The role of public administration in governance is a continuing topic of discussion and debate. The current worldwide reassessment of the functions of the State and of public officials and civil servants arises from two major sources: one is globalization and its impacts on what governments must do to adapt and respond to rapidly changing international economic, social, political and technological trends; the other is increasing dissatisfaction among citizens in many countries with the functions of government and the services that public administrations provide.

Globalization - the movement towards greater interaction, integration, and interdependence among people and organizations across national borders- is increasing transactions among countries in trade and investment and in the international flows of capital, people, technology, and information. It is relevant in the growing levels of international political interaction and widespread social and cultural interchange that have occurred over the past quarter of a century. Globalization has brought both benefits and challenges to countries around the world. Globalization offers new economic opportunities but also imposes new political, social, technological, and institutional complexities, especially on poorer countries, that governments must address in order to stimulate more equitable economic and social development. In order to benefit from more open and widespread economic interaction, governments must support an economic system that promotes and facilitates the ability of business enterprises to compete effectively in international markets and of people at all economic levels to earn a decent livelihood.

Over the past two decades, in the wake of pressures of globalization and technological innovation and more widespread access to communications, citizens in many countries began demanding more of their governments. These rising expectations, too often, have led to growing dissatisfaction with or lack of trust in government. In its review of government reinvention experiences in nine countries, the Organization for Economic Cooperation and Development (OECD) noted that “a growing disenchantment with government performance” increased pressures for reform in Europe. But such widespread public dissatisfaction with government is seen in other regions of the world as well.1
Although governments have a crucial role in achieving sustainable human development and reducing poverty, they cannot achieve these goals alone. Effective governance in a global society implies cooperation or partnerships in which national governments work collaboratively with lower levels of public administration, the private sector, organizations of civil society, other states, and international organizations through democratic, transparent, and participative processes.\(^2\)

In the 21\(^{st}\) century, there are four important roles through which governments can contribute to achieving sustainable economic and social development. The most crucial of these roles is developing institutional capacity because this creates the context and the foundation for all of the others. Without strong institutions neither government nor the private sector can stimulate economic growth or social progress. A second important role is enacting and implementing policies that create an enabling environment for effective participation in a globalizing economy. Third, in order to achieve socially equitable economic growth, especially in the poorest developing countries, the government must focus on pro-poor policies that combat poverty and enhance the capacities of people who are normally bypassed in the distribution of the benefits of economic growth to participate more effectively in productive activities on which their livelihoods depend. Fourth, government has a crucial role in strengthening the capacity of public administration to promote socially equitable economic growth, enable participation in the global economy and combat poverty.\(^3\)

**Administration of SHGs**

The effective functioning of any group or organization depends on the administrative setup of such group or organization. Making administration and governance more responsive to the needs of citizens is one of the most important aims of public administration. The administration of SHGs can be broadly divided into two types. They are;

1. External Administration
2. Internal Administration.

1. **External Administration of SHGs:** The external administrative agency at State level is the Society for Elimination of Rural Poverty (SERP). It was established by the Government of
Andhra Pradesh as a sensitive support structure to facilitate poverty reduction through social mobilization and improvement of Livelihoods of rural poor in Andhra Pradesh. All the SHGs in Andhra Pradesh are administered by SERP under the programme named Indira Kranthi Patham. SERP is implementing Indira Kranthi Patham (IKP) in all the 1098 rural Mandals of 22 rural districts in A.P. The vision of SERP is to enable every poor family in rural Andhra Pradesh to come out of poverty and stay out of poverty. SERP works on a comprehensive multi dimensional poverty alleviation strategy by focusing equally on the Livelihoods Value Chain and Human Development Indicators. The fundamental unit of development at SERP is the rural poor households and all interventions of SERP strive to achieve essentially two out comes - sustainable per capita household incomes of Rs.1,00,000/- per annum from multiple sources and improved Human Development Indicators.\(^4\)

With this in mind, SERP has relentlessly worked on a unique structure of community based organization by organizing 1.14 crore rural women into 10.27 lakh SHGs, 38646 Village Organizations, 1098 Mandal Samakhyas and 22 Zilla Samakhyas. SHG membership in Andhra Pradesh is the largest in the country with around 30 per cent of total SHG members in the country. SERP has established a unique institutional structure for the Community Based Organizations (CBOs) in the World. This CBOs structure in A.P. has facilitated cumulative bank loans of Rs.34, 889.41 crores of commercial bank loans to SHG members, Collective Marketing to the tune of Rs.3925 crores resulting in a benefit of Rs.75/- to Rs.100/- per quintal to the farmers, pesticide free cultivation in 23.0 lakh acres alone resulting in a saving of Rs.3000/- to Rs.15,000/- per acre to the farmers, etc. This unique model has been adopted by Ajeevika (National Rural Livelihoods Mission) at the National level in India.\(^5\)

**Vision and Mission of SERP**

The disadvantaged communities shall be empowered to overcome all social, economic, cultural and psychological barriers through self-managed organizations. They will attain higher productivity with improved skills and asset base and utilize resources to full potential and gainful access to services.

SERP mission is to enable the disadvantaged communities perceive possibilities for change and bring about desired change by exercising informed choices through collective action.
The decadal experience at SERP has shown the success in terms of Universal approach. The challenge to SERP is now to design focused interventions for the poorest of poor households in rural A.P. Given this, SERP has clearly articulated the need for a new vision and a fresh approach to finish the unfinished business of the elimination of poverty elimination in the Poorest of the Poor (POP) households. SERP’s comprehensive new approach is aimed at achieving minimum income levels of Rs. 1,00,000 per annum per family for all the 30 Lakh POP households identified in the State in addition to improved human development indicators.6

The day-to-day management of the organization is carried out by the CEO and his/her team of Officers. The functions, Programmes and their relationship are illustrated in chart 3.1. The top decision making activities are carried out in the State Project Management Unit headed by the CEO and State project Directors and other functional specialists as indicated. At the district level there is a District Project Management Unit, headed by a Project Director, (District Rural Development Agency) assisted by functional specialists. Project Director (PD), DRDA implements all the programs of IKP at the district level under the overall guidance and support of the district collector. The administrative hierarchy of the SERP is given in the Chart 3.1.
Chart 3.1
Organizational set-up for SERP of Andhra Pradesh

