account of the group.

The groups decided to work under the guidance of Mr.S.P.Kohli and appointed him as their common manager. Mr.Kohli won the confidence of women members by getting export production order of HSVN on job work basis. He also discussed the possibilities of formalizing the groups into a cooperative society. But the women found the procedure under firms and societies Act much simpler than Cooperative Societies Act and choose to get registered as societies in June, 1997.

The six societies were registered as Milan, Safalta, Sangam, Adarsh, Unnati and Ekta respectively.

The business transactions of the six handicraft societies are as shown in the Annexure to it.

All the six women handicraft societies are working on the job work of HSVN to cater to their export market. HSVN has become the main promotional agency of the six societies. Over the period the women have become entrepreneurs and are aspiring to venture directly in International Market. The quality of the craft has also improved to a competitive level.

The women have also started Thrift and Credit Activity from July,1999 and are regularly taking protective loan three times of the monthly thrift amount (Rs.30/-) and have also entered into inter group alliances to help meet the protective loan requirement of the members of other groups.

All the groups have been getting audit regularly and holding Annual General Meetings to discuss their concerns about business performance and potentials.

For the year 1999-2000 the progress upto end of 1999 has been more than expected. They have earned wage amount totalling to Rs.4.48 lacs and expect to cross Rs.5 lacs by the end of March,2000.

**Performance of Women Jute Handicraft Societies Bhopal (Rs. in lacs)**

Sr No	Name of Society	1996-97		1997-98		1998-99	
		Business Value	Wages	Business Value	Wages	Business Value	Wages
1	Milan	2.50	0.55	3.25	0.65	3.80	0.76
2	Safalta	2.84	0.59	3.60	0.74	3.40	0.65
3	Sangam	2.90	0.60	3.30	0.67	3.72	0.76
4	Adarsh	1.97	0.42	2.90	0.61	3.84	0.81
5	Unnati	2.41	0.50	3.00	0.62	3.23	0.64
6	Ekta	3.09	0.65	3.68	0.79	3.76	0.65
	<b>TOTAL</b>	<b>15.71</b>	<b>3.31</b>	<b>19.73</b>	<b>4.08</b>	<b>21.75</b>	<b>4.27</b>

**CASE STUDY**  
***WOMEN JUTE HANDICRAFTS SOCIETIES***

Bhopal had witnessed one of the worst of century's gas disaster on 2 December, 1984. More than 3000 people had died and more than 8000 people had developed physiological problems. The Government of Madhya Pradesh had organised relief measures at war-footing level and had promoted gas victims' rehabilitation packages.

It was in the year 1995 when a survey was done by State Government to assess the number of families desirous of taking vocational programme on handicrafts. In all 593 families were identified in which the women heads of the families were interested in pursuing their economic interests through handicrafts.

The identified women were selected for skill building training programme organised by the Handicraft Development Corporation of M.P. (HSVN). With the financial support from UNDP National Jute Development Programme.

After the skill building training programme, 144 women living in close proximity decided to take up jute handicrafts as their principal income generation occupation. These women were organised into self help groups of 24 each. The craft training consultant of HSVN Mr.S.P.Kohli took the responsibility of facilitating the functioning of the groups.

It was at the end of 1996, when CICOPA Project of ICA collaborated with the Craft Development Centre of HSVN and organised motivation and awareness camps to sensitize the women to get organised into a formal group to attain body corporate status for an assured future.

The women members were also given the basic training on simple accounts keeping and maintenance. The women belong to very poor families and are falling in scheduled caste category.

Four bank accounts were opened and the payment of their job work was transferred in the account of the group.

The groups decided to work under the guidance of Mr.S.P.Kohli and appointed him as their common manager. Mr.Kohli won the confidence of women members by getting export production order of HSVN on job work basis. He also discussed the possibilities of formalizing the groups into a cooperative society. But the women found the procedure under firms and societies Act much simpler than Cooperative Societies Act and choose to get registered as societies in June, 1997.

The six societies were registered as Milan, Safalta, Sangam, Adarsh, Unnati and Ekta respectively.

The business transactions of the six handicraft societies are as shown in the Annexure to it.

All the six women handicraft societies are working on the job work of HSVN to cater to their export market. HSVN has become the main promotional agency of the six societies. Over the period the women have become entrepreneurs and are aspiring to venture directly in International Market. The quality of the craft has also improved to a competitive level.

