

Microcredit case study

Blindside the narrow turn off the Nagpur–Chandrapur highway, about 100 km from Nagpur, and Wanoja remains a name. Take a hard left and find a village, that doesn't exist on Chandrapur district's political and physical map but finds place of pride on Maharashtra's rural development map.

Wanoja, with a population of little over 1,500, has propelled into the limelight by emerging top dog and won a prize in Warora Taluka's cleanliness competition under the Statewide Sant Gadgebaba Gram Swachchhata Abiyan. And since then, good news is no longer at a premium for the village.

The moving force behind the turnaround of fortunes, chorus villagers and the administration, are women from the self-help groups (SHGs) who have pulled Wanoja out of the sludge of local politicking. Kamal Mhaski was one of the most active SHG women, who has led the development crusade. With loans and voluntary cooperation from SBI staff, these poor, but talented, women have propelled their unknown villages on the rural development map of Maharashtra.

Kamal Mhaski is a 48-year old SHG leader from Wanoja village in Chandrapur district. Her group Maharani Mahila Bachat Gat was formed in 1996, and has survived the various swings in the local economy. She comes from an agricultural family. Her association with State Bank of India has entirely transformed her life. Eighteen years back when Kamal first approached us for a loan, lived in a small house which was made of clay and had a thatched roof. It was around this time that I visited the village and explained to her the importance of joining a self help group. With great hesitation she agreed, and she timidly applied for a loan. We sanctioned it straightaway because we were confident of her business acumen. Her business quickly increased fivefold. Since then, there has been no looking back for her. It was as if the self help group programme was introduced in her village for transforming her life. In a period of fifteen years Kamal has acquired assets worth Rs. 26 lacs. It all started with a small 2-acre farm, which Kamal owned when she formed a self help group. She purchased jersey cows under a subsidy scheme of the government. She was able to save enough to build a capital of Rs. 15,000/- The leadership of the group provided Kamal the confidence needed

to enter into the political arena. . She was able to get the woman members secure housing grants sanctioned under a government sponsored housing programme. She also got subsidy for a well dug in her farm with the help of a loan from her group. The leadership of group provided Kamal the confidence for exploring the political space. Fed up with a plaguing monsoon and the challenge of a rocky earth that required wells to be sunk up to 50 feet she mustered courage and started work. With intensive follow up at the local block office she was able to get subsidy sanctioned, the bank readily agreed to finance the deficit amount, the well was ready in six months. Kamal tried to use used her persuasive skills to convince the governments electrification department to provide electric supply for energisation of her pump set .but since the nearest transformer is at a substantial distance she could not get the electric connection for the last fifteen years. With our patience running out and the State Electricity Boards undependable assurances leaving both me and Kamal's family frustrated we extended a loan for diesel pump set .Kamal agreed to it at a time when big agriculturists in the vicinity were enjoying free electricity. I found it a very glaring example of the lopsidedness of the much touted free electric supply scheme of the government. It appeared Kamal would never be able to run out of luck. One day I was surprised to receive an invitation card for a function for the inauguration of the well and a feast for the staff of the government's development department, banks and the local villagers. Kamal printed my name prominently on the invitation card .I was immensely pleased when Kamal conducted the entire programme with such aplomb and finesse that it could put any established DJ in a shadow. The SHG women had used their creativity to make the event a unique affair .I was to perform the switching ceremony. As I turned the switch there was a ripple of balloons as if a bee hive had burst .The colorful balloons soared into the skies and water started gushing out in a powerful torrent. The local MLA was highly impressed and was generous in his praise for the bank

The pump was installed and soon the waters gushed out of the thirsting land. Now water supply was ensured at the touch of a button. The fields were full with mash-melons, gourds, wheat, rice and other vegetables. Workload happily increased and so did the returns. The whole family got actively involved in the cultivation exercise--related to sowing, irrigating, nurturing, reaping and selling of various produce according to the time of its maturity. She and her mother-in-law had never felt this close before. The plentiful harvests had given them a sense of fulfilment. Nor were they overtly worried about the return of the loan. In

fact, there was hardly any difficulty in the repayment of the monthly installments. As Kamal led us to her fields not far from the village to show the motor pump, her face was awash with pride and recollections.

