



***Promoting Entrepreneurship and Innovative
SMEs Towards a More Responsible and
Inclusive Finance
ACCU Forum 2022, Bangkok***

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Entrepreneur Sounds Close To
A Sanskrit Word Anthapurna
(अन्तः प्रेरणा) Which Means "Self
Motivation."

Introduction



MAFCOCS



- We at MAFCOCS, tried at our best to motivate the Entrepreneurship, by creating environment for women and young members of credit unions and significantly contributed for the economic growth of underprivileged people especially for Women and Young members.
- In Maharashtra 13412 urban credit co-operative unions and 6536 are the salary earners credit co-operatives are providing financial assistance for the economic development of their members.
- **MAFCOCS is implementing the programme “Sahakar Udyami”, A Business development Center for the women and young members of respective Credit unions under the guidance of ACCU.**

What we want to promote ? Why ?


What?

- Co-operative enterprises.
- Social Enterprises
- Community Based Enterprises
- MSME (Micro, Small, Medium Enterprises)
- Home Based Enterprises

Why?

- To achieve Sustainable Development Goals
- To secure the given credit/ advances
- Sustainable Member, Sustainable Co-operative Union





**Seven Sutras
are recited by
MAFCOCS for the
members who want
to start, who are in,
and who want to
grow
their business.**

