

LAND BANK JOURNAL

VOLUME 48 ♦ DECEMBER 2009 ♦ ISSUE III



**NATIONAL CO-OPERATIVE AGRICULTURE AND
RURAL DEVELOPMENT BANKS' FEDERATION LTD.**

A Study On Kudumbashree Mission Of The Kerala State Government-The Means To End Poverty Through Women Collectives

DR. G. VEERAKUMARAN*

Statement of the Problem

Regional state of Kerala in India was established on first November 1956. Since then democratically elected both right and left political parties are trying to eradicate poverty. The international agencies and the governments are evolving programmes and flooding funds to uplift the people below the poverty line. Many schemes are history now but not the poverty. It has been called a "silent revolution" and for once that appellation seems to sit well on the shoulders of kudumbashree, the women oriented community based poverty alleviation programme being implemented in Kerala by the state government, with the active support of Government of India and the National Bank for Agriculture and Rural Development (NABARD).

Started in 1999, the project aims at eradicating absolute poverty in 10 years through

concerted community action under the leadership of local self governments by facilitating organization of the poor, combining self-help with demand led convergence of available services and resources to tackle the multiple dimensions and manifestations of poverty holistically. The mission has grown to be the largest network comprising 36 lakh women members and two lakhs neighborhood groups have made remarkable strides within a decade and proved how well defined goals and the right course of action can make successes of a movement for social and economic empowerment of women below poverty line.

Objective of the Paper

This paper attempts to highlight the strategies, policies, and practices of kudumbashree Mission of the Kerala State Government.

Methodology adopted

The data source for the study

* Department of Cooperative Management, College of Cooperation, Banking and Management, Kerala Agricultural University, KAU Post-680656, Email: govindarajveerakumaran@gmail.com

was generated both from primary and secondary sources. The secondary sources were derived from the authentic empirical studies carried out in this regard and the state government publications on kudumbashree Mission. Moreover the series of write ups on kudumbashree Mission was also extensively used. The primary data was collected from Focus Group Discussion (FGD). Five kudumbashree units were selected randomly from the Avinicherry Panchayat (Village Administrative Division) of Thrissur District. In each kudumbashree unit ten members have been chosen for discussion. The author himself conducted the FGD. The descriptive and narrative method was adopted to present the findings.

Strategies and Policies of the kudumbashree Mission

The kudumbashree Mission was originally visualized with following strategies:

1. To facilitate economic development, suitable skill up gradation training will be given.
2. Formation of women cooperatives

3. Thrift-credit options and 24 hours banking
4. Better living conditions with all necessary infrastructure
5. Creation of micro-enterprise for economic development
6. Power to people especially the poor women
7. Leadership decision making power

The expected Milestones were:

1. Formation of 60,200 Neighborhood Groups (NHGs) all over Kerala
2. Formation of 10,500 Area Development Society (ADS) at ward level
3. Formation of 1048 Community Development Societies (CDS) at Panchayat/municipality/corporation level by federating various ADS
4. Linking at least 20% of NHGs with NABARDs scheme for linkage banking every year
5. At least one sustainable micro-enterprise in each NHG leading to large scale employment
6. Provide shelter to all poor
7. Safe drinking water within 300 meters of their residence
8. Sanitation facility in all families

9. Establish an informal bank of women on the model of Bangladesh Grameen Bank.
10. Implementation of special package programme for the development of Scheduled Castes and Schedule Tribes (SC/ST), the socially and economically underprivileged

Interestingly the movement is a very great success with high rate of growth exceeding the original target. However, no bank has been established so far for the benefit of women since the cooperative and commercial banks are lending more than the expected level.

Employment and Income Generating Activities

The following are the major economic activities that are being carried out by the kudumbashree units of Kerala:

1. Microcredit and Thrift: The major thrust of the programme is to encourage the women to save and obtain loan when they need. This is a very great success in almost all the units. The cooperative banks and commercial banks are very happy to lend to the kudumbashree units since they have assured repayment.
2. Farming: The groups are more interested in engaging organic farming and producing fruits and vegetables. Moreover the groups even if they don't have lands of their own can go for leased lands. They cultivate banana, pine apple, arecanut, ginger, mushroom, paddy, and turmeric.
3. Dairy Farming: They produce milk milk products to meet the growing demand.
4. Fattening: They are also engaged in fattening of goats and rabbits. Poultry farming is also another area the units have more interest.
5. Fish: Kudumbashrees in the seashore areas are engaging in fish processing and producing fish pickle, fish meals.
6. Ready to Serve Foods: Particularly concentrating on child care many groups produces 'Nutrimix' by utilizing the locally available food materials & Ready to Mix like idly mix, and dosa mix.
7. Preschool: Another interesting development on child care is that the group volunteers are running day care centers.
8. Accounting and Auditing Services: Unique in nature,

some educated women are providing accounting and auditing services at fair costs to all kudumbashree units in their respective areas.