The women have also started Thrift and Credit Activity from July, 1999 and are regularly taking protective loan three times of the monthly thrift amount (Rs.30/-) and have also entered into inter group alliances to help meet the protective loan requirement of the members of other groups.

All the groups have been getting audit regularly and holding Annual General Meetings to discuss their concerns about business performance and potentials.

For the year 1999-2000 the progress upto end of 1999 has been more than expected. They have earned wage amount totalling to Rs.4.48 lacs and expect to cross Rs.5 lacs by the end of March,2000.

**Performance of Women Jute Handicraft Societies Bhopal (Rs. in lacs)**

Sr No	Name of Society	1996-97		1997-98		1998-99	
		Business Value	Wages	Business Value	Wages	Business Value	Wages
1	Milan	2.50	0.55	3.25	0.65	3.80	0.76
2	Safalta	2.84	0.59	3.60	0.74	3.40	0.65
3	Sangam	2.90	0.60	3.30	0.67	3.72	0.76
4	Adarsh	1.97	0.42	2.90	0.61	3.84	0.81
5	Unnati	2.41	0.50	3.00	0.62	3.23	0.64
6	Ekta	3.09	0.65	3.68	0.79	3.76	0.65
	<b>TOTAL</b>	<b>15.71</b>	<b>3.31</b>	<b>19.73</b>	<b>4.08</b>	<b>21.75</b>	<b>4.27</b>



***Issues to be discussed :***

1. Need of group formation
2. Group consolidation process
3. Management system
4. Extent of autonomy and freedom
5. Suggestions

# Communication - Cautions |

by  
Mr. Rajiv I D Mehta, ICA

सक्रिय ढंग से सुनने में निम्नलिखित बातें सहायक हैं :-

१. बातचीत में दिलचस्पी लेना। दिखाना।
२. कहनेवाले को समझने की कोशिश करना।
३. सहानुभूति जताना।
४. अगर कोई - समस्या हो तो उसका निवारण करना।
५. समस्याओं के कारण को समझने के लिए सुनना।
६. वक्ता को समस्या एवं उसके कारण को समझने में मदद करना।
७. जब चुप रहने की जरूरत हो, चुप रहा जाये।

निम्नलिखित बातें बाधक होती हैं।

१. बिना जरूरत के तर्क एवं बहवाव।
२. बीच में बोलना।
३. आनन - फानन में निर्णय देना।
४. बिना माँगे हो साहजी की सलाह देना।
५. सीधे निष्कर्ष पर पहुँचना।
६. वक्ता की भावनाओं पर सीधी व तीखी प्रतिक्रिया व्यक्त करना।

**WORKSHOP ON SENSITIZATION OF GOVT.OFFICERS ON  
SELF SUSTAINABILITY OF CRAFT CLUSTERS IN INDIA  
( 25 to 29 March, 2000)**

**GROUP - I**

The following group consists of

S'Shri

1. A.K.Agnihotri
2. S.Gurumurthy
3. Sant Lal
4. S.A.Razaq
5. H.K.Sharma
6. B.M.Mishra
7. Kum.Shashi Bala

In order to impart skill upgradation and entrepreneurship development training, traditional shoe-makers, identify the potential pockets of leather artisans including shoe makers in M.P. state and establish satellite centre in the potential districts of the state, need of group formation arose with the view to provide a fair idea about the shoe and leather industry and establish CFC(Common Facility Centre).

The group of 11 youths having fair idea about the shoe industry were selected and made to work as trainers to impart skill upgradation training traditional shoemakers and managing the centre as C.F.C.

Selected youth and who were having fair idea were first exposed to various segments of leather industry and the integral components of the economic scales and were trained in respect of different process of shoe making at various professional institute of FDDI and as such trainees were motivated to form SHG to undertake activities.

In order to build capital, SHG was formed and members contributed as such money out of their salaries and further funds has been raised by their supplying shoes to different agencies. SHG group had received as a cooperative society and deposit their balance to cooperatives.

It is suggested that society can approach a financial institution for getting loans for increasing their base of production to meet the numerous order received. However, it should be need based.

For efficient functioning of the society, the different field of management such as accounts, administration, procurement of raw material, supervision of production, quality control, marketing, liasioning of the products should be looked after by different willing and responsible member. The division of labour will enhance production as well as quality and will increase their expertise in shoe

making to compete. Cooperative should appoint very experienced, talented and having liaison with different agencies with high degree of involvement may be engaged for over all activities of the cooperatives.

There should <sup>not</sup> be any beauracracic and political interterm in the managements of the cooperative.

