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## **A Vision for Collection and Disbursing of Funds: Suggested policies for District Tharparkar**

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Attempt has been made to suggest a innovative idea for Tharparkar to establish a bank just like Grameen Bank. Concept is based on the implication of different agencies, NGO's, experiences and lesson learned from these studies. Learned lesson from these organizations and with intervened innovative suggestions, this study reveals that this new innovative idea is possible at this time and the need of this deserted backward area. To reduce the poverty to encourage the people towards collection of micro-deposits and be distributed funds from government and donors agencies in proper and short time to rightful hands reducing the extra expenditure and corrupt hands involved in process.

JEL. Classification: B21; G21; G28;

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### **A. Establishment of Bank in Thar**

It will be the best in the interest of Thar and Tharies that a banking system be introduced in Thar, based on the idea of the micro financing. Since I have (writer of this thesis) my roots in the Thar and certainly know that there are very bright possibilities of to start such a bank. Experience in various countries and especially in our defunct Bangladesh has proved effectiveness, of this system for boosting the system and boosting the development in life style of poor people.

I have a certitude that if poor people of Thar are encouraged and deepened about the system, each and every member of all Tharies families can afford to save rupee one per head per day. I am fully aware through the personal links that a Thari child spends an average amount of rupee 1-5 per day for the purchase of sweet and chhalia (nuts).

A bank establishment in Thar by government or any NGO agency can issue deposit slips of not less than one million rupees per day. This amount is general on the basis of approximately population of one million in Thar villages. However introducing this system requires creation of awareness among Tharies about its benefits. A homework proper loaning and constant advertisement, with immediate benefits such as interest rate and loan facility would be needed before acting on this fruitful scheme. Some active NGOs have successfully launched such a project and Tharies people joyously participating and benefiting through this system in their project areas, one example of such a scheme is VO of Chelhar. This system is somewhat different from my point of view but the base is approximately same.

Grameen bank of Bangladesh and other experiences (Hassan and Hardy, 1993:90-91; Mitthal, Khan 1976:12-16, 31-32; Herani 2002: chapter 10) are the best example of success in this attempt. I have been told that in kharadar, Karachi, Ismially community success fully started a Massala Society with less half rupee in nineteen fifties and now bank grant huge amount of loan to community members for business purpose.

In the initial stages in any government bank A/C should be opened. In every village there is no bank. Some social welfare organizations/ NGOs should make arrangements of keeping this money for one month before making arrangement of deposition of it. Such a practice is happening in Thar in the areas where active NGOs are working. People are getting benefits from this policy

### **B. Disbursing of Funds**

In fact, Thar population can be divided into three categories:

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### 1. Very Poor class 2. Middle class and 3. Rich class

The rate of deposit and facilities of courses should be different. If people fail to join to understand and cooperate then government may impose a fine on the fixed amount as a forced tax then they may be given the interest and they may be encouraged to start small business by granting them loan, as per their skills and capacity.

There should be policy that there are three accounts in the Thar Bank. In this bank, the bank will give interest on deposition; at the same time Tharites should be given awareness of deposition. People should think that it is forced tax.

For the poor class the account should be separate and they should be given interest more than normal rates, in this greed people will deposit more money. Rich class should be given only list of the deposited amount annually. This account should be in bank at least for five years and Bank should give normal rate of interest.

This amount should be given to NGOs on interests, which are responsible at the normal bank rate. NGOs should use this money for their projects, which are income generating e.g. loaning to farmers, ladies and labour for livestock, raw material for production to utilize own skills, etc. This type of practice is happening in Thar by some active NGOs, in Bangladesh and in mostly all NGOs but collection is not forced. Middle class category should be given more interest.

By doing this Tharites will try to deposit more and more and will decrease their useless expenditures on fruitless habits. When they will come to know the benefit of saving as an earning then with the short span of time their deposits for interest money would be enjoyable.

Poor category should be given loan at cheapest rates for only income generating purpose following the example of Grameen Bank of Bangladesh, and working of active NGOs in Tharparkar and in others studies, which are given in this study in details. This category is in need of more attention and awareness. It is already described that they should be given cheapest loan. Another thing, which is main and mostly miss used by authorized people is utilization of aid which government, NGOs rich people of Pakistan or any other country gives for the distribution into the poor. This amount in real case does not reach to real poor persons. The entire amounts received for the poor of Thar for drought and famine conditions should be deposited in the account of Thar Bank in favour of poor category. In this way the amount of this category will increase and will multiply soon. By this practice more amounts will come and more chances of progress will increase for poor category.

### **C. Vision of Giving Loan to Poor in Proper Way**

There should be policy of giving loan to poor in proper way. It should be on their deposit ratio. Those who deposit per head more will get more loans for income generating purpose at cheaper rates. Those who will not give loan back with in time they will give more interest as late fees, by doing this much money will come. After that advertisement should be done to receive more funds for Tharites from donors.

If middle class category takes loan from this fund then interest rate should be at normal commercial bank rate and if rich category takes loan from this loan their interest rate should be higher than middle class. But it should be made compulsory for distributing authorities; to make sure that poor are on merit base and if representative of poor allows giving loan to others, and then it should be given, otherwise should not.

