“To awaken the people it is the women who must be awakened. Once she is on the move, the family moves, the village moves, the nation moves.” As Jawaharlal Nehru rightly observed the role of women in framing a generation as well as a prosperous nation. India has witnessed a positive transformation in women’s empowerment and economic development while retaining a great diversity in its political and social system. “We are convinced that it is essential to design, implement and monitor, with the full participation of women, effective, efficient and mutually reinforcing gender-sensitive policies and programmes, including development policies and programmes at all levels that will foster the empowerment and advancement of women”. (Platform for Action and the Beijing Declaration, 1995). Money is not the main problem in the context of women’s empowerment but apathy, fear, ignorance and vulnerability as women within patriarchal patterns of social behaviour is apt. Lack of education has been a great hindrance to women’s progress in rural areas. Since women represent almost half of the total population of our country, their active participation is essential for the successful implementation of any programme. Poverty can effectively be eradicated only when the poor start contributing to growth by their active involvement in the growth process.
‘Self realization and self initiatives are the two most powerful weapons to wash poverty out from the world map’. This dynamic quotation of the greatest Indian economist Chanakya is being translated to one word that is Self-Help Group (SHG).

Rinjhim Mousumi Das, (2004), has pointed out that Micro finance through SHG has become a ladder for the poor to bring them up not only economically but also socially, mentally and attitudinally. Various studies have been conducted to analyze the role of Self-Help Groups in poverty eradication through various programmes with a view to develop a good, cultured and social surrounding among the members.

This chapter reviews the literature provided by eminent authors in the field on Self-Help Groups, especially ‘Kudumbasree’, the poverty eradication mission of Kerala and is arranged into three groups: Works with International dimension, National dimension and Regional dimension. Such a review will impart more clear, wide and deep idea about the various aspects of SHG.

2.1 Literature with International Dimension

Katz and Bender, (1976), has pointed out that, Self-Help Groups are voluntary, small group structures for mutual aid and the accomplishment of a special purpose. They are usually formed by peers, who have come together for mutual assistance in satisfying a common need, overcoming a common handicap or life-disrupting problem, and bringing about desired social and/or personal change. The initiators and members of such groups perceive that their needs are not or cannot be met by or through existing social institutions. Self-Help Groups emphasize face-to-face social
interactions and the assumption of personal responsibility by members. They often provide material assistance as well as emotional support.

Many of the SHGs began as charitable and disaster relief organizations operating in rural and urban areas, while others were formed specifically to bring multinational corporate funds to the aid of the poor. Charitable and welfare organizations started with short term goals, but work turned out to be never ending. From direct assistance and welfare, they were transformed over time into organizations which focused on “helping the poor, help themselves”. By the early 1970s, their work concentrated on working with neighbourhood or village groups on Self-Help initiatives and grass root economic projects. (Korten David, 1987)

India Country Report, (1995), stressed that the role of women as making women equal partners in the national development processes and equipping them to make informed choices in order to actualize their self-worth through empowerment are goals to which the government is committed. There is a long way to go, but the endeavour is ceaseless.

Falaiye, (2002), in his study ‘On the Impact of Microcredit on Rural Nigerian Women’ finds that, the Micro credit has positively changed the client’s self-esteem and confidence, leadership abilities and decision making process, contributing to their households well being and increasingly seeking out solutions to their own problems and the community.

The study, ‘Impact, Assessment of Microfinance Interventions in Ghana and South Africa’, by Afrane Sam, (2003), strongly confirms that microfinance interventions have achieved significant improvement in
terms of increased business income, improved access to life enhancing facilities and empowerment of people particularly women.

Microcredit Summit held in Washington DC, (1997), states that, programmes that provide credit for self employment and other financial and business services to very poor persons. Micro Finance can be interpreted in a broader context both as micro credit and micro savings, even though micro credit and microfinance have come to be used interchangeably.

2.2 Literature with National Dimension

G.V.S Reddy, (2010), in his article, ‘Role of State Governments in SHG Movement – Road Ahead’, has attempted to examine the emergence and evolution of SHGs in different states in the country. India has the largest microfinance programme in the world and progress made is unparallel with the State of Andhra Pradesh earning a distinct place. Adopting a unique model of development economics with SHGs as entry point for many of its developmental programmes the State has emerged as a torch bearer for the movement. Many States in the country have been taking measures in varying degrees for formation of SHGs and credit linking the same though South India accounted for a larger chunk of the SHGs and credit disbursements.

