

This was the précis given in the RBI paper 2015

Microfinance is now understood as a financial activity. But, it actually emerged from development considerations. The need for access to capital was specifically articulated by women during the UN Conference on Women and Development in Mexico City in 1976. The focus then was on the micro-person, the person with a micro-status in society.

The term microfinance came much later and its association moved from savings to microcredit to financial services. However, the primary objective of microfinance has always been developmental in nature. All along, it was aimed at removing poverty and hunger. But these two questions cannot be addressed adequately without factoring in the issue of health.

Financial services are not just about money or giving loans to the poor. They are really about building assets to provide security and livelihood to poor people. This would be impossible to achieve without taking into account the health status of poor individuals and their families.

All too frequently, the poor default on paying back their loans cause of ill health and inability to earn during that period. This has taught us an important lesson: The poor work at the cost of their own body.

A poor woman's health and, therefore, her body is the first and foremost asset of her work and her life. For microfinance to achieve its objective of providing financial services to the poor it has to lay stress on health security as a crucial element of social security. They are indeed, two sides of the same coin.

When I started organizing informal sector labour in the late 1960s and early 1970s, I asked the poor what they wanted most invariably, it was work they sought and not charity. Yes, they longed for a better life but not the one without dignity. At the same time, it was clear that their earnings could easily be wiped out without support services most importantly, health and childcare.

Capacity building in numeracy and literacy also required social security. This is necessary for sustained development and higher levels of efficiency. This is where microfinance can play an important role and, for this reason, we need more microfinance co-operatives today.

But addressing this and providing health security is currently difficult since insurance schemes are generally not suited to the poor. We must therefore, develop innovative insurance products that meet the requirements of the poor while satisfying insurance principles. That is why an integrated approach that links microfinance with healthcare is so essential for development.

A product that has worked well is the deposit-linked life and non-life insurance. As the demand for insurance grows, the need for an independent, autonomous body offering health insurance to its members grows as well. This is an important social security measure because, among other things, it can help finance medical expenditure.

The banks can play an important role in this area by providing financial services that cater to the healthcare needs of the poor borrowers. These include flexible savings and loans and particularly emergency loans on demand. Housing loans too can mitigate the hardship of the poor improved living conditions lead to better and healthier lifestyle. In this connection one needs to strengthen the participation of women in banking especially in microfinance.

In the final analysis, it is the women of the household who balance the family budget. They can, therefore, play a vital role in nourishing not just kinship ties but health and well-being of the family as well. Thus, when she borrows from a Microfinance Institution (MFI) she sees it not just as access to money but as access to an input that will strengthen her family To ensure that women continue to play a pivotal role in MIFIs, we have to ensure that they are protected through social security and health security.

A Government that fails in its duty to provide basic healthcare services at the local level adds to the indebtedness of the poor workers. That is why, the microfinance sector should collectively take up this policy issue with the Government. We must remember that income security and health security are two sides of the same coin, especially for the poor who are at the heart of MFIs.

Ela Bhatt.

There are 695 words in passage

To begin with, you should make bullets for each paragraph, as below

Women articulated need for access to capital in 1976

Microcredit and financial services aim at decreasing poverty and hunger, provide security and livelihood. These are linked to health.

When ill cannot work- default in repayment. Thus health primary asset for work

Poor women don't want charity but work, better life with dignity

Sustained development and efficiency depend on numeracy and literacy – also needs microfinance

Need for insurance schemes that meet requirement of poor yet satisfy insurance principles

Solution deposit linked insurance.

Banks role – provide flexible savings and loans and emergency loans. Also housing loans.

Role of women in microfinance vital – loan not just money but input for well being of entire family.

Woman manages family budget.

Failure of govt to provide basic healthcare leads to financial indebtedness. The

After writing the bullets, link them together.

I have copy pasted the bullets below but you will obviously be linking them and so have only the précis on your paper.

First draft of précis

In an article, Ela Bhatt lays stress on the need for microfinance to the poor, particularly to women. Women articulated need for access to capital back in 1976. Microcredit and financial services aim at decreasing poverty and hunger, and providing security and livelihood. Achievement of these goals is linked to health. Poor women when asked said that they wanted a better life by working with dignity rather than charity. When ill, people cannot work and thus default in payment. Thus, health is a primary asset for work for the poor. Another requirement for sustained development and efficiency is numeracy and literacy, which also needs microfinance.

To ensure better health for the poor, insurance schemes that meet requirement of poor yet satisfy insurance principles are needed. The solution is provision of deposit linked insurance. Banks can help by providing flexible savings and loans and emergency loans along with housing loans.

The role of women in microfinance is vital. Loan given to a woman is not just money but input for the well being of entire family as the woman manages the family budget.

Failure of the government to provide basic healthcare leads to financial indebtedness as there cannot be income security without health security. Therefore, the microfinance sector should discuss this issue with the government.

Now read the passage again to check if you have left out any points, and check for grammatical and spelling mistakes

Final precis

In an article, Ela Bhatt lays stress on the need for microfinance for the poor, particularly women. Microcredit and financial services aim at decreasing poverty and hunger through the provision of security and livelihood. Achievement of these goals is linked to health. Poor women when asked said that they wanted a better life by working with dignity rather than charity. However, when ill, people cannot work and thus default in payment. Thus, health is a primary asset for work for the poor. Another requirement for sustained development and efficiency is numeracy and literacy, which also needs microfinance.

To ensure better health for the poor, insurance schemes that meet requirement of poor yet satisfy insurance principles are needed. The solution is provision of deposit linked insurance. Banks can help by providing flexible savings and loans and emergency loans along with housing loans.

The role of women in microfinance is vital. A loan given to a woman is not just money but input for the well being of the entire family as the woman manages the family budget.

Failure of the government to provide basic healthcare leads to financial debt. There cannot be income security without health security. Therefore, the microfinance sector should discuss this vital issue with the government.

(208 words. This is a little short. If you still have time, reread the passage and add a point or two)

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