The cooperative should also include other items in demand both in domestic as well as international market. Society should stress on evolving new designs by studying various modern techniques prevailing in shoe industry and also should have liaison with concerned agencies in the country to participate in exhibition in India and abroad.

**Workshop on Sensitization of Govt. Officers on Self Sustainability  
Of Craft Clusters in India  
( 25 – 29 March, 2000 )**

**GROUP REPORT NO.1**

**Sub: CASE STUDY ON WOMEN JUTE HANDICRAFT PRODUCTS**

The group consists of the following members.

S'Shri

- 1) A.K.Agnihotri
- 2) S.Gurumurthy
- 3) Santlal
- 4) S.A.Razaq
- 5) H.K.Sharma
- 6) B.M.Mishra
- 7) Kum.Shashi Bala

After gas disaster in 1984 in Bhopal many women lost their husband and were completely isolated and had no time to look after them and their children. Hence, a strong need was felt to bring them together. The MPHSUN played a great role by bringing them together ably supported by UNDP under the National Jute Development Programme.

2. As there were various small help groups engaged in the manufacture of jute handicrafts the ICA in collaboration with MPHSUN played a great role in sensitizing these groups to form into a large group for larger participation in socio-economic activity which they did it in the year 1997 by registering themselves into six societies. This step was imperative to enable them to come together and to cater to the multiple requirement of manpower.

3. While looking at the performance of these societies during the last three years, it can be said that they seem to be well managed as they have the assistance of professional manager. However, the performance of Adarsh Society is praise worthy as with the lower business and wages in the year 1996-97, the society superseded all the remaining societies in terms of business and wages in just three years of their operation.

4. By looking at their performance one can say that these societies enjoy full autonomy and freedom. They took their own decision to form themselves into a society rather than a cooperative, as they found the procedure were simple in forming a society.

5. Although, the performances of all six societies were good during the last three years, the progress of Adarsh Societies was excellent. It is suggested that the MPHSUN who have become the main promotional agency of these societies should see that these societies also perform better and ensure that there is no compromise on quality and skill upgradation in order to sustain them in the years to come. Advanced training shall also be imposed and these societies may also be advised to diversify themselves in other crafts to make them more viable. The societies are also advised not to be fully dependent on the MPHSUN and do their activity in an independent manner. Even to solve their multiple problems they be asked to form apex society.

# **CASE STUDY**

## **GROUP-B(II)**

### **S'Shri**

1. S.R.Jana
2. V.K.Mahajan
3. Ajit Singh
4. S.Z.Hussain
5. I.G.Kaware
6. P.R.Saxena
7. K.S.Rathore

#### 1) Women Jute Handicrafts Society

##### **a. Need of group of formation**

To facilitate relief measures to Bhopal gas victims of 1984, a survey was conducted in 1995 by Madhya Pradesh Govt. In all 593 families who were interested for upgradation of their common economic status through handicrafts sector were identified. A need was felt to form a group.

##### **b. Group consolidation process**

From 593 families, 144 women were selected, living in close proximity for skill building training programme organised by M.P.H.S.V.N. These women decided to take up jute handicrafts as their principal income generation occupation and formed 6 SHG of 24 each. **ICA** collaborated with the CDC of MPHSVN and organised



motivation and awareness programme to sensitize the women to get organised into a formal group to attain body corporate status.

**c. Management system**

To have proper management system, a basic training on simple accounting and maintenance was given to the women members. The groups also decided to have their common manager Shri S.P.Kohli, who would help them to receive orders (job works).

**d. Extent of autonomy and freedom**

Six groups registered under the societies Act, are at present working on the job work of MPHVN to cater to their export market, but from the records of business transactions high-lighted in the case study, it is seen that the wages paid to the groups/individuals are insufficient in comparison with their job-value. The following statistical analysis will reveal the true picture of the plights of the groups :-

<b>Year</b>	<b>Average job value per Member per month (Rs.)</b>	<b>Average wage earned per member per month (Rs.)</b>
1996-97	1000 (80%)	200 (20%)
1997-98	1100 (88)	240 (20)
1998-99	1260 (88)	250 (20)

From above it will be seen that one individual earns daily wage @ Rs.7/8. 80% of the job value is being taken by the corporation, whereas only 20% are being paid to artisan. This state of affairs shows that the groups or individual have no say in running the societies. They have no autonomy, no freedom so far as the profit is concerned. However, it is a good sign that they have started T & OA to meet the protective loan requirement and they as entrepreneurs are planning to venture directly in the international market.

