

# ICT and microfinance



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## Lessons learnt

It has been deliberated and discussed, in detail, in the recently concluded 8<sup>th</sup> Annual Baramati Initiative, on the importance of reaching the Information and Communication Technology (ICT) in India, especially to the areas that are normally out of reach, where the interventions of tele-Education, tele-Medicine and tele-Governance, in addition to a plethora of innovative services such as smart card accessing, simputering and mobile banking, can be made possible.

Some of the innovative programmes discussed during and off the meet that caught the fancy and the attention of the participants, were interventions such as mobile computer teaching facilities (of VIIT), informing of local agricultural markets and weather conditions to farmers on a daily basis over mobile phones (by Reuters), localised news on mobiles through SMS providing not only important information but also income and several job opportunities to the local youth. Guided by the vision of Kalpana Sankar, CEO, Hand in Hand (HiH) Tami Nadu, through its concept of 'Citizen's Centres', is contributing to the spread of ICT as a process of ICT inclusion, in the rural, semi and peri urban areas.

## Hand in Hand's ventures

Hand in Hand is an NGO registered in 2002 as a Public Charitable Trust. Though the activities of Hand in Hand, started with Child Labour Elimination, the consequential projects that evolved are

- Child Labour Elimination through Education
- Women's Development and Empowerment through Self Help

- Groups (SHGs) and Micro Finance
- Health and Hygiene
- Environment Protection through Watershed Development and
- Solid Waste Management and
- Village Knowledge Centres called Citizens' Centres.

Hand in Hand is presently operating in 13 districts of Tamil Nadu and in Pondicherry, offering Choice, Dignity and Hope to the disadvantaged needy and the poor through its work, supported by over 1,700 full time employees and 2,300 part time teachers and having the support of above 8,000 volunteers forming committees for advocating protection of Child Rights, Health Rights and Good Governance Rights. Hand in Hand has mainstreamed about 13,700 'children' and succeeded in making 155 Panchayats Child Labour Free; Enrolled about 300,000 Women members through over 20,000 SHGs and helped create family enterprises through economic assistance to over 170,000 members.

With many of the women from an agricultural background, these micro credit interventions and enterprises, backed by capacity building, handholding and monitoring can support the families with

sustainable growth in a steady manner, improve their confidence levels and importantly, with an enviable repayment rate consistently hovering over 99.6%, demonstrate that the poor are indeed bankable.

The Health and Hygiene programme of HiH had facilitated around 400 Medical camps benefiting about 56,000 patients. The services of three ambulances, given by the government, through which about 685 patients have benefited so far; most of them being women in labour and who had to be taken to the nearest health centres for institutional deliveries.

We try to protect the environment through watershed creation and solid waste management by covering over 30,000 households across four village, six town panchayats and three municipalities.

## Hand in Hand in ICT integration

Ever since computer related technology came into existence and technology centric development became the mainstay, ICT brought in many dynamic changes such as the Internet becoming the vehicle for the Information Highway, by not only bringing the postman to be with you



*Citizens' Centre of Hand in Hand in use*

to deliver mail at your convenience but also in connecting the countries and shrinking the globe to mere seconds.

Yet, the access and availability of the technology has been limited and a gap emerged between the supply and demand, which is more reflected between the urban reach of ICT and that of the rural, in the developing countries such as India. In line with the importance given in the Millennium Development Goals for education, Hand in Hand is playing a catalytic role in creating digital atmosphere in the rural, semi and peri urban areas, by giving due importance to developing Citizens' Centres which are also our vehicles for developing ICT and for narrowing the digital divide. After studying several existing village knowledge centre models, Hand in Hand had formulated an integrated model of ICT in its Citizens' Centre which typically has an IT kiosk with internet linkage wherever connectible, a functional library with information made available also on IT related subjects, and a tuition centre. The centres' goal is to inculcate the values of grass root democracy by conducting familiarisation programmes, on socio-economic and health issues and facilitating discussions on relevant topics. The important goal, though, is making IT facilities available to the disadvantaged needy in rural areas, in an affordable manner (significant amount of concessions are extended to the SC/ST students), to educate the interested on the basics of IT and to enable them use the IT services in addition to the other services and ensure that the ICT awareness does not remain in the domain of the urban populace alone.

What started in a small way in Kancheepuram in April 2005 is now being scaled up through replication. Many of the Citizens' centres found favour with panchayats who could identify a good location to enable these centres, run for the benefit of the respective villagers. However, on a micro level, especially while scaling up the centres, there are challenges.

### Challenges and impediments

The scaling up has to be in depth, that is by expanding equipment and facilities within the centre, and in width, that is by expanding in more geographical locations. The challenges faced in this regard are:

- Finance needed for scaling up (where micro finance helps the start-ups)
- Suitable Human Resources (HR) for teaching, training and handholding
- Electric power related problems in rural areas

While these are the challenges, the impediments are

- Certification/accreditation issues for the courses offered
- Language related issues for imparting and comprehending the courses
- Restricted or insufficient reach of internet and so on

To scale up, the above concerns have to be addressed forthwith. HiH is thus trying to convert the Citizens' Centres, to 'Citizens' Centre Enterprises' by providing not only knowledge, but also the finance and equipment needed to start such an enterprise.

### Services offered

Hand in Hand offers certain services in a typical Citizens' Centre Enterprise on the exchange of a nominal fee. These services include:



*Computer teaching in a Citizens' Centre of Hand in Hand*

- Basic Computer Courses
- Computer support services that include facilities for playing games, working, copying, printing and scanning
- DTP work, project work for students and others
- Internet browsing (where connectivity is possible)
- Internet and Coin telephony
- Supporting in supplying and filling various forms needed to obtain several varieties of certificates or information from government agencies
- Women's literacy courses, environment and health related shows through software and facilitating discussions
- Accounts and data writing for SHGs of not only Hand in Hand but also of other NGOs if and where willing
- Facilitating a small but functional library to cater to school going children, women and other enthusiastic readers

### Some success stories

Maheswari Ezhilarasan, hailing from Veerarajampettai a village about 13 kms from Kancheepuram, of Annamar SHG, is 30 years, of Most Backward Classes (MBC) and educated till 12<sup>th</sup> Grade. She had attended the ICT training programme conducted by Hand in Hand in August 2007. She was enthusiastic and wished to start a Citizens' Centre and with the microfinance support from Hand in Hand started her enterprise in November 2007. Within five months she was able to earn about INR 3,000 from various services offered in her centre. She has also gained the recognition of one of the best Citizens' Centre entrepreneurs of Hand in Hand.

Chithra, 44 years, from Thendral Womens' Self Help Group, Kattankulathur a village on the fringe of Chennai, also attended the ICT training programme and started an enterprise, with a micro loan and support from her daughter who is a B.Sc. Being in a peri urban location, her centre attracted a steady increase in customers and students and today she is able to earn around INR 20,000 per month

With such encouraging success stories, HiH is creating living space for many rural folks. With the application of ICT tools, HiH is trying to expand the horizons and narrow the digital divide by innovating, implementing, replicating and scaling. □