

MICRO CREDIT SUCCESS STORY

The Microcredit success story of Godavari has been taken from a recently published book by Moin Qazi titled *The Village Diary of a Heretic Banker* in which he describes in an engaging manner his experiences in rural banking as Manager in the State Bank of India in the area of Microcredit and Microfinance.

A Doctorates in Economics and English literature Moin has spent more than three decades in the development sector working in poverty alleviation projects .He was a Visiting Fellow at the University of Manchester. He has also served on deputation to the Grameen Bank of Bangladesh, International Fund for Agricultural Development, Rome and Ministry of Rural Development Government of Malaysia. He was awarded while still in college the UNESCO World Politics Essay Gold Medal and the Gandhi Centenary Essay Gold Medal.

The book on his experiences in banking is therefore an eye opener on the skill and courage of our so called illiterate and ignorant village women. It also gives an insight into the societal perception of providing credit to women. He writes: “The first loan that I sanctioned to a village woman gave me a unique experience. Women entrepreneurs will shy away from loans, having personally witnessed the shame women in their village suffered at the hands of moneylenders. Villagers would dissuade me, saying a woman would hand the money over to her husband who would fritter it away. Even our staff said, “Let us forget about this project because we cannot compel them if their husbands have reservations. If they are not willing, why are you forcing them to avail these loans?”

I emphasized to my staff that when these women say no, it is not their own voice. It is the voice of their history, the way they were treated, that took away all their confidence. One day, after we coax off the crust of fear that grew around them, one or two of them take a loan, and others feel encouraged to follow suit. Nevertheless, it took me six years to bring about that increase in awareness and ambition”

The book enumerates a number of case studies which demonstrate that women given a chance to control her finances she can be trusted to become self-sufficient and financially independent .One of the case studies which I'd found particularly inspiring was of Godavari Ukey a fifty-two-year-old illiterate woman.

Godavari was a member of one of the oldest groups in the village but since the group did not have a credit line with the bank and had a low cash base; her loan requirements could not be entertained at the group level. Because of drought, she had few remaining means of survival. Married at 18, she had three children, all daughters, and she was the sole breadwinner. She had an alcoholic husband whose habit she funded out of her wages and who beat her if she answered back. Godavari's life consisted of cooking meals, taking care of her children and staying quiet. Always required to ask her husband's permission to leave the house, and these requests usually denied, she described herself back then, in a breathy, weak-lunged voice, as "sad and alone", with a body work-hunched and wiry. Her neighbors confided that she was a tear factory even on good days. While struggling to survive on her family's meager income, she did not think she had the authority to tell her husband to stop spending thirty percent of their earnings on liquor. Fear of poverty and respect for society kept her locked in a bad marriage, as did the prospect of losing custody of their children. The glassy stare in her eyes revealed some of the despair.

One day, Godavari's neighbour, Vimal Dahule, told her about the programme that helped women pool their own savings—sometimes as little as Rs. 20 a month—and then provide loans to each other. Defying her husband and leaving the house without permission, Godavari and some women in her community went to learn more about the programme, and decided to start their own village savings and loan group. Godavari was excited about what the bank and its manager might mean for them, but her husband tried to dispel what he considered her silly notions that any bank would actually help them. "I don't want to have anything to do with the bank," he said at first, with a dismissive toss of his hands to his wife who he felt was being taken for a ride by a charlatan banker.

When she was first offered the loan, Godavari was diffident. Already they were in the clutches of a moneylender. Godavari scratched her head, did quick mental math and decided to give the loan a try. There was nothing to lose. When the envelope was placed in her hands, her eyes grew large with astonishment and disbelief.

She screamed in delight when she saw the cash inside the envelope and then tears rolled down her cheeks. With help from the bank and the combined resources of her new business partners, Godavari bought a cow for around Rs. 4,000 which

continues to produce daily dividends—more than three pints of milk that she sells to the upper-caste landowners in the neighbouring village. Recently, the cow gave birth to a calf. Godavari already engaged in dairying as a wage labour and soon her dream of having her own independent unit will be realised.

Moin Qazi and his team were impressed by her success .He writes:

“The experience reinforced our belief: you can’t just give a woman a loan and then send her on her way—you have to accompany her as she struggles to make her way out of poverty. Godavari’s business took off quickly, and she began earning enough income to provide for her family, send her daughters to school, and pay for her husband’s medical bills. She gained some of the respect she deserved from her husband, who allowed her more freedom and even began to help her with her business ventures.

Godavari is now seen by her community as a ‘husband-tamer’ and a smart businesswoman. Since joining the programme, Godavari has not only become an inspiration for other women in her community, but she serves as a prime example of how economic security can provide the right kind of aid for women and their children and even have a positive effect on marriage.

Though illiterate, her skills at financial arithmetic are phenomenal. She and the thirty other women of the village Self Help Group even managed to chase the local liquor shop out of their village. They walk about proudly in their uniforms—identical saris that they bought out of the money they pooled from their precious savings. Contrast them with their appearance just a few years ago—a group in discolored rags.....”It amply demonstrates the power of Self Help Groups and Microcredit.