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CHAPTER-IV
KUDUMBASHREE PROJECT IN KERALA - AN OVERVIEW

4.0 Introduction
Kudumbashree, a Malayalam coinage, means prosperity of the family. Kudumbashree Project is the inevitable offspring of the collective experience derived from the bleak plight of the anti-poverty programmes of the past. It is a major Government to Public (G2P) initiative in Kerala aiming at women empowerment.

4.1 Implementation
State Poverty Eradication Mission, Kudumbashree started its operation on 1st April 1999. It is launched with the active support of Government of India and NABARD for wiping out absolute poverty from the State within a period of 10 years. It is a Society registered under the Travancore Cochin Literary, Scientific and Charitable Societies Registration Act, 1955. This project is implemented through Local Self Governments formed and empowered by the 73rd & 74th Constitutional Amendments.

4.2 Mission Statement
Kudumbashree believes that poverty is a multi-phased phenomenon. Hence, it has adopted a holistic approach to tackle multiple manifestations of poverty and this approach is equivocally stated in the mission statement of the project, which goes like this.

“To eradicate absolute poverty in ten years through concerted community action under the leadership of Local Self-Governments, by facilitating organisation of the poor for combining self-help with demand led convergence of available services and resources to tackle the multiple dimensions and manifestations of poverty holistically.”
Through Kudumbashree the convergence of ideas, resources and material and dovetailing of all antipoverty programmes of various departments of the State as well as Central Government are envisaged.

Centrally sponsored Urban Poverty Alleviation Programme (UPA), SJSRY (Swarna Jayanthi Shahari Rozgar Yojana) was implemented in Kerala by Kudumbashree in place of State Urban Development Agency (SUDA) in other States. State level and District level monitoring is done by Kudumbashree and at Urban Local Body level, planning and implementation is done by the UPA Cell under the leadership of Project Officer, Community Organisers and Volunteers.

4.3 Need for the Formation of Kudumbashree

In spite of the tremendous development Kerala could achieve in several areas like literacy and health care, more than fifteen lakh families of the State are still in the clutches of poverty. Manifestations of poverty like ill health, mal-nutrition, unemployment, non-existence and non-availability of basic needs and facilities are seen throughout the State in varying intensity. The situation is worse in tribal belts, coastal belts and urban slums. Especially women and children are the prime victims of poverty.

Poverty cannot be removed simply by giving doles or by charity. Most of the anti-poverty programmes implemented in the State during the last decades, though seemingly well conceived, have failed due to various reasons. Almost all the programme adopted income criteria for identifying the poor, which lacked people’s involvement and was also susceptible to under reporting and manipulations.

The programmes of the past presumed that the poor are totally resource less and therefore did not envisage any involvement and commitment from the poor themselves. The poor were never involved in the identification and assessment of their own problems and needs. The programmes, therefore tend to supply the outsiders’ perception rather than meeting the felt needs of the poor. The poor remained mere beneficiaries of others’ decisions, as they were not involved in the implementation of the programmes. The programmes were also generally individual oriented and did not harness community’s group dynamics.

Every programme of the past tried to meet only one of the disadvantages in the lives of the poor and the programmes were implemented by a host of agencies with no
coordination with one another. The programmes therefore lost focus and the resources got scattered. Being implemented by different agencies also meant many parallel structures for delivering, resulting in high delivery costs. The programmes were also centrally planned with little flexibility to suit local needs. The target–oriented programmes did not take into account the resource handling capabilities of the poor.

All these experiences emphasized the necessity to adopt a holistic approach to fight poverty, with the active participation of the community. The phenomenal success of the Community Development Society (CDS) systems of Alappuzha Municipality and Malappuram district also encouraged the planners to formulate a participatory community based programme for fighting poverty. The concept of Kudumbashree thus took definite shape.

As part of SJSRY implementation, some good models of Micro Enterprise are being tried out in Kerala under Development of Women and Children in Urban Area (DWCUA) and Urban Self Employment Programmes (USEPs). Poor women of the community mobilise their resource, pool it and use for taking up various development activities. Spirit of ‘Self-Help’ is the guiding principle in this process. Kudumbashree also undertakes a series of training programmes as part of capacity build up exercise of poor people.

4.4 Objectives of Kudumbashree

The State Poverty Eradication Mission (SPEM), known as ‘Kudumbashree’, has certain stipulated objectives behind its formation. The objectives of Kudumbashree Mission fall into two categories: specific and general.

4.4.1 Specific Objectives

To put in one simple sentence, the specific objective of Kudumbashree is the ‘eradication of absolute poverty from the State of Kerala by 2008 A.D’. Obviously the task ahead is not as simple as the sentence sounds. The means, approach and methods for the realization of the goal are of paramount importance.

To attain the goal, the holistic development of the poor families through self-help, people’s participation and group action should be achieved. This is sought to be achieved through the following measures.
1. Identification of the poor families through risk indices based surveys, with the active participation of the poor and the communities to which they belong.

2. Empowering the poor women to improve the productivity and managerial capacities of the community by organising them into Community Based Organisations (CBOs).

3. Encouraging thrift and investment through credit by developing CDSs to work as informal banks of the poor.

4. Improving incomes of the poor through improved skills and investment for self-employment.

5. Ensuring better health and nutrition for all.

6. Ensuring basic amenities like safe drinking water, sanitary latrines, improved shelter and healthy environment.

7. Ensuring a minimum of 5 years of primary education for all children, belonging to risk families.

8. Enabling the poor to participate in the decentralization process through the CDS, as it is a sub-system of the local body, under which it works.

To achieve the specific objectives of the Mission, several auxiliary objectives have to be pursued methodically. These objectives can be classified as the general objectives of the Mission.

### 4.4.2 General Objectives

The very motto of Kudumbashree Mission is based on women empowerment; ‘reach out to the family through women, reach out to the community through family’. Naturally, the empowerment of women through community-based organisations is counted as the first and foremost objective of the mission.

#### 4.4.2a Empowerment of Women through Community Based Organizations.

Status of women in the society is still secondary and their role in developmental process is deplorably marginal. Apart from social taboos and lack of awareness and exposure, exploitation of women is taking place in different walks of life. The Project proposes to enable and enlighten the women to realize their own latent potentials, and strengthen them to contribute to the development of their families and community.

The empowerment of women is sought to be achieved through the CDS strategy, which is an exclusively women-managed programme. Frequent group meetings, sharing of
experience and training are expected to broaden their outlook. Improved economic status of the women gained through CDS thrift and self-employment will boost their status in their own families and community. The enlightened, income-generating women will refuse to accept poverty as their destiny. Once they realize their collective strength, they will fight poverty and atrocities against them most valiantly.

Community Based Organizations will be the tools and devices to bring about these changes among women folk of the poor class. One woman from every identified poor family will be made a member of a Neighbourhood Group (NHG). The NHGs will be federated into ward level Area Development Societies (ADS) and ADSs will be federated into town/panchayat level Community Development Societies (CDSs). Thus this three tier CDS system of poor women will be coming up all over Kerala. These organizations and their activities will empower the poor women of the State to fight against poverty and social evils.

4.4.2b Thrift and Credit Operations and Informal Banking

The CDS system will promote thrift habit among the poor women and encourage them to use the pooled resources to meet the immediate needs of the members. The CDS will therefore start functioning as informal bank of the poor women. If the resources in any NHG are enough to encourage loan for income generating activities, these loans will be appraised and sanctioned. All operations relating to thrift collection and loan sanctioning will be transparent and take place only in group meeting.

Kudumbashree Mission understands and accepts the resourcefulness of the poor in terms of finance, skills, entrepreneurship and overall managerial capabilities. In connection with the thrift and credit operations and informal banking, NHG members will be given ample training in community finance management.

4.4.2c Decision Making by the Poor

Kudumbashree mission believes in encouraging community-based bottom up planning. The ultimate aim is to hand over the decision-making and implementation power to the empowered women. At NHG level, micro-plans are made, based on the analysis of local problems with the aim of removing the risk factors for reducing their impact. NHG plans will be consolidated into ward level plans (mini plans), which will finally be integrated to
form ‘action plan’ of the CDS. CDS will be empowered for bottom up planning, implementation and monitoring and can directly approach and receive funds from the Government, UNICEF, NABARD, banks and other donors. The CDS and ADS will maintain bank accounts and will be directly responsible for implementation of planned activities at panchayat/ward and NHG level. Now, there is the practice of maintaining bank accounts by the NHGs themselves.

4.4.2d Convergent Community Action

Apart from the latent potential and will of the community itself, initiatives, resources, programmes and commitment of various governmental organizations, non-governmental organizations and local governments are expected to converge through the CDS system. The CDS would function as an extended arm of the government and local bodies, for the implementation of various programmes. Social Welfare Programmes directed at poor in the areas of education, literacy, health, human resources development, empowerment of women, skill upgradation, vocational training, eradication of social evils, environmental improvement and such other areas will be implemented through the CDS system.

4.4.2e Micro Enterprises and Income Generation Activities

Income generation is one of the prime responsibilities of every Kudumbashree NHG. In each NHG an Income Generating Volunteer (IGV) is entrusted with this responsibility. It is the duty of IG volunteers to explore the possibilities, which would help and boost the income generating activities of the group. The IG volunteer will identify all potential agencies; departments and organizations engaged in the promotion of self-employment activities. She will also interact with NABARD and commercial banks, in connection with mobilising of finance.

Kudumbashree intends to promote and encourage micro-enterprises and micro-entrepreneurship among poor women. The project envisages the forming of at least one flourishing micro-enterprise in every NHG to ensure the sustainable economic development of the individual, group, families, community and the State.

Linkage of the NHGs with linkage banking programme of NABARD, providing loans to all houseless families of the State, providing sanitary latrines in every household of the State, and the preparation and implementation of special programme packages for the
development of scheduled castes and scheduled tribes are also the objectives of the mission.

