

CHAPTER IV

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ORGANIZATIONAL PROFILE

2.1 MAANDESHI FOUNDATION PROFILE:

History of Mann Deshi: Define Social Issue & The Strategy: (Making Women The Focus Of Development) Mann Desh is one of the most drought stricken areas of Maharashtra. Majority of the population have no other employment opportunity but to migrate as construction laborers in Mumbai or in sugar factories. Because of these difficult circumstances, this area has always faced the problem of emigration, particularly among male farmers. An annual rainfall of only 5 inches has slowed local agriculture (GDP growth in this area is less than 4% annually), driving many into urban centers in search of work. Consequently, nearly 50% of students leave school before the 10th standard in search of service sector jobs. Early in life women become primary caregivers in the household and are forced out of schooling - for local women, the illiteracy rate is as high as 65%. Many who remain in the area are those who have no opportunities elsewhere, thus, the area is primarily comprised of scheduled caste, backward caste, and OBC members of whom over 75% are below the poverty line.

Satara is mainly an agricultural district. The agriculture here is entirely dependent on rain. Chetna Sinha says that "Mhaswad was once a prosperous village with productive cotton fields and a fairly wide-spread handloom weaving industry. A severe drought that affected this area in the late 1970s played havoc with the lives of farmers who were reduced to shepherds, goat farmers and daily wage earners." A majority of the people now work as daily wage earners in the agricultural fields. However, during droughts, since there is no agricultural activity, the farm labor remains unemployed. In the dry season, a large number of farmers migrate out of Mhaswad, especially to cities, in search of gainful employment. Men migrate to cities in search of work, the entire burden of home and hearth falls on women.

Chetna Sinha began working in Mhaswad in the 1980. At first she tried to understand the problems of the locals. She helped the people to get maximum benefit from the schemes offered by the Government during the period of drought.

She soon realized that it was necessary to improve the economic condition of the locals to put a brake on the out-migration. Chetna launched the Mann Deshi Foundation (MDF). Since the inception of Mann Deshi local women were very actively participated. To address the above issues Mann Deshi foundation was established in 1996. Since beginning of the organization women were themselves very much involved in the formation of the organization. Idea of forming the Mann Deshi foundation was to form the people's organization. The foundation is motivated to explore the workable solution and provide the opportunities of employment. Mann Deshi looks forward to create the collectives of women and further forge the linkages with the private and public sector.

Mann Deshi Foundation seeks to improve the quality of life of women and their families living in the rural areas of Maharashtra and Karnataka. Frequent droughts plague these areas, and over the past two decades many local residents have migrated to the cities due to a lack of job opportunities and deteriorating conditions in the villages. Women are particularly disadvantaged, as few females in this tradition-bound society own assets or have access to educational and job opportunities. If the income of women increases they invest in education and health of the families.

The Mann Deshi Foundation works for development of the ten districts of Maharashtra and Karnataka, but pays special attention to women. It has taken a lead in training elected members of local self-government since they are in a position to initiate and carry out development activities. The organization provides food supplements and medicines to mal-nourished children and their family members. It has conducted awareness programmes on HIV/AIDS. It provided relief to people and animals affected by famine in 40 villages.

MDF has instituted awards to be given to villages with cent percent children in schools. It has made bicycles available at to girls who are unable to walk to schools due to the long distance between home and school. MDF is making efforts to improve participation of women in agriculture and also trying to give them equal rights in ownership of property Secondly to create the successful entrepreneurs in rural area availability of capital is key. In rural area no body provides access to financial service to poor. MaanDeshi foundation sponsored MaanDeshi bank, which was the first rural women bank. With this

comprehensive approach Foundation works with Bank and federation. To improve the lives of rural women and their families, Foundation runs various projects through a partnership with its sister organization, the Mann Deshi Bank. A cooperative bank created by and for women, the Mann Deshi Bank targets the needs of the rural poor. Founded in 1997 it is the first bank in the country to have more than 12000 members from the backward caste, and all of its clients fall under what the government defines as the “priority” or “weaker” sector. It specializes in both group and individual lending, as well as savings and some forms of insurance.

Currently, the MDF is working in partnership with the Government to improve the effectiveness of women in agricultural activities. It gives opportunities to women to improve their earnings through these activities. In order to achieve this, MDF, gives training to the rural women. With the help of Agriculture Department training has been given in cashew processing, fruit and vegetable processing, vermiculture and other income generating activities. Self-help groups of women have been organized and trained through demonstrations, exhibitions, field-trips. Maandeshi’s success lies in the fact that it has been able to bridge the differences in education, culture, language and life-style as Mann Deshi always have local staff. Local staff tries to live in harmoniously with the beneficiaries.

