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Self Help Groups

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Why is in news? Over the next two months, more than 2,000 schools will open their doors on weekends for the 46 lakh women enrolled in Kerala's flagship poverty alleviation mission, Kudumbashree. Back in school, the women will attend classes on adapting to the digital age, as the mission seeks to reorient itself.

About the news:

Launching the **"back to school" programme** at an event in Palakkad district's Thrithala, Kerala Local Self Government Department Minister said the Kudumbashree mission has made great strides in empowering women over the last 25 years.

The next target of the mission is not poverty alleviation, but **enhancing the income of households**.

Kudumbashree will undergo a transformation in its content and functioning.

The **'back to school' initiative** will help the women attain the knowledge, expertise and energy required for the mission's journey ahead. They will get training in financial transactions and entrepreneurship.

The programme would **empower members of Kudumbashree's neighbourhood groups** to take up new projects in tune with emerging opportunities, apart from strengthening the three-tier system of the mission.

The classes will be taught by 15,000 trained resource persons. Five topics for the classes are "organisational strength—lessons from experience, vibrancy of NHG, community—life security, livelihood ideas and digital age".

The programme began on October 1 and will go on till December 10.

All the women, part of Kudumbashree's neighbourhood groups, will get to attend classes for at least a day, thus enabling all 46 lakh women to attend the programme by the end of the initiative.

On October 1, on the day of launch, **four lakh women attended classes held in 870 schools** across the state.

Kudumbashree Mission's 19,470 area development societies and 1,070 community development societies are also involved in the "back to school" programme. At district level, there will be a 10-member team of resource persons to run the programme.

About Kudumbashree:

Kudumbashree, which means "**prosperity of the family**" in Malayalam, is a **women-led community network** that was **launched in 1998** by the Government of Kerala.

The network aims to **eradicate poverty and empower women through various social, economic and political interventions**.

Today, Kudumbashree has **more than 4.5 million members across 14 districts of Kerala**, making it one of the largest women's collectives in the world.

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Objectives:

To eradicate absolute poverty in Kerala within a definite time frame.

To empower women socially and economically through collective action and self-reliance.

To ensure local democracy and participatory development through decentralized planning and implementation.

To promote sustainable livelihoods and enterprises for the poor and marginalized sections of society.

Working:

Kudumbashree's approach is based on three pillars: **microfinance, entrepreneurship and social development**.

The network organizes women into neighbourhood groups (NHGs) of 10 to 20 members, who save money and access credit from banks through a federated structure of area development societies (ADS) and community development societies (CDS).

The NHGs also identify and support potential entrepreneurs among their members, who start various income-generating activities such as catering, tailoring, farming, handicrafts and tourism.

The network also provides training, marketing and quality control support to these enterprises.

Significance:

The significance of Kudumbashree lies in its **holistic approach to poverty alleviation and women empowerment**.

Kudumbashree's social development initiatives **focus on addressing the issues that affect women's well-being and empowerment**, such as health, education, gender violence, child care, sanitation and the environment.

The network also **engages in advocacy and governance activities**, such as participating in local self-government institutions, forming women's collectives for specific causes such as waste management and organic farming, and collaborating with other civil society organizations and government agencies.

It **not only provides economic opportunities** and financial inclusion to poor women but **also enhances their social capital, self-esteem, leadership skills, and collective bargaining power**.

It also **creates a sense of ownership and accountability** among the women for their development and well-being.

Self-help groups:

Self-help groups are **informal groups of people** who come together to address their common problems.

A Self-Help Group is defined as a “**self-governed, peer-controlled information group of people** with similar socio-economic background and having a desire to collectively perform common purpose”.

While self-help might imply a focus on the individual, one important characteristic of self-help groups is the idea of mutual support – people helping each other.

Self-help groups can **serve many different purposes depending on the situation** and the need.