General Body

The General Body of the Society for Elimination of Rural Poverty (SERP) is constituted in the state with the following members:

Chief Minister : Chairman
Minister(RD) : Vice-Chairman
Chief Executive Officer, Society for Elimination of Rural Poverty (SERP) : Secretary
Principal Secretary : Member
Commissioner, Rural Development : Member
Commissioner, APARD : Member
Commissioner, Tribal Welfare : Member
Managing Director, AP.SC Fin Corporation : Member
Managing Director, AP.BC Fin Corporation : Member
Non-Official Experts having experience and : Nominated by the
expertise in poverty reduction and community development

Ten Leaders of SHGs from Mandal Samakyas or Zilla Samakyas: Nominated by the government of AP

SERP Executive Council

The Executive Council of the Society for Elimination of Rural Poverty will consist of the following Executive members:

Minister [Indira Kranthi Patham, Pensions Self Help groups & Women Development Child Welfare & Disable Welfare, Juvenile Welfare

Principal Secretary, Rural Development(RD): Vice President

Chief Executive Officer, SERP, Hyderabad: Convener

Add Chief Executive Officer SERP, Hyderabad: Member

Non-Official Experts: Member

Commissioner, RD: Member

Commissioner, Tribal Welfare: Member

All the payments related to employees such as monthly remuneration, supplementary bills, arrear bills, etc are made online to ensure transparency and promptness. The Project Directors and Project Officers of DPMUs and TPMUs respectively will be regularly uploading the details at their end on the first day of the every month for generation of pay orders of individual employees working under their administrative control. A format for maintenance of record of employment of each employee covering the details such as employee profile, contract tenure renewals, increments, transfers and positions, career advancement, rewards/certification of appreciation, disciplinary cases-disposals, leave account etc has been approved by the Executive Counsel. This record of employment is also being hosted in the website.

Each employee is provided with independent login to have access to details of his own record of employment. A provision for grievance redressal is being provided in the website enabling the employees to redress their grievance online. Terms and Conditions of Employment of SERP Employees, has been hosted in the HRMS website. Telugu version of Terms and conditions of the employment of SERP Employees has also been uploaded in the website for
easy understanding of CGOs and employees. The formats required to be used in disciplinary cases have also been uploaded in the website to ensure uniformity throughout the state. Circulars as and when issued by SERP and current events are also being uploaded in the website. This Website is user friendly and every employee has quick access for the information and redressal of grievances.

**Administration at District Level**

At district level the DRDA administers the Self-Help Groups. The role of the DRDA is to perform tasks which are distinctly different from other institutions / departments. However, the DRDAs are very much a part of the district. They shall function accordingly. The Chairman of the Zilla Parishad shall be the chairman of governing body of the DRDA. The District Collector acts as the Chairman of DRDA. It shall be his responsibility to ensure that the administration of DRDA and the programmes are conducted in accordance with the guidelines. Wherever the Zilla Parishads are not in existence or are not functional, the DRDAs would function under the Collector / District Magistrate /Deputy Commissioner of the district, as the case may be.

The administration of the DRDA shall be carried out by a governing body. The Governing Body of the DRDA will provide policy directions, approve the annual plan and also review and monitor the implementation of the plan, including the different programmes. They shall give such directions to the DRDA as may be necessary from time to time.

Wherever the Zilla Parishads are not in existence, the state governments may nominate elected members of the State Legislature from the concerned districts to act as Chairman of the Governing Bodies of the DRDAs.

**Organization Description**

**Staffing Pattern**

- There is a team of APOs to assist the PD, DRDA. Government in order to have a uniform staffing pattern of APOs in 22 DRDAs, sanctioned 5 posts of APOs, viz. APO (Accounts), APO (Credit), APO (M & E), APO (Trysam &ine.) and APO (Women). The Government also sanctioned 2 more posts of APOs for each DRDA will be filled by subject matter
specialist like agriculture / fisheries / animal husbandry or minor irrigation as the case may be.  

The state government may modify the structure suitably, but without altering the basic design, to take care of the needs of individual districts keeping in view their size as well as specificity.

At the district level, under IKP there is a District Project Management Unit (DPMU), headed by a Project Director, assisted by functional specialists.

The guidelines for convergence are mentioned.

Consequent to the merging of DPMU and DRDA, there is a reorganization of the staff of DRDA and DPMU. The staff positions at the DRDA at the district level and field level are indicated in the table 3.1 and 3.2.

Table-3.1

<table>
<thead>
<tr>
<th>SI. No.</th>
<th>Staff Positions at DRDA</th>
<th>Capabilities and Experience</th>
</tr>
</thead>
</table>
| 1.      | Project Director                              | ❖ Each district has its own District Rural Development Agency, headed by a Project Director who is of the rank of an Additional District Magistrate.  
          |                                               | ❖ The Project Director is a senior scale officer of All India Services or a senior officer of the State Service, eligible for appointment to the All India Services.  
          |                                               | ❖ He/ She is overall in-charge of the activities of the DRDA and responsible for interaction with the District/State administration as well as with the Government of India.  
          |                                               | ❖ The PD is exclusively for DRDA work.                                                      |
| 2.      | Two APDs                                      | Each district to identify the specialization required as per the livelihood opportunities in the district. The subject specialists to be taken from the pool of APOs and DPMs depending on their expertise, or on contract or on deputation from the Governments line department. |
| 3.      | One District coordinator or DPM(Institutional and Capacity Building) | To be selected from the pool of APOs or DPMs                                                |
| 4.      | One District Coordinator or DPM (Microfinance, Community Investment Fund) | To be selected from the pool of APOs or DPMs                                                |
| 5.      | Accounts Officer                              |                                                                                             |
| 6. | Monitoring and Evaluation officer |

*Source: Ministry of Rural Development, Government of Andhra Pradesh, Hyderabad.*
## Table-3.2
Field Level Staff of DRDA