This harmony is visible in all the work that Mann Deshi does. The Mann Deshi Foundation, the Mann Deshi Mahila Co-operative Bank, the Federation of self-Help Groups, the government schemes that Mann Deshi has adopted to improve the effectiveness of women’s participation in agriculture - all work in perfect harmony towards the goal of empowerment of women.

The empowerment of women is not only achieved by providing help to improve their earning capacity, but also by definite interventions to improve their health, education and property rights. Mann Deshi has not only extended loans to the women but also insurance scheme, pension scheme saving schemes, including saving in the form of gold. Maandeshi’s experience shows that, “If the banks are willing to take the risk and challenge of working with these clients and developing innovative products to serve

them, they have the opportunity to empower thousands of new micro-entrepreneurs and develop and empower the semi-urban sector of India's economy at the same time".

MDF is registered as a Trust under the Bombay Public Trusts Act, 1951, with the aim of providing rural women in Maharashtra and Karnataka non-banking support to establish and expand rural enterprises. In 2006, MDF set up a financial literacy program, which taught women basic financial concepts like savings and loan, and household and business cash management. MDF wanted to help women manage their personal and business finances better, so that they could avail of banking services in a more informed and effective manner.

After a few years of successfully offering financial education and interacting with rural women entrepreneurs, MDF staff realized that the women faced several problems, not just financial, in setting-up and expanding their businesses. These included: lack of technical skills, lack of knowledge on marketing produce, lack of inventory management, and lack of mobility and support from the family and community. With these issues in mind, MDF established the Mann Deshi Udyogini Business School in 2006.

Over the past 4 years, in addition to building on the financial literacy program, Mann Deshi b-school has created content, delivered courses and workshops, and provided skill training on a range of relevant topics like computer literacy, English speaking, tailoring, agri-business and veterinary health, and personality development.

More recently, in 2009, Business school launched its flagship Deshi MBA program, which offers workshops on specific topics aimed at business women who want to expand their businesses. These include working capital management, supply chain management and marketing management.

Today, the Maandeshi has helped thousands of rural women set-up and/or expand their rural businesses.

- i. **Belief of the Mann Deshi Group:** Around two-thirds of India lives in rural areas. Rural poverty and unemployment, especially amongst households employed in the agricultural sector, are very high. We believe building livelihoods through entrepreneurship, which are not directly linked to the agricultural sector, is an

effective way to solve the problem of rural household poverty. We believe women have the potential to be successful entrepreneurs, responsible for parental decisions and financial planning both at the household and village level. Our experience has shown that when women control their households' finances, more money is invested on children, education, healthcare, and other important domestic issues. We believe that the financial empowerment of women will augment the growth and development of India, thereby creating a better life for future generations.

We also believe that women face numerous challenges, both financial and non-financial, as they prepare to play their new role as entrepreneurs and become financially empowered.

- ii. **Mission of the Mann Deshi Group:** Mann Deshi Group's mission is to address these issues and improve the economic and overall well-being of rural women by transforming them into successful entrepreneurs. It is our mission to provide women in the poverty-stricken areas of India with the tools necessary for achieving financial independence and self-sufficiency.

Our answer to helping 800 million individuals is not just microcredit as offered by other MFIs; rather, we aim to offer a holistic approach that includes financial services, finance and management courses, vocational and skill training workshops, business insight, health services, and group advocacy.

- iii. **Vision of the Mann Deshi Group:** After considerable experience in helping rural women utilize financial services in an educated and more productive manner, as well as in providing them with the skills necessary in setting-up and expanding businesses, the Mann Deshi Group would like to make the logical next step of providing financial services by establishing a Non-Banking Financial Company.

Succession Plan: Major challenge Mann Deshi faces is that it is located in rural and remote location; it is difficult to get the trained staff. Mann Deshi operates on the policy of recruiting staff from the local community. 100% of employees are local women from the region –developing webs of trust-based relationships. The Managing Trustee of Foundation – Rekha Kulkarni- is a professional from Mhaswad who joined d the Shivaji University, Kolhapur

Foundation in 2000. Man deshi is also striving to develop the second generation leadership. Under this team Rekha Kulkarni, Vanita Shinde, and others have able to take the leading role. Foundation's board is as well from local community; Rekha Kulkarni also serves on the board.

