

THE VICE-CHAIRMAN (SHRI V. NARAYANASAMY) : Let the statement be made first.

STATEMENT BY MINISTER

Setting up of the Rashtriya Manila Kosh

THE MINISTER OF STATE IN THE MINISTRY OF HUMAN RESOURCE DEVELOPMENT (DEPARTMENT OF WOMEN AND CHILD DEVELOPMENT (SHRIMATI BASAVA RAJESHWARI) : Sir, I rise with pleasure to announce the setting up of a National Credit Fund for Women, called the Rashtriya Manila Kosh. This proposal has been under the consideration of the Government for some time and I am happy to state that we have now finalised the matter.

Institutional credit is known to be an important tool for social change. Unfortunately, however, access to such credit has usually been quite limited for the poor, particularly for poor women. Usually, these women in the informal sector need repeated doses of credit through informal grass-root mechanisms at minimum transaction costs. Since the formal banking structure is not always geared to respond to this need, it was decided to set up the Rashtriya Mahila Kosh. I am confident that this Kosh will meet the longstanding demand for better funding of the credit needs of poor women in the informal sector. The Kosh will be extending credit to non-governmental organisations established in the field of credit and allied activities and these NGOs, in turn, will be extending credit to poor women at the grass-roots level. The Kosh will formulate suitable criteria for NGOs to be eligible to receive credit assistance under this scheme. I am happy to announce

that we have kept the credit structure on par with other soft lending schemes of the Government. The ultimate beneficiaries will be getting this Credit at an interest rate of 12% per annum. Sir, we have done this to ensure that the Government remains an activist partner in the economic empowerment of women. I am happy to announce that an amount of Rs. 31 crores has been released in the year 1992-93 for the Kosh. This amount of Rs. 31 crores is expected to generate substantial lending during the next five to six years to benefit poor women. The Kosh has been set up as a registered society with a General Body and a Governing Board to manage its affairs. The Governing Board will have representatives from Government Departments, Ministries, NGOs and professionals and experts in the field of credit. The Kosh will provide for the creation of a risk fund, will extend credit education and ensure Group Insurance cover for the loanee women. The Kosh will commence its operations shortly.

Sir, I commend this endeavour to this august House.

THE VICE-CHAIRMAN (SHRI V. NARAYANASAMY) : There are only two Members according to the list here to seek clarifications.

SHRIMATI KAMLA SINHA : (Bihar) : Sir, this can be taken up on Monday.

SHRI H. HANUMANTHAPPA : (Karnataka) : This can be taken up on Monday.

THE VICE-CHAIRMAN (SHRI V. NARAYANASAMY) : Mrs. Sinha, this is a small statement. You know the problems of women better. Therefore, you can seek clarifications now.

SHRIMATI KAMLA SINHA : This is an important issue and it would be better if it is taken up on Monday.

THE VICE-CHAIRMAN (SHRI V.NARAYANASAMY) : On Monday, we have a large amount of business. There is a statement to be made by the Minister. That is being postponed. There is a statement made by the hon. Home Minister on which clarifications are to be sought. That is also pending for a long time. And there are only two or three Members who want to seek clarifications on this statement. So, let them seek clarifications and let the Minister reply. Smt. Kamla Sinha.

SHRIMATI KAMLA SINHA :
Sir, I am sure that this Rashtriya Mahila Kosh will go a long way to benefit the poor women in their own employment generation process. But I would like to know that the conditions are for taking loans from this Kosh. The hon. Minister says that it will have an interest rate of 12 per cent per annum. I think, this interest rate of 12 per cent is rather high and this should have been brought down, and this should have been much less. So, I want to know whether she will consider the request of mine to bring down this high rate of interest. What are the conditionalities for taking credit from this Kosh ? Now, whoever wants to take a loan, whether a man or a woman, from any bank *or* any financial institution, he or she has to produce some kind of security for taking loans. So, I want to know whether any kind of security will be needed for taking a loan from this Kosh. My third question is whether it will be a long-term credit or a short-term credit. Thank you.