- e. In view of the activities shown in the case study, the women, even though they have become entrepreneurs, cannot enter into the export market because they have no expertise, infrastructure to do so, it is therefore suggested :-
- i) Six groups/societies should be motivated and sensitized to get organised into a formal group to attain cooperative status for an assured future.
  - ii) There is an urgent need to rethink about structure of wage, profit etc.

### ***CASE STUDY –7***

## ***SHG – MIDLAND LEATHERS & HAMKADAM LEATHER COOP.SOCIETY LIMITED***

### ***i. Need of Group formation***

Govt. of Madhya Pradesh through Rajiv Gandhi Gramodyog Mission (RGGM) in the year 1995 under the auspices of National Leather Development Programme of UNDP, CLRI, FDDI signed an agreement for setting up a subcentre of FDDI at Bhopal to impart skill upgradation and entrepreneurship development training to traditional shoe makers. It was therefore, felt to form a group.

### ***ii. Composition of group***

Eleven youths who had a fair idea about the shoe making and leather industry, were selected to work as trainers at FDDI, subcentre, Bhopal to impart skill upgradation of shoe makers, quality control and techniques of pricing.

iii. To create self awareness, sincerity and confidence in the trade, the eleven selected youths were sent to various institutions, training centre and international fairs by batches from July'95 to June'97 for training, relevant courses.

iv. At initial stage the members contributed 85000/- as seed money out of their salary in 1998-99 this turn over reached to Rs.1.35 lacks. With the passage of time then have received various orders for supply of shoes and jackets etc.

- V.** Due to the success of SHG a coop.was formed with share capital of Rs.5000/- and Rs.1.00 lakh was transferred to Cooperative Management System and introduced in the cooperative in highly appreciated.
- vi.** Number of members in the society should be increased with involvement of real artisans so that production have at different segment in the area planned can be achieved. There should not be any political/Govt. intervention in the activities of this cooperatives now onward to stand them on their own.

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**Workshop on Sensitization of Govt. Officers on Self Sustainability  
Of Craft Clusters in India  
( 25 – 29 March, 2000 )**

**GROUP REPORT NO.III**

**Sub: CASE STUDY ON WOMEN JUTE HANDICRAFT PRODUCTS**

The Group consists of following members.

S'shri

- 1) A.T.Meshram
- 2) S.Ramamoorthy
- 3) Mahabir Prasad
- 4) A.C.Gangal
- 5) V.P.Thakur
- 6) Satyanarayan
- 7) P.K.Khullar

**1. NEED FOR GROUP FORMATION**

The need in this case arose out of the concern for rehabilitation of womenfolk of the families affected by the gas leak tragedy in Bhopal and through this process, to empower the women, charges skill building training with financial support from UNDP funded projects.

**2. GROUP CONSOLIDATION PROCESS**

After having felt the need to rehabilitate the women, initial surveys were undertaken to find out desirous women who wish to pursue handicraft activity as a means for economic gain. The MPHSUN took on the role of becoming the facilitator to give a practical shape to the scheme of briefing together the women folk to work in groups. Services of ICA were engaged for sensitizing, of

motivating the identified women to work together in formal groups resulting into formation of 6 SHGs. The virtues of thrift were explained to the women who finally agreed to contribute to the thrift from out of their dally savings @ Rs.30/- p.m. of then availed protective loans to meet their needs. The members were given basic training on keeping accounts of their various transactions. A qualified common manager was appointed for SHGs to give the groups or right direction and develop various linkages with marketing, funding of other groups and govt. agencies and to consolidate the groups.

### **3. MANAGEMENT SYSTEMS**

Each group's representative was a part of the management for making all kinds of decision for the group, but under the guidance of a qualified, knowledgeable and professional manager. The system adopted is democratic as refelected in participatory management of the groups, and annual general meetings of the groups to discuss concerns of the members, business performance and potential etc.

### **4. EXTENT OF AUTONOMY AND FREEDOM**

This is fairly good as is reflected from the instance of the women deciding to formalise themselves by registering their group under Societies Act as against the Manager's view of getting them registered under Cooperative Society Act or a Firm. Since the women feel it was easier and simpler for them to function as a soceity. This shows that they had a good say.