As Kamal led us to her fields not far from the village to show the motor pump, her face was awash with pride and recollections. She looked askance when asked if there had been any problems with her mother-in-law, any time, regarding repayment of loan. She smiled mischievously to say - "This was the one time when we have been so close to each other. Bank loan has helped them tide over the dry situation to bring life sustaining waters in the midst of their arid lives. "All thanks to the motor-pump", says Kamal As she carefully wraps it back with the polythene sheet and covers it with a wooden crate. Lightly lapping the box, she looks all around her, surveying the surrounding land. "Yes, we owe it to the pump for our togetherness and plenty".

Agricultural production boomed and Kamal was able to grow abundance of summer crops and vegetables. Recently, a baby buffalo was born. Her investments have left her enough profit to pay for her daughter's wedding and now she plans to diversify into a new business: buffalo rental.

"Then from there, I didn't stop!" She repeats throughout her story. When she needed livestock for her food businesses, she invested in poultry. When the local utilities kept blinking off during every rainstorm, she purchased a generator for back-up so as not to lose precious productivity .In SHGs- as in most SHG projects around the world - the overwhelming majority of borrowers are women. "They experience poverty much more intensely than men", Kamal explains. "If one of the family members has to starve, it is an unwritten law that it has to be the mother. Women are therefore particularly eager to seize opportunities to better their lives. I particularly remember how hard a 60-year-old woman worked to fulfil the requirement that all borrowers learn to write their names. While cooking, she would hold a stick and keep practicing her signature on the ground. It took her six months but she finally got it. "In order to learn how to run the small fruit and vegetable combine, Kamal says she simply read a few agricultural manuals. She also says that if she wanted to, she could also learn how to repair a tractor. Then she would be completely autonomous in the countryside.

In her house lives her mother in law - a bent old woman as wrinkled as a walnut. When we first visited Kamal, she was pedalling at a kind of wooden seesaw with a pestle fixed to its end, a machine which served to husk the rice. Tick-tack, tick-tack, as the pedal for the rice machine rose and, her daughter Pinky pushed new handfuls of grain under the pestle. The rice, removed from the husk, was picked up and sorted by the grandmother. As soon as she had a basketful she went to empty it at the gaha, a small silo, set on piles in the middle of the courtyard. A two-stroke engine chattered away in the veranda: a machine chopping up grass for the animals. A glorious *gulmohar* (flame of the forest) tree in full crimson flower flashed an explosion of color and was gone.

Kamal handled the earnings very judiciously enlarging her farmland with an average addition of 2 acres of land every year. Kamal had a plot of barren land with low fertility which she had acquired at a low cost. Kamal got Rs.1.25 lacs for the excavated earth. It was a fortune out of the blue. She invested this amount in fixed deposits. But the more exciting idea was still to come. The excavations had turned the plot into a huge tank. Kamal decided to get about this piece of land till one day a few officers from the Department of Fisheries at Chandrapur came to know about the huge tank filled with rainwater in an interior village. They were already in search of an enterprising villager who could be financed for taking up fishery. These officials visited the village and met Kamal and her husband. Kamal was excited with the idea of a fish farm. Despite her husband's initial reluctance she decided to have a go. What followed was a story of real fortune as Kamal netted almost Rs.2 lacs in two years. She used this money and her fixed deposits to buy more land. She now owns 26 acres of land, a decent house and a Maruti Van. Her group members also journeyed along a path of slow and steady progress. All of them salute Kamal for providing inspiring leadership and above all the love of an elder sister. The group looks forward to celebrating its 10th birthday next year. Negotiating the murky world of corruption

The contractor took away the "murum" (rocky soil) from her land leaving behind for her a huge ready pond for water. During the rainy season it got filled to its brim. Her fortune smiled again. An officer of fish-farming division of Chandrapur somehow came to know about this pond in her land. He put up to Kamal Mhaski a proposal of fish farming, and also assured to provide her all help. Initially, Kamal Mhaski's husband refused the proposal, but Kamal Mhaski sensed the potential future prosperity in this proposal. She accepted the proposal of fish farming department and started her business of fish farming too.