SHRI SUNIL BASU RAY (West Bengal)
: Sir, the scheme is, of course,

welcome. But there are doubts whether it will reach the real beneficiaries to whom it is intended. First of all, the terms "informal sector" and "informal grass-roots mechanism" have got to be defined. What exactly is meant by these terms ? Which type of women at the grass-roots level will be eligible to get the loans ? That is not clear from the statement. In the statement it has been stated that the Rashtriya Mahila Kosh has been proposed to be set up. After that, it is stated that the non-governmental organisations will be the conduit through which this loan will be financed so that it may reach poor women. I think, there will be a great loss of resources through this conduit. Whatever arrangement may be, that must be direct between the Kosh and the women who will be the recipients. My third Question is : Why has this interest rate been geared up to 12 per cent ? If that is meant to be a soft loan, then, I think, it will not be soft for women. So, I wish that the Minister would assure us that the rate of interest will be reduced. And how are these Rs. 31 crores going to be invested to generate further money, further funds to revamp the Kosh ? These are the issues on which I seek clarifications.

SHRI S. VIDUTHALAI VIRUMBI (Tamil Nadu) : • Mr. Vice-Chairman, Sir, I have only two questions to ask. Sir, we have christened this organisation as the Rashtriya Mahila Kosh. Sir, I want to express my opinion, through you, to this House that now-a-days, whatever organisation the Central Government want to establish, they are christening it only in some Sanskrit or Hindi names.

You are putting up a national fund for women but it is to be known as Rashtriya Mahila Kosh. That means

whatever organisation you create, you christen it in Hindi or Sanskrit. This is a new sickness which afflicts the Central Government. Why should it be like this ?

Secondly, since the formal banking structure is not always geared to respond to this need, you have decided to set up this Rashtriya Mahila Kosh. By this, you mean that our banks have failed to do their job. Whatever the banks were expected to do or whatever they ought to have done, is not being done by them. For that, you should have pulled up the banks. But instead of that, you are creating another organisation. Suppose this new organisation also goes the same way. What is going to be the remedy ?

SHRIMATI KAMLA SINHA : They will create another Kosh.

SHRI S. VIDUTHALAI VIRUMBI: I hope the Minister will clarify my first point also about christening it in Hindi or Sanskrit as you are doing in case of other organisations. Under the Life Insurance Corporations, they are launching new schemes but again they are christening them in Hindi or Sanskrit. That is why I want a clear reply from the Minister.

SHRI H. HANUMANTHAPPA : I have pointed queries to ask. Provision of credit facility is an important tool for social change. Unfortunately, access to such credit is very limited and, therefore, there is a need to give repeated doses. And this is needed in the case of weaker sections of the society also and the Government accepts that there is the necessity to provide repeated doses of financial assistance. I want to know whether the Government will agree to establish such Koshes wherever needed as is

being done for the Manilas where this repeated dose is necessary. Similarly, there are Scheduled Castes and Scheduled Tribes and other weaker sections who have also not been given a proper care in the matter of providing loans for them. Recognising the need for repeated doses in their case, will the Government consider setting up such a Kosh for them ?

Secondly, it says that formal banking structure is not always geared to respond. That means that you should have geared up the banking sector which you have not done.

Then, already there are certain facilities available for women in this country. What will happen to those existing facilities after establishing this Kosh ? Are you going to withdraw them and ask all the women to go to this Kosh ? There should be a clarification on this matter. Tomorrow, if a woman goes to some other agency for credit, her request will be turned down by them and she will be asked to approach this Kosh only. So I want to know the fate of the existing facilities for women.

Has any assessment been made about the requirement? Women consist of more than 50 per cent of the population. Day in and day we have been shouting that we should do something for the women. You have come out with an amount of Rs. 31 crores. Is it enough? What is your assessment ? How have you arrived at this figure ? How many women will be benefited from this amount of Rs. 31 crores ? Then this amount of Rs. 31 crores has been given for the year 1992-93. What is your allocation for 1993-94 ? The Statement is silent. This is only last year's allocation... We are now in

1993-94. What is your allocation for 1993-94 ?

When you are creating this new Kosh for women, it shows that you do not have faith in the existing normal banking system or other credit institutions. But this Kosh will also be manned by the same Government officers, bank officials, professionals and Ministry people. In what way do you expect this Kosh to function better than the existing arrangement when you will have the same people, the same bank's representatives, same departmental representatives, same NGOs and other professionals who are already sitting in various other similar organisations ?

Just by picking up one from here, one from there, one from somewhere else, and putting them on the Government body, do you expect that the drawbacks which are there in the existing system—because of which you came to the conclusion of setting up a new fund—Will be removed ? How do you overcome this problem ?