The author pointed out that the emergence and evolution of SHGs in different States has brought to light different approaches adopted and these depended on existence of support structures like NGOs and experiences gained in promoting SHGs implemented in coordination with other agencies. The study throws light on the various developmental activities of SHGs in many States of the country, which are given below:
a) **Andhra Pradesh** - SHGs have emerged as a fulcrum for taking up many developmental and welfare activities. Both the state government and NABARD have played a major role in giving a thrust to the concept of SHGs, formation and nurturing of SHGs and capacity building of staff of the government and banks on a large scale. The DRDAs (District Rural Development Agencies) have played exclusive attention to the promotion and nurturing of SHGs and many staff connected with other developmental departments was also involved in social mobilization. The State Government also encouraged the women to join SHGs by giving incentives like revolving fund, gas connections etc. The State Government has registered a Society called Society for Elimination of Rural Poverty (SERP) to implement the Indira Kranti Padam, a World Bank aided programme. The programme created huge base of human resources at field level to make various interventions to address the poverty issues. The stress laid by SERP is on activities like building the institutions of SHGs, livelihood promotion, non-pesticide management, commodity trading and marketing intervention in commodities, food security, insurance, pension scheme, housing, training and capacity building etc. to address the multi dimensions of the poverty. It has also put in place supporting structures like community based recovery mechanism; staff to assist SHGs in banking transactions etc. The State of Andhra Pradesh implemented a software module on SHG-bank linkage tracking changes in bank linkage portfolio during the year 2008-09 to ensure fast and accurate information flow in respect of Village Organizations (VOs), Self Help Groups (SHGs), loans issued to SHGs etc.
b) **Tamilnadu - Mahalir Thittam** is a socio economic empowerment programme for women implemented by Tamil Nadu Corporation for Development of Women Ltd (TNCDW). Mahalir Thittam is based on SHG approach and is implemented in partnership with NGOs and Community Based Organizations (CBOs) that help in formation of SHGs, training and monitoring them. The project’s institutional arrangements and close co-operation among the core partners were key attributes of the project leading to success. The Corporation brought resources and the Government played a facilitating role and provided full fledged support. Interested NGOs are affiliated as partners with Mahalir Thittam for providing the above services. The members and the office bearers of the SHGs receive systematic training to facilitate qualitative changes in the attitude of the women and promote cohesion. In order to bring synergy and better co-ordination in implementing of SHG programme, TNCDW functioning under the control of Social Welfare Department was brought under the control of Rural Development and Panchayat Raj Department in 2006. To encourage well – functioning SHGs the Government had announced Manimegalai awards at State and district levels to motivate the SHGs to strive for better performance.

c) **Kerala – Kudumbasree** means ‘prosperity of the family’ and the mission of the programme is to reach families through women, and to reach communities through families. It is a holistic, participatory, women oriented innovative poverty reduction approach through local panchayats. Kudumbasree is formally registered as the “State Poverty Eradication Mission” (SPEM) under the Department of Local Self-Government (LSG). Kudumbasree has a three- tier system of
organization. Families identified as poor were organized into neighborhood groups (NHG). Each NHG member elected a five member committee called the NHG committee (NHGC). The NHGs were federated at ward level as Area Development Society (ADS). The ADSs are then federated at the municipal level as Community Development Society (CDS). NHG members prepare a micro plan for their area, based on their needs which are consolidated by the ADS governing committee into a mini plan which in turn are aggregated at the CDS level to convert it into action plans. The Panchayat provides Kudumbasree with revolving funds managed through the ADS. The ADS will distribute the same Kudumbasree groups and then collect a percentage as benefits.

d) **Karnataka – Stree Shakti**, (Women’s Power) a programme based on the SHG strategy anchored by the Department of Women and Child Development, which attempts to focus the attention of members on curbing domestic violence against women, promoting girl child education, preventing child marriage, etc. mainly, Anganwadi workers of the Department of Women and Child Development have played a major role.

e) **Rajasthan** - The thrust to the SHG approach came in late 1990s with the entry of Department for Women and Child Development (DWCD). DWCD has been using its vast infrastructure of ICDS program to promote SHGs and promoted about 50% of the groups. Other government departments, implementing SGSY, Watershed Development etc. have organized another 20-25% group and the rest 25-30% groups were promoted by NGOs.
f) **Odisha – Mission Shakti**, was launched in March 2001 for promotion of Women’s Self-Help Groups, capacity-building of the existing and the new groups and help in taking up income-generating and economic activities by providing them necessary technical support, market linkages and credit linkages. Mahila Vikas Samabaya Nigam (MVSN), the Women’s Development Corporation of the State, is the Nodal Agency for this Scheme. To support the economic activities of the Women’s Groups, to encourage them to avail credit, a financial incentive is provided to them in term of a saving corpus of Rs- 5000 when they avail their first credit from the financing institution. This corpus with a lock-in period of 3 years can be used to avail further credit from the banks.

g) **Gujarat – Sakhi Mandals** is implemented in the rural areas of the State aiming at poverty eradication, promoting human capital development and participatory approaches to development, with emphasis on convergence of services and benefits of various government departments. The Rural Development Department of the State Government is nodal department for implementation, monitoring and guidance and will act in consultation with NABARD. Formation and nurturing of new SHGs and credit linkage thereof will be facilitated with the help of ICDS system and also involving NGOs. Gujarat Gram Haat is an organization promoted by Government of Gujarat providing for marketing platform to SHGs and BPL rural artisans eliminating the need for middle men and to facilitate a professional branding and marketing platform for their creative skills.
h) **Bihar** – Women Development Corporation (WDC) is a society seeking to empower rural women partnered with NGOs working at grass root level. WDC mainly focuses on organizing and nurturing SHGs, promoting literacy among women, building capacities through training programmes, promoting entrepreneurship among women, undertaking marketing and production activities and promoting federations which can do financial intermediations and meet the capital needs of SHG’s for undertaking livelihood activities. The Government of Bihar with the support from World Bank initiated the Bihar Rural Livelihoods Promotion Society (BRLPS) also called **Jeevika**, in the year 2006 to improve rural livelihood options and works towards social and economic empowerment of the rural poor and women.