### **5. SUGGESTIONS**

The Society is surviving on the basis of wage earned through job work given by MPHSUN. Till such time the Groups engaged in direct production/marekting activities, they will not develop the entrepreneurial skills and affinity among group members will not consolidate to keep them united, cohesive and motivated, notwithstanding the fact that there is no other economic gain to them other than way of wage earned. The Society si not more than a hired

conversion unit of raw materials given by MPHSUN. What happens, if suddenly MPHSUN has no orders to give to the Society. There is a danger of the groups disintegrating. As a initial promoter of the groups, the MPHSUN should place direct orders on the Society to buy finished products now that they are satisfied with the quality and credibility of the Society after seeing their work for 3 years. They are bit nade sekf systaubale and shall become job less when there are no orders from the concerned agency. They are still totally dependent.

**WORKSHOP ON SENSITIZATION OF GOVT.OFFICERS  
ON SELF SUSTAINABILITY OF CRAFT CLUSTERS IN INDIA  
( 25 TO 29 March, 2000)**

**Sub: Case study on Leather cooperative**

The Group consists of following members:

S'Shri

1. A.T.Meshram
2. S.Ramamoorthy
3. Mahavir Prasad
4. A.C.Gangal
5. V.P.Thakur
6. Satyanarayan
7. P.K.Khullar

**1. Need of Group Formation**

The State Government of MP has to implement a project of National Leather Development of UNDP. They have no machinery of their own to execute this project. Therefore a need has been felt to select right development partners and thereby seek to establish a community enterprise which shall function on perpetual basis through net working of agencies like CLRI, FDDI etc.

**2. Composition of Group**

The group comprises of 11 educated and motivated youth having a four idea of shoe-making process aspiring to form and run an enterprise.



### 3. Consolidation Process

The consolidation process started with training of the traditional shoe maker members through the other 11 qualified member. They also imparted training to manage the CFS, quality control techniques, becoming cost effective and cost minimisation principle in capturing market share. Some of these 11 young members were sent for further exposed to various other aspects of leather product making. Then they (11) were sent to NOIDA to learn basic sewing course on foot wear. A batch of 3 was sent to Kanpur to learn cutting techniques. ICA was engaged to conduct an awareness building campaign for the members, which held several sessions with the members at Bhopal. A group of 2 members was sent for learning management techniques for managing artisans. Further training in designing and manufacture of leather goods was arranged for some more members.

Even an international exposure was given to one member to understand the intricacies of designing of footwear and to get a foot of various other products exhibited by other participating countries in that exhibition.

After intensive training, of the members as well as after clear understanding by the members about the need to form a group with common objectives, a SHG was formed with the said 11 members.

The distinct feature in this case is that necessary interventions like training designing, management etc. were visualised in advance, the members were qualified and well-motivated, and were thus geared to take off for undertaking a commercial enterprise with very clear common goals, objectives as well approach. This led to virtually eliminating the usual gestation period. This is indicated by the quick transformation of the SHG in January, 1998 into a Coop. In June, 1999 i.e. just after 1.5 years approx.

#### **4. Capital Building Process**

The capital building began with the members pooling their resources (Rs.85000) at the stage of forming SHG and the economic activities undertaken by them yielded revenues which further consolidated the capital base of the group.

At the time of converting the group into a cooperative, the then available capital of Rs.1.00 lakhs of the SHG was transferred to the Cooperative Account, and another Rs.5000/- came from the 12 new member as their equity. Further consolidation of the capital base continued on recurring basis by way of deposit of 20% of the wages earned by each member towards the equity of the cooperative.

#### **5. Management System**

The qualified members took on the responsibility of managerial function such as marketing, finance, and coordination where Rural Management and Production was left to the traditional shoe makers members, then giving each member a clear stake as well as

responsibility – an essential pre-requisite for an effective participatory management.

## **6. Suggestions**

The 11 members are at present trainers in FDDI sub-centres, this receiving their salaries for imparting training. One aims the aim MP Govt. through the UNDP Project is to set up sub-centres of FDDI, are set up and the UNDP funds/scheme/project gets fully implemented, the 11 members will draw their subsistence from the coop., this depleting the resource of the coop. The management of the cooperative should therefore plan and prepare for how to meet the sudden demand of meeting the subsistence needs of 11 members after the on-going UNDP Project closes.

