

Basic Needs Program and Micro Finance Institution in Orissa

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Slide #1 (introduction)

In 1997, after retiring from my job, I chose to pursue my dream to work for the people of Orissa, the state I come from. Since then, I have the opportunity of working in both eastern and western parts of Orissa. After the super cyclone in October, 1999, I started working in many cyclone affected villages in the eastern/coastal part of Orissa, and successfully implemented many projects in collaboration with Basundhara, an Orissa based NGO. It was a devastating situation. I was surprised to see the quick recovery of the people in less than a year. I admired their strength and agility

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Slide #2 (living condition in 2002)

In January 2002, I visited a few villages in Sambalpur district of Western Orissa, with Mr. K.C. Malick, the chairman of BISWA (Bharat Integrated Welfare Agency), a local NGO. It was beyond my imagination to see the living condition of the people in this century. The villages are located within 40-70 kms from the major city, Sambalpur. They did not even have enough drinking water. Looking at the situation, I decided to concentrate and use all my resources in this area for the coming years and started the Basic Needs Program. I was expecting the same quick recovery as occurred in the eastern part within one year after the super cyclone. Now I realize, beside human strength, many other ingredients are required to make a change. The environment, weather, geographical location, and infrastructure play a big role on the economic and living condition of the people of a state. Sometimes, the eastern part is different than the western part of the same state.

Slide #3 (Outline)

A. “Basic Needs Program” and its guiding principles:

1. Concept: The Basic Needs Program provides four basic needs: drinking water, food, basic education, and basic health care. But the most important aspect of this program is that all these four needs should be provided at the same time to bring the villagers to a basic standard of living. Just giving water or food or basic education or basic health care is not going to change the living standard or thinking of the villagers where they lack all four basic needs.

2. A Team Effort: As an NRI, it is difficult to achieve my mission by myself. I need a team to work together to achieve our mission with trust, similar vision and concerned.

3. Selection of Villages: We select villages which are remote and interior and lack water, food, education, infrastructure, health care, and have very limited choices for livelihood trades.

4. Development in a cluster of villages: I prefer to implement the Basic Needs Program in a cluster of villages instead of putting all the resources into one village and make it a model.

5. Villager’s financial participation is very important: Nothing should be given for free. The beneficiaries must contribute a minimum amount towards all the projects. This gets them involved and gives them a feeling of ownership.

6. Low Budget Projects: One can take some risks with a low budget project. If the project is successful and sustains for a few years, it can be expanded. If not, we discontinue the project and learn from our mistakes. I prefer to use the same amount of money to help more people than to help a few. For example, with the same budget, I prefer to have many schools that provide basic education to many children, rather than having one big concrete school. Also, I prefer to start a production unit under a tree than waiting to have a proper building to start the unit.

B. Details of the projects and their progress (2002- present)

Slide #4 (Water and Health camps)

a. Water: We have installed 54 drinking water tube wells. Most of the tube wells were installed through the Central Government's Swajaladhara scheme, with 10% contribution by us on behalf of the villagers, with the condition that the villagers would pay back the money after installation of the tube wells. This is a major contribution by the Government. The cost of installing one tube well in this area is about \$1000 due to deep boring. My initial investments (used as deposits on behalf of the villagers) are being used as a revolving fund for additional (new) tube-wells in other villages.

In addition, we have installed four water harvest projects which will provide irrigation water to 700 acres of land. Sixteen villages will be benefited by this project.

b. Basic Health Care: In the last four years, we have implemented regular health and eye camps with follow ups that have taken care of many common diseases. At the same time, many serious diseases (leprosy, TB, STD) have been detected. The village doctors take care of the basic health problems. The Community Based Drugs Distribution Center consists of a small box containing the medicines required for common diseases along with the first aid materials. The villagers can buy medicines from the CBD center by paying a small amount. Beside health and eye camps, family planning is very important aspect of basic health care. At the beginning of my meetings with the village women, I always ask them about family planning. In 2002, they were completely ignorant about the concept. Most of them have four or more children.

I feel it is not very expensive to provide basic health care to the people in the interior parts. A few low cost health clinics with a doctor's visit a few times in a week can take care of the basic health problems.

Slide #5 (education)

c. Basic Education: Through this program, we teach the children how to read, write, and do simple math and also create awareness of education among the parents and children. **Providing a morning meal is very attractive and crucial and it encourages the parents to send their children to school at least for the food.** There are Government schools in some of the villages. Unfortunately, the schools were not functioning due to the absence of teachers. After our schools started, it created a peer pressure on the Govt. schools and some teachers have started to come regularly. Our schools run from 6:30 am to 9:30 am. After feeding the children, we encourage them to go to the Govt. schools. Our teacher is a local person who may not be highly educated but can provide basic education and comes regularly, which is very important. The teacher also monitors other projects in the village.