The author concludes his study by saying that there is no uniform model to suggest for adoption, since the development projects differ in different states and he reminds that great care should be taken to ensure that these institutions are not used for political advantages.

**Other National Reviews**

According to D’souza, (1999), “the SHGs are basically small informal groups, characterized by voluntary membership, a democratic and consultative structure of governance, economic participation of members, autonomy, education and training and concern for the poor. Apart from a number of things the members do as a group, they pool their savings and lend within the group to meet the credit needs of the members.

that, creation of a common fund by regular contribution of members and issuance of loan with minimum documents and often without any security are, in fact, are the key features of SHGs.

Khandker, (2005), stated that, poverty levels in villages with microfinance programmes have declined more than in villages without these programmes. These studies and numerous others indicate that microfinance can improve overall income, increase decision making power, and provide general self-empowerment.

Puhazhendhi.V, (1999), analyzed the functioning of SHGs in performance, sustainability, empowerment of women, economic impact on the members, future potentials etc. The author observed that SHGs in Tamil Nadu are performing well towards social change and transformation. The emerging trends are leading to positive direction of empowerment of members and promotion of microfinance.

Forming and nurturing small homogeneous and participatory self help groups of the poor has toady emerged as a potent tool for human development. This process enables the poor, especially the women from the poor households, to collectively identify and analyze the problems they face in the perspective of their social and economic environment. It helps them to pool their meager resources, human and financial and prioritize their use for solving their own problems. (www.nabard.org)

Sabyasachi Das, (2003), in his article entitled as ‘Self – Help Groups and Micro Credit: Synergic integration’, examines that, Self Help Groups have been able to provide primitive banking service to its members that are cost effective, flexible, and without defaults. They can play pivotal role in
• Creative economic self-reliance of rural poor by meeting consumption and production credit needs as and when they arise. This will prevent exploitation of poorer sections from non-institutional credit sources.

• Developing group dynamics, building leadership quality to realize their potentiality and self-belief.

• Assisting the members to complete the formalities and documentation required to obtain credit from bank.

• Helping banks in recovery of credit by motivating members for prompt repayment of loans.

• Procuring high cost-inputs that could not be bought individually.

• Training members in the use of extension services and government support.

• Building common infrastructure for the benefit of its members.

Manimekali.N and Rajeswari.G, (2000), attempts to find out the socio-economic conditions of SHG members, i.e. women in rural Microenterprises, the nature of their economic activity and performance, the problems and prospect of Micro enterprises of rural women, the contribution of Society for Education Village Action and Empowerment (SEVAE). The study concluded that the SHG has contributed to women empowerment in various ways.

• Women have been considered in decision making affairs of the family as the other members consult or listen to the views of the female in the aspects of the education of the children, property purchase, getting loan and the like.
Chapter-2

- Women have become owners of Microenterprises form the status of agricultural laborers.
- The income of the group members have improved several times as clear from the mean income before and after taking Microenterprises.

Although the term Self-Help Groups are used in different countries to describe a variety of financial and non-financial associations in India, it refers to a group of 10-20 poor women who bond together for financial services, beginning with periodic, compulsory savings and then mainly loans and sometimes social services as well. SHGs are managed by their members, with varying degree of external support.

C.Rangarajan,(1998), in his book entitled as ‘Indian Economy-Essays on Money and Finance’, has pointed out that the establishment of Self Help Groups can be traced to the existence of one or more common problems around which the consciousness of the rural poor is built. Such groups are normally a response to a perceived need, besides being centered on specific productive activities. These groups also promote savings among their members and use pooled resources to meet the needs of their constituents. The NGOs have a role in organizing the rural poor into self help groups and in ensuring their proper functioning. In several countries they have promoted a number of credit based self help groups and also developed successful credit programmes for the poor because, SHGs have the advantage of better knowledge about their members as compared to the bank staff.

The book ‘Poverty and Sustainable Development’ written by Dr. Deepali Pant Joshy, (2004), examines that a SHG is a small economically
homogenous and affinity group of rural poor voluntarily coming together due to the following reasons

- To save small amounts regularly
- To mutually agree to contribute to a common fund
- To meet their emergency needs
- To have collective decision making
- To resolve conflicts through collective leadership and mutual discussion
- To provide collateral free loans with terms decided by the group at market driven rates.