1. Training

2. Liaising

3. Technical support- from selection of raw material to packaging & branding, marketing.

4. Financial services

5. Market assistance

6. Legal formalities

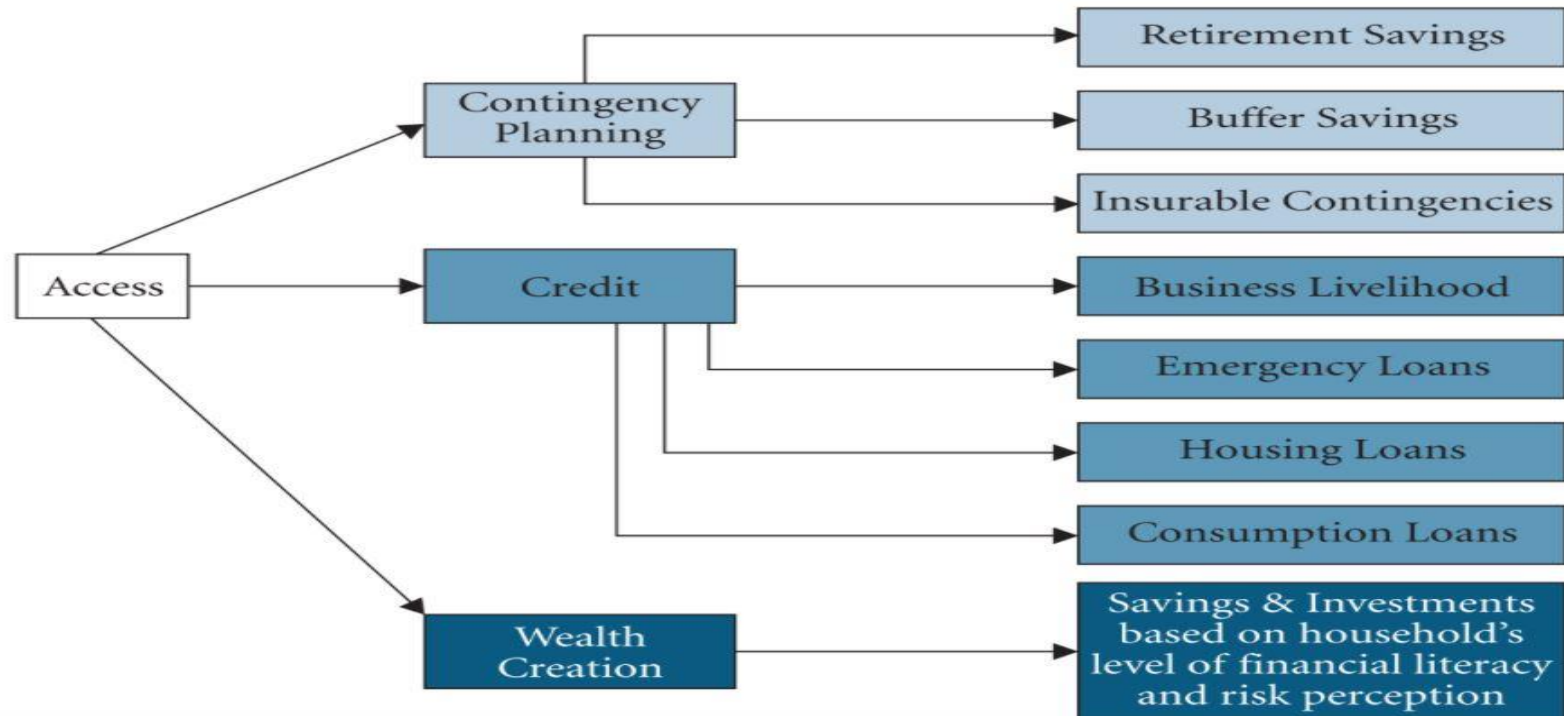
7. Promotion and branding



MAFCOCS is promoting the enterprises for the sustainable growth.

- The major aspect is how to promote the innovative SMEs and the financial assistance for them.
- MAFCOCS is providing handholding to member credit unions since last two years for the development of their member's business.
- Financial access is the leading factor in promoting entrepreneurship and innovative enterprises.
- Financial access can be categorized into three parts;
 - 1) Financial access through traditional banking,
 - 2) Financial access through microfinance, and
 - 3) Financial access through financial technology (mobile banking).

Conti.....





Concept

Credit unions are working for the impoverished or disadvantaged people in Maharashtra, India. These people normally can't be able to access the formal financial system. Financial illiteracy, less resources, lack of digital and technical knowledge etc. are the reasons. Women folk are majority in lack of financial resources.

MAFCOCS, at Sahakar Udyami, is motivating their member credit unions to provide the financial support by way of advances, loans to the member for the generation of their traditional, home-based enterprises or their SMEs.

To sustain the business of members, MAFCOCS promoted their businesses.

Training and assisting the enterprises

By way of exhibiting their products.

Providing information of potential market,

Providing online portal for member's product, "CO_OP SHOP"

Help-desk for Export.

Need for Innovative SMEs



- There is huge competition due to globalization.
- Need to co-up/survive with the disruptors.
- Need to fulfill Market demands.
- Changing need of community.



The MAFCOCS promoted innovative SMEs

Such as,

1. Ahimnsa Brand- Khadi –promoting village industry
2. Organic product such as, Jaggary, Emblica products, Peethmart, Nutra-world for soya product and so many.
3. Ecosoul, Poultry, Goat-farming- cheese and milk of goat.
4. Wooden product.
5. Stitching innovation- Monali Brand.

So on.....

All these enterprises are having potential of scale-up. Though they appear to be traditional, they are unique in production.

Raw Emblica



Processed (candy)



Hand-woven Scarves & Dress Material



Soya sausages being prepared





Evaluation

The efforts of MAFCOCS are evaluated by the core team.

- We found that Eco-system for enterprises is yet to be developed.
- The assessment of financial growth of enterprises needs to be monitor by the BDSC, Business development services center at credit union level.
- The advances for the concern enterprises are expensive.
- The finance for the enterprises of members is yet to be more inclusive and responsible.
- The gap/ reach between members and management has increased. The CU are becoming richer but their members are remain poor, underprivileged.
- Loan products are traditional; Credit unions need to change with the changing scenario.
- Net- banking, mobile banking are considered as Fin-Tech. May be termed as, online banking. Supervisory role of BDC and BDSC can make remarkable changes.



Concept of Responsible Finance and Inclusive Finance

- Responsible finance providers are purpose driven finance organizations
- Credit unions are also Community development finance organizations for the cause and they are building stronger local economies.
- Inclusive finance is a core concept of finance that makes various financial products and services accessible and affordable to all individuals and businesses, especially those excluded from the formal financial system. Women are left behind.
- Need to change perspective of credit unions. Door step service is need of an hour.



Conti.....

WHY ARE PEOPLE UNBANKED?



The Global Index shows 3/4 of the world's poor do not have a bank account, not only because of poverty, but also due to costs, travel distance and paper work involved.



59% of adults in developing economies



77% of adults earning less than \$2 a day



11% in high-income economies

DON'T HAVE AN ACCOUNT AT A FINANCIAL INSTITUTION

In all regions, with the exception of high income economies, borrowing from friends and family is the most commonly reported source of credit for current loans



55%
of borrowers in developing economies use only informal sources of credit.