4.5 Evolution of Kudumbashree

Aiming at the welfare of the urban poor, especially women and children who suffer the severity of the poverty most, the Central Government formulated, during the 7th Five Year Plan, the Urban Basic Service (UBS) Scheme in 1986–87. This was done with the assistance of UNICEF. The UBS Scheme was implemented in 168 selected towns, in 37 districts of the country. This scheme was implemented jointly by UNICEF, the Central Government and the State Government, with the co-operation of the concerned Municipalities. The UBS programme was launched in 13 towns of Alappuzha and Ernakulam Districts in our State in 1987. This programme, which aimed at the development of the urban poor in areas of health, economy and environment, by imparting awareness and education, with focus on women and children. There was great stress on self-reliance. Community participation was the corner stone of the programme.

Based on the recommendations of the National Commission on Urbanization (NCU), the UBS programme was revised and introduced as Urban Basic Services for the Poor (UBSP) programme in 500 towns of the country during the 8th Five-year Plan period, which commenced in the year 1992-93. The UBSP programme was implemented in 16 towns of the State. Thus 29 towns in the State have benefited from either the UBS or the UBSP programme. Out of the 16 UBSP towns, Alappuzha, Kollam and Thiruvananthapuram towns were selected as “demonstration towns” by the UNICEF. For the other towns, 60 per cent of the cost of the UBSP programme was borne by the Central Government and 40 per cent by the State Government. UNICEF extended financial assistance for imparting training to the project officers, community organisers, councilors, officers of UPA Project Cells formed in municipalities and other functionaries. With the financial assistance of UNICEF, the Institute of Management in Government (IMG), at Thiruvananthapuram functioned as the State Training Institute (STI) and the Extension Services of Loyola College of Social Sciences, Thiruvananthapuram, functioned as the Field Training Institute (FTI).

4.5.1 Urban Model - Alleppey Community Development Society

The success of Urban Based Services (UBS)/Urban Basic Services for the Poor (UBSP) projects persuaded the State Government to extend this project to all the Urban Local
Bodies of Kerala. On 26th December 1994, the State Government through a special order directed all Urban Local Bodies in the State to set up Urban Poverty Alleviation Cells and to implement Poverty Alleviation Programmes with community participation as done in Alappuzha and Malappuram. The said order which was issued to extend UBSP style of activity to all the Urban Local Bodies (ULBs) of the State, as per the 74th Amendment of the Constitution was based on the Section 284 of the Municipal Act, 1984. The project started at Alappuzha Municipality was later known as ‘Alappuzha model’. In this model the poor were identified, based on non-economic criteria.

The objective has been to implement, with people’s participation, programmes for the health care of children, women and other members of the family, health education and awareness, drinking water, low cost teo-pit latrines, smokeless chulas, creating self employment opportunities for women, low cost drainage, facilities for imparting training to upgrade skills, immunization for children, sanitation, personal hygiene, assistance for children’s education, shelter improvement, etc.

Basic needs, which are essential for human life, are provided to the urban poor by coordinating and converging the resources and efforts of UBSP, Nehru Rozgar Yojana (NRY), Environment Improvement of Urban Slums (EIUS) and Low Cost Sanitation Scheme (LCSS). These are the major poverty alleviation programmes, implemented under the Urban Poverty Alleviation Division of the Ministry of Urban Affairs and Employment of the Central Government. The UBSP is not a scheme but a strategy of coordination and convergence of various inputs and services available to the poor from all the existing schemes, programmes and departments.

The History of Alappuzha CDS – The New Approach

Meanwhile, in 1992 the Community Based Nutrition Programme (CBNP), supported by the UNICEF, was introduced in Alleppey town, converged it with the UBSP programme. Under the CBNP/UBSP programmes, a comprehensive Community Based Survey was conducted to assess the impact of the Urban Basic Services programme, which was being implemented in the town from the year 1987-88. All the households of 7 wards, out of the 36 wards of the town, were covered in the survey. The data revealed by the survey were assessed, analysed and intensely discussed in the community. This was the beginning of an intense and emotional involvement of community of the poor in the UBSP/CBNP programme.
The poor women of Alappuzha town came forward to take up the challenge of improving the quality of their life by themselves, receiving whatever support that came from the Government, the Municipality, the UNICEF and other agencies through co-ordination and convergence. During the analysis of the above survey result, poor women of Alleppey expressed their own ideas, views, needs and suggestions. The following were some of them:

1. The benefits of the programme should be focused on the poorest among the poor.

2. The yardstick of household income which was hitherto used to measure poverty, did not work in the field, as income data are difficult to obtain, difficult to verify and subject to manipulations and underreporting. The women needed an alternative method for identifying the poor by the community itself.

3. Men dominate in planning and implementation of all programmes. Women had no role in decision-making. The women of Alleppey wanted to make an effort to manage the implementation of the programme by themselves.

4. The women wanted a formal community structure, with powers for planning, implementation, monitoring, decision-making and raising of resources.

5. The women wanted the community structures to have linkages with the Municipality, the Government, the UNICEF and all the departments and agencies to receive support and resources. They wanted the community structures of the poor women to become the common platform for all the agencies and departments to facilitate the convergence of inputs and services at the field level.

6. They wanted to have an organisation linked to the Municipality at local level in order to function as an out reach service of the Municipality, but without direct interference in their self-management procedures.

Such a resolute attitude of the poor women reflected the effectiveness and impact of the UBS programme implemented over 5 years from 1987-88 to 1991-92.

One of the results has been the evolution and development of poverty index with nine demonstrable and verifiable factors that are co-related with the poverty status of the families.

The following are the nine factors of “Poverty Index”:

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1. Thatched / Kutch house/Sub-standard house or hut.
2. Absence of a latrine
3. Only one person in the family has employment.
4. There is at least one uneducated person.
5. There is at least one child of 0-5 years old.
6. Non-availability of drinking water within a radius of 500 ft.
7. At least one person uses intoxicants.
8. Family belonging to the Scheduled Caste or Tribe.
9. Has means only for less than two meals a day.

Families, which confront at least four out of the nine problems mentioned above, are considered ‘poor families’ or ‘risk families’.

After gaining experience in the field, the 9 point risk indices originally developed during 1992 underwent changes and revised indices were formulated exclusively for Urban area.

Revised Risk Indicators used in Urban Area

1. No land/less than 5 cents of land
2. No house/dilapidated house
3. No sanitary latrine
4. No access to safe drinking water within 150 meters
5. Women headed household/presence of a widow, divorcee/abandoned lady/unwed mother
6. No regularly employed person in the family
7. Socially disadvantaged groups (SC/ST)
8. Presence of mentally or physically challenged person/chronically ill member in the family
9. Families without colour T.V.
In the case of a destitute family, all the risk factors or at least eight out of the nine have to be positive. To have a more precise identification, the presence of any of the following factors is also taken into account in addition to the above said nine point risk factors.

(i) Those families which have no landed property to put up their dwelling place (living in puromboke land, forest land, side bunds of canal and paddy fields, etc.).

(ii) Those who spend night time in public places, streets or in the verandahas of shops for sleeping.

(iii) Families led by unwed mothers, single parent or those separated women living in distress.

(iv) Families led by young widows who are poor or having women who have passed the age of marriage but remain unmarried.

(v) Families having members who are subjected to severe, chronic and incurable diseases or physically and mentally challenged.

(vi) Families having no healthy member to win bread for the family.

(vii) Beggars who resort to beggary as a means of livelihood.

(viii) Women subjected to atrocities.

The identification of the above criteria is done very transparently through community-based organisations (CBOs) of the Kudumbashree. All the destitutes need not be members of the NHGs. The NHG members, however, can identify them as they live in close proximity to them and their social and economic status are well known to the NHG members. Moreover, identification through the NHG leads to a discussion at NHG level and many heads are put together for assessing the real situation.

_**Special Parameters for identifying destitute families in urban area**_

Subsequently, to suit the requirements of the urban situation different additional parameters have also been designed to identify the destitute families. They are given below:

(i) Spending the night time in public places, streets or on verandahs of shops for sleeping.
(ii) Young widows who are economically poor or women who have passed the age of marriage and remain unmarried.

(iii) Beggars who resort to begging as a means of livelihood.

(iv) No healthy member to win bread for the family below the age of sixty.

(v) Women subjected to atrocities.

(vi) Families having street children or children in juvenile home or poor home.

(vii) Families having children below the age of fourteen who work to earn money for the family.

(viii) Families having commercial sex workers.

(ix) Families having women members who live in Abalamandiram.

(x) Families living in slums (Economic Review, 2004).

The implementation of Poverty Alleviation Programmes with community participation in Alappuzha won laurels from the UN. The Community Development Society (CDS) of Alappuzha received “We, the Peoples: 50 Communities” Award initiated in commemoration of the 50th Anniversary of the UN on 24th September 1995 at New York. Later, Government of India while framing guidelines for SJSRY implementation, incorporated the plus points of Alleppey Model.

4.5.2 Rural Model - Malappuram Community Based Nutrition Programme (CBNP)

Malappuram has been identified as one of the most backward districts of Kerala. The district has the highest fertility and infant mortality rates in Kerala. The success of the CDS System in Alappuzha Municipality, prompted the State Government in November 1994 to extend the approach to the entire district of Malappuram.

On 11th November 1994, a Community Based Nutrition Programme and Poverty Alleviation Project (CBNP & PAP) started functioning under UNICEF assistance with community participation in the entire area of Malappuram. Four thousand four hundred and forty eight Neighbourhood Groups (NHG) of poor women were formed under this project. They started mobilising thrift, which touched Rs.2.68 crores by August 2000. They were also able to channel financial assistance for more than two crores from Rashtriya Mahila Kosh (RMK) and NABARD. Around 700 NHGs were linked to various commercial banks under the Linkage Banking Programme of NABARD. Implementation
of Governmental programmes for improving health and sanitation in the district were channelled through NHGs. The 100% immunization obtained through the pulse polio and the successful implementation of RCH programme are examples of Community Based Nutrition Programme’s (CBNP’s) involvement. Distribution of applications for old age pension and other social security measures when routed through CBNP have resulted in effective transfer process. Special programmes for the development of SC/ST population were also undertaken. Implementation of District Primary Education Programme (DPEP) and convergence of various entrepreneurial activities promoted more than 15,000 micro-enterprises in the District. On the basis of this performance, Rural Development Department of Kerala unequivocally decided to utilise the CBNP network for the implementation of SGSY programme in Malappuram District.