<table>
<thead>
<tr>
<th>SI. No</th>
<th>Positions</th>
<th>Capabilities and Experience</th>
<th>Roles</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Area Coordinator (AC) (To be selected from APOs (DRDA), DPMs (SERP))</td>
<td>To work with the CBOs, Ability to nurture the HGs, VOs, MSs, Ability to guide and mentor CCs, MBKs, MTCs, etc</td>
<td>Take decisions relating to the project implementation as per AWFP in the 5-7 Mandals covered by the Office</td>
</tr>
<tr>
<td>2.</td>
<td>Micro Finance (MF) Coordinator (To be selected from APMs, DPMs)</td>
<td>Experience in Micro finance and Auditing</td>
<td>Support the AC on all the MF related activities, Preparation of micro plan, SHG-bank Linkages</td>
</tr>
<tr>
<td>3.</td>
<td>Livelihood Coordinator (To be selected from APMs, DPMs)</td>
<td>To have expertise in implementing CIF component of the project, To have Knowledge in promoting the livelihoods of the poor</td>
<td>Implement CIF component, Promote programmes related to the livelihood of the poor</td>
</tr>
</tbody>
</table>


### Wings of DRDA

Each DRDA in the state is having the following wings:

- Establishment wing.
- Pension wing.
- SGSY wing.
- Account wing.
- Monitoring and Evaluation wing.
- IKP wing.

This can be best represented by the chart 3.2.
Establishment Wing

The wing is headed by a Superintendent and is assisted by 4 Junior Assistants in the field of planning, social mobilization, credit and technology. The Superintendent looks after the activities relating to service matters of DRDA personnel.  

Pension wing

In order to ensure that the old age destitutes, widows, weavers and physically challenged receive adequate attention a separate cell of pensions was introduced in DRDAs. This cell establishes necessary synergy with departments such as women and child development, Panchayat Raj, social welfare and textile departments to ensure that old people, weavers, widows and handicapped not only receive their due share in the anti-poverty programmes but are also able to receive benefits of other programmes. The pension wing is headed by an Assistant Project Officer, who will function under the overall co-ordination of the Project Officer of DRDA.
SGSY wing

This wing is created after introduction of SGSY programme. SGSY came into existence in 1999-2000 duly merging the schemes of Integrated Rural Development Program (IRDP), Training for Rural Youth under Self Employment (TRYSEM) Development of Women & Children in Rural Areas (DWCRA) and Supply of Improved Toolkits to Rural Artisans (SITRA). This wing Organizes fairs, exhibitions and ensures participation of Swarozghar in fairs and exhibitions.

Accounts wing

- The DRDAs have commercial accounting systems.
- They are to publish an annual report along with the balance sheet.
- The accounts wing is headed by a Senior Accounts Officer, either on deputation or by engaging the services of a chartered accountant, who is supported by an Accounts Officer each for self-employment programmes and wage employment programmes duly assisted by accountants. Wherever the Watershed programmes (IWDP/ DPAP/ DDP) are under implementation, an additional, post of Accounts Officer may be sanctioned.
- For Indira Awaas Yojana, one Accountant at the district level should be available to monitor the progress of the programme and the accounts.
- One of the Accounts Officers performs the job of internal auditing.

Monitoring and Evaluation wing

- This is a separate Monitoring and Evaluation wing headed by a Project Economist who is functioning directly under the supervision of the Project Director.
- It monitors the progress of all the programmes
- It carries out evaluation /impact studies regularly by independent institutions /experts including NGOs.
- The cost of such studies is met from the respective programme funds.
- This wing also monitors issues regarding to poverty in the district.
IKP Project Wing

The Indira Kranthi Patham project wing is the major wing of DRDAs in Andhra Pradesh. This wing was created in 2005 by merging Velugu and DWCRA wings. Under this wing there are ten sections or sub-wings. The wing works under the guidance of DRDA Project Director. For each section there is a separate incharge. The major sections under this wing are institutional human capacity building, non-pesticidal management, pavalavaddi and bank linkage, EGMM, health and nutrition, disability, education, social security, gender and marketing.

Governing body

District Level Governing Body of District Rural Development Agencies has been constituted to ensure proper implementation of rural development programmes. The Governing Bodies of District Rural Development Agencies have subsequently being entrusted with the responsibility of reviewing the implementation of watershed related activities.

In accordance with 73rd constitutional amendment, the State Government has decided to decentralise the administration up to the grass root level. Keeping in view the above objective, the Cabinet Sub Committee on devolution of power to local bodies have recommended for re constitution of District Level Governing body of District Rural Development Agencies. It has recommended that Chairman Zilla Parishad should be designated as Chairman of District level Governing Body and District Collector as Executive Chairmen. The sub-committee has also recommended that the Executive Chairman will be responsible for sanction of rural development schemes as per the guidelines of Government of India and the State Government. After careful consideration of the recommendations Government reconstitute the District Level Governing Bodies. The composition of the governing body of DRDA-Ananthapuramu is presented in the table 3.3.
<table>
<thead>
<tr>
<th>S.No</th>
<th>Designation</th>
<th>Role</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Chairman of Zilla Parishad</td>
<td>Chairman</td>
</tr>
<tr>
<td>2.</td>
<td>Collector</td>
<td>Executive Chairman</td>
</tr>
<tr>
<td>3.</td>
<td>All MPs and MLAs and MLCs of the District.</td>
<td>Member</td>
</tr>
<tr>
<td>4.</td>
<td>Lead Bank Officer</td>
<td>Member</td>
</tr>
<tr>
<td>5.</td>
<td>NABARD representative at district level</td>
<td>Member</td>
</tr>
<tr>
<td>6.</td>
<td>General Manager, DIC</td>
<td>Member</td>
</tr>
<tr>
<td>7.</td>
<td>Representative of Khadi Village Industries Commission, GOI</td>
<td>Member</td>
</tr>
<tr>
<td>8.</td>
<td>District Medical &amp; Health Officer</td>
<td>Member</td>
</tr>
<tr>
<td>9.</td>
<td>District Employment Officer</td>
<td>Member</td>
</tr>
<tr>
<td>10.</td>
<td>Executive Director, District SC Coop Society</td>
<td>Member</td>
</tr>
<tr>
<td>11.</td>
<td>Executive Director, District BC Coop Society</td>
<td>Member</td>
</tr>
<tr>
<td>12.</td>
<td>Joint Director of Agriculture</td>
<td>Member</td>
</tr>
<tr>
<td>13.</td>
<td>Project Director, District Water Management Agency</td>
<td>Member</td>
</tr>
<tr>
<td>14.</td>
<td>Asst. Director of Horticulture</td>
<td>Member</td>
</tr>
<tr>
<td>15.</td>
<td>Joint Director of Animal Husbandry</td>
<td>Member</td>
</tr>
<tr>
<td>16.</td>
<td>Deputy Director, Ground Water</td>
<td>Member</td>
</tr>
<tr>
<td>17.</td>
<td>One women worker/ Organiser of a voluntary organisation with actual experience of organizing rural poor (To be nominated by the Chairman)</td>
<td>Member</td>
</tr>
<tr>
<td>18.</td>
<td>Two Representatives of the Weaker Sections</td>
<td>Member</td>
</tr>
<tr>
<td>19.</td>
<td>One of whom may be drawn from SCs and STs (To be nominated by the Chairman)</td>
<td>Member</td>
</tr>
<tr>
<td>20.</td>
<td>One fifth of the MPP Presidents in rotation of one year</td>
<td>Member</td>
</tr>
<tr>
<td>21.</td>
<td>Project Director, DRDA</td>
<td>Member – Convener</td>
</tr>
</tbody>
</table>