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**WORKSHOP ON SENSITISATION OF GOVERNMENT OFFICERS ON  
SELF SUSTAINABILITY OF CRAFT CLUSTERS IN INDIA.**

**VALEDICTORY FUNCTION**

**CHIEF GUEST :** Mr Alok Verma,  
Additional Development Commissioner ( Handicrafts)  
GOI

**CHAIRMAN :** Drs Robby Tulus  
Regional Director,  
ICA ROAP

1. Welcome Address and introduction of new Director Mr. B.D. Sharma,  
Director, ICA
2. Remarks by Group Leaders
3. Report on Evaluation and expectation of participants
4. Directors Remarks Dr. B.B. Barik  
Director, VAMNICOM
5. Address to participants by the Chief Guest Mr Alok Verma,  
Additional Development  
Commissioner ( Handicrafts)  
GOI
6. Presidential Address Drs Robby Tulus  
Regional Director,  
ICA ROAP
7. Remarks by Prof K. Elumalai, Professor, VAMNICOM
8. Vote of thanks Shri P.K. Khullar

## Valedictory Address to the Workshop on Craft Clusters

Pune, 29 March 2000

by:

**Robby Tulus, Regional Director, Asia Pacific  
International Co-operative Alliance**

Mr. Alok Verma, Additional Commissioner, Development, Handicrafts, Ministry of Textiles, Prof Elumalai, Acting Director, Vaikhunt Mehta National Institute of Co-op Management, My good Colleagues, Messrs B.D. Sharma and Rajiv Mehta, Participants, Friends, ladies and gentlemen

I am very happy indeed to have this opportunity to be here with you on this concluding day of the important Workshop on Craft Clusters.

Let me first of all express my deep appreciation for the positive and timely steps taken by the Development Commissioner (handicrafts) of the Government of India and her colleagues to support the craftspeople who are still unorganized or under-organized, as well as economically weak and who are, as a result, very prone to the exploitative environment arising from the forces of the market economy. This section of the Indian population is a great repository of arts and crafts, which are vital elements of a very diversified Indian culture since the ancient times. Therefore, it is an imperative for any government in power to support this rich cultural heritage.

I will be remiss if I fail to mention how much we appreciate the leadership and staff of the Vaikunth Mehta National Institute of Cooperative Management, for their readiness to collaborate with us in spite of such short notice, and in once again showing their well-known organizational skills in conducting this workshop all the way to its successful completion .

The International Cooperative Alliance, which is a global organization with the mandate to promote, preserve and protect the cooperative values & principles, as well as member based-organizations, is committed to support those efforts that lead to the effective mobilization of people who together create and strengthen the spirit

of self help, mutual help, and democracy. We have been actively working in the Asia Pacific region for more than 3 decades. Worth noting, however, is that the Indian Cooperative movement itself has associated with the ICA more than a century since 1895, the year ICA came into being.

Since then, the Cooperative Movement worldwide has grown in size and scope, notwithstanding the fact that it has constantly encountered many ups and downs. Likewise is the case with the Indian cooperative movement. However, by and large, cooperatives the world over are growing and expanding by leaps and bounds. The Indian cooperative movement is obviously the largest in the world in terms of numbers, with its more than 400,000 cooperatives and 200 crores of membership. As the statistics speak for itself, industrial and artisan cooperatives in India exert a very considerable thrust as a critical segment within the national movement, next only to agricultural cooperatives. This shows that cooperatives have provided an acceptable institutional framework for the development of artisans.

But we must also acknowledge that dormancy is a problem prevalent in many of these cooperatives in India. This may be due to a number of factors, human as well as managerial, but also social. A critical analysis of these factors will show that whenever cooperatives have deflected from cooperative philosophy and principles, aberrations do take place.

The potential of cooperatives as workable and successful member based business enterprises is well known throughout the world. However, this potential can only be harnessed if we preserve and protect the values and principles as enunciated in Cooperative Identity Statement. This calls for constant member education program for cooperatives.

Therefore, as your strategy visualizes the promotion of cooperatives by way of developing craft clusters, education and sensitization of all beneficiaries and implementers should be made an integral part of this strategy.

I also understand that this workshop aims at sensitizing Government Officers with a view towards making these craft clusters self-sustaining. Self-sustainability presupposes an institutional framework that will make these clusters self-organized and self-managed units driven by the commitment and participation of the beneficiaries. Although cooperative enterprises provide a good framework to achieve these objectives, the creation of a proper environment through education and responsive policy initiative is an essential prerequisite for their ultimate success. Therefore, the need for adopting a bottom-up approach cannot be more crucial and should never be undermined. Cooperatives should emerge out of the felt needs of the beneficiaries and must not be imposed from outside, and certainly not from above. In the ICA, through our recent CICOPA project, we have been successful in implementing this approach in many countries of the world including India. However, it is my humble suggestion that you may wish to evolve your own strategy, keeping in view the local conditions of the area.