Access to Inclusive Finance

- The effective way of financial access is microfinance, which is regarded as a valuable and powerful tool for poverty reduction.
- Microfinance activities are savings, insurance, and payment services in under-served communities.
- Microfinance is also a solution to bring credit markets to underprivileged people on self-employment.
- ‘**Fin –Tech**’ refers to a combined form of ‘Finance’ & ‘Technology’. The terms ‘Internet finance’, ‘Fin -Tech’, and ‘digital finance’, ‘mobile Banking’.
- Beyond the traditional financial systems, the involvement of digital financial services in the inclusive financial sector is reflected by the emerging issue ‘Fin -Tech.’



Conti.....

To make financial services
available, accessible, and affordable to all
the citizens in a safe and transparent manner to support
inclusive and resilient multi-stakeholder led growth

Universal Access to Financial
Services

Providing Basic Bouquet of
Financial Services

Access to Livelihood and Skill
Development

Financial Literacy and Education

Customer Protection and
Grievance Redressal

Effective Co-ordination

Leveraging technology and adopting a multi-stakeholder approach for sustainable
financial inclusion



Conclusions


- Financial literacy is considered as one of the vital factors of financial inclusion.
- Proper understanding of different financial services has a significant impact on access to financial opportunities, especially the expansion of the use of financial services.
- Credit unions have not yet arranged any obvious training programs to stimulate access to financial opportunities.
- There are several challenges that exist in getting financial access. These challenges are considered as the major obstacle to the promotion of inclusive finance.
- Credit unions have not carried out such activities to literate member about financial access.



Conclusions contin...

- The training for financial inclusion and microfinance training are insignificant.
- Credit Unions are advertising policies to inform member about services but it is one way communication.
- Members are not familiar with Fin-Tech products and services. Financial literacy training significantly impacted account ownership, and financial literacy training beneficiaries were more likely to utilize intensively the inclusive finance.
- The credit unions have not paid enough attention to educating their members about financial access.

Suggestions are open to discussion

- 
- A hand holding a glowing blue globe with a city skyline in the background.
- ✓ Need to strengthen the communication horizontally with the members.
 - ✓ Minimize the gap between management and the members by initiating the various avenues.
 - ✓ Formulate financial inclusion index for the credit unions.
 - ✓ Create gender sensitization committee at Federation level as well as credit union level.
 - ✓ Institutionalize the Business development Centre at federation and Business development service centre at credit union level.
 - ✓ Well-equipped Training center be established at federation level.

Our Visual Efforts

3 X 10



**Maharashtra State Co-operative
Patsanstha Federation Ltd.**

Sahakar Udyami



Mr. Kaka Koyate
President
MAFCOCS



Mrs. Anjalitai Patil
President
Sahakar Udyami



Mr. Shantilalji Shingi
General Secretary
MAFCOCS



Mr. Sudarshan Bhalerao
Vice President
MAFCOCS

3 X 8

3 X 8

4 X 8 = 3print



समता महिला बचत गट कोपरगांव

“नारी घे तु उंच भरारी
फिरुन पाहु नकोस माघारी”

समईयात कुलव्याप

3 x 8 = 2print



समता महिला बचत गट कोपरगांव

* आमची दर्जेदार उत्पादने *

मार्गदर्शन - सहकार उद्यमी

Our Visual Efforts



Our Visual Efforts



Our Visual Efforts

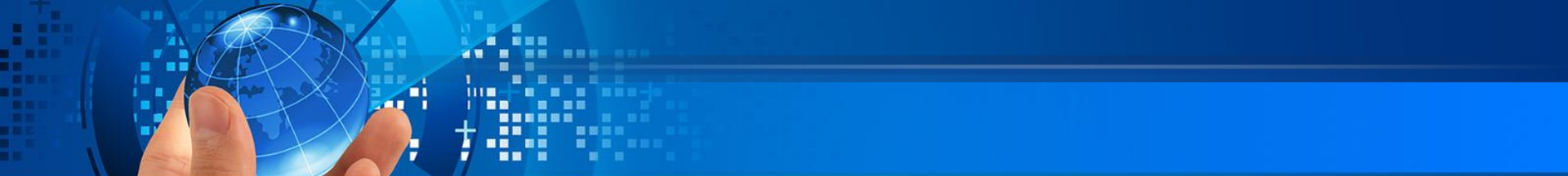


Our Visual Efforts



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‘We humbly ***acknowledge*** the support from ACCU’

Thank You !!