2.2 MAAN DESHI BANK PROFILE:

For Kantabai, a bank account was not on her reality radar. "I went to the money-lender because banks don't let in women who look like me," she said, tugging at her ash-smearred saree. "(Also) Bank wants ID, (for that) I have to produce birth certificate - I was born on the street in front of everyone and I gave birth to 11 children in front of everyone, and they want proof of my birth. "



Mann Deshi Bank, provide management training and access to finance for rural female micro-entrepreneurs with its sister organization Mann Deshi

Udyogini (B-school for rural women- Founding sponsor HSBC). Mann Deshi Bank and B-school for rural women works together. The capital provided by the bank has to go hand-in-hand with the women's' business goals. Our innovative and comprehensive approach brings business school courses and financial services to client's doorsteps. As a part of their combined effort, the Mann Deshi provides business school courses, **mentor programs, market linkages, and network exposure** while the Bank provides **working capital and loans** to micro entrepreneurs.

Mann Deshi is the first **rural women's cooperative bank** offered financial services to more than **155,000** women. Mann Deshi Bank with B-school for Rural Women trained **46,000 women** in business and finance. It has enabled 6,000 women to have property rights and **27,000 women** to create micro-enterprises, from photo frame making, paper

cup making, running tea shops, selling pav-bhaji (a vegetable take-away), hawking vegetables, goat and sheep rearing, selling cell phone recharge coupons, increasing the fat content in milk from mulching cattle, milk vending, and from traditional income-generating crafts to dairying and so on. Indeed, most of the Mann Deshi products were designed **in cooperation with the local people**. Most of the clients Mann Deshi reaches earn around **two dollars a day**.

One of the bank clients is **Kantabai**. She lives on the municipal ground in Mhaswad with her husband and her eight children. The family has no assets, not even a shed for shelter. She spent her whole life in the street with her family. They live all together in a very small hut near S.T. Bus stand. She belongs to the Ghisadi community and carries out their hereditary iron work. She keeps all the money she earns on her body. Whatever she saves, she keeps it in a plastic bag, in a plastic box or in an earthen pot. With her saving she would buy a goat and get milk. Kantabai has lost her money several times. She would have been able to develop the more assets if she was included in banking system. Mann Deshi decided to maintain and read the diaries of house hold like Kantabai, it clearly showed they saved they took loans and they maintained multiple accounts. How can **Kantabai reach a bank**? Or better, what could a bank do to reach Kantabai? If banks want to include the house hold like Kantabai then understand the **cash inflow and outflow** and design the product accordingly. **Financial inclusion** is on prior agenda of Mann Deshi.

Financial Diary: Always trying to be as close to the customers as possible, Mann Deshi just ran a research project, **monitoring all cash flows of a target** group of women, representing all Mann Deshi clients, in great depth to gain an even deeper understanding of the unique situations every women faces. The result of the research led Mann Deshi already to consider **new financial products**, focusing on the week markets.

Financial Inclusion through Innovative (E-card) Technology: One recurring difficulty faced by our clients is the inability to keep their account details confidential. Many of our clients do not store their passbooks in their home for fear of demands on their hard-earned or newly acquired loan money from their husbands. In response to this problem, with its sister organization Mann Deshi Bank, the Foundation has launched "e-card" through Shivaji University, Kolhapur



which women can deposit or withdraw their money at their doorstep. Daily data information is complied with the bank.

This is a **unique proposition introduced by Mann Deshi for rural women in Maharashtra**. HSBC India is our knowledge partner/advisor and is

facilitating the development of the solution as part of their sustainability and financial inclusion initiatives.

Through MaanDeshi's 14 years of experience in the villages of Maharashtra, the organization has observed hundreds of female clients, who possess the capacity and desire to expand their businesses. However, due to their remote location, they often lack the guidance and networking opportunities needed to take their businesses to the next level. After, women demanded the opportunity to get them associated with business network; Mann Deshi realized that there are no business networks for women in rural and semi-urban areas. Responding to this need, in April 2012, The Mann Deshi Foundation launched the first Mann Deshi **Chamber of Commerce for Rural Women (MCCRW)** in India as a part of the extension of Business School. For the MCCRW program Mann Deshi has a partnership with President Clinton Foundations' Initiative – **Clinton Global Initiative (CGI)** based in New York, USA. MCCRW is first of its kind for rural women and has been created to provide women entrepreneurs in rural areas with mentorship, knowledge, and support through policy advocacy, something new and innovative in this area. Initially, the Chamber of Commerce will organize monthly workshops for members, and eventually provide targeted support to address each member's specific needs.

The **Mann Deshi Udyojika Programme** (Enterprise Development Programme) started in January, 2010 aims to create business role models in **1000 women entrepreneurs** by providing them with mentoring and business management training. In this programme, the participants are introduced to their mentors, who work with them for 12 months, and study modules in working capital management, supply chain management and marketing management. Through the program, women are also paired up with mentors in larger

cities who run related business areas. The Foundation also organizes exposure trips for Udyojika students to nearby large cities, like Pune, Mumbai and Kolhapur. The participants are fully funded for their transportation, food and lodging costs. In addition to our established educational courses, a number of new initiatives have begun under the Udyogini Umbrella.