**Powers and Functions of DRDA Governing Body**

Functions of the District Level Governing Body are as follows:

1. To coordinate and oversee the preparation of prospective plans and annual plan of the blocks leading to preparation of district plan in respect of implementation of SGSY scheme.
2. To review the watershed development programmes and other programmes being implemented by District Water Management Agency.
3. To monitor and evaluate the implementation of above programmes by Government and non-governmental organizations to ensure its effectiveness.
4. To secure inter sectoral and inter departmental coordination and cooperation.
5. To give publicity to the achievements made under the above programmes and disseminate knowledge and build up awareness about the programme.
6. Executive Chairman will be responsible for sanction of schemes as per the guidelines of Government of India and the State Government.

The District Level Governing Body should meet at least once in every quarter to effectively review the rural development programmes.

**Executive Committee (EC)**

All executive and financial powers of the DRDA shall be exercised by the executive committee as per the scheme of delegation of financial and executive powers to be determined by each State/UT Government and this Committee will be fully accountable in all matters of DRDA to the governing body as well as to the Government. The Executive Committee of DRDA shall be headed by the Chief Executive Officer / Executive Director and shall consist of all the District level officers and any other officer deemed necessary for planning and implementation of the anti-poverty programmes. The Project Director DRDA will be the Member-Secretary of the EC. The Executive Committee will meet at least once in a month.

The District Rural Development Agency is seen as a specialized and a professional agency capable of managing the anti-poverty programmes of the Ministry of Rural Development on the one hand and to effectively relate these to the overall effort of poverty eradication in the district.
Preparation of Annual Works and Financial Plans

- The Project Director has to prepare the AWFP (Annual Works and Financial Plans) and assist the District Project Managers (DPMs), Assistant Project Managers (APMs), Mandal Training Coordinators (MTCs), Master of Book Keepers (MBKs) to prepare the annual plans relating to their functional areas/geographical areas. The aforementioned functionaries would draw the annual plans from the district annual works and financial plans.

- Each functionary should give facilitation plan, clearly detailing schedule of village visits; night halts in the villages, facilitation to the SHGs, meetings, village organization meetings and samakhya meetings. The facilitation plan should also reflect other activities relating to capacity building, implementation of Community Investment Fund (CIF) monitoring of CIF activity and support to programmes such as Comprehensive Land Development Programme (CLDP). The Project Directors, DRDAs obtain the annual plans and month wise facilitation plans, from all the functionaries.

- The Project Directors shall submit a quarterly report directly to Society for Elimination of Rural Poverty (SERP) on the performance of the DPMs and APMs with reference to their annual plans and facilitation plans. The State Project Manager (HRM) of SERP files all such reports, which is taken into consideration while renewing their contract.

- As far as the annual plans and facilitation plans relating to Community Co-ordinators (CCs), MTCs and MBKs are concerned, the Project Directors are to build the capacity of samakhyas so as to enable them to take review performance of the CCs, MTCs and MBKs with reference to their AWFP.19

Implementation

It promotes transparency in the implementation of different anti-poverty programmes.13

- To ensure that the benefits specifically earmarked for certain target groups (SCs /STs, Women and disabled) reach them. They shall take all necessary steps to achieve the prescribed norms.

- To improve the awareness regarding rural development and poverty alleviation particularly among the rural poor. This would involve issues of poverty, the opportunities available to the rural poor and generally infusing a sense of confidence in their ability to overcome poverty.
Capacity Building

- To watch over and ensure effective utilization of the funds intended for anti-poverty programmes.
- To develop an understanding of the processes necessary for poverty alleviation/eradication.
- To develop the capacity to build synergies among different agencies involved for effective results. It needs to build up distinctive capabilities rather.
- The role of the DRDA will be distinct from all the other agencies, including the Zilla Parishad.

The DRDAs will maintain their separate identity but will function under the chairmanship of the Chairman of Zilla Parishad. They are expected to be a facilitating and supporting organization to Zilla Parishad, providing necessary executive and technical support in respect of poverty reduction efforts.

Co-ordination

- DRDAs must be professional and should be able to interact effectively with various other agencies.
- They coordinate with the line department, the Panchayati Raj Institutions, the banks and other financial institutions to gather resources required for poverty reduction effort in the district.
- They establish inter-sectoral and inter-departmental coordination and cooperation for reducing poverty in the district.
- To facilitate in the formation of the community based organizations (SHG/VO/MS)
- To facilitate effectively the identification of the beneficiaries towards availing a particular benefit.
**Monitoring**

The DRDAs monitors closely the implementation through obtaining periodic reports as well as making frequent field visits. The purpose of the visit is to facilitate the implementing agencies in improving implementation process, besides ensuring that the quality of implementation of programmes is high. This would include overseeing whether the intended beneficiaries are receiving the benefits under the different programmes.