This model was awarded Gold Medel by ‘Commonwealth Association for Public Administration and Management’ (CAPAM) for its best practices in ‘service to the public’ in the year 2000. The jury appreciated the effective management poverty through Community participation.

In the wake of the success experienced in Alappuzha and Malappuram, Government of Kerala decided to extend this project further to the entire State under the name “Kudumbashree”.

### 4.6 Structure of Kudumbashree

For the effective implementation of the Kudumbashree programme, a three tier Community Based Organisation (CBO) was set up.

#### 4.6a Neighbourhood Group (NHG)

The lower most tier of Kudumbashree constitutes the Neighbourhood Group consisting of 20-40 women members selected from the poor families. Meetings are convened on a weekly basis in the houses of NHG members. Various problems faced by the group members are discussed in the meeting along with suggestions for improving the situation. Government officials are also invited to the meeting for explaining the schemes implemented by them. In the weekly meeting, all members bring their thrift, which will be collected and recycled to the system by way of sanctioning loans. Micro plans are also
prepared after taking stock of the situation. Five Volunteers are selected from each NHG for undertaking various activities.

1. Community Health Volunteer - She will look after the various health related aspects of the group members including children, women and the aged. Convergence of various programmes undertaken by Health and Social Welfare Departments are also carried out under the leadership of the Community Health Volunteer.

2. Income Generation Activities Volunteer - The collection, consolidation and maintenance of books of accounts and registers in connection with thrift mobilisation is looked after by this volunteer. Necessary training is imparted by NABARD for increasing their capability.

3. Infrastructure Volunteer - Infrastructural backwardness of the group is dealt with the help of various ongoing governmental programmes under the leadership of this volunteer. This group takes micro contracting as an income generating activity after sharpening their functional skills through a series of training programmes. She will liaison with the local bodies and acts as a catalyst for local development.

4. Secretary - The proceedings of the meeting are recorded by the Secretary and necessary follow up including motivation and team building are the responsibilities of the Secretary.

5. President - She will preside over the weekly meetings and will impart necessary leadership and guidelines to the group members.

Figure 4.1 reveals the functional structure of a Neighbourhood Group:
4.6b Area Development Society (ADS)

The second tier is Area Development Society, which is formed at ward level by federating 10-15 NHGs. The activities and the decision in the ADS is decided by the representatives of the members elected from various federating NHGs. Area Development Society functions through three distinct bodies viz.,

1) General Body - consists of all Presidents/Chairpersons, Secretaries and 3 Sectoral volunteers such as Health, Income Generation and Infrastructure volunteers of federated NHGs.

2) Governing Body - constituted by electing a President, Secretary and five member Committee from among the General Body.

3) Local Self Government Institution (LSGI)

(i) Rural - In Grama Panchayats the ward member is the patron of the ADS
(ii) Urban- In Urban Local Bodies a separate Monitoring and Advisory Committee is constituted with Ward Councilor as Chairperson. The salient feature of this arrangement is the fixation of priorities by the members; in tune with the policy framework of Local Self Governments.

The structure of ADS is illustrated in Figure 4.2.

**Figure 4.2 The Structure of ADS**

![Diagram of ADS structure]

**4.6c Community Development Society (CDS)**

At the Panchayat/Municipality level a Community Development Society (CDS), a registered body under the Charitable Societies Act is formed by federating various ADSs. The CDS has three distinct bodies viz.,
1. General Body - It consist of all ADS Chairpersons and ADS Governing Body members along with representatives of Resource Persons, Officers of the Local Body who are involved in implementing the various Poverty Alleviation and Women Empowerment Programmes.

2. Governing Body - The Governing Body consists of President, Member Secretary and five selected Committee Members. The President will be elected whereas the Member Secretary is the Project Officer of UPA Programmes. Other government officials and representatives of resources persons are nominated to the Governing Body.

3. Local Self Government Institution (LSGI)

   (i) Rural - The President of the Grama Panchayat is the patron of the CDS. The Standing Committee Chairperson (Welfare), all women members of the Panchayat and Secretary of the Grama Panchayat are ex-officio members of the CDS. The Block Panchayat member/members of the respective Block division/divisions are also ex-officio members of the CDS.

   (ii) Urban - A Monitoring & Advisory Committee at Urban Local Body (ULB) level will be constituted with Mayor/ Municipal Chairperson as the Chairperson. The Municipal Secretary will be the Convener of the Committee. In every ULB, there is an Urban Poverty Alleviation (UPA) wing and the Project Officer of the UPA will be the Joint Convener.

The advantage of this system is that it is managed wholly by the representatives of the members and has the leverage of a non-governmental organisation which helps in channelling additional resources from various sources both internal and external. The CDS at local body level facilitate autonomy and effective linkage with Local Self Governments.

The aspirations of the poor members along with their genuine demands voiced out in the NHG meetings form the ‘micro-plans’, which will be scrutinized and prioritised to form a
‘mini-plan’ at the level of ADS. After consolidating the mini-plans by judicious prioritisation process at the level of CDS, the ‘CDS Plan’ is formed which is also the ‘anti-poverty sub-plan’ of the Local Self Government. Preparation of micro, mini and CDS plans facilitate the poor to participate in planning process as a major stakeholder. The local body monitors the implementation of the plan and thereby proper linkage, coupled with autonomy, is ensured in the CDS system.

The Functional Structure of Kudumbashree CDS is given in Figure 4.3.

**Figure 4.3 Functional Structure of Kudumbashree CDS**
Apart from participating in the planning process, the work done for eradication of poverty is worth mentioning. Poverty is caused mainly due to the result of unequal distribution of wealth and resources. The resources meant for the poor through the various antipoverty programmes have not been reaching the deserving families due to the weaknesses in the transfer process. The poor were destined to receive the benefit only as doles of charity. The poor are incapacitated and are vulnerable to all calamities including environmental degradation. They are even denied their basic human rights. This denial or rather deprivation is checked in a big way through the implementation of Kudumbashree. In Kerala, Kudumbashree is perceived by all Local Self Governments as a further step towards decentralisation.

**Organogram of Kudumbashree**

Figure 4.4 shows the Organogram of Kudumbashree.

**Figure 4.4 Organogram of Kudumbashree**

Organogram of Kudumbashree refers to the organisational structure of Kudumbashree, which shows the various levels of authority of the officials functioning in it. It has five levels. In the upper level there is the Chairman of Kudumbashree, in the upper middle level there is the Vice Chairman and in the upper lower level there is the Executive Director. In the middle level there are four Directors for various regions – South, Central
and North) - and for the Finance and Administration. In the lower level there are District Mission Coordinators of the fourteen districts and an Administration Officer, an Accounts Officer and four Programme Officers.

4.7 Action Plan of Kudumbashree

Women empowerment has the central place in the programmes of Kudumbashree. Without women empowerment, poverty eradication is practically impossible. Kudumbashree aims at promotion of income generation activities for poor women, which will help them earn more income that will help achieve economic self-sufficiency. Instead of being passive recipients, women are empowered to become active leaders in this process. The action plan charted by Kudumbashree to achieve this goal is listed below:

4.7.1 Formation of Women Collectives:

The women from Below Poverty Line (BPL) families are organised into Neighbourhood Groups (NHGs) representing 15 to 40 families. A five-member woman volunteer team elected from the NHGs will be the nucleus of the programme. NHGs are federated democratically into Area Development Societies (ADS) at the ward level and then into Community Development Societies (CDS) at the local body level. These organizational structures provide opportunities for collective public action. All the volunteers and office bearers are women belonging to BPL families.

4.7.2 More Information through Collective Action

Weekly meetings of NHGs, sharing of experiences, discussions, organised trainings, etc., provide opportunity to broaden their outlook on public health, hygiene, mother and child care, nutrition, immunization, education (pre-primary and primary) and social and economic status.

4.7.3 Skill Upgradation Training

To facilitate economic empowerment, suitable skill upgradation trainings are also imparted to the members. Some of the areas where skill upgradation is imparted are:

(i) Data entry operation and digitization
(ii) Catering
(iii) Toy manufacturing
4.7.4 Thrift-Credit Operations and 24 Hour Informal Banking System

Enabling women to realize their latent potential and strengthening them through self-help are the main objectives of Kudumbashree. Small savings generated at the families are pooled at various levels as thrift and used to attract credit from banks which will operate as 24 hour Informal Bank for the poor, linking with financial institution. NABARD has introduced a system of linkage-banking in order to extend the facilities of banking to hitherto unreached areas. Through the Thrift and Credit Society financial capability, security and feeling of secured will be imparted to the poor women.

4.7.5 Better Living Conditions - Infrastructural Facilities

The needs identified at NHG level are shaped as ‘micro plans’ which are integrated into ‘mini plans’ at ADS level and ‘action plan’ at CDS level. This will be the anti-poverty sub plan of the local body and this will facilitate convergent delivery of Government programmes meant for the poor. Rather than the traditional system of heavily subsidized approach, Kudumbashree promote ‘self-help’ approach for building houses, latrines, access to drinking water, sanitary facilities, etc., availing the minimum support from Government. Common infrastructural facilities in the community strengthen them further.

4.7.6 Micro Enterprises for Sustainable Economic Development

Providing skill upgradation trainings, self-employment opportunities and infrastructural development through wage employment schemes are the preparing grounds for further development of successful micro enterprises. Kudumbashree is gives necessary resource support and facilitate forward or backward linkages, etc., to promote micro entrepreneurism among poor women.

