

Rang De Connects

An initiative to facilitate low cost microlending is now beginning to take shape into a unique networking platform. We have had many Friends of Rang De offering to invest more than just money. One of them volunteered to take on the evaluation for Rang De, while another friend has committed to work on the usability of Rang De, while some friends write to us about what is missing on our portal, some others want to know more about our borrowers. These connections are much more than mere connections. We see them as little bridges bringing people closer irrespective of geographic and economic boundaries.

Rang De is now a people's movement and it will be wonderful to see our friends actively participate in shaping Rang De in the future. Like minded individuals collaborating and sharing to form a 'socially conscious' social network will bring about a catalytic social change. Share your thoughts, ideas, strategies and help us decide on how Rang De should look and evolve in the coming years. Rang De was never meant to be an effort of just a few individuals. It has always been envisioned to help Indians connect with other Indians.

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Coming Up...

- Field Partners from Uttar Pradesh, Rajasthan and one more from Tamil Nadu. Watch out for updates on RangDe.Org!

Have Your Say: Need for Rang De Health

During our interaction with borrowers we realised that many of them are not willing to take up insurance products. However, they really suffer heavy losses in case of serious accidents or ill health and most often they fund such needs from the money that they have set aside for their business.

What do you think? Should people be educated about health insurance? Should we allow our social investors to donate to fund health needs of Rang De's borrowers?

Help us network!

Is there any forum or event where you think people would like to know about Rang De? Drop us an e-mail and we will be there!

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Microcredit and Social Businesses

By Mitesh Damania (*Mitesh is a Rang De social investor*)

It's a pleasure to write to all Rangde.org participants. I'd like to say thanks to everyone's dedication and hard work.



I was inspired about microfinance by Dr. Muhammad Yunus's book "Banker To The Poor: Micro-Lending and the Battle Against World Poverty". I had a suspicion that those at the bottom of the economic ladder were not given the same opportunities as those more educated. Furthermore, I suspected that those at the bottom were more honest than those at the top. Dr. Muhammad Yunus's book confirmed these suspicions as those that were provided loans furthered their lives and managed to pay back 98% of their loans. This 98% payback rate was much higher than what was paid back on loans provided by mainstream banks.

Dr. Muhammad Yunus has a newer book called "Creating a World Without Poverty: Social Business and the Future of Capitalism" which is about making investments in businesses whose primary goal is social impact maximization and not profit maximization. The investor can invest in a business venture, and will receive his money back, without profit, after a certain number of years. There was a successful example with Grameen-Danone (yogurt). The Danone staff noted it was their most enjoyable venture ever even though they made no money. The Danone shareholders in France applauded Danone management for such a venture. More recently, Grameen has an agreement with Intel to form an Grameen-Intel social business venture.

Today the poor are worse than before due to globalization and trade agreements. These trade agreements manage trade and rules in favor of corporates. True free trade would not require any agreements. These trade agreements supercede any laws that have been passed by sovereign nation governments. Hence, the Congress, President/Prime Minister, and the people have no say as to what kind of trade they want or allow. One such example is the import of subsidized crops from US into India at below cost prices which caused a spike in Indian farmer suicides as they lost farms which were handed down generation to generation. The top in society, such as IT professionals, are benefitting from MNCs, but do not realize what is happening to the poor. The poor have seen their incomes DECREASE due to the removal of social regulations and programs which provided minimal economic support.

I believe there's more to life than just the pursuit of money and material goods. Everyone should help and benefit others. Everyone should educate themselves. Don't watch mainstream tv/internet since it is all funded and controlled by corporates with their ad money. Get your information from the internet from sites that are not supported by corporates. Buy local and from small merchants/farmers versus corporates.

Our first evaluation

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Rang De has completed its first phase of evaluation with support from the field partner CBMD in Nagpur for 16 borrowers. The purpose of this evaluation was to understand how effectively Rang De has been able to facilitate loans for borrowers and the usage of these loans at the consumer's end. The evaluation has given us variety of learning with respect to the approach and assessing the needs of the community.

Our interaction with the borrowers was at different levels - from eating the world's best Poha (beaten rice tempered with mustard and onions) to being verbally abused by a borrower for not addressing her by the right name. From great cups of refreshing tea to the warm welcome from families.

Our Key Learnings:

- 63% of our borrowers have received the actual amount they wanted.
- There was no evidence that the loans have been misused. Some of the borrowers have been able to do quite a lot with the money. For instance, Pushpa has been able to buy quite a lot of products to sell in her shop. She wanted Rs 10,000 but has been able to manage quite well with the Rs 5000. Here is a woman who understands business and can do really well with a higher loan amount.
- This gives us a very clear picture that whatever the amount of loan, it always help in some way or the other to the borrower. The benefits vary from betterment in the standard of life, extra income for the family, providing good education to their children or all of these.



Rang De Connects with Texas Instruments (TI)

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Bagmane Tech Park...TI...Conference room....PEOPLE....This is how the session at TI took off. What began as an informal set-up led to lot of thought provoking questions. Smita with the glitter in her eyes passionately spoke about how Rang De was born. The basic truth that people like you and me can afford a hefty loan and pay huge interest rates...makes us think about those who cannot afford the same. With Rang De we are aiming at giving access to low cost micro credit. Aspirations in human beings can never die. Forgot to mention...these are people who believe that they Do Not Want Charity or Donations; they have the capability to repay. Today we have people in rural and semi-urban areas; who would need money ranging between 5K to 10K to set up something small. Today a loan with 8.5% interest will bring in a dramatic change in the society. The critical piece was the vibes shared by people who attended the interactive session about Rang De. You can become a volunteer, blog about Rang De, spread the word by talking to people about it and do a lot more beyond what is mentioned.

The interaction gave visibility on micro credit...who needs it??...why??...how can one be a social investor?? and lot more. Key aspects of Rang De:

- **Transparency:** We give flexibility to our social investors, to choose the borrowers. The money you invest will gain a 3.5% during the repayment time. A field trip can be organized to go and personally meet the borrower.
- **How do I go about this transaction:** It's online and easy to navigate.

Today we have lot of Corporate people who are part of this initiative. Looking ahead to accelerate by linking the entire spectrum of Corporates. Do connect to us and let us know if there is any platform that you are aware of...which will contribute towards making that drastic shift in the society we live in.

For more information, write to us at info@rangde.org, or visit www.rangde.org.