**Reporting**

- The DRDAs shall keep the Zilla Parishad, the state and central government duly informed of the progress of the implementation of the programmes through periodic reports.
- The Project Directors, DRDA have to place their annual action plan in the governing body of DRDA and secure the approval.
- The DRDA governing body meetings shall be held once in a quarter without fail.
- Sanction proceedings covering CIF and other components of IKP, SGSY and Special, SGSY etc., should be marketed to MPs, MLAs, Chairman - Zilla Parishad meetings, Mandal Parishads and Zilla Parishad Territorial Constituencies (ZPTCs).
- The progress of the activities of DRDA should be reported in the Zilla Parishad meetings, Mandal Parishad meetings and DDRC meetings at least once in a quarter.
- All the district level newsletters etc should be invariably sent to all the people's representatives.
- Special report, as and when called for, shall be provided.\(^{15}\)

**Transfer of Fund**

- The DRDAs shall ensure financial discipline in respect of the funds received by them, whether from central or state governments.
- All funds are transferred for all the schemes in a district through DRDA.
- They shall also ensure that the accounts are properly maintained in respect of the funds being allocated to the banks or the implementing agencies.
**Other functions**

1. In addition the DRDAs shall coordinate and oversee the conduct of the BPL census and such other surveys that are required from time to time.

2. The DRDAs shall also carry out or aid in carrying out action research/ or evaluation studies that are initiated by the central/state governments.

3. The DRDAs deals with the anti-poverty programmes of the Ministry of Rural Development.

4. If DRDAs are to be entrusted with programmes of other ministries or those of the state governments, it should be ensured that these have a definite anti-poverty focus.

5. Entrusting of any programme to the DRDAs, other than anti-poverty programmes of the Ministry, be it of any other Ministry of Government of India or the respective state government will have to be done with the approval of the Secretary, Rural Development of the respective state(s), who should examine such request in consultation with the Ministry of Rural Development, Government of India. In such cases, it must be ensured that adequate provision is made for requisite staffing needed for proper implementation of the programme.

**Partnerships including NGOs**

One branch of evolution of savings groups in Andhra Pradesh can be traced back to the nineteen seventies to the efforts of NGOs. At the time of the IRDP, there were no other agencies in India lending to the poor, hence NGOs had a particularly active role in providing loans and drawing out resources from donors. There was however a limit available resources and hence to the capacity of NGOs to socially mobilize people. Of special significance is the Cooperative Development Foundation (CDF) who at first worked with men in savings and credit agricultural cooperatives. Subsequently CDF tried to include women into the existing cooperatives, but men strongly opposed this move. Hence special thrift and credit groups for women were created which were called Women Thrift Cooperatives (WTCs). Later, in the early eighties, the Bhagavatula Charitable Trust in Visakhapatnam district had begun mutual savings and credit groups in rural areas, mostly among women. During the late eighties NGOs like MYRADA (Mysore Resettlement and Development Agency) and PRADAN (Professional Agency for Development Action) also created and promoted similar SHGs. By 1990 there were a number of organizations in India, which mobilized the poor around groups which had 15 to 20 women members that met once a month to conduct savings and internal credit activities.
NGOs have had an alternatively waxing and waning relationship with the state, in the context of the formation of SHGs in Andhra Pradesh. With DWCRA, initially, NGO activity was absent since it was a government intervention. With the modifications carried out in Ananthpuramu, one innovation lay in including NGOs to work with the state. The district administration saw the value of NGOs in mobilizing and strengthening groups, and partnered with them, a move that the GOI followed later. SAPAP was also initially implemented through 18 partner voluntary organizations (PVOs) or NGOs. But Velugu, has the resources to hire professionals of caliber and does not rely on NGOs.30 Currently in Andhra Pradesh there seem to be parallel efforts of state sponsored and NGO facilitated SHGs, since SERP has fitted the role of being a GONGO (Government NGO) eliminating the need for the government to explicitly partner with NGOs.16

A consequence of not using NGOs is that it is possible for the government to better coordinate diverse state poverty alleviation efforts across Andhra Pradesh. Care is taken to synchronise Velegu’s efforts with other schemes, programs and agencies of the government. Theoretically this allows for optimum utilization of resources and avoids duplication and overlap. SERP aims to proactively converge its work on the one hand with line departments like the Education, Health, Revenue, Disabled etc, and on the other, with the many rural development agencies like the DRDA, SC Corporation, ITDAs etc and also projects like the DPEP. This synergistic linkage between diverse government initiatives is further seen in the way the RPRP program fits in with the stipulated strategy for poverty eradication of the Swarnandhra Pradesh .Vision 2020. a policy document committed to poverty eradication through economic growth. According to the document, the Government of Andhra Pradesh commits to spend the additional resources generated through economic growth on social development, improving education, health, promoting rural and urban development, etc.17

2. Internal Administration of Self-Help Groups

Membership of SHGs

A Self-Help Group has a small and manageable membership of not less than 10 persons and not more than 20 belonging to the same village. The members should preferably be from the lower-income group. Members have the freedom to join the group and leave it whenever they
like after settling their accounts. No member is forced to join the group. The group can ask any member to leave due to bad conduct. Smooth and efficient functioning of SHGs depends on mutual trust, cooperation and social pressures of members. There can be ‘men only’ and ‘women only’ groups. In some cases, depending upon the interest of individuals there can be ‘mixed groups’. Entry of members, resignations and withdrawals are considered by the entire group. Self-Help Groups are the institutions of choice so far as micro-finance is concerned. The SHGs do not deal in long-term or medium-term finance.

The Self-Help Groups are the voluntary action efforts of people of low economic means. They organise these groups voluntarily to meet some of their economic needs. The needs are small and the people realize the value of money. Their programmes are modest and truly need-based. Because the help comes spontaneously the members are keen to maintain a high level of trust in their own groups. Because of small and persistent efforts members remain vigilant about the use of funds.