It is pointed out that, for selection of SHGs for the linkage with banks, NABARD has set out simple and specific guidelines which are given below:

- The group should be in active existence for at least a period of 6 months
- Have successfully undertaken savings and credit operation from its own resources
- Democratic working wherein all members feel that they have a say is evident
- Maintaining proper accounts/records
- The banker should be convinced that a group has not come into existence only for the sake of participation in the programme and availing benefits. There should be a genuine need to help each other and work together among the members
Members preferably have homogenous background and interest

Interest of the NGO or the SHG promoting institution concerned, in the group is evident and the agency is helping the SHGs by way of training and other support for skill up gradation and proper functioning.

In addition to this the author explained the three different SHG bank linkage model which are given below

SHG Bank linkage Model- I. - Where the NGO acts as a promoter and facilitator in bringing the SHGs to the doorstep of the bank branch which directly provides loan to the SHGs in proportion to the savings.

SHG Bank linkage Model-II. - Where the NGO acts as a financial intermediary in the sense that it promotes the SHGs, trains them and also provides them loan after availing the same from the bank in proportion to the savings of the SHGs.

SHG Bank linkage Model- III. - Where the banks themselves promote SHGs without any assistance from the NGOs and also provide loans to the SHGs in proportion to the savings of the groups.

C.Gangaiah, B.Nagaraja and C.Vasudevulu Naidu, (2006), in their case study entitled as ‘Impact of SHGs on Income and Employment’, have identified that, the effective organization of SHGs is a significant instrument in the process of empowerment. The emerging changes in the values and attitudes of the members of the SHGs are a clear manifestation of socio-economic empowerment interventions yielding relatively quicker results. The socio-economic programmes reinforce each other and promote all round development of the children, the women, the households and the
Review of Literature

Communities. It is a process which ultimately leads to self-fulfilment of each member of the society. It is in this direction that SHGs are moving towards fulfilling their objectives with a meaningful strategic direction.

Their case study also states, that a SHG is an informal association of 10-15 women who have voluntarily come together for the business of saving and credit and to enhance the member’s financial security as primary focus and other common interests of members such as area development, awareness, motivation, leadership, training and associating in other social intermediation programmes for the benefit of the entire community. The major objectives are listed below:

- To include the savings and banking habits among members
- To secure them from financial, technical and moral strengths
- To gain economic prosperity through loan/credit and
- To gain from collective wisdom in organizing and managing their own finance and distributing the benefits among themselves.

Joel.S and G.R.Bhose, (2003), observed that SHGs are motivated to function as Agents of Social change. Gender awareness, social education and trainings are imparted to these groups to improve their knowledge and skill and elevate their decision making power. Each group is restricted to 20 members so that effective participation could be encouraged. They also examined that the NGOs organize SHGs with the following objectives:-

- To inculcate self help attitude among women folk,
- To develop collective leadership,
To enhance effective women’s participation in their development programmes

To promote saving habit and develop an indigenous banking system within the village among the women folk,

To federate these SHGs under one umbrella or apex body not only for credit purpose but also to women’s solidarity and eventually women’s empowerment.

The authors are of the view that, while the traditional Women’s Associations look up for help from outside, the SHGs help themselves with their savings and resources hence helping themselves becomes the prime motto of SHGs. They conclude their study by proving that SHGs are not merely an activity but as a value based social institution in the village.

Alka Srivastava, (2006), identified that a self-help group is a socially and economically homogenous group of 12-20 poor people voluntarily coming together to achieve common goals. These groups start with savings and not with credit; the group then uses its savings to give loans to members to meet their emergency and other needs. The interest rates on the loans are market driven. The members decide on savings per member, maximum size of loans, guarantee mechanisms in loan sanction. They prioritize loan applications on the basis of need. The groups enjoy institutional autonomy and necessary flexibility to operate their business. Regular meetings are conducted in which savings are collected; loans are lent, recoveries affected and group decisions taken. All the transactions are recorded in their account books. The self-help groups offer an easy and cost effective way of depositing these small savings. SHGs open a savings bank account with a nearby bank branch to deposit the surplus cash if any.
The author pointed out that the groups are eligible for loans from banks after six months of savings and credit operations. The banks assess the strength of the groups in terms of successful rotation of savings of the group as loans, regularity in conducting and attending meetings, savings mobilization and repayment of loans and number of loans issued to the groups. The opportunity provided in safe savings as well as availability of need-based credit has led to more and poorer people keen to join Self-Help Groups. The members use the credit for a variety of purposes like small businesses, agriculture, health, education of children, festivals and so on. When micro-finance institutions locally mobilize voluntary savings, the household as an enterprise gets the benefit. This institution self-finance in full, the working capital needs, as well as save towards investment needs. Saving accounts not only provide security, legal recognition of the asset and returns, they also improve household financial management. In addition women have in many cases for the first time the opportunity to hold their savings in their own hands.