DR. JINENDRA KUMAR JAIN (Madhya Pradesh) : Mr. Vice-Chairman, Sir, I welcome the setting up of the Rashtriya Mahila Kosh for the simple reason that any attempt by the Government towards helping women is to be supported and welcomed. However, this statement is very brief and, therefore, one has to seek further clarifications. I will seek one or two.

The statement says that the Kosh will extend credit to non-governmental organisations and that these non-governmental organisations will give credit to women. It has been stated here that poor women will get credit at the rate of 12 per cent interest. But at what rate of interest

the non-governmental organisations will get the money from the Kosh ? Then, when you say 'non-governmental organisations', do you mean to say 'non-profit organisations' or even private companies? I am asking this because you have said 'The Kosh will be extending credit to non-governmental organisations established in the field of credit and allied activities'. It means, finance companies. All the finance companies run by the private people are non-governmental organisations. My question, in this connection is, will the money go from the Kosh to the private companies who will set up grass-root level credit-giving organisations, or, will it go only to the nonprofit organisations ?

The last part of the statement says : 'The Kosh will provide for the creation of a risk fund and will extend credit education and ensure group insurance cover for the loanee women'. What kind of insurance ? Are you thinking of life insurance, or, insurance for a project for which loan had been taken ? If it means project insurance, I do not know how the whole thing is going to materialise because it means having one mechanism supporting another mechanism and that mechanism, in turn, supporting another mechanism. I feel a little bit confused here. I hope the hon. Minister will help clear my confusion. Thank you.

THE VICE-CHAIRMAN (SHRI V. NARAYANASAMY) : Shri Tin-divanam G. Venkatraman. Only one question.

SHRI TINDIVANAM G. VENKATRAMAN (Tamil Nadu) : Mr. Vice-Chairman, Sir, I am glad that the treasury benches have candidly admitted this fact, as has been mentioned

in the statement, that 'since the normal banking structure is not always geared to respond to this need, it was decided to set up the Rashtriya Mahila Kosh'. This is the pre-amble of the statement. This shows that the Government is well aware of the fact that the system is hopelessly bad and it is not at all helping the poor people.

Therefore, because of the failure of the banking structure, this Kosh, a separate credit fund for women, is being set up to help women. But one does not know as to what are the parameters under which this fund will operate and the categories of women to be helped. How are you going to select them? What will be the categories of women who will be able to avail themselves of the credit facilities?

Apart from this, as my friend, hon. Member, Shri Hanumanthappa pointed out, in relation to the amount of Rs. 31 crores released for last year, how are you going to distribute it? Then, is this going to be an experimental measure only? Are you going to work it out in respect of one state only or in respect of all the States?

Actually, Sir, this is a very ambiguous statement where we cannot pinpoint and really seek any clarifications in this regard.

SHRIMATI BASAVA RAJESH-WARI :
Mr. Vice-Chairman, Sir, in regard to the question put by the hon. lady Member, I would like to say that the credit is flexible and informal. The credit will be byway of short-term as well as medium-term loans.

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In regard to the question whether there are any conditionalities, it is too early to say as to what are the

conditionalities. We have to work out the procedure and the conditionalities as early as possible. It is too early to say. The first condition is, we are going to give only to those non-governmental organisations where they are already extending such services to the poorest among the poor. We are lending them at the rate of 8 per cent and they will lend it to the beneficiaries at the rate of 12 per cent.

Shri Hanumanthappa wanted to know whether there was any guarantee that this structure that we are setting up was going to be a different one.

This structure is quite different. Officials are there, non-officials are there. We have asked the consent of the non-officials who are well-versed in this occupation. After we get their consent, I will try to announce the names of those persons who will be on the Board.

Mr. Vice-Chairman, Sir, another question was asked as to what would be the total by 1993-94. At present we have got Rs. 1 crore from the Planning Commission and Rs. 30 crores from the World Bank. That is the loan. We are getting it at 8 per cent. But the loan which we are getting will be multiplied. We anticipate that by the end of the Eighth Five Year Plan we will be clearing about 2 lakh of them and the total generated lending by accrued interest and also interest from the beneficiaries would be Rs. 150 crores.

Another question was asked about naming it as 'Mahila Kosh'. There is nothing wrong in calling it as Mahila Kosh. Hon. President of India had also referred to Mahila Kosh in his

speech to both the Houses of Parliament. So, we have also named it as Mahila Kosh.

Another question was asked whether there are any conditionalities or there would be any security required. No security is required. Moreover, we are going to examine all the aspects. In its first meeting of the Board all these procedures, formalities and conditionalities would be worked out and, if necessary, very shortly I will come out with such a statement.