Such groups also come handy to project promoters because of two reasons: [i] Promoters feel comfortable to deal with non-governmental institutions which are self-promoted, self-propelling and democratically-managed; and [ii] Members feel confident that the funds employed by the promoters are for their own benefit. There are no bureaucratic hurdles. The decision-making is fast, and members are accountable to themselves.

The impact of the working of self-help groups is real and truly contributory to the general social and economic welfare of the local communities.

Rights and Duties of Members

All members who have agreed to be in the membership of the group have certain rights and duties.

Rights

♠ Abide by the rules and regulations of the group;
♠ Apply for loans and receive loans from the group;
♠ Seek information on loans/deposit status;
♠ Participate in all discussions;
♠ Make suggestions and recommendations;
Withdraw from the group as per its rules and regulations;
Raise issues of local development needs etc.\textsuperscript{18}

Duties

\begin{itemize}
\item Participate in all meetings of the group;
\item Repay loans in time and with interest;
\item Pay fines/penalties due to defaults;
\item Spend the loan money only for the states purpose;
\item Encourage other members to repay their loans in time and with interest;
\item Observe all rules and regulations of the group;
\item Shoulder responsibilities as per decisions of the group;
\item Help each other in hours of need.
\end{itemize}

SHG Rules and Regulations

With the assistance and help of the promoters [in any case, not under their direction] the Self-Help Group should do the following:\textsuperscript{19}

\begin{itemize}
\item Create rules and regulations pertaining to its organization and management;
\item Specify rights and duties of the members;
\item Determine how many meetings to be held, when and where;
\item Determine the minimum amount to be saved by each member per month;
\item Determine the interest on internal loans and bank loans;
\item Determine the period of repayment;
\item Methods of admission and removal/withdrawal of members;
\item Rules for appointing an assistant/facilitator;
\item Determine imposition of fines/penalties for: [a] Not attending the meetings, [b] Irregular savings, and [c] Nonrepayment of loan on time, etc.);
\item Determine rules for giving loans on savings and bank transaction;
\item Determine responsibilities for various members e.g., handling and retaining cash balances, convening of meetings, safekeeping of books of the SHG etc.
\end{itemize}

A more elaborate version of these rules and regulations is written down and adopted by group members and included in the proceedings of the meeting. All members should sign these rules and regulations and be countersigned by the chairman of the meeting.\textsuperscript{20}
The management of the SHG is similar to a cooperative society, democratically-based on the principle of ‘One Member-One Vote’. SHGs have their own rules and regulations which they adopt voluntarily and impose upon themselves and agree to abide by them. There can be several SHGs in one village.

The SHGs can form their own SHG Association which can be registered under the Societies Registration Act-1862 thereby acquiring a legal status to undertake business operations. While cooperative societies need to be registered with the Registrar of Cooperative Societies, there is no need for a SHG to be registered with any agency. The main business of SHGs is thrift and loan. Cooperative societies, especially the PACS, are multipurpose in nature. Both of them can transact business with each other and it is regarded that the SHGs are a sub-system of cooperatives as the membership of the cooperative is also open to SHGs and the membership of the two institutions is generally common.

**Regularizing the Group Level System**

A group level system is primary for the proper functioning of the groups. After three to five months of group formation, the following steps are followed to set up a system at the group level;

1. The minutes are written every month and read at the end of every meeting;
2. Simple accounting system and necessary books are opened and maintained from the first day itself;
3. Awareness of the norms of the groups among all members is created and
4. Training is imparted to the office-bearers and group accountants for clarifying their role.

**Stages of Group Development**

Each group goes through several stages in development. These stages are by and large common to all groups, though their manifestations may be different.

**First Stage**

The initial stage in the life of a small group is concerned with forming the group. This stage is characterized by members seeking safety and protection, tentativeness of response, seeking superficial contact with others, demonstrating dependency on
existing authority figures (trainer or facilitator), complaining about physical and simple matters (light, sleeping and food arrangements, seating and the like.) and a certain degree of smart get up to the authority to gain his approval. Members at this stage either engage in 'busy' type of activity or withdraw and show apathy.

Second Stage

The second stage is marked by the formation of dyads and triads. Members seek out similar others and begin a deeper sharing of self. Continued attention to the subgroup creates a differentiation in the group and tensions across dyads/triads may appear. The members feel comfort and support in their dyads/triads and feel strong enough to challenge the authority figure. Strong dyads attempt to show defiance of authority. Focus on task performance begins to emerge, but energy is mostly spent within a sub-group. ‘Pairing’ is a common phenomenon.\(^{22}\)

Third Stage

The third stage of development is marked by a more serious concern with task performance. The dyads/triads begin to open up and seek out other members in the group. Efforts are made to establish various norms for task performance. Members begin to take greater responsibility for their own groups and relationship with the authority figure becomes relaxed. Others who are dissimilar in the group are accepted and interaction among dissimilar people takes place around the task.\(^{23}\)

Fourth Stage

This is the stage of a fully functioning group where members see themselves as a group and get involved in the task fully. Each person makes a contribution and the authority figure is also seen as part of the group. Group norms are followed and collective pressure is exerted to ensure the effectiveness of the group. The group redefines its goals in the light of information from the outside environment and shows an autonomous will to pursue those goals. The long-term viability of the group is established and nurtured.

Conducting Meetings

Conducting meetings at specified time and venue is of crucial importance. Properly conducted meetings produce positive results and good decisions. Meetings should be held
regularly and all members should participate in such meetings because the decisions taken at such meetings influence each and every one of the members.

In the rural setting meetings are usually related to some specific days and are normally held at a convenient location e.g., the village headman’s house, Panchayat Office temple, school or the health centre.

The meetings are to be held on a fixed day and at a common meeting point. If there is any change, members should be notified sufficiently in advance. The expected attendance at all the meetings is 90 per cent and above. If any member wishes to be absent, the group should be informed well in advance.24

Still, if the member does not attend the meeting and the group has not been informed about it, the member has to submit an explanation to the group, and has to pay some fine [in cash or in the form of refreshment] and promise that such a thing would not happen in the future. Full and regular participation is the key to the success of the SHG.