MaanDeshi Marketing Mahotsav (M3): The Foundation launched a marketing center for farmers and producers. The center is equipped with technology like cell phones and



internet, which helps women inquire about the market rate and get better prices for their products. The centre also serves to provide a market for women who are in the agriculture sector. M3 gave the chance to the

Mann Deshi entrepreneurs to expose and promote their work to a new range of clients. Mann Deshi also made arrangements for accommodation and food for stall owners.

Mobile B-School for Rural Women: To improve further, the Udyogini, in association with The Bonita Trust, have launched a custom-built Mobile Business School for rural women in July 2009. The mobile school, with enough training space and all necessary equipment like, sewing machines, laptops, generators, tent etc., travels to the remotest areas of Maharashtra and Karnataka and provided hard-to-reach women with business & management education.

Innovations in Rural Development: One more successful initiative of MDF is providing bicycles to school girls to reduce dropout in school as the lack of transport facility would otherwise force the girls to stay home.

Property Rights for Women: In 2004, MaanDeshi Foundation, with the partnership of Mann Deshi Bank, successfully lobbied with the Revenue Department to include women
Shivaji University, Kolhapur

names in the property papers. Today nearly 600,000 women have been able to get the share in the household property.

Providing Umbrellas to Street Vendors: The Foundation lends umbrellas on a per-day basis repayment at least interest to women who sell in open-air weekly markets. The umbrellas reduce women's risk of falling ill, which directly affects their ability to earn.

Wealth Management: Successful micro business women entrepreneurs who want to expand their business require loan from the bank. Currently it is mandatory that all of MaanDeshi's loaners have attended the financial literacy course for free. Advanced financial literacy, which covers topics such as budgeting, retail and wholesale, and how to determine market prices and market information, is taken by women who want to expand their businesses.



Founder Biography:

President Obama met with CEOs of major global corporations in Mumbai on 6th November, 2010 at the Trident Nariman Point Hotel, as part of a business summit, hosted by the U.S.-India Business Council, and Chetna Sinha was one of the participants in that Business Event. An economist, farmer, and activist, Chetna Sinha works for social change in some of the poorest and most drought-stricken areas of rural India. She is the founder and the current president of the Mann Deshi Mahila Sahakari Ltd. (the Bank), a micro-enterprise development bank. MaanDeshi's clients are from low-income group women with incomes averaging INR 40 (USD 1) per day. The Bank currently has six branches, over 155,000 clients, and conducts 2,400 transactions on a daily basis.

Through the Bank and NGO, Chetna has promoted a holistic approach to help her clients -- one that combines economic activity with the educational tools and health care necessary to lead a productive life. Since 2006, Chetna has partnered with global organizations such as HSBC, British Asia Trust, Deutsche Bank, Bonita Trust, and

Global Giving to develop corporate community partnership programs, which allow the corporate sector in the U.S. and Europe to get a unique view of the impact that micro-finance initiatives have on the local rural population.

Chetna works with marginalized communities and since 1996; she has been organizing women in rural areas of Maharashtra in the fight for the land and housing property rights. MaanDeshi has also launched a community radio station, which provides a platform for information sharing and creative self-expression among the community members of Mhaswad. Moreover, MaanDeshi provides an extra-ordinary self-development opportunity to rural girls and boys through MaanDeshi Champion Sports Program. She has established a first kind of **“Mann Deshi Chamber of Commerce”** and **“Finance Company”** for rural women. *Chetna has been honored with the 2005 Jankidevi Bajaj Puraskar award for rural entrepreneurship. She has also been awarded lifetime membership with Ashoka Innovators for the Public, and was selected for the first class of Yale University’s World Fellows program in 2002-2003.*

Our Growth Story:

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
share holders	2108	2350	2613	3058	4567	5961	7630	9392	11366	11871	12220
share capital	23.89	30.54	35.22	42.86	69.19	102.31	148.20	183.54	223.42	260.06	276.53
deposits	269.36	367.90	500.03	630.74	826.26	1030.34	1326.46	1782.30	2721.56	3338.3	4000
loans & advances	203.22	264.20	352.33	433.53	619.60	765.63	859.35	990.58	1442.14	2241	2641.83
investments	63.38	98.63	116.66	177.32	198.38	258.95	553.89	875.11	1029.93	839.61	1291.33
working capital	303.00	404.77	545.63	686.88	915.35	1233.03	1628.96	2114.19	3084.53	3733.2	4491.31

(Source: Secondary data – Provided by MaanDeshi Foundation and Maandeshi Bank)

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