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How Can Financial Management Help Lift Indian Street Children Out Of Poverty?



Ashoka, Contributor

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If you have watched Danny Boyle's award-winning "Slumdog Millionaire," you probably think you have an idea of how life is for millions of poor children on India's streets. The truth lies in-between; street children are victims of serious crimes, but there have been several initiatives in recent years to empower them. While there is no recorded official statistic of street children in India, international agencies have estimated that more than 11 million children live on India's streets—most of them confined to the country's expanding metros. But [Ashoka Fellow Rita Panicker](#) has been instrumental in re-defining their destinies by giving these children an opportunity that others have long overlooked—access to financial security—through her organization, [Butterflies](#).



Photo courtesy of India Today

We chatted with Panicker about the philosophy behind Butterflies and her plans for the future.

Street children face serious social problems, health problems, malnutrition, and lack of opportunity, but you chose to work on empowering them through financial literacy. Why did you decide to do this, over all the other alternatives for intervention that you could have chosen?

My engagement with children living on the streets began when I was teaching at the Tata Institute of Social Sciences in Mumbai way back in 1984. We observed that children earned money or got pocket money from their parents, but at the end of the day they spent it all. They just didn't know how to use it. They also did not have a place to keep it safe. That's how the idea of starting a children's saving scheme struck us. This way, they could save their

money with us. We chose to work with financial literacy because we realized that for street children, basic food and clothing was available for them. It was more important to help them make economic decisions with the money they were earning so they could access all their needs better. It was important to me to make sure children were not becoming slaves of consumerism but to instill these values into their day-to-day living.

[The Children's Development Khazana](#) is a life skills education program that was instituted by Butterflies, which teaches children democratic values, financial management (not just literacy), skills training, and entrepreneurship. Older members are supported to get skills training that would help them land a job or become entrepreneurs. There are significant numbers of adolescents who have taken advances to continue higher studies and have the capital to start life and to businesses. Supporting adolescent members to have a career plan is very important. CDK gives them the security to think of a future where they can be self-reliant. To put it simply, CDK is a lifeline for them.

Are there specific challenges that you have faced in making your model a reality?

In the beginning, there were quite a few “doubting Thomases”. Most adults thought children are not capable of handling money or making responsible decisions. Therefore, it was a challenge to convince adults to allow children to manage CDK and not to make decisions for them or overrule their decisions. There were complaints in the beginning from children that the adults interfered and were not allowing them to function, especially when it came to giving advances to their members. Adults were worried that some member would take an advance and disappear; but children had their checks and balances. The advance committee had younger children as members who are not eligible to take advances. Furthermore, they knew their members well enough to know who are stable, reliable, and responsible.

You have worked with so many children through Butterflies. Could you share one story that has touched you deeply?

Bishwanath, originally from Kabilasi village in Nepal, was a young child when he was introduced to our group. He used to stay very close to Nizamuddin Railway Station and sell coconuts and groundnuts there. After a few days, one of our educators from Butterflies met him and invited him to join our program. He did not trust our educator in the beginning, but when he observed that quite a number of children used to congregate at one place at the railway station and that the educator taught them, played with them, and read stories to them, he gained trust. Through Butterflies, we motivated him and helped him enroll for his class 12 under the National Institute of Open Schooling. We encouraged him and supported him to do full-time

studies beginning in January 2009. He cleared the entrance exam and is now doing his apprenticeship with a chartered accountancy firm. He will become a qualified chartered accountant in two years' time. His story is deeply inspiring to other children and to us as well.

How can your model be replicated in other countries? Tell me a bit about the scale aspect of Butterflies.

Today, we have the Children's Development Khazana in Afghanistan, Bangladesh, India, Nepal, Sri Lanka, Kyrgyzstan, and Ghana; there are 132 branches, which so far have saved more than 6 million Indian rupees. More than 400 advances have been given to older adolescents so far.

I would like to work with the Reserve Bank of India to see how we can support an initiative such as this to reach out to more children where children can experience budgeting, saving, and accounting and learn collective responsibility.

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This post was written by Meera Vijayann (@meeravijayann), who manages communications for Ashoka India. Her articles and blogs have previously appeared in The Guardian, Open Democracy, CNN and The Deccan Herald among other publications.

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