All members must speak during the meeting. All members should share ideas and understand all the issues that are being discussed. No single member should try to dominate the discussion. It is thus the duty of the Chairman to stop such domination. Strong members should encourage weaker members to participate.

Procedures to Conduct Meetings and of Proceedings of Meetings

The meetings of the groups are expected to be informal and conducted democratically in a congenial atmosphere, which encourages greater participation and interaction among the members.

All members should sit in a circle so that members can see each other. Before the commencement of the business, a prayer or a community song should be sung.

The Chairperson should conduct the meeting. A record of the points discussed should be maintained. Each and every point discussed and on which a decision has been taken must be
recorded and read out to the members for affirmation and confirmation. Each member should sign the Proceedings Book.

Other points regarding the conduct of the meeting are as follows:

- Review of the proceedings of the previous meeting for confirmation;
- Follow rules and regulations throughout the meeting;
- Encourage all members to talk, express their opinions and make suggestions;
- Record proceedings during the meeting itself;
- Decide on the date, time and venue of the next meeting;
- Invite suggestions and topics for the next meeting;
- Any other matter for discussion, and general information;
- Secretary should close the meeting with a Vote of Thanks to the Chair.

**Frequency of Meetings**

Half-monthly meetings are held regularly. In one month normally two meetings are held – one in the first week of the month and the second in the beginning of the third week of the month. The meetings are held mainly to take stock of the work done, grant loans, and receive repayments and interest and future planning.

The idea of holding two meetings in a month is to retain and maintain the interest of members in the activities of the SHG. These meetings also serve the purpose of collecting suggestions and fresh ideas from the members which could be incorporated in the regular plan of action.

All rules and regulations pertaining to the organisation and management of a SHG are framed in advance with a full consensus. All decisions should be taken with 90 per cent of the members present.

**Group Leaders**

The SHG does not encourage having regular group leaders e.g., President, Secretary or the Treasurer, since such offices create different types of feelings among the members. All members are equal. It is only for the conduct of the meeting that the group elects a Chairperson.
The principle of rotational leadership should be adopted to distribute power and opportunity to all the members of the group.

An educated youth, male/female, can be selected to help in writing the minutes of the meeting and to maintain records and books of accounts. That person, to be called as Assistant/Facilitator, can be paid some honorarium for such a job, if needed. This person can look after 10-15 or more SHGs in the area.26

**Regular Recording of Decisions**

All decisions taken by the group must be clearly and accurately recorded in the meeting register. For this purpose the group may appoint an external person on terms and conditions as approved by the group.

**Resolving Conflicts**

The SHG is an ideal institution which can help resolve some of the internal and interpersonal conflicts through discussions and consensus.

**Self-Help Groups & SHG Associations/Federations**

Self-Help Groups [SHGs] are small informal groups of people [men and women] of small means to satisfy some of their needs – farming and non-farming. They have no legal recognition. However, when the SHGs are brought under an association they attain a better bargaining power and legal entity status since the SHG Associations are registered under the Societies Registration Act-1862. Two or more groups can form an Association. The associations are local organizations and have no higher level federation [state or national] of their own.

The Self-Help Group is a simple organization of people of small means. The group members depending upon their vision and initiative can elaborate the functions of their groups individually and collectively [see Annure-VI]. By forming their own associations groups can not only expand their services but also strengthen other institutions. The groups are small economically homogeneous voluntary group of rural poor with mutual affinity.27
Strengthening the Linkage

The SHG Associations are expected to serve as an important link between the SHG movement and the market. SHGs can survive and grow progressively if the products are sold in the market quickly and the process of procurement of raw material and disposal of end-products is sustained. The SHG Association is the focal point for the business of SHGs. The members shall remain attached so long as they continue to earn something. Associations provide that economic incentive and advantage.

As can be seen from the illustration, SHGs can develop inter-linkages among themselves, as a first step. They can then federate themselves into a union, association or a federation which can undertake activities like pooling of surplus funds, procurement of raw material on behalf of various groups, joint marketing of products [e.g., poultry, vegetables, horticulture, handicrafts etc.], development of linkages with suppliers using the strength of the groups and group members, development of training, education and extension programmes for all members, and implementation of various common interest welfare activities.

One Self-Help Group can be smaller than the other. They still can form their own SHG Association and develop working relations with their agencies e.g., cooperatives and other banks. A small SHG remains ineffective or confined to thrift and loaning business if it does not have the support of an association.

It is also possible for the SHGs to negotiate with the local cooperative or the financial institution e.g., a cooperative or a cooperative bank, on the lending terms, marketing and procurement of raw supplies. Such groups can also work as pre-cooperatives using the Principles of Cooperation as the basis of their management.28

SHG Capacity Building

SERP, through its Development Resource Centers [CDRCs], and with the support of NABARD, has been organizing education and training programmes for members of SHGs in order to enable them to:29
Strengthen organizational matters including proper conduct of meetings;
Maintain accounts;
Understand objectives and management of SHGs;
Participation in SHG Association business programmes;
Develop linkages with other agencies at village level;
Support government/non-governmental social programmes etc.

The SHG Associations not only undertake business on behalf of their SHGs with other associations or private enterprises but also have linkages with financing agencies e.g., the designated lead banks or any other commercial bank. The associations also carry out business with the PACS and cooperative federations especially in the procurement of fertilizer, seeds, farm chemicals and farm advisory services.

Operational Problems

Though the implementation and monitoring of SHG is directly under the charge of Cooperative Development Resource Centers broad guidelines are issued from the Foundation head office from time to time. As per reports sent by the CDRCs and based on the interaction with the SHG members and Associations, the following problems have been noticed:

a. Time consuming process to establish linkages with lead banks;
b. Lack of guidance in establishing business [production and marketing];
c. Lack of vocational training opportunities;
d. Inadequate and irregular education and extension support;
e. Lack of coordination between SHGs and with PACS;
f. Major emphasis only on credit business;
g. Inadequate evaluation of SHG performance.