Regarding the last question asked by Mr. Jain, I think it is too early to say anything. It has been registered very recently and the entire amount of Rs. 31 crores has been credited in the bank. It is very difficult to say anything at this stage.

Regarding the outcome of this scheme also it is too early to talk about its benefits. That will take some time. Let the Kosh commence first. Afterwards we will come to know how it is going to perform. If there are any anomalies, we will try to remove them as early as possible

SHRI SUNIL BASU RAY : I want to ask only one question whether a specific Bill will be brought before this House for this purpose so that it could run on statutory basis. Otherwise, we will not be able to get any clarifications.

THE VICE-CHAIRMAN (SHRI V. NARAYANASAMY) : The hon. Member wants to know whether you are bringing forward some legislation on this or you are just going to form the Rashtriya Mahila Kosh.

SHRIMATI BASAVA RAJESH-WARI : At present we are not thin-

king of bringing any legislation. Let us see how it performs.

SHRI TINDIVANAM G. VENKATRAMAN : What is the amount allotted state-wise ?

SHRIMATI BASAVA RAJESH-WARI : It is not given State-wise. *(Interruptions)*.

THE VICE-CHAIRMAN (SHRI V. NARAYANASAMY) : Mr. Basu Ray, the hon. Minister has said that the modalities, procedures and other things will be worked out. That is what the Minister has said.

DR. JINENDRA KUMAR JAIN : At least I deserve to know whether the non-profit making NGOs will be eligible or even the profit-making NGOs could do this.

SHRIMATI BASAVA RAJESH-WARI : That is what I have been telling. We are borrowing at the rate of 8 per cent and they are lending at the rate of 12 per cent. It is the NGOs who have to think of this. This is only meant for the people who are already having this kind of occupation. It is a working capital to supplement their income. We have to work out such a plan.

I think, by the end of the Eighth Five Year Plan we will be covering all these things., *(Interruptions)*.

There is one more question. I will clarify it.. *(Interruptions)*

DR. JINENDRA KUMAR JAIN : Mr. Vice-Chairman, Sir. will you ask the hon. Minister to clarify

THE VICE-CHAIRMAN (SHRI V. NARAYANASAMY) : One minute. Has the allocation been made to the State Governments ?

SHRIMATI BASAVA RAJESH-WARI : No, it is not done through the States. It will be done through NGOs only. There are reputed institutions in this country working in this field... (*Interruptions*)

DR. JINENDRA KUMAR JAIN : Profit-making bodies or non-profit making bodies ?

THE VICE-CHAIRMAN (SHRI V. NARAYANASAMY) : Madam Minister, *Dr.* Jain has asked for another clarification whether it will be applicable to profit-making NGOs or non-profit making NGOs.

SHRIMATI BASAVA RAJESH-WARI : "Some reputed institutions", we say. They can apply for it. After the proposals come, we will examine them in detail. We do not want to give to individuals. We will channellise the amount only through the NGOs.

THE VICE-CHAIRMAN (SHRI V. NARAYANASAMY) : That is right.

Now the clarifications are over.

CLARIFICATIONS ON THE STATE- MENT BY MINISTER

Communal Incidents that took place in Manipur on 3rd May, 1993.

THE VICE-CHAIRMAN (SHRI V. NARAYANASAMY) : Now clarifications on the statement by the Home Minister on Manipur.

Shri Ram Naresh Yadav, not here.

Shri Mohd. Khaleelur Rahman, not here.

Shri Sangh Priya Gautam, not here.

Shri Mohammed Amin, not here... (*Interruptions*)

Madam, one minute.

Prof. Saurin Bhattacharya, not here.

Shri Jagdish Prasad Mathur, not here.

Shri G.G. Swell, not here.

Shri Tara Charan Mazumdar, not here.

Shri Vizol, not here.

Shri Ram Gopal Yadav, not here.

Nobody is here. None of the Members is here. Clarifications need not be sought by the Members because the Members are not here.

SHRI S. VIDUTHALAI VIRUMBI (Tamil Nadu) : Will there be clarifications on Manipur on Monday ?

THE VICE-CHAIRMAN (SHRI V. NARAYANASAMY) : No, no. The Members are not here. I cannot postpone it like this. It has been pending for more than one week.

The House is adjourned till 11.00 a.m. on Monday.

The House then adjourned at fifty-two minutes past six of the clock till eleven of the clock on Monday, the 10th May, 1993.