4.7.7 Power to the People especially the Poor Women

The skill for identification of needs, fixing priorities, availing resources and bridging gaps between needs and resources in a cost effective manner are taught to the poor women groups in various phases. In the process of decentralization of power to the local bodies
and common man, Kudumbashree can act as a healthy sub-system facilitating participation of poor women in the planning, implementation and monitoring of the programme.

4.7.8 Leadership-Decision Making Power

Interaction in women collectives will help the members have better knowledge and general awareness which will lead to the emergence of leadership. This will help ensure efficient women leadership to elected bodies in future.

4.7.9 Reaching out Families through Women

‘Reaching out families through women, and reaching out the community through families’ is the ultimate goal of Kudumbashree for the fulfilment of its dream of a Kerala free of absolute poverty.

4.8 Major Activities of Kudumbasree

The State Poverty Eradication Mission, Kudumbashree, implements its programmes by organising the poor, by creating community based structures of women below poverty line with focus on self help and through demand-led convergence of available services and resources under the leadership of the local governments. The major activities carried out are listed below:

4.8a Community Based Organisation of the Poor.

A three tier Community Based Organisation is the core of Kudumbashree. The lower most tier constitutes the Neighbourhood Group. The second tier is the Area Development Society. The coordinating apex body is the Community Development Society.

Table 4.1 deals with the Status Report of Community Based Organisations for the period 2004-05 and 2005-06.

Table 4.1 reveals that Kudumbashree Programme which covered the entire State in different phases has created 1,54,699 NHGs, 13,915 ADSs, and 1,049 CDSs till 31.03.2005. The Community Based Organisation which has a coverage of 31,55,030 families, mobilized a sum of Rs.473.58 crore as thrift and disbursed credit to the tune of Rs.1004.20 crore to its members till 31.03.2005.
Table 4.1 Status Report of Community Based Organisations:

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Rural</th>
<th>Urban</th>
<th>Tribal</th>
<th>Total (As on 31.03.2005)</th>
<th>Rural</th>
<th>Urban</th>
<th>Tribal</th>
<th>Total (As on 31.03.2006)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local Bodies</td>
<td>991</td>
<td>58</td>
<td>5</td>
<td>1049</td>
<td>991</td>
<td>58</td>
<td>5</td>
<td>1049</td>
</tr>
<tr>
<td>No. of NHGs formed</td>
<td>143983</td>
<td>8667</td>
<td>2049</td>
<td>154699</td>
<td>153117</td>
<td>10687</td>
<td>2036</td>
<td>165840</td>
</tr>
<tr>
<td>No. of ADS formed</td>
<td>13200</td>
<td>715</td>
<td>-</td>
<td>13915</td>
<td>13443</td>
<td>896</td>
<td>-</td>
<td>14339</td>
</tr>
<tr>
<td>No. of Families covered</td>
<td>2837977</td>
<td>292207</td>
<td>24846</td>
<td>3155036</td>
<td>320500</td>
<td>292207</td>
<td>32802</td>
<td>3345509</td>
</tr>
<tr>
<td>No. of families started thrift</td>
<td>2819911</td>
<td>292207</td>
<td>24846</td>
<td>3136964</td>
<td>300627</td>
<td>292207</td>
<td>32762</td>
<td>3331796</td>
</tr>
<tr>
<td>Amount of thrift (Rs.)</td>
<td>4413895241</td>
<td>286167644</td>
<td>35691344</td>
<td>4735754229</td>
<td>5949299905</td>
<td>(1535404664)</td>
<td>418170097</td>
<td>54114722</td>
</tr>
<tr>
<td>Amount of Loan (Rs.)</td>
<td>9686426420</td>
<td>313100207</td>
<td>42517566</td>
<td>100420444193</td>
<td>14214712935</td>
<td>(4528286515)</td>
<td>408962225</td>
<td>107612661</td>
</tr>
<tr>
<td>Thrift Total</td>
<td>4735754229</td>
<td>4735754229</td>
<td>6421584724</td>
<td>(1685830495)* 35.6%</td>
<td>14731287821</td>
<td>(4689243628)</td>
<td>14731287821</td>
<td>(4689243628)</td>
</tr>
<tr>
<td>Loan Total</td>
<td>100420444193</td>
<td>100420444193</td>
<td>14731287821</td>
<td>(4689243628)*46.7%</td>
<td>14731287821</td>
<td>(4689243628)</td>
<td>14731287821</td>
<td>(4689243628)</td>
</tr>
</tbody>
</table>

Source: Kudumbashree, Thiruvananthapuram

Note: Figures in brackets show the year wise increase.

* Refers to the percentage of increase as compared to the just previous year.

The corresponding figures as on 31.03.2006 are 1,65,840 NHGs, 14,399 ADSs, and 1,049 CDSs. The Community Based Organisations, which has a coverage of 33,45,509 families, mobilized a sum of Rs.642.16 crores as thrift fund and disbursed credit to the tune of Rs.1473.13 crores to its members, showing an increase of 11,141 NHGs, 424 ADSs, 1,90,479 families covered, Rs.168.58 crores of thrift and Rs.468.92 crores of loans in 2005-06.

Figure 4.5a and 4.5b are Three Dimensional Cluster Bar Diagrams, which show the status of thrift mobilized from and loan disbursed to NHG members for the period 2004-05 & 2005-06.

Figure 4.5a Three Dimensional Cluster Bar Diagram of Thrift and Credit, 2005
4.8b Linkage Banking

The Linkage Banking Programme was launched during the year 2002-03 after proper grading of the NHGs as per NABARD guidelines. Table 4.2 and multiple bar diagram (Figure 4.6) show the status of linkage banking for the period 2002 to 2006.

Table 4.2 Status of Linkage Banking

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>NHGs Graded</td>
<td>4061</td>
<td>21339</td>
<td>62281</td>
<td>80070</td>
<td>99356</td>
</tr>
<tr>
<td></td>
<td>(17278)</td>
<td>(40942)</td>
<td>(17789)</td>
<td>(19286)*</td>
<td>(95295)*</td>
</tr>
<tr>
<td>NHGs Linked</td>
<td>4061</td>
<td>14748</td>
<td>35575</td>
<td>52482</td>
<td>71702</td>
</tr>
<tr>
<td></td>
<td>(10687)</td>
<td>(20827)</td>
<td>(16907)</td>
<td>(19220)*</td>
<td>(67641)*</td>
</tr>
<tr>
<td>Amount of Loan(Rs. in Lakhs)</td>
<td>415.55</td>
<td>5113.84</td>
<td>10654.66</td>
<td>18929.10</td>
<td>32281</td>
</tr>
<tr>
<td></td>
<td>(4698.29)</td>
<td>(5540.82)</td>
<td>(8274.44)</td>
<td>(13351.90)</td>
<td>*31865.45</td>
</tr>
<tr>
<td>Per NHG Loan</td>
<td>0.10</td>
<td>0.35</td>
<td>0.30</td>
<td>0.36</td>
<td>0.45</td>
</tr>
</tbody>
</table>

Based on: Status Report of Kudumbashree, Thiruvananthapuram

Note: Figures in brackets show the year wise increase.

Figures with * show total increase from 2001-02 to 2005-06.

Table 4.2 shows that during the year ended 31st March 2002 the number of NHGs graded and linked was 4,061 and the linkage loan was Rs. 415.55 lakhs; the number of NHGs graded has increased to 99,356 and the number of NHGs linked has increased to 71,702 and the amount of linkage loan has increased to Rs.32,281 lakhs as on 31st March 2006. The annual increase of NHGs graded was 17,278 in 2003, 40,942 in 2004, 17,789 in 2005 and 19,286 in 2006; the annual increase of NHGs linked was 10,687 in 2003, 20,827 in 2004, 16,907 in 2005 and 19,220 in 2006; and the annual increase of linkage loan was Rs.4,698.29 lakhs in 2003, Rs.5,540.82 lakhs in 2004, Rs. 8,274.44 in 2005 and
Rs.13,351.90 in 2006. While making comparison with the Table 4.1 above, it is evident that 59.91 percentage (ie.99356/165840 × 100) of NHGs are graded for bank loan and only 43.24% (ie.71702/165840 × 100) of the NHGs have received loans through linkage.

Figure 4.6 Multiple Bar Diagram of Linkage Banking

4.8c Lease Land Farming – ‘Harithasshree’

The lease land farming programme, which was initiated in the rural areas during the 2002-03 was successfully extended to 712 Grama Panchayats. Under this programme 18,817 NHGs consisting of 2,28,159 families have participated. Through this programme 11,236.14 hectares of land are brought under cultivation (Economic Review, 2004)\(^1\).

During the year 2005-06 the lease land farming programme has been extended to 895 Grama Panchayats. In these Panchayats 33,519 NHGs consisting of 3,27,063 families have participated in the programme. Through this programme 53,237.36 hectares of land has been brought under cultivation (Economic Review, 2005)\(^2\).

4.8d Balasabhas

These are grass root level groups of children from BPL families. The central theme of Balasabha is Prevention of Inter generational Transmission of poverty. Catch them young and nip poverty in the buds is the guiding principle behind the Balasabha movement. It is a platform for their overall development. Vacation classes, Balasangamam, etc., are some of its activities. Balasangamam is a one week programme which combines education,
entertainment and empowerment. Children from various cultures within Kerala come together, learn, enjoy and share their culture. In 2003, Balasabha Sanghamams were organised in Alappuzha, Ernakulam and Kasdaragode Districts. A total number 1,578 children participated in these Sanghamams. So far 26,280 Balasabhas have been formed with 4,70,504 children (Economic Review, 2004 and 2005)\(^3\). As on 31.03.2006, 27463 Balasabhas have been formed with 5,04,979 children as members (Kudumbashree Magazine, March 2006)\(^4\).

