

MICRO ENTERPRISE & SUSTAINABLE PROJECTS

PROMOTING MICRO ENTERPRISES AND LIVELIHOOD FOR MARGINALIZED PEOPLE

Financial inclusion is where individuals and businesses have access to useful and affordable financial products and services that meet their needs that are delivered in a responsible and sustainable way. Financial inclusion is defined as the availability and equality of opportunities to access financial services.

The process of financial inclusion is an attempt to bring the weaker and vulnerable sections of the society within the ambit of the organized financial system. Financial Inclusion can be defined as the delivery of credit and other financial services at an affordable cost to the vast sections of the disadvantaged and low income groups. The various financial services include savings, credit, insurance and payments and remittances facilities.

Badhimala manufacturing at Jarmundi by group members

Micro Enterprise & Sustainable Project (MESP); Deoghar, Jharkhand: MESP into its 9th year of operations, is a non profit making organization working in favour of reducing poverty and promoting and increasing self employment through Holistic intervention. It is regd. under section 25 of Company Act.

Following objectives are guiding force of the organization:

a) MESP wants to cater micro credit and insurance services in the less accessible or no accessible areas.
b) Facilitate to promote micro enterprises/livelihood in rural, semi-urban and urban areas.
c) Facilitate to access marketing of products produced by the SHG groups.
d) Provide technology and training for capacity building of the poor and marginalized people;
e) Extension services for agriculture and allied sector activities;
f) Macro and micro level planning for livelihood intervention.

MESP is constantly working on financial inclusion of the rural poor families. Santhal Paragana region is one of the backward region of the country. Households in this region, are deprived from formal credit. Many such households lack even the presence of a single bank account. The recently launched PM Jandhan Yojana gave a boost in this regard. MFI industry is also trying to bridge the micro credit gap.

Visit from Microgram and Kiva

Visit by Mr Varadan from Microgram

Visit by DGM NABARD from Bombay

NGOs engaged in the promotion of livelihoods for marginal producers have often struggled with limited or no access to quality of financial services. NSSO data reveals that 45.9 million farming households in the country (51.4%) out of total 89.3 million households do not have access to credit either from institutional or from non-institutional sources.

Field visit by MG members

The state of Jharkhand is no exception to this and the situation of financial inclusion is very poor in the state. The proportion of non-indebted farmer households in Jharkhand is 79.1% which is much higher if we consider with Andhra Pradesh (18%) and all India average (51.4%).

Another important impediment faced by the village level producers and SHGs is to find the market for their goods and services. Promoting access of marginal producers to increasingly globalised market requires an insight into what the market demand in terms of quality, quantity, time and price and what the marginal producers are able to offer in terms of actual capacity and potentiality. Finally it requires a strategy for creating the most advantageous match between the two while sustaining local resource base and local livelihoods.

MESP thus launched to address above mentioned constraints while promoting micro enterprises & livelihood in rural areas of Jharkhand and West Bengal. MESP is promoted under section 25 of Company Act and managed by a group of professionals specialized in different areas.

A group of professionals, expert in different areas associated with the organization. MESP believes that for livelihood and micro enterprise promotion following supports are necessary:

- **Credit**
- **Technology**
- **Marketing**
- **Other services**

MESP as a NGO- MFI crossed its seven years milestones in this sector. It is also constantly working in promoting of financial inclusion. The field officers open accounts for many borrowers. Ninety percent of its borrowers have bank accounts. They are also providing credit to the borrowers through NEFT in their account directly. MESP field officers got training from BIRD, Lucknow sponsored by NABARD. It is an achievement of the organization.

MESP has become the BC of the Airtel Payment Bank for this Santhal Paragana region. Through this channel they can expand the financial inclusion program rapidly. They are making collaboration ESAF Retail Pvt Ltd, Trissur to provide new solar energy to our borrowers.

The organization is also working for socio-economic development. They have formed SHGs in three blocks of its working area for women development and empowerment. Girls education/drop out and under age marriage are thrust area for women development. Livelihood promotion of the women members is also its focused area.

