

TIMELY CAPITALIZATION LEADS TO FREEDOM

A Caselet –By Ruchi Kumari, Young Professional JEEVIKA

▪ **Prelude**

Majhaulia village of Muzaffarpur district (Bihar) having 150 houses and 1000 population. Agriculture is the main source of income here followed by migration labor and some people are dependent on small businesses as well. Lack of proper employment opportunities in the village leading stress migration of marginal farmer and wage labor. Flood prone Majhaulia village has every ingredient which makes life tough and leads to vulnerability.

This is the story of Kuraisha Khatun, a poor rural woman, of vulnerable Majhaulia village of Muzaffarpur district (Bihar). Landless Kuraisha Khatun has started a small lahthi business in 1986 to earn bread and butter for her family.

New business was doing well, but unfortunately flood wiped out her business along with the hope for a better and secure future. Situation forced her to borrow an amount of Rs. 10,000 from moneylender at an interest rate of 10 % per month to overcome this phase of struggle and suffering. The family got trapped in higher rate debt, unprecedented 120% per annum interstate mounted a huge liability on this family. Trapped family was compelled to mortgage her house to overcome this problem. How helpless she might have felt when she decided to mortgage her house to repay the loan and to feed her family? It might have been the last resort for her family to bank upon. Now she was left with no resources to meet basic need of her family, neither food nor a shelter. In this adverse situation she came to know about Jeevika and power of SHG. She joined Jeevika and a new journey began.

Kuraisha Khatun engaged
in her Lahthi business



- **Implementation of best practice:**

She told that how a team of Community Resource Person (CRP) and Community Coordinator (CC) came to her village. They were making all the effort to get more and more villager to gather at one place. They appreciated the community to participate in discussion regarding issue of poverty and to digout main reason and solution of the cyclic poverty of village. Now CRP and CC briefed the poor household about Poverty, SHG and role of Jeevika in poverty reduction. In second round of discussions women from twelve different households, motivated with the dream of overcoming poverty joined this new approach to fight against chronic poverty through Jeevika promoted SHGs.

- **Problems encountered in implementation and successfully resolved:**

Firstly they were not ready to listen to Community Resource Person but finally after some days villagers agreed to form the group. After one week they dissolved their SHG and took their money back. People from Jeevika came and after proper discussion and answering all the query of community, Jeevika staff were able to motivate them to continue that SHGs.

- **Financing: –**

When she became the member of SHG she had taken general loan of Rs.10000, from which she has paid Rs.5000 to the moneylender and took back her home and from remaining Rs.5000 she managed to arrange the necessary things and reopened her business.

- **Results:-**

Timely financing helped her family to get free from high debt but also she was able to reopen her business. It took 6 months to get her business functional. Her eyes got wet when she was telling about different. It happened many times that she had nothing to feed her children and at the same time she had the burden of loan. There were many hunger nights in her life when there was neither to cook nor to eat. And today she feeds others family by employing them in her own business. It happened only because of Jeevika.

In her own words *“Agar Jeevika nahatiye to hamar sab jaise rahaliye hai waise rah jatiye, aage na badh patiye.je bhi Jeevika banalkhin hai unka jitna baar pranam kariye bahut kam hai”*

“If Jeevika doesn't exist then what could have happened with us. Those who have made Jeevika are the ideals to be respected and must be felicitated.”

- **Scalability and sustainability features of best practice:**

This study helps us to understand that how easy it is to make required change in the life of poor trapped in high debt loan from moneylenders. Timely and easy financing through Jeevika can not only liberate poor from the trapped poverty but also develops potential to finance any startup for sustainable source of livelihoods.

- **Lessons learnt:**

This story is able to display the impact of Microfinance to those needy poor trapped in vicious loan cycle taken through moneylenders but it can further be scaled up properly by providing support to budding entrepreneurs by Jeevika.