"It's an exciting time for us" enthuses the wiry Kamal. She talks in monosyllables with a fine eye for detail. She feels it is almost like a manager running a small bank. She gets so excited that her arms flail like the rotors of a distressed helicopter. "I saw women grappling with intense poverty situations. I heard the struggles of the women at the grassroots. I broke down, feeling confused and not knowing what contribution I could make. The next day I felt stronger and decided that my future lay with the women. I didn't look back after that." Kamal has been a perennial guerrilla fighter as she rode so fast to the top of the pyramid. Her dark hair would always be slicked into a bun.

Kamal churns out wonderful and succulent stories for visiting officials from her melting pot. Once she begins, the torrent of words completely overwhelms you - she is a brilliant raconteur and would mine extraordinary amounts of humour and pathos out of the thin bedraggled life of the village she was stuffed with cheery tales. Her never ending stream of tall, short, winding tales. She needs no prompting it is as if the words emerge from out of her in a physical, almost molecular sense, like tattoos on his skin he speaks with her facial muscles as much as her larynx. Storytelling comes naturally to her

With g turquoise nails she continues to spin lurid tales. For his folksy style and memorable phrases. Her skill is in managing to keep adding each element to this melting pot while keeping her characters and her vision true to itself. There are some ingredients of course, that remain often partially cooked; and this make a listener discount her stories. But even then Kamal remains the star attraction of the village. Kamal is also the village weathercock. Her bellowing voice rips through the morning calm as she runs errands for fetching water. Kamal is modest and self-effacing with a ruminating and unblinking gaze and microscopic powers of observation that helps her recall even the minutest details. Kamal has very valid reasons to thank the bank for providing her a key role that has changed her destiny. She was a very naïve woman. Her misfortune was that she had always backed the wrong horse, and ended upon the wrong side of power spectrum. She feels her stars are now on the ascendant and she seems to have been richly rewarded for picking the right side.

For Kamal who had tasted success quite early and continued to blaze a trail of several other successes, there has been no looking back; not even a pause or a comma for the growth brigade. Kamal has now forayed into floriculture, with tract of rajnigandha and marigold in

full bloom. Floriculture is now the main revenue earner contribution both to the frontline and bottom line .Kamal has invested substantially in properly contouring the land to allow for flow of water to the remotest plant .the well is a huge abyss which grows deeper each year with further excavations to come with receding water tables. She has put up angle – iron barbed wire fencing to keep out both animal and human intrusion. This ,she says is far more effective miles of shoddy wooden fences that keep sagging and are prone to damage by termites and rains. As a result, Kamal Mhaski's income increased by Rs.2 lakhs. Today, she has 26 acres of agricultural land, and also leads the milk business of her Saving Group, which is doing well.

“I had never thought that my life would change so much,” says Kamal. “Ten years ago, my husband was convinced that I could not do any business. He firmly believed that only men were cut out for activities like farming, business, industry etc. According to his male thinking, women's field of activity was confined to look after the house, carry on daily chores of cooking and looking after the children.

“But today I am proud that the entire village looks up to me for guidance and leadership. Though I started these four activities of business on my own, I am handling them because of the self-help group. My life has been totally transformed through the association with the bank. Today I am totally independent!”

Kamal Mhaski mentions with great pride. “My father always believed that it would have been far better if I were born a son. But today he realizes how lucky he is to have me as a daughter.”
