**The poor can fight poverty successfully if finance is available to them in the right place at the right time and at the right situation.**

***SJDT designed a community mediated financial solution for the poor.***

 This year marks the 25th anniversary of the International day for the eradication of poverty and United Nations fixed 17th October for it. But in India we have to do a lot more to make India poverty free. We at SJDT believe that one of the key strategy for poverty elimination is to equip the poor with right financial tools. Two of these tools we concentrate are as follows.

1. Access to finance when opportunity present itself so that the poor family can move out of poverty. This is very much needed in poverty stricken rural house hold.

The farmer needs finance at the instance of monsoon rain for seeds, fertilizer pesticide etc. Another example is when there is a festival small trader needs extra money to buy more products for sale. The above are just two examples to show the rural poor need finance promptly to exploit an opportunity to increase their income.

In the case of poor women entrepreneur they need finance without security for they own no assets of their own and as well need finance without much paper work. The formal financial system such as banks don’t come forward to help these rural women. The ideal financial system should enable each and every deserving entrepreneur to exercise his skills and activities to come out of poverty.

 SJDT designed a community managed system by which willing rural women can form jointly a group based on mutual trust. Based on this mutual group bond microloan is provided to them without any guarantee. The women group stand as the guarantor for the repayment of its members. The system also provides chance for the group members to scale up their enterprise through repeated and scaled up loans. SJDT thus enables the rural women to come out of poverty.

1. The second critical issue connected with poverty is management of risks and shocks which occur very often. Sickness, natural dissector death, even marriage present itself suddenly. The financial system once again is not able to lend itself in these critical situations. Then again the rural household is further pushed into the debt trap and subsequently in poverty cycle.

In the developed world insurance plays a major role in mitigating such risks. But for rural poor in India who need this insurance all the more there is no user friendly product. More than 80% of the rural poor have no insurance cover at all from the formal insurance companies. SJDT Designed a scheme for these rural poor namely “Social security Scheme” this again is a community managed insurance scheme where the federation of women groups took the initiative of organizing a scheme which provides insurance that cateress to the risky moment such as members and her spouse. This insurance protect its low income members against debt traps and improve their livelihood and even their lives.

Poverty and inaccessibility reinforce each other in a downward spiral. Finance is the cementing force that holds all the pieces of our life together. If money is available in the right place at the right time and for the right situation then the poor can come out of poverty. SJDT is doing its part meeting out this finance through community mediated social business.

Through these two social business we do antithesis of what conventional business does. Conventional business wisdom sets up office in cities where people are concentrated. But our business officers are in rural villages. Conventional business is owned by rich share holder’s but our business is owned by members of joint Liability groups.

Conventional business transact business mostly with men but we do that with women. Conventional business is operated on the collateral of the client but our business is operated on the basis of pure mutual trust.

In conclusion the existing Conventional business models help the wealth to concentrate with few individuals. But ofcourse this concentration of wealth pushes a large proportion people into poverty trap. We at SJDT is trying to set a business model which is antithesis to the above ie spread the wealth from the few to the many so that many poor can exercise his ability and skill to come out of poverty.