

FE 15-1-06

# Banking on women power

## Jankidevi Bajaj Award winner Chetna Gala Sinha on what it takes to set up India's first rural bank for women

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**C**OMMUNAL riots in Gondavle village in Satara district forced Mumtaz Tamboli to migrate to Mumbai. "Life in the village was difficult after the riots," remembers Tamboli. But surviving in Mumbai proved tougher and Tamboli returned to her village. "As I knew sewing, I decided to open a tailoring shop at home. I applied for a loan to buy a sewing machine from the Mann Deshi Mahila Sahakari Bank Ltd." Six years later, Tamboli has opened a tailoring institute and trains 150 girls in embroidery. The Mann Deshi Mahila Sahakari Bank in Mhaswad taluka, Mann, Satara district,

was the outcome of an informal talk with villagers by social worker, Chetna Gala Sinha. Operated by women, all its policies are women-friendly.

The brain behind the bank, 47-year-old Sinha, received the 13th Jankidevi Bajaj award for Rural Women Entrepreneurs in Mumbai last week. "This award is a relief. Working with marginalised communities is a risk and combined with pressure from financial institutions. To be appreciated by the mainstream is an achievement."

For Sinha, working with the marginalised sector has been a way of life. Born in Mumbai, Sinha was involved in Jaysprakash Narayan's



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movement and the Shetkari Sanghatana while in college. "I met my husband, who is a farmer from Mann taluka while I was involved in this movement. After marriage, I moved to Mann and it was here that I saw the plight of women labourers. The women, most of them illiterate, saved their meagre earnings with the moneylender. Since the money thus saved was 'secret', the moneylender could easily cheat them of it.

The drought-prone areas of Mann taluka do not offer any scope for employment. Women rear goats for a living and save a meagre Rs 2-5 from selling goat's milk, which is then given to the moneylender for 'safekeeping'. Most often, they mortgage goats for their requirements. Mainstream banks intimidate them with their paperwork." It was then that Sinha came up with this idea of micro-entrepreneurship

among women in this inaccessible, drought-prone area. Mann Deshi Mahila Sahakari Bank Ltd., founded in 1997, is India's first rural women's bank to get a licence from the Reserve Bank of India to operate in the whole of Maharashtra. It is a cooperative bank run by and for women, which has helped rural women by providing them the tools necessary for achieving financial independence and self-sufficiency.

The bank also invests in developing rural infrastructure and asset-building among women, floats projects to rejuvenate local traditional skills, offers training for skill upgradation and rebuilds women's linkages with new markets. In addition to the bank, the Mann Deshi Mahila umbrella involves operations of two other organisations — Mann Vikas Samajik Sanstha and Mann Deshi Mahila Bachat Gat Federation. The Sanstha provides students scholarships, vocational skills training and conducts health education camps. The federation is a non-profit organisation aiming at developing and empowering rural women entrepreneurs. It caters to 300 self-help groups, comprising self-employed women such as vegetable and milk vendors and weavers.

"When you help a woman, you help a family. Women take loans for their children's education or to rebuild or reconstruct their houses. A woman also takes a loan to buy gold, which can be sold or pawned when an emergency arises. Our loans are given as per their needs. Our bank also has a marketing department, which provides quality pro-

ducts that women can buy." The bank has grown and today has four branches in Satara district with 37,400 customers. From 1997 to 2005, its total credit portfolio has reached Rs 5.35 crore and deposits stand at Rs 7.80 crore. The only grouse that Sinha has is over the RBI policy that does not allow her bank to open a branch in another district due to the stringent norms. The RBI policy in this regard stipulates that the capital for the proposed new branch should be much higher than is required for expanding the branch network in the same district.

Pointing out the anomaly in the central bank policy, Sinha says, "Let the banking regulator apply same capital norms if the new branch is geographically closer to the existing branch even though it is located in another district. Let the distance and not just the difference of district be the criteria for fixing a higher capital for branch expansion."

What's next? "We are trying to prepare an insurance product for women below the poverty line." And then smiles wearily. "It will be an uphill task, but we are sure to succeed." ♦