4.8e Destitute Identification, Rehabilitation and Monitoring

State Poverty Eradication Mission has formulated a specific project for destitute identification, rehabilitation and monitoring called “Ashraya” with the assistance of the Central Government to reach out the downtrodden and neglected destitutes throughout the State. In 2002-04, 179 Panchayats of the State have forwarded family specific projects for destitute care and rehabilitation that intend to assist 14,790 destitute families. One hundred and seventeen Grama Panchayats have prepared detailed projects, which envisage to rehabilitate 8,863 families during the year 2004. The total project cost was Rs. 48.05 crore (Economic Review, 2004)\(^5\). So far 389 village Panchayats and 4 Municipalities have taken up the project and are in the various stages of implementation (Economic Review, 2005)\(^6\).

4.8f IT Enabled Services to the Poor

On line monitoring system is introduced in destitute identification, rehabilitation and monitoring of projects. Government of India has sanctioned Rs. 3 crore during 2002-03 and Rs. 2.50 crore during 2003-04 for the said purpose. As per the project, the CDS office has been computerized and online monitoring was done for improving the services of the poor (Economic Review, 2005)\(^7\).

4.8g Kerashree

In the micro enterprise sector Kudumbashree has always been creating new models for the rest. State Poverty Eradication Mission (SPEM), has brought out a new brand of coconut oil with the brand name ‘Kerashree’. There were 67 Kerashree units started in the State during the year 2002-03 and all are functioning well in the State (Economic Review, 2005)\(^8\).
4.8h Vidhya Shree

In 2003-04, in IT education, a revolutionary experiment was made by the State Poverty Eradication Mission by setting up 148 Vidhya Shree units in schools to impart computer education to the students studying in 8th, 9th and 10th Standards as per the curriculum prepared by the Education Department on a micro enterprise mode. The educated women entrepreneur groups have set up the computer laboratories by availing bank loan (Economic Review, 2005).9

4.8i Coconut Tree Climbers Training

Of late, an efficient and innovative equipment has been invented for climbing the coconut tree. Trained youth can climb a 30 feet tall coconut tree within two to three minutes by using this equipment. Training has been organised at Grama Panchayat levels to train the local youth for this programme.

4.8j Self-Sufficient, Self-Reliant and Sustainable Panchayat (S3 Panchayat)

The scaling up of Kudumbashree Programme to rural areas has been completed and the CDS system is in vogue in all the Grama Panchayats in Kerala. But still there remains a lot to achieve the end goal of Kudumbashree. Therefore it has been decided to develop a few Panchayats, at least one from each district as a model in poverty alleviation. The objective of this programme is reduction of poverty by 2005 in the system. This novel, ‘self-sufficient, self-reliant and sustainable Panchayat’ scheme was launched in the year 2003-04. The Venganur Grama Panchayat in Thiruvananthapuram District, Kodakara Grama Panchayat in Thrissur District and Munniyur Grama Panchayat in Malappuram District voluntarily came forward to take this venture representing three regions of the State (Economic Review, 2005).10

4.8k Bhavanashree Programme

In a highly subsidized regime, Kudumbashree has broken fresh ground by designing Rs.40,000 per unit housing scheme with 75% as loan from commercial banks at 7.2% interest, given directly to the beneficiaries. There were 11,706 applications forwarded to the Banks of which 1,035 cases were disposed of (Economic Review, 2004).11 As on 30th June 2006, the number of cases disposed of has increased to 27,654 and the amount disbursed reached at Rs.10,607.52 lakhs. Table 4.3 shows the details of Bhavanashree Programme for the period November 2004 to June 2006.
### Table 4.3 Details of Bhavanashree Progress

<table>
<thead>
<tr>
<th>Months</th>
<th>Borrowers Identified</th>
<th>Applications collected by CDS</th>
<th>Applications forwarded to Banks</th>
<th>Applications sanctioned by Banks</th>
<th>No. of cases disbursed</th>
</tr>
</thead>
<tbody>
<tr>
<td>November 04</td>
<td>33039</td>
<td>26522</td>
<td>11706</td>
<td>1212</td>
<td>1035</td>
</tr>
<tr>
<td>December 04</td>
<td>33088</td>
<td>30232</td>
<td>14785</td>
<td>3081</td>
<td>1642</td>
</tr>
<tr>
<td>January 05</td>
<td>38420</td>
<td>35305</td>
<td>17000</td>
<td>5533</td>
<td>2021</td>
</tr>
<tr>
<td>February 05</td>
<td>40958</td>
<td>35211</td>
<td>20880</td>
<td>7245</td>
<td>3428</td>
</tr>
<tr>
<td>March 05</td>
<td>41577</td>
<td>36783</td>
<td>23340</td>
<td>8517</td>
<td>5463</td>
</tr>
<tr>
<td>April 05</td>
<td>46936</td>
<td>37987</td>
<td>25805</td>
<td>11543</td>
<td>7631</td>
</tr>
<tr>
<td>May 05</td>
<td>47290</td>
<td>38304</td>
<td>27077</td>
<td>13635</td>
<td>9471</td>
</tr>
<tr>
<td>June 05</td>
<td>50344</td>
<td>43188</td>
<td>29991</td>
<td>16246</td>
<td>12804</td>
</tr>
<tr>
<td>July 05</td>
<td>49226</td>
<td>41036</td>
<td>27972</td>
<td>16166</td>
<td>13052</td>
</tr>
<tr>
<td>August 04</td>
<td>49861</td>
<td>43124</td>
<td>30015</td>
<td>16919</td>
<td>13895</td>
</tr>
<tr>
<td>September 05</td>
<td>51782</td>
<td>43470</td>
<td>29512</td>
<td>17512</td>
<td>14580</td>
</tr>
<tr>
<td>October 05</td>
<td>51117</td>
<td>42862</td>
<td>29062</td>
<td>18981</td>
<td>15823</td>
</tr>
<tr>
<td>November 05</td>
<td>51861</td>
<td>43319</td>
<td>30013</td>
<td>19572</td>
<td>16607</td>
</tr>
<tr>
<td>December 05</td>
<td>52271</td>
<td>43906</td>
<td>30678</td>
<td>19922</td>
<td>17048</td>
</tr>
<tr>
<td>January 06</td>
<td>53027</td>
<td>44621</td>
<td>31166</td>
<td>21566</td>
<td>18509</td>
</tr>
<tr>
<td>February 06</td>
<td>50609</td>
<td>41976</td>
<td>31054</td>
<td>22437</td>
<td>20269</td>
</tr>
<tr>
<td>March 06</td>
<td>51481</td>
<td>43783</td>
<td>33922</td>
<td>24512</td>
<td>22568</td>
</tr>
<tr>
<td>April 06</td>
<td>50416</td>
<td>43777</td>
<td>34782</td>
<td>26119</td>
<td>24799</td>
</tr>
<tr>
<td>May 06</td>
<td>50978</td>
<td>44438</td>
<td>35435</td>
<td>26691</td>
<td>25350</td>
</tr>
<tr>
<td>June 06</td>
<td>51662</td>
<td>45386</td>
<td>36066</td>
<td>28353</td>
<td>27654</td>
</tr>
</tbody>
</table>

Source: Kudumbashree, Thiruvananthapuram

Table 4.4 shows the district wise details of the Bhavanshree Applications as on 30.06.2006

### Table 4.4 Details of the Bhavanshree Applications as on 30.06.2006

<table>
<thead>
<tr>
<th>Districts</th>
<th>Borrowers Identified</th>
<th>Applications collected by CDS</th>
<th>Applications forwarded to Banks</th>
<th>Applications sanctioned by Banks</th>
<th>No. of cases disbursed</th>
<th>Amount Disbursed (Rs. Lakhs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tvm.</td>
<td>5070</td>
<td>4379</td>
<td>4343</td>
<td>2392</td>
<td>1979</td>
<td>767.51</td>
</tr>
<tr>
<td>Kollam</td>
<td>2276</td>
<td>2250</td>
<td>1783</td>
<td>1419</td>
<td>1339</td>
<td>508.86</td>
</tr>
<tr>
<td>Pathanam.</td>
<td>2409</td>
<td>2323</td>
<td>2138</td>
<td>1810</td>
<td>1566</td>
<td>613.89</td>
</tr>
<tr>
<td>Alappuzha</td>
<td>4125</td>
<td>4095</td>
<td>4029</td>
<td>3278</td>
<td>3166</td>
<td>1234.57</td>
</tr>
<tr>
<td>Kottayam</td>
<td>2795</td>
<td>2269</td>
<td>1794</td>
<td>1715</td>
<td>1715</td>
<td>609.43</td>
</tr>
<tr>
<td>Idukki</td>
<td>995</td>
<td>995</td>
<td>966</td>
<td>952</td>
<td>952</td>
<td>380.80</td>
</tr>
<tr>
<td>Ernakulam</td>
<td>2463</td>
<td>2022</td>
<td>1767</td>
<td>1399</td>
<td>1378</td>
<td>565.25</td>
</tr>
<tr>
<td>Thrissur</td>
<td>3713</td>
<td>3528</td>
<td>2808</td>
<td>2057</td>
<td>1994</td>
<td>783.40</td>
</tr>
<tr>
<td>Palakkad</td>
<td>4900</td>
<td>4622</td>
<td>2842</td>
<td>1970</td>
<td>1895</td>
<td>653.49</td>
</tr>
<tr>
<td>Malappuram</td>
<td>3738</td>
<td>3246</td>
<td>2773</td>
<td>2711</td>
<td>2733</td>
<td>1094.40</td>
</tr>
<tr>
<td>Kozhikode</td>
<td>6174</td>
<td>5379</td>
<td>4254</td>
<td>3147</td>
<td>3245</td>
<td>1147.30</td>
</tr>
<tr>
<td>Wayanad</td>
<td>4640</td>
<td>2930</td>
<td>2446</td>
<td>2144</td>
<td>1966</td>
<td>806.10</td>
</tr>
<tr>
<td>Kannur</td>
<td>5314</td>
<td>4103</td>
<td>3101</td>
<td>2617</td>
<td>2595</td>
<td>1006.91</td>
</tr>
<tr>
<td>Kasaragod</td>
<td>3091</td>
<td>2372</td>
<td>1260</td>
<td>1150</td>
<td>1131</td>
<td>445.61</td>
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<tr>
<td>Total</td>
<td>51703</td>
<td>44513</td>
<td>36304</td>
<td>28761</td>
<td>27654</td>
<td>10607.52</td>
</tr>
</tbody>
</table>

Source: Kudumbashree, Thiruvananthapuram
4.8.1 Repayment Information System (RIS)

Kudumbashree has developed a Repayment Information System for monitoring the credit system involving linkage with banks. According to this system a volunteer is selected from each Community Development Society and imparted training to monitor the flow of credit to the members. The RIS Volunteers collect details of applications forwarded to various banks and store the data in computers. They will also liaison with various banks operating in the jurisdiction of an Urban Local Body. As and when repayment falls due, the matter will be communicated to the NHG where the beneficiary is a member. Information will also be passed on to the ADS, the CDS and the Project Officer of the District Office and the Head Office of Kudumbashree. The advantage of this system is the proper monitoring of repayment (Bank wise, branch wise, scheme wise).

