

Convergence for cover

With help from FIIs and NGOs, women workers from the informal sector in Bihar get together to set up co-ops

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RUBY Khatoon came to Patna in 1970 after her marriage to a rickshaw-puller. Over two decades later, with three children and an ailing husband, she struggled to make both ends meet by selling food and doing applique work. With stiff competition from hundreds of other roadside vendors besides facing harassment from police and ruthless middlemen, Ruby was at her end's wit when she learnt that a woman from another village on the city's outskirts had formed a small women's group where they collect a small amount of money monthly from each member towards a joint savings fund. Each member could avail of a loan of Rs 1,000 from the fund for medical or other emergencies.

An unbelievable and exciting feature of the group's various activities was the formation of a cooperative where the women could explore and negotiate better prices for their products. They also had group insurance, relating to life, health and

accidents. Discovering that a Patna-based NGO had helped these women set up their self-help group (SHG) and facilitated their endeavours to enhance their lives, Ruby immediately contacted activists of Nidan and urged their support in starting a similar SHG in her village. It proved a turning point in her life. Energetically enlisting the cooperation of women in

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her village, Ruby is today president of her SHG. She has also been elected president of Angana, an outlet opened by the WAMA Mahila Swablambi Sahkari Samiti, a cooperative run under the auspices of Nidan in Hajipur, Bihar, the district headquarters of Vaishali district, about 20 km

away from Patna.

Nidan has been gathering underprivileged and poor people involved in the informal sector such as home-based workers, vendors, rag pickers and construction and agricultural labourers since 1995. Besides, taking up the issue of legal rights of these poor, including policy interventions, Nidan is promoting worker-owned cooperatives and making credit accessible to them through financial institutions, both government and non-governmental. It is currently working in five districts of Bihar - Patna, Vaishali, Katihar, Muzaffarpur and Samastipur.

Says Nidan executive director Arbind Singh, "We focus on increasing their income by promoting SHGs, cooperatives and linking them to banks. Today, we are covering about 40,000 families and have promoted 1,800 SHGs and 18 collective enterprises/cooperatives," he claims.

In Hajipur, the NGO has launched four cooperatives for women. "Nidan believes in promoting organisations owned and controlled by the



members themselves. Besides organising them for income security, such organisations help the members access technology, market and finance," says Manju, Nidan's organiser at the Hajipur office. She explains that the cooperatives launched here have been divided on the basis of different occupations of women. While the Wama Mahila Swablambi Sahkari Samiti focusses on stitching and tailoring, with products including bed sheets and file covers, the Bindiya Mahila Swablambi Sahkari Samiti makes cosmetic items for women. The Haryali Swablambi Samiti consists of women who grow

or sell vegetables and the Sanchaya Swablambi Samiti focusses on banking and finance-related matters. Angana is the marketing enterprise which markets all the different types of products produced by these enterprises and is based in Patna.

The biggest impact of the SHGs has been the dramatic fall in debt burden of its members and their families. Radhadevi, 45, of Rajasthan village in Vaishali district talks of the time when they had no option but to go to money lenders who charged 5-20% interest for loans. "We save Rs 30 every month in our SHG and presently have about Rs

7,000 in our fund. We can borrow up to Rs 1,000 and pay back in easy stages within two months at only two per cent interest," she says. This 5,000-strong village has 10 SHGs.

Taking up individual policies for securing life as well as securing savings is encouraged by Nidan. The focus is on encouraging women to take policies according to their needs. The group insurance programme was started in collaboration with Life Insurance Corporation of India (LIC) in 2000. Under this policy, Rs 5 per Rs 1,000 of loan advanced to the beneficiaries was deposited with LIC and in the event of death of the member,

the loan advanced to the deceased would be paid by LIC, informs Arbind Singh. "This helps in eliminating the burden of repaying loan of the deceased by the SHG," he adds.

All 54 members of the Wama Mahila Swablambi Sahkari Samiti have availed of the group insurance scheme. "All of us have also bought one or two shares in the cooperative," says Mehjabeen Sultana, secretary of this Samiti. "Each member can buy a maximum of 10 shares, with each share priced at Rs 100. I have bought two shares," she says.

Mehjabeen agrees with members Ameena and Parmiladevi that association with the cooperative has given them a new perspective on life. "Earlier, I stayed at home looking after the children and household chores. But today, I have a new confidence which enables me to travel on buses and go to the bank," says Ameena. The returns have yet to yield significant dividends because she and other women earn at the most Rs 1,000 a month by their work at the cooperative.

"It is not much, but at least we are out of the house and earning some money to supplement our husbands' incomes," adds Mehjabeen. "Our strongest point is that we have unity. What we need now are more retail opportunities to market our goods." ♦