The author concludes that in most cases women involved in SHGs have been considered in decision-making affairs of the family. The effectiveness with which women members may keep control over credit and repayment may at certain times is a point of deeper probing but the strength of the group in taking up issues which affect their own lives and of the village and community has been an important dimension of SHGs. The other members of the family consult or listen to the views of the women in the aspects of education of the children, marriage of the children, property purchase, getting loans; to this extent SHGs have contributed to women’s empowerment. Similarly their participation at the community level has been found to open new vistas to their expression and also helped in shaping their identity.
Chapter 2

The article by Prof. Arjun.Y.Pangannavar, (2008), ‘Self Help Groups and Rural Poverty’ suggested that, the Self-Help Group (SHG) is an informal organization of 10-20 persons from the homogenous poorer section of the society. It is controlled and managed by the members. The regular saving contribution to corpus fund is the eligibility to join the SHG. The mutual trust is the spirit of the organization. It has its own set of rules and regulations. There is transparency and accountability in SHG transactions. The SHGs are formed by the promoters like banks, NGOs and Government Departments such as Department of Women and Child Development etc. There are various categories of SHGs, some are women SHGs and some other is men SHGs. Some SHGs have bank linkage programmes and some other SHGs have development linkage programmes. There are direct and indirect SHG models, it depends upon the type of promoter. To promote self-help and mutual help, savings micro-enterprise, credit linkage with credit institutions etc are the main objectives and functions of SHGs. They are the agent of development at the grass-root level and the primary units in the development process of the country.

The author points out that the SHGs empower women in the following respects such as,

- They provide women access to economic resources.
- They enable women to participate in decision-making at every level on every financial and non-financial issue.
- They improve the socio-economic status of women.
- They change women from housekeeper to organizer, manager and decision-maker.
The author agrees that Self Help Groups Programme is the right approach to create self-employment opportunities so as to supplement the income and assets of the rural poor. The SHG programme provides the rural poor women the access to micro credit. It encourages rural women entrepreneurship and rural women empowerment.

Dr. Daniel Lazar and Prof. K. Chandrasekhara Rao, (2010), in their article, ‘Role of Academic Institutions in Microfinance Delivery, Defining New Roles’, have clearly distinguished the organizational, economical and social activities of SHGs, these include:

a) **Organizational:** Activities wherein the members are made to come together to form group to plan and Organize an economic activity. In addition to active participation in handling the chosen economic Activity, they should also facilitate for pooling the initial thrift, formulation of self rules and regulations for organizing their ventures, maintenance of books of accounts.

b) **Economical:** The group undertakes the responsibility for identification of occupation, estimating the loan request, maintenance of limits for loan and productive utilization of loan for income generating activities and repayment of installments, additions to groups.

c) **Social:** SHG members undertake socially useful activities for creation of employment opportunities to members. These activities are always in tune with the social structure, and the family acceptance. The group exhibits greater ethical responsibility in striving a balance between economic avocation and social desirability without jeopardize the social faber of the community.
Gurmeet Singh, (2009), ‘Microfinance- an Innovation in Rural Credit System’ pointed out that SHG is a group of about 10-20 persons from a homogenous class who come together for addressing the common problems. They collect voluntary savings on a regular basis and use the pooled resources to make small interest bearing loans to their members. The first official interest in group lending in India took shape during 1986-87 when NABARD supported and financed research project on saving and credit management of self help of Mysore Resettlement and Development Agency (MYRADA).

Dr. Jitendrea Aahirrao, (2009), in his study reviews the important role of SHG in women empowerment. The SHG of rural women consists of members who are the poor, having low saving capacity and who depend on money lenders for meeting their consumption needs and social obligations. Formation of women into self help groups paved a way to develop their economic standards thereby building self confidence. Women in SHGs have been encouraged by the Government as well as NGOs to undertake self employment ventures with locally available resources. Availability of micro credit helped SHG women a lot and many women came forward and established micro enterprises. A number of NGOs and financial institutions have been offering micro finance especially to rural women micro entrepreneurs. They also motivate training programmes to develop their entrepreneurial skills and capacities. Specific trainings in manufacturing for service sector are available for the prospective rural women micro entrepreneurs. These institutions have been encouraging women to start micro enterprises. As a result micro entrepreneurship is gradually growing importance among the rural women.
Dr. K. Hema Sundararaj, M. Muni Rami Reddy, and B. Bhagavan Reddy, (2009), in their article ‘Outreaching Unbanked Rural Marginalized Groups’, present a vivid picture of the emergence of SHGs as voluntarily formed group with the member size of 10-20. The group is basically homogenous in nature. Members come together for addressing common problem. The amount of saving is within the range of Rs.20-150 per month. They rotate this common pooled resource within the members with very small rate of interest. Each group has a leader called as the president and the secretary. He usually maintains records of transactions on a daily basis in written format. In India NABARD initiated SHGs in 1986-87. But the real effort was made after 1991-92 from the linkage of SHGs with banks. The main aim of the programme is to tap the potential of the SHG concept so as to bring banking services to the door steps of poor, especially the women who have been neglected by the formal financial agencies in the past. SHGs intermediaries in micro credit have been shown to have positive effects on women, with some of these impacts being ripple effects. They have played valuable roles in reducing the vulnerability of the poor through asset creation, income generation and consumption smoothing, provision of emergency assistance and empowering and emboldening women by giving them control over assets and increased self-esteem and knowledge.