For example, within the development sector, self-help groups have been used as an effective strategy for poverty alleviation, human development and social empowerment, and are therefore often focused on microcredit programmes and income-generating activities

Self-Help Groups have **emerged as the most effective mechanism for delivery of micro-finance services** to the poor. The range of financial services may include products such as deposits, loans, money transfer and insurance.

The SHGs comprise very poor people who do not have access to formal financial institutions. They act as the forum for the members to provide space and support to each other. It also enables the members to learn to cooperate and work in a group environment.

The SHGs significantly contribute to the empowerment of poor women by involving them in some productive activity which in turn will yield something to overcome their poverty.

SHG Movement in India:

The concept evolved over decades and was **pioneered by Nobel laureate Mohammad Yunus** Self Help Groups (SHGs) **in 1970s**.

SHG movement in India gained momentum after 1992, when NABARD realised its potential and started promoting it.

NABARD's SHG-Bank Linkage Program (SBLP) connected group members to formal financial services.

Over the last two decades, the SBLP has proven to be a great medium for social and economic empowerment for rural women.

India has witnessed **state-led promotion of SHGs** through a three-tiered architecture of community institutions at group, village and cluster levels

In 1999, Government of India, introduced **Swarn Jayanti Gram Swarozgar Yojana (SGSY)** to promote self-employment in rural areas through formation and skilling of SHGs.

The programme evolved as a **national movement in 2011** and became **National Rural Livelihoods Mission (NRLM)**. The programme was renamed in November 2015 as **Deendayal Antyodaya Yojana (DAY –NRLM)**.

DAY –NRLM now covers 100 million families through 8.5 million SHGs with savings deposit of approx. INR 161 billion.

State government initiatives such Kudumbasree in Kerala and Jeevikain Bihar.

Women's SHGs are being supported by Government of India's National Rural Livelihoods Mission (NRLM) which is co-financed by the World Bank.

NRLM has scaled up the SHG model across 28 States and 6 Union Territories of the country, reaching more than 67 million women. The women have saved \$1.4 billion and leveraged a further \$37 billion from commercial banks.

Significance of the SHGs:

People's participation through SHGs **ensures social justice** and it also **gives voice to the marginalized section of society**.

It eradicates the dependency on agriculture by **providing support in setting up micro-enterprise** like grocery or pickle or papad-making enterprises.

It **empowers the women and inculcates leadership skills** among them which also help them to participate more actively in gram sabha and other political processes.

SHGs play an active role in women's life by rising their living conditions and enhancing their self-esteem.

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SHGs **encourage collective efforts for combating practices** like dowry, and alcoholism.

At the time of the pandemic, many women SHG came forward to meet the shortfall in masks, sanitizers, protective equipment, running community kitchens, running help desks, delivering essential food supplies and medicines to elderly, and quarantined and even providing financial and banking solutions to far-flung communities.

Issues of SHGs:

They are not making use of new technology innovation and skills because of their **limited awareness of new technologies** and they also don't have adequate skills to use the technology.

It has also been **observed that the fund received is not used in the business process** rather than it is used for personal and domestic purposes like marriage and construction of the house.

There is **no stability in the unit** as many married women are not in a position to associate with the group due to the shift of their place of residence as well as there is no unity among members owing to personal reasons.

Politicization of the SHG groups and poor coverage in urban areas.

There is a **lack of rural banking infrastructure** despite the fact that there are over 6 lakh villages and about 1.2 lakh bank branches.

Way Forward:

Many rural bank branches can also **provide micro loans** when/if they strategise to increase business by providing loans to their existing eligible clients.

Further, if banks **use the credit-card model of fixing loan limits**, contours of micro credit will be changed for good.

If, NGOs and Corporate Banking Correspondents, transform themselves into an intermediary; hand holding SHGs, providing financial literacy, guiding them with micro-enterprises, ensuring end use of credit, marketing assistance and repayment, livelihoods will improve.

If first loss, default guarantees to banks can also be provided it would be wonderful.