In this way a lot of money will be deposited. After that a separate Thar Bank should be managed on private basis. Every Thari who deposits money is shareholder. There should be share one for rich, double for middle class and four times more for poor. More amounts are given by funding agencies to poor as aid that is why their share should be more than others. The bank can be supported by the relief funds amount in order to multiply the deposits. Banking rules for poor people of drought trodden areas must be based on the divinely attribution of kindness. At the same time development programme, like water facilities, healthcare, education, roads, marketing facilities and other day-to-day problems of awareness and development progress should be done from poor' fund by consulting them. One more important thing is that labour charges for all the development Programmes should be 4 times higher than normal charges for poor, for middle class double and for rich people should be normal. Because of that funding agencies give the fund for poor. This fund may be utilized into poor by loans and labour wages. At the same time it

can be distributed in the accounts of poor as a relief fund. This act will eliminate poverty and they will not treat themselves as beggars but they will think that they are working and getting wages.

Secondly, that those who are really very poor will do work as a labour and will get more wages. Those who will be not poor avoid to do labour work and will be unable to receive the money from the aids given by funding agencies.

#### **D. Vision for Students**

The school and college going students should also be given chances to earn money for wages during weakened or only in holidays with good wages. In real sense this will be a sort of aid/ scholarship. In this way those who are really poor will be ready for labour work and will get their rightful earning and they will not be burden on their parents. They will also develop habit of working. This will be encouraging step for those who are not studying or working. It will result in encouragement for education and children will pressure their parent to make their admission in schools and colleges and incentives should also be considered for such young people. Those who get good marks in studies should be more encouraged by giving some more rates of wages.

By doing so, every body will try to study get better education and by good marks. In this way standard and rate of education will increase. Nobody in Thar will remain in the greed of any kind of aid from government or an agency as previous is happening. They will be habitual of to do work and get more money. By giving such chances small children will get more education and struggle for future perspective. In this way Thar will be better developed and more proper.

#### **E. Vision for Old Age People**

Those who are old age, disabled or ill and are not able to do proper work, they should also be given chance to share their experiences by doing less and easy work according to their condition. If they are not able to do so then at least they have to come on the working point to guide youngsters by sharing their experiences on nominal charges, otherwise healthy and careless workers will not work. By this practice also funds will go into the right hands of the poor people.

In this way dual purpose will be achieved, one-development projects will be completed and other the fund will go to real poor people. Actually functioning agencies give funds only for poor to face the drought or famine conditions. Those who are rich or middle class can face the problems with preferable efforts. If they are not to able face problems then it is ok, let them work with poor people, make surety that they are ready to call themselves poor then, include them in the poor category and give them equal chances.

It is common observation that those who are rich do not do labour work and feel ashamed. Thus only middle class and poor class will be much benefited. This is the real method of distributing funds into poor and getting double benefit of it by using this policy.

Development work should be handed over to active NGOs and local organizations should cooperate and check and balance should be there.

#### **F. Summary of the Vision**

When every Thari will be able to face drought problems then they will keep livestock more and more. By applying this clear vision they will stop investing the time and money for corps manufacturing due to less chances of rain. When they will not utilize their land for agriculture then they will follow suggestion given in this study by doing less efforts and utilizing land in mentioned ways. They will get benefit of it and natural vegetation will increase and non-crops manufacturing will increase. By this increase in vegetation fodder sources will also increase and milk, butter and ghee will increase, when there will be natural and pure diet for them, they will remain healthier and prosper.

It is saying that " healthy mind lives in healthy body " and healthy mind can think more positive. When thoughts are positive then negatively becomes less. And positive thoughts (Love) will increase. So Tharies will get so many benefits from this vision, there is saying, " Health is wealth".

There is another saying that, " when wealth has gone, nothing has gone, if health is gone some thing has gone, if love has gone every thing has gone". So positive thinking is love, when love comes every thing is got, so by this positive thinking (health / love) Tharies will get benefit with in five year they will come out of poverty and at the same time so many development would be completed. There is other saying that "when poverty enters the door, the love flies out of the window." So they will recover this problem. Besides this they will be more aware of their problems and they will be able to generate more income from their existing assets, which are livestock and natural vegetation (non-crop manufacturing). When these things will increase, they will become more prosperous day by day.

The above clear vision is derived from: the studies of Somalia as local organization and Grameen Bank of Bangladesh as microeconomics loan at lowest level and Denmark. Denmark, which was agricultural country and less developed, is now developed country. Getting clear vision from these studies comparing / relating with situation of Thar and by own analysis above suggestion are made. We are sure that those who are intelligent, expert, researchers, planners, donors, investors and workers and who will read this study will be more satisfied and will accept that by applying these technique present agro-based will get boom and will lead Thar to an industrial economy, like Denmark.

There is need of patience to get progress up to required level by following a Chinese saying " Go to people, live with them, learn form them, love them, and start with what they have" (SPDC 2001: 66-68).

Work should be started by living with Tharies and should learn the indigenous knowledge and way and means to convince them by loving manner. What ever is the situation and their financial position, start with that, what ever they have. Learn the lesson from experience of Grameen Bank and others studies given in thesis and we should get encouragement to do work in Thar for the betterment, progress, development and alleviation of poverty. At last Thar will be an industrial economy like Denmark. All this can be done if it is compared with Somalia as a local government. Every Somalian) is thinking that every work of progress is responsibility of every individual(CHDS 1999).

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