The study, ‘Self-Help Groups and Rural Development’, by Celine Sunny, (2006), defines SHG as a group of 10-20 women which comes together voluntarily around a common objective. SHGs are an association of women constituted mainly for the purpose of uplifting the women belonging to the Below Poverty Line (BPL) categories to the Above Poverty Line (APL) category. At the Government level the groups will be formed at each development block under the leadership of women’s
welfare and extension office. The identified poor women from each family will be formed into a group of 10-15 members.

The study showed that the following are the main features of a Self Help Group.

- Members are a set of people who come together voluntarily. Purpose of members is to solve crucial problems, which cannot be solved elsewhere.
- Members act collectively to bring about positive change in their lives.
- Members can support each other and strengthen their collective position in dealing with external agencies.

According to the author, often self-help groups begin around a small issue, but with increasing confidence and experience, the group is able to tackle issues that are much larger and more complex. Thus the concept of SHGs is quite widely understood among the persons and organizations working in the area of development and most SHGs share these features.

The study shows that the major activities of the SHGs in the developmental front are health, education, nutrition, income generation, savings and credit.

Loganathan.P and R.Asokan, (2006), in their study observed that, micro finance is recognized as a key strategy for addressing issues of poverty alleviation and women empowerment by providing access to financial services and the subsequent transfer of financial resources to the poor. The SHG Bank Linkage Programme launched by NABARD in 1992 was good for both sides, the banks were able to tap into a large market,
namely the low income households with low transaction costs and high repayment rates while the SHGs were able to scale up their operation with more financing and they had access to more credit products. Thus the SHGs have provided access to credit to their members promoted savings, reduced dependence on money lenders and above all empowered rural women.

B. Vijayachandran Pillai and Harikumar, (2006), in their study analyzed in detail the importance of SHGs in making the people of below poverty line self-reliant by playing a crucial role in improving the savings and credit. The authors emphasized that the SHGs helped in bringing the poor people of the society to the main stream by enabling them to increase their income, improve their standard of living and status in society.

2.3 Literature with Regional Dimension

“Kudumbasree, a Malayalam coinage, means prosperity of the family. Kudumbasree is a poverty eradication project officially launched by the Govt. of Kerala with the active support of the Central Government and NABARD for wiping out absolute poverty from the state. The project was inaugurated by the then Prime Minister, Shri Atal Bihari Vajpayee on May 17, 1998 at Malappuram. Formal activities were started from 1st April 1999. The project is implemented by the State Poverty Eradication Mission of the state government through local self governing bodies. It aimed at eradicating absolute poverty in ten years from the date of implementation through concreted community action under the leadership of local self government bodied. The strategy slogan of this mission is “reaching families through women and reaching the community through families.” (www.Kudumbashree.org)

Preetha, (2005), as cited in the ‘New Indian Express’, reports that the capacity building exercises and the resultant leadership intakes have
prompted Kudumbasree women to participate in large numbers in the 2005 civic pools. The dream of political empowerment of Kudumbasree members, she adds, has also materialized.

Paul, Cithara, (2005), cites in ‘The New Indian Express’, as the findings of a survey imitated by Kerala Sastra Sahithya Parishad, that Kudumbasree Mission has failed as powerful women empowerment machinery. The root cause of failure is attributed to confining the activities within the BPL group. The report adds several other limiting factors as lack of management expertise, absence of proper planning, non-availability of raw materials, ineffective marketing strategy and lack of co-ordination between the panchayats and the Kudumbasree units besides poor investment in production sector.

Sooryamoorthy, (2005), in his studies on ‘Microfinance and women in Kerala’ notes that the pattern of savings and credit use of women are related to their marital status and the difference in the pattern portrays the extent of their family responsibilities.

Thambi, Binitha and Devika, (2006), in their ‘Impact Study of Kudumbasree programmes’, emphasizes that Kudumbasree programme assists only in reaffirming and expanding the prevailing male domination in the absence of inclusion of any provision for questioning the male dominating power structure. The success of the programme, they underline to a large extent depends on the prevailing family and social environment. They recommend that Kudumbasree byelaws should incorporate provisions needed to overcome the restrictions imposed by family, society and institutions on women and steps necessary to achieve women empowerment.
Muraleedharan, Sarada, (2007), while relating decentralization and Kudumbasree maintains that, the emergence of the largest community base organization, working in union with LSGIs has contributed to enhancing women representation in decentralized planning and governance further assisting in the planning for local economic development. Women play lead roles in projecting community interests and gender concerns in vital policy matters besides supplying essential data for evolving right decisions on several issues. The author also underlines the need to capacitate the CDs, the responsibility of which rests with LSGIs.