9. Health Care: Some of the kudumbashree units are engaged in preliminary health check ups by running labs with the support of the government hospitals.
10. Tourism: In Kerala there is high scope for tourism development. The women groups are running small traditional type restaurants.
11. Food Processing: The Units undertake almost all types of possible food processing activities. The major crops under consideration in many units are as follows;
 - a. Banana for chips
 - b. Pineapple for juice and squash
 - c. Tapioca for chips
 - d. Cashew fried
 - e. All other vegetable and fruit based
12. ICT: Many units are running Information and Computer Technology units both for soft and hardware support to the community where they live.
13. Garbage Removal: In many municipalities the major problem is garbage disposal. These units are volunteering to dispose for fair costs on sustainable ground. In some areas they ventured in to establishing recycling plant.
14. Apiculture: Honey is an important ingredient for traditional medicine and often used as food. There is high scope for producing honey in the hill ranges and many units are engaged in production and marketing of organic honey.
15. Entertainment: Group of ten women is trained in music running a traditional music band.
16. Printing Press: One or two groups in each district are running printing press to print the books and records needed for the Units.
17. Handicrafts: Kerala is also a land of arts and crafts. Many units are producing craft items to be sold for the tourists.
18. Other micro enterprises:
 - a. Carry bags manufacturing units
 - b. Coconut oil mills
 - c. Sea-food processing units
 - d. Chocolate manufacturing
 - e. Book binding

- f. Bakery unit
- g. Traditional medicine preparation
- h. Taxis and transport services
- i. Tailoring units
- j. Bricks manufacturing
- k. Pottery
- l. Carpentry
- m. Electro plated gold ornaments

The interesting phenomenon of the kudumbashree unit is that if they feel that their labor could be utilized for income generation within the permissive legal framework they take up the ventures. Now there is equal pay for equal work irrespective of gender. A woman hitherto not earning a single cent, but earns 100 to 300 rupees in a day.

Marketing Strategies and Critical linkages

The products produced by the kudumbashree units had problem of marketing. However, due to the support given by the government of Kerala, the units now find it difficult to meet the demand.

1. Market led production: The Unit members were given proper training to produce the

products that are having market both in the domestic and foreign countries.

2. Price: Since labor is manageable, prices are competitive and many times less than the market price.
3. Distribution: The products are distributed through the kudumbashree sales outlets in the urban areas, participating in the sales exhibitions and festival trade fairs. Some units with USP are exporting their products particularly to Middle East.
4. Promotion: Government is the strong supporter of the programme and their media is propagating well. Kudumbashree units have their own brands like SMART and SAMGRA. They enjoy the reputation of Kerala consumers.

The kudumbashree units get support from different sources which is shown in Table 1.

However, the support extended by the village administration is vital to note here. They as local self governments provide all support to improve the living standard of their citizens. It is their duty to see that their economic activities are

taking place on sustainable way. More than subsidies and free distribution of items of necessity the people now demand for skill up gradation. The Agriculture, Animal Husbandry, Industries and Commerce departments of the government are acting in unison after seeing a sea change in the socio-economic condition of the poor mass. Every political party wants to share the fruits of this programme since the hitherto suppressed are empowering themselves. The Multi National Companies have identified this mass network for their products and services. It needs further detailed study whether it would harm or help them.

Policy Implications

The impact of kudumbashree units can be summarized as follows:

1. Economic Impact: The member women of the kudumbashree units have started getting regular employment and thereby income to support the family. The production and marketing of goods and services has multiplier effect on the economy of the state.

2. Social Impact: The hitherto suppressed and depressed mass of the state are now empowered and enjoying social respect. The women particularly were considered to be the weakest sex in the male dominated society now enjoys equal rights and privileges.
3. Moral and Ethical Impact: The economic empowerment of women and collective training they get from the joint effort resulted in reducing the family violence particularly women beating and consuming alcohol by the men folk.
4. Political Impact: The political awareness of the women and the assertiveness in the voting pattern has changed the strategies of politicians to appease the neglected segments.

This above description leads to conclude that the original thinking emanated from Bangladesh has proved worthy for replication. The kudumbashree units are the best form of collective efforts to run any form of small business for women. This could also be considered theoretically as a cooperative effort for weaker sections of the

community to make them stronger. The success also underlines that the small group having face to face approach of doing business brings development. The

author feels that the macro economic impact is also significant. Hence, this model is worthy for replication.

Table 1

Sl. No.	Nature of support required	Agencies
1	Training to members on skill development	1. Government Agencies 2. Non-governmental organizations
2	Credit facilities	1. Cooperative banks a. Primary agricultural credit cooperatives b. Primary Urban Cooperative banks 2. Commercial banks
3	Infrastructural development	1. Government Agencies 2. NABARD
4	Product marketing	Tie ups with 1. Private Companies 2. Private hotels 3. Private traditional medical firms 4. Child care centers of government 5. Temples, Churches and Mosques 6. Exporters 7. MNCs

Reach out the family through women, and reach out the community through family

Fax : (0413) 2354716
E-mail : pccdbank@sancharnet.in

Phone : (0413) 2357985
(0413) 2358827

THE PONDICHERRY COOPERATIVE CENTRAL LAND DEVELOPMENT BANK LTD. P. 106,

Colas Nagar, Puducherry - 605 001.

**LAND BANK OFFERS LONG-TERM INVESTMENT
CREDIT TO FARMERS AT FAIR RATE OF INTEREST
FOR THE FOLLOWING ACTIVITIES**

1. Farm Sector and Agriculture Allied activities
2. Non Farm Sector
3. Jewel Loans:
To meet the short term needs of the members / agriculturists and public on the pledge of Gold Jewels to a maximum of Rs. 1,00,000/-.
4. Consumer Loans:
To a maximum of Rs. 1,00,000/- to Agriculturists / Government Employees.
5. Safe Deposit Locker:
To the members on reasonable rent.
6. Fixed Deposits:
 - Accepting Fixed Deposits with attractive interest.
 - High Interest for Senior Citizens.
 - Your hard-earned money is safe in our hands.

FEEL FREE TO CONTACT THE BANK FOR MORE DETAILS ON BUSINESS

A. ARIVAZHAGAN
Managing Director

J. SEKAR
Chairman