The present era is an era of globalization, and intense competition is a logical outgrowth of this globalized world. Market is the dominant institution in our life, and with the collapse of Communism it is left with no single rival. The role of the Government must therefore transform itself with the changing times and conditions. Government should act more as facilitator rather than as administrator. It should enable the people to strengthen their capacities through self-help and mutual co-operation. Attitudes, and ways of doing things, among Government policy-makers and functionaries must also change to reflect their new role in supporting and empowering people-based organizations. In the final analysis it is a positive transformation of craftspeople through transformative roles of the government. This workshop, no doubt, is a significant step forward in this direction. I am sure it will have a multiplier effect that will spill over to many more local communities all over this vast and fascinating country.

With these words, may I close by offering each and every one of you my hearty congratulations for an active, well-organized, and enriching Workshop. Last but not least, I should not forget to also felicitate my colleagues Mr. B.D.Sharma and Mr. Rajiv Mehta who will continue to be your partners, in ensuring that progress and the positive impact this worthy endeavor will prevail. Thank you very much.





7. Shri Satya Narayan Singh  
Indian Institute for Rural Development  
All Mahaveer Udhyan Path,  
Bajaj Nagar  
**JAIPUR** **Ph. No. (O) 700994**  
510376
8. Shri Pramod K.Paliwal  
Indian Institute for Rural Development  
A-11, Mahaveer Udhyan Path,  
Bajaj Nagar  
**JAIPUR 302 015** **Ph.No.(O) 700994**  
Fax 510376  
**( R ) 397116**
9. Shri S.K. Jana  
Office of the Dev. Commr. (H)  
Government of India,  
Ministry of Textiles,  
West Block-7, R.K.Puram  
**NEW DELHI – 110 066** **Ph.No.(O) 6103708**  
**( R ) 6151238**
10. Shri P.K.Khullar  
Office of the Development Commr. (H)  
Government of India,  
Ministry of Textiles,  
West Block-7, R.K.Puram  
**NEW DELHI – 110 066** **Ph.No.(O) 6104860**  
**( R ) 5577061**
11. Shri Ajit Singh  
Office of the Development Commissioner (Handicrafts)  
Government of India,  
Ministry of Textiles,  
West Block-7, R.K.Puram,  
**NEW DELHI- 110 066** **Ph.No. (O) 6104860**
12. Shri Harish Kumar Sharma  
Office of the Dev. Commr. (H)  
West Block-7, R.K.Puram,  
**NEW DELHI – 110 066** **Ph.No.(O) 6177790**  
**( R ) 3348751**
13. Shri S.A.Razzack  
Handicrafts Mktg. & Service Extn. Centre  
2-2-375, K.V.Layout,  
**TIRUPATI - 517 507** **Ph.No. (O) 20359**  
**( A.P. ) ( R ) 22830**

14. Shri V.K.Mahajan  
Office of the Development Commr (H)  
D-H/180, College Road,  
**HOSHIARPUR**  
**(PUNJAB)** **Ph.No.(O) 53241**  
**( R ) 34379**
15. Shri K.S.Rathore  
Office of the Dev. Commr. (H)  
Ministry of Textiles,  
Government of India,  
West Block-7, R.K.Puram  
**NEW DELHI - 110 066** **Ph.No.(O) 6177790**  
**( R ) 6177060**
16. Smt. Shashi Bala  
Office of the Development Commr. (H)  
Government of India,  
Ministry of Textiles,  
West Block – 7, R.K.Puram,  
**NEW DELHI – 110 066** **Ph.No.(O) 6102940**  
**( R ) 4102020**
17. Shri P.R.Saxena  
Office of the Development Commissioner (Handicrafts)  
Government of India,  
Ministry of Textiles,  
West Block-7, R.K.Puram  
**NEW DELHI- 110 066** **Ph.No. (O) 6102940**  
**( R ) 5554007**
18. Shri Mahabir Prasad  
Office of the Development Commissioner (Handicrafts)  
Government of India  
Ministry of Textiles  
West Block-7, R.K.Puram  
**NEW DELHI – 110 066** **Ph.No.(O) 6104860**  
**(R) 6195789**
19. Shri V.P.Thakur  
Senior Assistant Director  
Office of the Development Commissioner (Handicrafts)  
Ministry of Textiles  
Government of India  
West Block-7, R.K.Puram  
**NEW DELHI - 110 066** **Ph.No.(O) 6177790**  
**( R ) 0253-566808**