Figure 4.7 shows the functioning of RIS:

Fig. 4.7 Functioning of RIS:

4.9 Anti-Poverty Programmes of Kudumbashree

The anti-poverty programmes of Kudumbashree are classified into two groups - urban anti-poverty programmes and rural anti-poverty programmes.
4.9.1 Urban Anti Poverty Programmes

In Kerala the role of State Urban Development Agency (SUDA) is taken up by Kudumbashree. The implementation of Swarna Jayanthi Shahari Rozgar Yojana (SJSRY) and National Slum Development Programme (NSDP) are carried out and monitored by Kudumbashree. Training programmes were also undertaken by Kudumbashree for improving the functional skill of poor women and equipping them for taking up micro enterprises.

4.9.1(a) SJSRY

Swarna Jayanthi Shahari Rozgar Yojana (SJSRY) is an anti poverty programme launched by the Government of India for eradicating absolute poverty from urban areas. The community development society is providing the delivery system for the scheme. Identification of beneficiaries, selection of micro projects, preparation of application, monitoring of recovery, actual implementation, social audit etc. are done through Community Development Society (CDS) structure. Table 4.5 deals with the year wise release of funds and expenditure under SJSRY for the period 1997-98 to 2005-06.

Table 4.5 Status of Implementation of SJSRY (Amount in lakhs)

<table>
<thead>
<tr>
<th>Year</th>
<th>Funds Released Centre</th>
<th>State</th>
<th>Total</th>
<th>Funds Available including previous year's balance</th>
<th>Expenditure</th>
<th>Percentage of Expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td>1997-98</td>
<td>556.74</td>
<td>560.73</td>
<td>1117.47</td>
<td>1117.47</td>
<td>1070.93</td>
<td>95.84</td>
</tr>
<tr>
<td>1998-99</td>
<td>377.09</td>
<td>125.70</td>
<td>502.79</td>
<td>502.79</td>
<td>549.33</td>
<td>100</td>
</tr>
<tr>
<td>1999-00</td>
<td>448.32</td>
<td>149.44</td>
<td>597.76</td>
<td>597.76</td>
<td>472.74</td>
<td>79.09</td>
</tr>
<tr>
<td>2000-01</td>
<td>256.50</td>
<td>129.82</td>
<td>386.32</td>
<td>386.32</td>
<td>459.36</td>
<td>89.83</td>
</tr>
<tr>
<td>2001-02</td>
<td>266.23</td>
<td>88.74</td>
<td>354.97</td>
<td>354.97</td>
<td>239.12</td>
<td>58.76</td>
</tr>
<tr>
<td>2002-03</td>
<td>301.99</td>
<td>150.00</td>
<td>451.99</td>
<td>451.99</td>
<td>453.04</td>
<td>73.09</td>
</tr>
<tr>
<td>2003-04</td>
<td>610.50</td>
<td>400.00</td>
<td>1010.50</td>
<td>1010.50</td>
<td>452.06</td>
<td>38.40</td>
</tr>
<tr>
<td>2004-05</td>
<td>554.95</td>
<td>175.00</td>
<td>729.95</td>
<td>729.95</td>
<td>225.44</td>
<td>15.49</td>
</tr>
<tr>
<td>2005-06</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>- dial 1229.73**</td>
<td>590.63*</td>
<td>48.03</td>
</tr>
<tr>
<td>Total</td>
<td>372.32</td>
<td>1779.43</td>
<td>5151.75</td>
<td>4512.65</td>
<td>87.59</td>
<td>87.59</td>
</tr>
</tbody>
</table>

Source: Economic Review, 2005

**Previous balance as on 30.11.2005
* As on 30.11.2005

SJSRY has two sub-schemes, the ‘Urban Self Employment Programme’ (USEP) and ‘Development of Women and Children in Urban Areas’ (DWCUA).
4.9.1(a)(i) USEP: - This programme helps individual urban poor beneficiaries for the setting up of self-employment ventures. The project cost is Rs.50,000/- per individual, but if two or more eligible persons join together in a partnership, higher project cost could also be allowed, provided individual share does not exceed fifty thousand. Subsidy is provided at the rate of 15% of the project cost subject to a ceiling of Rs.7,500 per beneficiary. Beneficiary share is calculated as 5% of the project cost. This can be paid either in cash or in kind or as both. Eighty per cent of the project cost is sanctioned as loan by various financial institutions including Banks and Thrift and Credit Societies.

4.9.1 (a)(ii) DWCUA: - This programme helps the urban poor women for the setting up of gainful employment through group activity. This scheme is distinguished by the special incentive extended to the poor women of urban areas who decide to set up self-employment enterprise as a group as opposed to individual efforts. Groups of urban poor women identify an economic activity suited to their skill, training, aptitude and local conditions. Besides generating income, the synergy of the group helps the women to empower themselves for uprooting poverty. Minimum number for a group is fixed as 10. The project cost is Rs. 2.5 lakhs or below, but this may vary from project to project. The DWCUA group is given a subsidy of 1.25 lakhs or 50% of the cost of project which ever is less. To ensure the contribution of members, 5% of the project cost is paid as their share. This is paid either in cash or in kind or as both. The banks normally sanction 95% of the project cost as loan amount. When the thrift mobilized by the poor members reach a sizeable limit, the Thrift and Credit Societies sanction loan.

4.9.1(b). National Slum Development Programme (NSDP): National Slum Development Programme was launched in August 1996. NSDP gives prime importance to infrastructural development. The scheme is implemented through the CDS in Urban Local Bodies with the assistance of State and Central Governments. The pattern of funding is 70% as loan and 30% as grant. The Urban Local Bodies (ULBs) prepare the action plans of NSDP in convergence with SJSRY plan through the CDS. Construction of new houses, repair of houses, water connection, construction of latrines, assistance for wiring, etc., are undertaken through the NSDP. Fifty per cent of the funds will be distributed to ULBs based on their performance of implementation. Fifty per cent of the funds are distributed based on the population as per 1991 census, SC/ST population and slum population. An amount of Rs.8,841.68 lakhs was received for this programme and Rs.6,972.69 lakhs have been expended up to 30th November 2005. The year wise
financial and physical achievements of NSDP are shown in Tables 4.6 and 4.7 respectively.

**Table 4.6 Financial Achievements of NSDP, 1996-97 to 2005-06**

(Rs. Lakhs)

<table>
<thead>
<tr>
<th>Year</th>
<th>Funds Released by the Govt. of India</th>
<th>Funds released by the State Government</th>
<th>Expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td>1996-97</td>
<td>727.00</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>1997-98</td>
<td>847.00</td>
<td>160.00</td>
<td>51.41</td>
</tr>
<tr>
<td>1998-99</td>
<td>929.00</td>
<td>800.00</td>
<td>651.54</td>
</tr>
<tr>
<td>1999-00</td>
<td>1028.00</td>
<td>1300.00</td>
<td>560.55</td>
</tr>
<tr>
<td>2000-01</td>
<td>258.68</td>
<td>1000.00</td>
<td>1996.5</td>
</tr>
<tr>
<td>2001-02</td>
<td>1025.00</td>
<td>529.68</td>
<td>504.76</td>
</tr>
<tr>
<td>2002-03</td>
<td>972.00</td>
<td>1997.00</td>
<td>725.55</td>
</tr>
<tr>
<td>2003-04</td>
<td>972.00</td>
<td>972.00</td>
<td>825.49</td>
</tr>
<tr>
<td>2004-05</td>
<td>2083.00</td>
<td>1850.00</td>
<td>8884.98</td>
</tr>
<tr>
<td>2005-06</td>
<td>0</td>
<td>0</td>
<td>771.91</td>
</tr>
<tr>
<td>Total</td>
<td>8841.68</td>
<td>8608.68</td>
<td>6972.69</td>
</tr>
</tbody>
</table>

Source: Economic Review, 2005

**Table 4.7 Cumulative Physical Achievements of NSDP as on 30.11.2005**

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Components</th>
<th>Achievements</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Construction of New Houses and Shelter Upgradation (Nos.)</td>
<td>61685</td>
</tr>
<tr>
<td>2.</td>
<td>Construction of Latrines (Nos.)</td>
<td>38133</td>
</tr>
<tr>
<td>3.</td>
<td>Construction of Wells (Nos.)</td>
<td>4796</td>
</tr>
<tr>
<td>4.</td>
<td>Construction of Community Bathrooms (Nos.)</td>
<td>19409</td>
</tr>
<tr>
<td>5.</td>
<td>Construction of Roads and Foot path</td>
<td>4782</td>
</tr>
<tr>
<td>6.</td>
<td>Wiring of Houses (Nos.)</td>
<td>14068</td>
</tr>
<tr>
<td>7.</td>
<td>Water Connection (Nos.)</td>
<td>2056</td>
</tr>
<tr>
<td>8.</td>
<td>Street Light (Nos.)</td>
<td>2194</td>
</tr>
<tr>
<td>9.</td>
<td>Construction of Community Halls (Nos.)</td>
<td>56</td>
</tr>
<tr>
<td>10.</td>
<td>Sewerage (Nos.)</td>
<td>174</td>
</tr>
<tr>
<td>11.</td>
<td>Storm Water Drains (Nos.)</td>
<td>101</td>
</tr>
</tbody>
</table>

Source: Economic Review, 2005

4.9.1 (c). Valmiki Ambedkar Awas Yojana (VAMBAY): Valmiki Ambedkar Awas Yojana (VAMBAY) is a centrally sponsored scheme launched during 2001-02 for the benefit of the slum dwellers. The scheme mainly aims at ameliorating the housing problems of the slum dwellers who are living below the poverty line in different towns and cities. The cost of the scheme is shared on 50:50 basis by the Central and State governments and is being implemented through HUDCO. There is the
option to obtain resources from any other source (i.e., other than HUDCO) such as budgetary support, own resources of local bodies or loan from other agencies.