Slide #6 (library)

We have a small library (in a trunk). We are hoping to close some of the schools where Govt. schools exist. Some of our schools will be taken over by the Govt. if there is no Govt. school.

d. Food/Livelihood: Food is the most important basic survival need of a human being. To get food, one has to have a livelihood. Child labor, prostitution, selling children for a few rupees, giving away the daughters to marry in another state through unknown middleman; I have witnessed all these during my last nine years working in Orissa. These social problems are interrelated. Most of the time, terrible things happen due to lack of food. Sometimes, I have seen with my own eyes where children were given liquor with some chemicals to kill their appetite. The parents prefer to engage their young children for child labor or keep them to do the house chores (while they are struggling for the daily wages) instead of sending them to school. It is a joint effort of all the family members to have food at the end of the day. The new day starts with the same routine and with the same hope. Education or health or shelter; nothing else matters.

Slide #7

Urban vs. Rural livelihood: In my experience, I have noticed there is a big difference between urban and rural women. The urban woman needs financial help and most of the time she knows exactly how to use the money to improve the living standard of her family. The urban mother knows the importance of education. She is exposed to a better life being in a city and the city has many scopes and opportunities for livelihood. Her problems are where to get money, how to send her children to school, and how to provide them a better life – sometimes with an alcoholic husband who spends most of his earnings on alcohol. She is also capable of paying back the loan in proper time. She also knows paying back in time builds trust with the lender for future loans.

On the other hand, I see rural women (from interior villages) need more guidance than just financial help. Unlike an urban woman, if we give money to a rural woman, she needs our help to create a livelihood for her and teach her how to use the money to earn a livelihood. There are not enough resources or opportunities for new livelihood trades in the rural and interior areas. Due to the lack of infrastructure, marketing is difficult. Also, a rural mother does not know the importance of education. We have to provide the morning meal to attract the mother to send her children to school. I find that the most difficult part is to identify livelihood possibilities in these localities, to finance them and make them sustainable.

I have also found that the villages which are closer to the main road and exposed to modern facilities have more livelihood opportunities. Due to their infrastructure, marketing is easier.

There is another problem both urban and rural women face. For emergency or for any other financial needs, poor people do not have access to the regular banks. The only choice left for them is to depend on the money lenders at an interest rate of 120% or more per year. In such a case, the borrower will never be able to pay back the principal. This cripples their financial condition for the rest of their lives. After closely working with the

villagers for six years, in 2004, I was convinced of the importance of a Micro Finance Institution (mFI) in Orissa.

Slide #8 (mFI)

C. The Basic Needs Program and BISWA Micro Finance Institution (mFI)

As the “basic needs” program expands, it will be difficult to support this program in the long term through charitable contributions alone. The BISWA mFI started in July 2006. It is a NBFC (Non Banking Finance Company) and is regulated by the Reserve Bank of India. One of the by-laws of BISWA mFI is to contribute 10% of its profit towards the advancement of the Basic Needs Program. Furthermore, additional funds will be made available from the Federation for the improvement of the villages without depending on outside resources. We hope that by 2010, BISWA mFI will be in full operation and will bring a big change to the state of Orissa.

Slide #9 (achievements)

D. Conclusion:

The Basic Needs Program which I started in November 2002 in collaboration with BISWA has improved the living standard of the villagers in 32 villages (with a population of 19,000). This program has affected the children (about 600) in visible ways. The success of the project is due to the team effort of the donors (my friends and relatives, and some individuals from USA and Canada), BISWA, ASHA for Education, SEEDS, and Orissa Foundation, the villagers, and the Government.

The same children who were wondering around aimlessly are going to schools with a hope for the future. The mothers/women come forward with confidence to express their views and are willing to participate in discussions for their improvement of their lives and their villages. Now the men are also joining our group discussions led by the women without any hesitation. What charms me most is the impact of a very small amount of help (sometimes less than 10 dollars) on a woman, who returns with a smile and tells me

that her life has changed and she is doing well”. A five dollar increase in her monthly income has given her new hope and strength. A morning meal followed by the school for her child has reduced a heavy burden on her and has given new hope for her child’s future. Due to basic health care, the common sicknesses have been reduced dramatically. It is also encouraging to see the increased attention of the Government towards these neglected areas. As you see, most of my work and communication are with women. I feel women empowerment is very important and crucial. The women can change the society in a better way.

There are some problems I face during my work in India. We, NRIs are also accustomed certain good work ethics, time constraint, and have high expectations. In India, the poor people struggle everyday for their minimum survival. Their experience is completely different than the people who have the basic needs or have more money. The difficulties I face are nothing compared to the joy I get at the beginning and the end of my trip to India.

In summary, my vision is to see that every human being of the world has the basic needs and every child has a dream. I would like to see Orissa as one of the most progressive states by the year 2010 instead of being the poorest state of India. My short term goal is the successful implementation of the Basic Needs Program in the villages (48) I am currently working. My long term goal is to expand the program to other villages of Orissa and other states of India in similar condition. I hope, in a few years, the villagers will be self dependent and will not depend on outside financial support.