20. Shri Sant Lal  
Office of the Development Commissioner (Handicrafts)  
Ministry of textiles  
Government of India  
West Block-7, R.K.Puram  
NEW DELHI 110 066  
Ph.No.(O) 6177781  
( R ) 6464458
21. Shri S.Ramamoorthy  
Deputy Director (H)  
Office of the Development Commr. (H)  
26, Haddows Road  
Shastri Bhavan  
MADRAS – 600 006  
Ph.No.(O) 8276321
22. Shri S.Z.Hussain  
Handicrafts Marketing & Service Extn.Centre  
Padampura  
AURANGABAD  
Ph.No. (O) 321220
23. Shri S.Gurumurthy  
Assistant Director (Handicrafts)  
Handicrafts Marketing & Service Extn, Centre  
Office of the Dev..Commr (H)  
564/E, Nasipude Building  
Shahupuri, Vyaparpet  
KOLHAPUR 416 001  
Ph.No.(O) 653903  
( R ) 668024

**RESOURCE PERSONS**

24. Shri Faiz Mohd.Khan  
Hamkadam Leather Cooperative Society Ltd.  
76, Opp.Motia Talab,  
Tajul Masjid Road,  
BHOPAL  
Ph.No. (O) 91-755-748695  
( R ) 91-755-748283
25. Shri Anas Anees  
Hamkadam Leather Coop.Society Ltd.  
76,Opp.Motia Talab,  
Tajul Masjid Road  
BHOPAL (M.P.)  
Ph.No. (O) 748695  
( R ) 756574

26. Shri B.D.Sharma  
Director (SOWECA)  
International Cooperative Alliance  
"Bonow House"  
43, Friends Colony (E)  
**NEW DELHI – 110 065**  
**Ph.No.(O) 011-6835123**  
**(R ) 6835568, 6847354**
27. Shri Rajeev I.D.Mehta  
Consultant  
International Cooperative Alliance  
"Bonow House"  
43, Friends Colony  
**NEW DELHI – 110065**  
**Ph.No. (O) 6835123**
28. Shri Paramjit Sharma  
Workshop Coordinator  
VAMNICOM  
**PUNE**  
**Ph.No.(O) 5537974-78**
29. Prof. K.Elumalai  
Director I/c  
**VAMNICOM, Pune**
30. Prof.V.O.Varkey  
Professor  
**VAMNICOM, Pune**
31. DR.K.Chellappan  
Ex-Professor  
**VAMNICOM, Pune**
32. Smt.Smita Diwase  
**VAMNICOM, Pune**

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**WORKSHOP ON SENSITIZATION OF GOVT.OFFICERS ON SELF  
SUSTAINABILITY OF CRAFT CLUSTERS IN INDIA**

**( 25 – 29 MARCH, 2000 )**

**ANALYSIS OF ASSESSMENT SCORE**

<u>S.No.</u>	<u>TOPIC</u>	<u>TOTAL SCORE</u>	<u>RESPONDENTS</u>	<u>AVERAGE</u> <i>Maximum Score 5</i>
1.	Understanding on the role of Government & NGOs as Development Partners – Prof.Chellappan	82	21	3.90
2.	Understanding on the Problems of Handicraft Groups and Cooperatives -Prof. Varkey & Ms.Diwase	74	21	3.52
3.	Women Empowerment & Thrift & Credit as an Empowerment Tool - Mr.Rajiv I.D.Mehta	91	21	4.33
4.	Identification of Right Development Partners - Mr.Rajiv I.D.Mehta	84	21	4.00
5.	Issues Governing Self-Sustainability of Craft Clusters -Mr.Rajiv I.D.Mehta	85	21	4.05
6.	Options to meet Capital needs- Ways to Strengthen Capital base - Mr.B.D.Sharma	77	21	3.66
7.	Appropriate Management Systems – SHGs & Coops. - Mr.Rajiv I.D.Mehta	85	21	4.04

<u>S.No.</u>	<u>TOPIC</u>	<u>TOTAL SCORE</u>	<u>RESPONDENTS</u>	<u>AVERAGE</u> <i>Out of 5</i>
8.	SHG Formation - Experience of Dr. Dinkar Rao and Stage Show	88	21	4.19
9.	Understanding on Japanese & Korean Experiences - Mr.M.V.Madane	60	21	2.85
10.	Communication & Observation Cautions - Mr.Rajiv I.D.Mehta	81	21	3.86
11.	Field Visit	89	21	4.24
12.	Case Studies	87	21	4.14

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