Kudumbashree, the State Poverty Eradication Mission is the nodal agency for the implementation of VAMBAY in the State. The beneficiaries are identified through NHGs, ADSs and CDS. The ULBs have to formulate projects, prepare estimates in consultation with the CDSs and submit to Kudumbashree, which will in turn send the projects to the Government of India for release of Funds. The identification of beneficiaries will be on the basis of the baseline survey under SJSRY. The upper financial limit for construction of VAMBAY units for the State is Rs.40,000 with provision for sanitary toilets for an area of not less than 15 sq.mt. The amount is released in four instalments: Rs.5,000 after executing the agreement; Rs.20,000 after completing basement level; Rs.10,000 after completing the lintel level and Rs.5,000 after fully completing the house. The year wise financial and physical achievements under VAMBAY are given in Tables 4.8 and 4.9 respectively.

**Table 4.8 Financial Status of VAMBAY 2001-02 to 2004-05 (Release of Fund)**

(Rs. Lakhs)

<table>
<thead>
<tr>
<th>Year</th>
<th>Central Share</th>
<th>State Share</th>
<th>ULB Share</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001-02</td>
<td>266.00</td>
<td>266.00</td>
<td>-</td>
<td>532.000</td>
</tr>
<tr>
<td>2002-03</td>
<td>2305.65</td>
<td>1000.00</td>
<td>1152.825</td>
<td>4458.475</td>
</tr>
<tr>
<td>2003-04</td>
<td>1385.20</td>
<td>1000.00</td>
<td>692.600</td>
<td>3077.800</td>
</tr>
<tr>
<td>2004-05</td>
<td>1227.40</td>
<td>1000.00</td>
<td>613.700</td>
<td>2841.100</td>
</tr>
<tr>
<td>Total</td>
<td>5184.25</td>
<td>3266.00</td>
<td>2459.125</td>
<td>10909.375</td>
</tr>
</tbody>
</table>

Source: Economic Review, 2005

**Table 4.9 Physical Achievements of VAMBAY, 2001-02 to 2004-05 (Nos.)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Houses Targeted</th>
<th>Houses Completed Basement Level</th>
<th>Houses Completed Lintel Level</th>
<th>Houses Completed</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001-02</td>
<td>1330</td>
<td>1220</td>
<td>1220</td>
<td>1220</td>
</tr>
<tr>
<td>2002-03</td>
<td>11528</td>
<td>11438</td>
<td>11315</td>
<td>11260</td>
</tr>
<tr>
<td>2003-04</td>
<td>6926</td>
<td>1604</td>
<td>6218</td>
<td>5817</td>
</tr>
<tr>
<td>2004-05</td>
<td>4406</td>
<td>620</td>
<td>400</td>
<td>200</td>
</tr>
<tr>
<td>Total</td>
<td>24190</td>
<td>19882</td>
<td>19153</td>
<td>18497</td>
</tr>
</tbody>
</table>

Source: Economic Review, 2005

Out of 24,190 houses targeted during 2001-02 to 2004-05, 18,497 houses were completed. By 2005, 656 houses were at lintel level and 729 houses were at basement
level. Figure 4.8 (Pie Diagram) shows the houses completed fully, at lintel level and at basement level during the period 2001-02 to 2004-05 through VAMBAY.

Figure 4.8 Pie Diagram of Physical Achievements of VAMBAY, 2001-02 to 2004-05 (Nos.)

4.9.2 Rural Anti-poverty Programmes under Kudumbashree

4.9.2 (a) Swarnajayanti Gram Swarozgar Yojana (SGSY):

It is a centrally sponsored programme launched in April 1999, aiming at establishing a large number of micro enterprises in the rural areas with emphasis on group approach. It is intended to bring every assisted family above the poverty line within 3 years time and covers all aspects of self-employment including formation of self help groups, capacity building, planning activity clusters, infrastructure build up, technology, credit and marketing.

The programme targets to cover 30 per cent of rural poor in each block during the 10th plan period. The SGSY is credit-cum-subsidy programme that seeks to promote multiple credit rather than one time credit injection. It lays emphasis on skill development through training courses and proposes to ensure technology upgradation in identified activity clusters. Till 2003, 42,611 self help groups were formed under this programme.

During 2004-05 and 2005-06 (October), 1503 SHGs started economic activities and out of the total, 31% belonged to SCs/STs. In the case of individual Swarozgaris, total number of families were 7121 of which SCs represent 74%.
4.9.2.(b) Indira Awas Yojana (IAY)

It is a centrally sponsored programme and the objective is to provide dwelling units to the houseless scheduled castes and scheduled tribes, freed bonded labourers, and other rural poor below poverty line by providing grant at the rate of Rs.27,500 per house. The beneficiaries should have at least 2 cents of land for house construction. The house constructed under this scheme should have not less than 20 sq.mts. of plinth area, but no plan or design is prescribed.

Of the total allocation for IAY, 20% is earmarked for upgradation of existing kutcha houses in to pucca houses. The houses constructed under various schemes like National Rural Employment Programme (NREP), Rural Employment Guarantee Programme (RLEGP) and Jawahar Rozgar Yojana (JRY) before 12 years and not fit for occupation at present will also be supported. The maximum assistance under upgradation is Rs.10,000 as grant. In 2003-04, 1.03 lakh new houses were constructed and 35,553 houses upgraded under this programme. The total number of new houses constructed during 2004-05 and 2005-06 (October) was 38,792. Houses constructed for SC, ST and others were 21,204 (55%), 2,005 (50%) and 15,583 (40%) respectively. Total number of houses upgraded during this period was 15,210, of which the number of houses upgraded for SC, ST and other groups stood at 8,375 (55%), 943 (6%) and 5,892 (39%) respectively.

4.9.2(c) Sampoorna Gramin Rozgar Yojana (SGRY)

This Centrally Sponsored Scheme was introduced in August 2001 by merging Employment Assurance Scheme and Jawahar Gram Samridhi Yojana. The objective of the programme is to provide additional wage employment as well as food security through creation of durable commodity, social and economic assets and infrastructure development in rural areas. The SJRY is implemented in two stages viz. Grama Panchayat and Block or District Panchayat. The Central Government provides food grains of the value equivalent to the cash component free of cost under the scheme at 5 kg per man-day @ Rs.6.20 per kg. The balance wage is to be paid in cash as per the notified minimum wages.

4.9.3 Physical Achievements

Table 4.10 deals with the district wise number of micro enterprises both in urban and rural areas as on 30.06.2006.
Table 4.10 The Number of Micro Enterprises in Urban and Rural Areas: District-wise

<table>
<thead>
<tr>
<th>Serial No.</th>
<th>Name of District</th>
<th>Urban</th>
<th>Rural</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>DWCUA (Group)</td>
<td>USEP (Individual)</td>
</tr>
<tr>
<td>1</td>
<td>Thiruvananthapuram</td>
<td>217</td>
<td>2322</td>
</tr>
<tr>
<td>2</td>
<td>Kollam</td>
<td>72</td>
<td>2003</td>
</tr>
<tr>
<td>3</td>
<td>Pathanamthitta</td>
<td>24</td>
<td>957</td>
</tr>
<tr>
<td>4</td>
<td>Alappuzha</td>
<td>143</td>
<td>2783</td>
</tr>
<tr>
<td>5</td>
<td>Kottayam</td>
<td>65</td>
<td>1162</td>
</tr>
<tr>
<td>6</td>
<td>Idukki</td>
<td>7</td>
<td>138</td>
</tr>
<tr>
<td>7</td>
<td>Ernakulam</td>
<td>395</td>
<td>2766</td>
</tr>
<tr>
<td>8</td>
<td>Thrissur</td>
<td>129</td>
<td>1457</td>
</tr>
<tr>
<td>9</td>
<td>Palakkad</td>
<td>69</td>
<td>2095</td>
</tr>
<tr>
<td>10</td>
<td>Malappuram</td>
<td>65</td>
<td>1122</td>
</tr>
<tr>
<td>11</td>
<td>Kozhikkode</td>
<td>187</td>
<td>2115</td>
</tr>
<tr>
<td>12</td>
<td>Wayanad</td>
<td>12</td>
<td>128</td>
</tr>
<tr>
<td>13</td>
<td>Kannur</td>
<td>77</td>
<td>1941</td>
</tr>
<tr>
<td>14</td>
<td>Kasaragode</td>
<td>35</td>
<td>847</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>1497</strong></td>
<td><strong>21836</strong></td>
</tr>
</tbody>
</table>

Source: Kudumbashree, Thiruvananthapuram

From Table 4.10 it is seen that there were 1,497 group enterprises (DWCUA) and 21,836 individual enterprises (USEP) in urban areas and 20,137 group micro enterprises and 14,684 individual enterprises in rural areas by June 2006.