K. Manoharan Nair and B. Girja, (2005), in their study observed that SHGs are people’s organizations which are fully participatory and give ample opportunity to members to take part in all activities of the group including decision making. The SHGs function on the basis of felt needs of people largely by making use of local resources. The activities undertaken by SHGs cover almost the whole gamut of socio-economic development of the poor. This definitely improves the condition of the poor especially women and is a part of employment of women.

A spontaneous group of 15 to 20 persons of homogenous background of the same locality voluntarily come forward with a particular objective and form a group. The members should essentially belong to the same social strata and should share a common technology. Economic welfare of all members should be their aim. Each and every member has his or her own duties and responsibilities. One of the distinctive features of the SHGs is that they are formed outside the aegis of the bureaucracy and political parties with limited scope for latter’s intervention and its risk, cost and benefit are shared among members on an equitable basis.
It is pointed out that, in order to give effective community structure to the Panchayat Raj System and to ensure more participation of the people the Government of Kerala with the active support of the Government of India and NABARD has approved a programme called ‘Kudumbasree project’, which envisages identification of poor families by the community itself through transparent non-financial criteria.

The most comprehensive study on the SHGs in Kerala has been the one by Oommen.M.A, (2008), the author covered all the districts and municipalities in the State, in which the urban Community Development Societies are functioning. The study had reviewed the progress of the programmes under, four heads- impact on poverty, income generating programmes, and thrift and credit societies and women empowerment. The study is based on a field investigation of 7000 Kudumbasree members across the state.

In the introductory part, the author started with a conceptual category of microfinance, poverty and Kudumbasree and then proceeded to critique the role of Kudumbasree in women empowerment and poverty reduction which are conceptually and operationally interrelated. The study also shows how the Kudumbasree of Kerala differs from the general run of microfinance and has evolved into a unique community based organization designed to eradicate poverty, through women empowerment.

The study analyzed the role of Kudumbasree in reducing poverty under two heads – changing Poverty Profile and Women’s Empowerment. The author tried to measure empowerment from five major angles – organizational empowerment, economic empowerment, knowledge empowerment, leadership empowerment and social capital. Some of the major findings of the study are given below:
There is a direct association between Kudumbasree and women’s empowerment. The outcome is the result of several collective strategies.

- Economic empowerment however is the Achilles heel of the empowerment spectrum.

- It is significant that the SC/STs notably the latter have ‘fairly improved’ their ability to collectively bargain, to plan projects and to organize group activities besides improving their social position within their own groups and within the wider community.

- The poor economic empowerment measured in terms of improvement in assets and income. The reported increase in saving could be out of postponement of several essential consumptions and important asset requirements.

- Nearly 91 per cent ST households and 82 per cent of SC households have not reported any increase in income or assets. There is general improvement in the borrowing capability for majority of the poor. Even so, reckoned in terms of leadership empowerment increase in self confidence and general gender rights

- In awareness building, Kudumbasree has an impressive record especially among SC/ST groups.

There is a remarkable progress in employment, notably self employment. There is also significant improvement in the proportion of families taking the traditional three meals a day. The proportion of families taking only one meal a day has declined by 16 per cent and currently constitutes only 3.5 per cent of the total NHG families. The reported
reduction in alcoholism among the Kudumbasree family needs special mention in this state known for its extravagant liquor consumption in recent times.

The author observed that 3200 Kudumbasree members contested in the local body election in 2005 and 1408 of them won is considered as a great achievement in the history of Kudumbasree in Kerala.

The author concludes his study by raising some issues that need to be addressed for improving Kudumbasree, which are listed below:

- The criteria for the identification of the poor and the non-poor must be revisited.
- There is need to evolve a strategy to escort the non-poor to sustainable occupations and trade. There is definitely scope for group enterprises in which the APL and BPL can work together.
- There is need to evolve a group insurance programme.
- Overloading the Kudumbasree functionaries could turn out to be counterproductive. The Kudumbasree is involved in planning, implementation, managing health clubs and preventive programmes, Bala Sabha (children’s club), destitute identification and rehabilitation, Bhavanashree, mobilizing people for gram sabha and the list continues.
- A major threat which Kudumbasree faces today is the dual or even multiple memberships. There is a mushrooming of self-help groups organized by communal outfits, NGOs, and individuals which provide micro credit, mobilize savings and provide linkage banking. Such fragmentations of the poor and
parallel organizations can pose serious threat to the healthy progress of Kudumbasree. With all its shortcomings, Kudambasree has a respectable track record not only as a micro finance institution, but also as a social institution.

- The indebtedness of Kudumbasree families is of a very high order (Rs.19235) and is equal to the average indebtedness of a rural household (Rs.19666) as reported in the NSS 59th round.

- Several members perceive Kudumbasree as a source of public benefits and bounties. These can work towards weakening of *Kudumbashree* as a tool of sustainable empowerment.