MESP is a partner of KIVA-Microgram from 2014. They also made collaboration with IFMR based at Chennai.

The KIVA-MG collaboration gave us a boost to further expand our program. We have reached more than 2000 households at Dumka and Deoghar districts of Jharkhand. This has promoted more than 500 micro enterprises having at least 1250 employment. 1400 Sustainable livelihoods have been generated.

The Organization is focusing on value chain development of the product for the better price realization. Introduction of technology is another method which increases the productivity and reduces the cost for the microenterprises. Bari manufacturing is an example for such technology insertion by the Organization. During their journey, MESP has realized that sustainable livelihood generation is an important but an insufficient condition for bettering the lives of the underprivileged. A person becomes vulnerable during the old age period. To address the situation they have introduced livelihood plus services. This includes provision of pension and insurance services. This will ensure security during the old age of a person. MESP has covered two blocks - Deoghar and Devipur in Deoghar district and Jarmundi at Dumka district. They started our work at Joypur block of Bankura district, West Bengal.

Achievement:

MESP has been working for the promotion of Livelihood and Micro Enterprise promotion for the last six years. The strategy is to promote micro enterprises through cluster base approach. Different clusters have been formed during the working period in the last six years. The clusters are as follows:

• Bari manufacturing	• Tailoring
• Badhi Mala manufacturing	• Dairy
• Goatery	• Fishery
• Carpet Manufacturing	• Carpentry
• Construction equipments	• Earthen pottery
• Miscellaneous activities	

MESP is also providing different financial services like insurance (life, cattle and health insurance) and pension services. They call it livelihood plus services.

From their experience, it is observed that after the age of 50 plus, people are becoming vulnerable in the rural areas. It is during this period, where livelihood support services is much needed, For this purpose MESP has started issuing insurance services to their borrowers and the relevant target groups. They also provide pension services to the target groups, which in turn can give them livelihood support after the age of 50 years.

MESP have recently appointed as Corporate BC of Jharkahnd Rajya Gramin Bank (JRGB). MESP have planned to appoint 100 CSP in this year. This will expand the financial inclusion process and enhance self employment also. MESP is a member of VB Net Foundation which is state level body of NGO network led by PRADAN (jharkhand). This network is constant doing work on capacity building of NGOs and act as knowledge hub.

Collaboration with Airtel Payment bank:

MESP has entered into an collaboration with Airtel Payment bank by engaging itself as a Business Correspondent by the Bank. MESP has appointed another four sub agents who will open bank A/cs and effect payment to the customers, thereby extending Its program. GM, NABARD from Ranchi Regional office has visited MESP Bari project. He expressed his satisfaction and asked them to prepare a case study for this venture. Mr Rangan Varadan of Microgram has visited MESP field. He went to Bandhdih, Banwara villages of Jarmundi block. He saw the earthen pottery work in the area.

Participation in the Training Program

Nand Kishore Jha, Devanand Sharma and Ghanshyam Pandit participated in a training program on "Financial inclusion" held at Lucknow organized by BIRD, Lucknow from 13th to 15th June. Sumant Banerjee and Chandan Karmakar also participated in a Training program "Program on Sustaining Group mode of Financing" organized by BIRD, NABARD at Lucknow from 11th to 14th July 2016. Nand Kishore Jha participated in a "community radio promotion" workshop at Ranchi organized by Dept of Information and Broadcasting, GoI in partnership with SMART. Ghanshyam Pandit participated in a workshop "Development Dialogue" which was organized by "Ek Soch Sand Box" at Varanasi.

MESP partners are as follows:

- Microgram: Bangalore
- NABARD, Ranchi
- KIVA :USA
- IFMR Finance , Chennai
- LIC of India, Bhagalpur
- CInI, Jamshedpur
- Indian Oil Corporation Ltd, Barauni
- Union bank of India, Deoghar
- IDBI, Deoghar
- Advance India Insurance Broker Service Ltd, Gurgaon
- Powergrid Corporation of India, Gurgaon
- Indian Tobaco Company Kolkata
- Radev, Gugaon