4.10 Thrift and Credit Operations of Kudumbashree

Kudumbashree promotes thrift mobilization through Thrift & Credit Societies at the Neighbourhood Group (NHG) level. It enables the poor to save and also provides them cost effective, easy and timely credit. A member can avail a loan up to a maximum of 4 times of her savings. The amount of loan and the priority in disbursement are decided by the NHG. The repayment is collected weekly during the routine NHG meetings. The income towards interest from thrift is generally used for re-lending. The most important achievement of thrift and credit societies is the prompt repayment of loans by the NHG members.

Initially, Kudumbashree activities were started in Urban Local Bodies. As decided by the Executive Committee of Kudumbashree on 23.06.2000, Kudumbashree activities have been extended to a few Grama Panchayats also. In the first phase, 262 Grama Panchayats were identified on the basis of the following criteria:
Grama Panchayat where Self Help Groups / Neighbourhood Groups are already in existence

- Utilization of plan fund
- Utilization of women’s component in the plan fund
- Willingness to undertake Kudumbashree activities.

The thrift and credit operations of rural and urban NHGs under the Kudumbashree project during 2000-01 to 2005-06 may be analysed as follows.

### 4.10.1 Thrift and Credit Operations of Rural Neighbourhood Groups

Table 4.11 shows the number of rural NHGs and Thrift and Credit under Kudumbashree during the period 2000-01 to 2005-06.

**Table 4.11 Rural NHGs and Thrift and Credit under Kudumbashree (2000-01 to 2005-06)**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of CDS</td>
<td>262</td>
<td>880(618)</td>
<td>986(106)</td>
<td>990(4)</td>
<td>991(1)</td>
<td>991 (0)</td>
</tr>
<tr>
<td>No. of ADS</td>
<td>-</td>
<td>12182</td>
<td>12978</td>
<td>13186</td>
<td>13200</td>
<td>13443</td>
</tr>
<tr>
<td>No. of NHGs</td>
<td>22308</td>
<td>101622</td>
<td>107745</td>
<td>122704</td>
<td>143983</td>
<td>153117</td>
</tr>
<tr>
<td>No. of Families Covered</td>
<td>548349</td>
<td>Not Available</td>
<td>2068227</td>
<td>2462322</td>
<td>2837977</td>
<td>3020500</td>
</tr>
<tr>
<td>No. of Families started Thrift</td>
<td>437246</td>
<td>Not Available</td>
<td>2019073</td>
<td>2433497</td>
<td>2819911</td>
<td>3006827</td>
</tr>
<tr>
<td>Thrift Collected</td>
<td>84875980</td>
<td>1103142997 (1018267017)</td>
<td>1635202807 (532059810)</td>
<td>2879949978 (1244747171)</td>
<td>4413895241 (1533945263)</td>
<td>5949299905 (1535404664)</td>
</tr>
<tr>
<td>Loan Disbursed</td>
<td>21745532</td>
<td>972370589 (950625057)</td>
<td>1981590544 (1009219555)</td>
<td>5117085458 (3135494914)</td>
<td>9686426420 (4569340962)</td>
<td>14214712935 (4528286515)</td>
</tr>
<tr>
<td>Velocity in Lending</td>
<td>0.26</td>
<td>0.88</td>
<td>1.21</td>
<td>1.78</td>
<td>2.19</td>
<td>2.39</td>
</tr>
</tbody>
</table>

Based on: Status Report of Kudumbashree

**Note:** Figures in brackets show the year wise increase.

* Shows percentage of increase as compared to 2000-01 figures.

Table 4.11 shows that the number of Rural CDS has been increased from 262 in 2000-01 to 880 in 2001-02, showing an increase of 2.36 times. In 2002-03 the number has increased by 12.05%, in 2003-04 by 0.45% and in 2004-05 only by 0.10%.

Similarly, the number of NHGs has increased from 22308 in 2000-01 to 153117 in 2005-06 (5.86 times). The annual percentage of increases are 355.54 in 2001-02, 6.03 in 2002-03, 13.88 in 2003-04, 17.34 in 2004-05 and 6.34 in 2005-06.
The thrift collected has increased from Rs.8,48,75,980 in 2000-01 to Rs.594,92,99,905 in 2005-06 (69.09 times). The annual increases are 1199.71% in 2001-02, 48.23% in 2002-03, 76.12% in 2003-04, 53.26% in 2004-05 and 34.79% in 2005-06.

Similarly, the loan disbursed has increased from Rs.2,17,45,532 in 2000-01 to Rs.1421,47,12,935 in 2005-06 (652.68 times). The annual increases of loan disbursements are 43.72 times in 2001-02, 1.04 times in 2002-03, 1.58 times in 2003-04, .89 times in 2004-05 and .47 times in 2005-06.

The trend of thrift collected and loan disbursed in rural areas is shown in Figure 4.9.

**Figure 4.9 Trend of Thrift and Credit under Kudumbashree – Rural**

It can be observed from Table 4.11 and Figure 4.9 that there is a tremendous increase in thrift collected and in amount of loan disbursed, in all the years under study. In the matter of both thrift collection and loan disbursal in rural areas, an upward trend may be observed.

4.10.2 Thrift and Credit Operations of Urban Neighbourhood Groups

By the end of March 2000, the total thrift collection of the 7538 urban NHGs covering 584 ADS and 58 CDS of the State had grown to Rs. 8.84 crores of which Rs. 5.61 crores had been disbursed among the members as loans, showing a velocity of lending of 0.64.

The number of urban NHGs and Thrift and Credit under Kudumbashree is given in Table 4.12.

From the Table 4.12 it is evident that the number of urban NHGs has increased from 7538 in 2000-01 to 10687 in 2005-06 (41.78%). The annual increases are 4.11% in 2001-02, 0.19% in 2002-03, 1.07% in 2003-04, 7.19% in 2004-05 and 25.46% in 2005-06.
The thrift collected has increased from Rs.13,00,52,474 in 2000-01 to Rs.36,78,70,097 in 2005-06 (1.83 times). The annual increases are 20.55% in 2001-02, 26.99% in 2002-03, 14.25% in 2003-04, 25.46% in 2004-05 and 28.90% in 2005-06 and reached at Rs.36,78,70,097.

Table 4.12 Number of Urban NHGs and Thrift and Credit under Kudumbashree (2000-01 to 2005-06)

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>No. of CDS</td>
<td>58</td>
<td>58</td>
<td>58</td>
<td>58</td>
<td>58</td>
<td>58</td>
</tr>
<tr>
<td>No. of NHGs</td>
<td>7538(Nil)</td>
<td>7848(310)</td>
<td>7863(15)</td>
<td>7947(84)</td>
<td>8518(57)</td>
<td>10687(2169)</td>
</tr>
<tr>
<td>Thrift Collected</td>
<td>130052474(41656434)</td>
<td>156781399(26728925)</td>
<td>199098559(42317160)</td>
<td>227470878(28372319)</td>
<td>285383444(57912566)</td>
<td>367870097(82486653)</td>
</tr>
<tr>
<td>Loan Disbursed</td>
<td>119632737(63492067)</td>
<td>161160160(41527423)</td>
<td>209587470(48427310)</td>
<td>232401712(22814242)</td>
<td>312837707(80435995)</td>
<td>408962225(96124518)</td>
</tr>
<tr>
<td>Velocity in Lending</td>
<td>0.92</td>
<td>1.03</td>
<td>1.05</td>
<td>1.02</td>
<td>1.10</td>
<td>1.11</td>
</tr>
</tbody>
</table>

Note: Figures in brackets show the year wise increase.

* Shows percentage of increase as compared to 2000-01 figures.

Similarly, the loan disbursed has increased from Rs.11,96,32,737 in 2000-01 to Rs.40,89,62,225 in 2005-06 (2.42 times). The annual increases are 34.71% in 2001-02, 30.05% in 2002-03, 10.89% in 2003-04, 34.61% in 2004-05 and 30.73% in 2005-06

The trend of thrift collected and loan disbursed in urban areas is shown in Figure 4.10.

Figure 4.10 Trend of Thrift and Credit under Kudumbashree – Urban
From Table 4.12 and Figure 4.10 it is seen that although the yearwise increase in thrift collection and loan disbursal in urban areas has some fluctuations, both the variables show an upward trend.

4.10.3 Velocity of Lending: Rural-Urban

Velocity of lending refers to the ratio between credit and thrift. Figure 4.11 shows the velocity of lending in rural and urban NHGs of Kudumbashree:

**Figure 4.11 Graph of Velocity of Lending: Rural-Urban**

From Figure 4.11 it may be observed that the velocity of lending in urban areas shows only a mild increase whereas in rural areas it shows remarkable increase.

4.11 Conclusion

Kudumbashree is an innovative programme of the Government of Kerala introduced with the active support of the Central Government and NABARD. It was started in 1999 with the aim of eradicating absolute poverty from the State within a decade through concerted community action under the leadership of Local Self Governments. The very motto of Kudumbashree Mission is based of women empowerment: reach out to the family through women and reach out to the community through family. Women empowerment initiatives through microfinance operations, micro enterprise promotion and convergent community action constitute the core activities of Kudumbashree. These activities are carried out through Community Based Organisations of women below the poverty line. The CBOs function in a three-tier structure. The NHG/Ayalkoottam is the grass root
level organisation. The NHGs are federated at the Ward level as ADSs and the ADSs are then federated into Community Development Societies at the Municipality/Panchayat level. Thrift and credit (micro finance) operations are the most important activities that facilitate the Ayalkoottam members to involve in a variety of activities that enable them to earn additional income to their family so as to strengthen their financial capability and attain women empowerment. It is an important means to reduce poverty and enhance community development.

References:-

7. Ibid., p.378.
10. Ibid., p.378.