**Supporting underprivileged women**

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The proposal of Nano car may not have gone well with the people in Singur, but the concept of nano finance has definitely caught the imagination of the needy in the Sambalpur district of Orissa.

Contrary to the traditional social practice, where a mother stays with her son’s family, Lata Bagh of Sambalpur district stays with her daughter and son-in-law, as she has no son. But she is not a burden to them, she is rather an asset. She sells vegetables in the local market and makes a substantial contribution to the family. Of late, her business has been profitable due to the small monetary help she got through nano finance from “Amara Biswas”- an institution that provides small financial aids to the poorest women in times of need. Previously, she used to take loans from the local money lenders to invest in her small business. The high interest loan had virtually put her in a vicious cycle.

Nano finance – It is all about giving small monetary help from 100 to 1000 rupees without interest to people in need for meeting their emergency consumer expenditures or to undertake small entrepreneurial ventures. “The whole idea of nano finance came to my mind when I saw our domestic help in Sambalpur paying Rs 50 every month to a money lender against a small loan of Rs 500 taken for her son’s illness. As per the condition, she either had to repay the complete amount at a time or has to pay Rs 50 every month. And she would never have 500 rupees at a time to repay! This is the scale of exploitation by the local money lenders, but the poor lady had no other choice,” says Ms Jayashree (Ranu) Mahanti, a non-resident Indian (NRI) who coined the terminology ‘nano finance’ and is practising the concept in Sambalpur.

Amara Biswas has kept a sum of four lakhs for circulation among the needy and five lakhs as security money. Ms.Susama, is officially appointed to carry out the transactions. The women in need come through references of women who have already benefited. No security deposit is taken from anyone for handing out the loan nor is any interest charged. It is totally based on mutual trust. When you ask her what is the certainty that the loan receiver would return the loan since no security deposits are taken, Ranu Mahanti has this to say, “Trust is the hallmark of the functioning of nano finance in Amara Biswas (Our Trust). We do judge the returning capacity of the women at the time of disbursing loan by asking three questions: Why do you want; what will you do and how will you repay.” In last one year of transaction, the return rate has been about 80 percent and the rest have bought some more time to repay. As many as 1700 people have benefited in one year. The beneficiaries are treated as the stake holders of the money. For example, when there are ten needy women coming to take money at a time and the availability of money in Amara Biswas is for seven. Then the ten women themselves decide who needs the money most and money is given to them. It is therefore a practice of ‘women helping women’. To sum up the various beliefs of nano, they are: no greed, personal touch, community responsibility, sympathy and sacrifice.

Nano has proved to be quite useful to the poorest whose monthly income is less than 2000 or 3000 rupees. This small help makes a very big contribution to them. For example, Tapaswini Hota did not have enough money to purchase necessary material to send her newly wedded daughter back to her in-laws house. Nano helped her by giving 400 rupees. People have even taken loan for purchasing wood for the funeral of a dead family member. Similarly, its role in nano entrepreneurship is no less. Binodini has a small business of badi and papad, which she prepares and her mother sells in the market. She has recently expanded her business by taking loan from nano finance. Nano has brought about a sense of security in the women as another beneficiary Lata Bagh puts it, “Previously, whenever we needed money, we had only one difficult choice - the money lenders, but now we are confident that whenever we need money, we can safely go for nano finance.”

The nano finance in Sambalpur is flourishing even as the micro finance is gradually losing its appeal, not withstanding the big claims being made toward the success of micro finance institutions (MFIs). In certain cases, the MFIs have been exploitative to the extent of using coercion on the helpless women, who had to turn to money lenders again to repay their weekly instalments! These realities defeat the objective of MFIs to free women from exploitation of money lenders by making them self sufficient through entrepreneurship.

“Nano is implicit in micro finance,” says an employee of a MFI and continues, “In reality, most MFIs are basically banking business in the guise of women’s empowerment. In most cases, the interest rate is as high as 30 percent. And in other cases, though the declared rate is less but there are hidden charges. On the other hand, nano seems to be working well due to its truly non-profit motive and hassle free transaction.” Due to its success in Sambalpur, it has expanded to other districts of Orissa like Bhadrak, Jagatsingpur, Nuapada, Bargarh and Anugul.

Whether the rather forgotten concepts of trust, interpersonal relationship and sacrifice imbibed in nano will sell in this era is a moot point. Yet another area of concern is its expandability. The institution has to be kept small in order to keep the aspect of personal touch intact. It cannot be a huge institution like other MFIs. So nano finance may be supplementary to micro finance. Only time will tell if it can be a substitution to the latter