- The Kudumbasree Mission considers micro enterprises (supported by bank loans or Thrift Credit loans) as the most important instrument for creating employment and income to the poor women. At the end of December, 2006 there were 1051 individual enterprises and 2789 group enterprises in the rural areas. But these are concentrated in a few districts. Given the crying need to enhance sustainable income for the large number of poor families, their number has to be increased with a fairly even geographical spread. An analysis of the costs and returns of 393 micro units spread over the districts of Thiruvananthapuram, Kollam, Malappuram, Palakkad and Wayanad shows that 35 per cent do not break even. With poor value added per worker and wages paid below subsistence level, the continued functioning of some of the agriculture related enterprises is somewhat surprising. Dairy units and lease land farming are better performers in the agricultural sector. In Kerala with a dominant group of part time farmers, lease land farming in which over
three lakh NHG members are engaged is a welcome trend although it is important only as a supplementary income source for the poor. Modern micro enterprises (e.g. rubber products, clinical laboratory, computer centers) perform far better than traditional enterprises. There is need for technological upgradation and promotion of modern micro enterprises.

K. J. Jayan and Sindhu Sadanandam, (2006), in their study ‘Social Capital as Product of Anti-Poverty Initiative, The Kudumbasree Approach’ pointed out that, the Government of Kerala launched Kudumbasree, the State Poverty Eradication mission with the active support of Government of India and NABARD with the objective of reducing absolute poverty within a period of 10 years. This project is implemented through Local Self-Governments formed and empowered by the 73rd and 74th Constitutional Amendments. The mission follows a process approach rather than a project approach. The strategy and methodology adopted by the mission to achieve the objective is to identify the poor transparently and to organize them into Community Based Organizations (CBO) under the leadership of local government.

Authors agree that Kudumbasree envisages the overall development of poor people through the initiation of micro enterprises. It is considered to be an opportunity for the poor to gain access to productive resources that can directly influence their economic status. Since Kudumbasree has a well-developed credit mobilization structure, a carry over to micro enterprises is obviously a matter of managerial fecundity. Experiences of various developing countries shows that micro credit, informal and small-scale lending arrangements have, long existed in the rural areas and they provide the rural population with access to savings within the local area and with a
certain cushion against economic fluctuations, and they encourage a cooperative community feeling. Kudumbasree has conceptualized institutional finance through rural banking for the disbursal of such micro-credit for the development of micro enterprises. The organizational behaviour of Kudumbasree has properly stratified the women who belong to the below poverty line category, and empowered them to take up lead roles in deciding the development fortune of the local region. The state sponsored mechanism of poverty alleviation has judiciously utilized the newly proliferated grass roots level institutions of participatory planning in Kerala created a synergistic outcome giving the provision for redistributive goods.

They conclude their study by pointing out that, the earlier rural development programmes, especially poverty alleviation were more individualistic and exclusive in approach whereas the present methodology followed an inclusive and collective approach, which helped in securing collective goods that were beyond the logic of previous state sponsored delivery system. The state interventionism has reacted positively to the response of the women labour class, as it succeeded in backing them with a wide and varied set of institutions. Bureaucratization of the community based organizations in view of formalizing these institutions is yet to be retrieved and the people centered local governments should take up the responsibility of sustaining the benefits brewed out of class mobilization and the consequent social capital (refers to the institutions, relationships and norms that shape the quality and quantity of a society’s social interaction) formation. This has its strong underpinnings in the rural as well as urban economy, the desire to earn a livelihood for themselves and for their family in the developing state of Kerala.
In the Economic Review, (2001), published by the State Planning Board observed that, the principal objective of Kudumbasree is the eradication of absolute poverty from the State of Kerala within a decade and the strategy slogan of the Mission is ‘reaching families through women and reaching the communities through families’. Women empowerment initiatives, micro finance operations, micro enterprise promotion and convergent community action constitute the core activities of Kudumbasree carried out through organizations of women below the poverty line.

It is pointed out that, Kudumbasree has been able to bring about increased confidence and positive attitude among its beneficiaries. The good examples have inspired improved replication. In keeping with its holistic approach even cultural revival has been attempted. Kudumbasree has contributed to enhancing the social capital of the poor which in turn has served for a basis for economic development. The group dynamics developed by the urban CDS model is being used for joining-up various developmental activities resulting in a demand-led convergence of resources and services meant for poverty reduction, strong enough to break the ratchet effect of poverty-inducing factors. It is seen that the poor women are capable of shaping their own development if they are given sufficient and necessary support. The CDS system of Kudumbasree is proving to be a new model for poverty reduction through collective action by women. Under the CDS more than 25,000 micro enterprises are owned, operated and managed by poor women. Kudumbasree provides support and incubatory services to these units especially in initial stages and handholds them till stability is achieved. Performance Improvement Programmes (PIP) are also conducted for the entrepreneurs with the assistance of Entrepreneurship Development Institute of India (EDII), Ahmadabad, India.
References


[38] www.kudumbashree.org

[39] www.nabard.org