Financial Administration in Self-Help Groups

The most important activities undertaken by the SHGs are savings and loaning. Members are expected to regularly save small amounts and use the savings for internal loaning among the members. The group manages the process of thrift and credit by itself. In case the loan requirement of members is higher, the group can borrow from the lead bank.
It is viewed that provision of micro-finance may be seen more as logical extension of the managerial and pragmatic approach to poverty reduction but with regard to financial perspective credit is an effective tool which helps the poor to tackle the problem of deprivation, improve their welfare and social acceptance and credibility. Thus, micro-finance institutions including Self-Help Groups are those which provide thrift, credit and other financial services and products of very small amounts mainly to the poor in rural, semi-urban and urban areas for enabling them to raise their income level and improve living standards.

**Funds of the Self-Help Groups**

1. The funds of the Self-Help Group consist of
2. Membership Fee – Generally Rs 10 per member;
3. Membership Fee is payable only once at the time of admission;
4. Minimum regular deposits every month;
5. Interest earned;
6. Grants from promoters and government;
7. Project funds provided by promoters to carry out specific activities;
8. Donations and Gifts;
9. Development Fund etc.;
10. Fines and Penalties due to defaults.

**Regular Savings**

Every member of the group has to accept to make a minimum saving every month. The decision as to the amount to be saved depends on the capacity of the member himself. Members will save a specific amount on fortnightly or monthly basis. This amount is decided by the group members. Once the amount has been fixed then that amount must be paid in every month regularly.  

The amount to be saved by the member:

- Can be determined by the member himself, or
- By the group as a whole.
The defaulting member is required to pay a penalty if the fixed amount is not paid in time. All incoming funds should be distributed among the members who have applied for loans and the remaining amount should be promptly deposited into the bank as soon as possible.

Management of SHG Funds

- Members shall abide by the rules and regulations of the group;
- Members shall be jointly and severally liable for all the debts contracted by the group;
- All assets and goods acquired by the SHG shall be in the joint ownership of all the members;
- Members shall elect and appoint a certain person to look after and manage the day-to-day affairs of the group;
- This person shall be made responsible to manage all affairs of the group with the bank e.g., filling in loan applications, receiving the cheques from the bank, loan disbursements to the members, securing repayments for the bank etc.;
- The appointed person can be removed at any time by a majority vote of the members and a new person to be elected or appointed;
- In the event of the death of any members of the SHG all entitlements shall be handed over to the next kin of the person.32

Loans to be Granted

- The SHG meeting takes a decision regarding the amount to be loaned out;
- The amount has to be uniform;
- Every member should get the same amount for a particular activity;
- Norms for loan should be fixed for each activity and its size;
- Loan repayment capacity should also be assessed for each activity;
- All the members can revise the amount of loan;
- All decisions pertaining to the value of loan, term of repayment, quantity of penalty and other terms relating to the loan, deposit and repayment etc. have to be taken by the group where at least 90 per cent of the members are present;
- No loans are granted to nonmembers under any circumstance.

Repayment of Loans
Like any other lending institution, Self-Help Group also survives and prospers if the funds loaned out are returned on time, in full and together with the interest due. If there is a default, the money which has been put into circulation gets blocked and other members who are in urgent needs of funds remain deprived of the facility.

Since the SHG is based on the principle of mutual trust, cooperation and mutual benefit, the loans must be returned in time. It has been observed that members of SHG do not default simply because they know that they would not get the loan next time if they do not realize the importance of this principle. Regular repayment has been a special feature of a SHG. In more than 90 per cent cases, members do return their loans.  

However, in a situation where the member finds it difficult to repay in time, a special request with a specific explanation can be given to the SHG at its half-monthly meeting. The member must be present in person and must explain the reason for the default. If the reason submitted is reasonable and acceptable to the rest of the members, the repayment can be rescheduled, and the member has to pay a penalty for the default.

Recovery of loans is expected to be 100 per cent in order to make the funds available to other members. Default in repayment is a serious matter as in the long run the financial situation of the group gets worse.

The group can receive the repayment either in cash or in kind. Repayment of loan in kind should be acceptable only in case the group has ventured in marketing and storage of the product. Cash repayment is preferable since handling of kind presents a variety of problems.

**Creation of Development Fund**

The amounts deposited by the members every month and the interest earned become the Development Fund of the Group. It is from this amount that the group grants loans to the members. As the repayment gets into a regular mode without any defaults, the Development Fund continues to increase. The money collected by the group on account of fines and penalties becomes the income of the group and is distributed equally among the members.
The tradition of thrift and mutual help is very strong in the villages. There are grain banks and village funds in many villages. At the time of necessity, credit facilities from such institutions are provided to the villages which are repaid with interest at the time of harvest. \(^{34}\)

The interest amount so earned is utilized during village festivals, maintenance of village schools etc. This is a kind of saving in kind. The traditions of cash savings on community basis are negligible. All cash savings are individual-oriented. By and large, people in village belong to the same socio-economic strata. This could help in group formation amongst people who shared a common ethos and culture. \(^{35}\)

**Meeting Emergency Needs**

In addition to meeting the economic needs of the members, the SHG can come forward to cover some of the emergency needs of the members. Emergency needs include: incidence of disaster like fire, collapse of the dwelling place, death of the cattle, sudden sickness etc. Such loans can be the halves of the regular loan amount while other conditions remaining the same. The decision is to be taken in the full meeting of the group.

**Withdrawal upon Maturity**

The sure test of the sustainability, democratic management and a proper accomplishment of the objectives of a Self-Help Group is the level of satisfaction among the members and confidence among the leadership of the SHG. Initially the SHG is promoted, nurtured and guided by the promoters and the Assistant/Facilitator.

If the group members and leaders are sure that they can manage their affairs independently and without any external support, the role and support of the external agency could cease. The promoters can then withdraw from the SHG in a phased manner. In case such an assistance, advice and guidance is needed again by the group, the external agency or the Assistant/Facilitator can be approached.

**Categorization of Loans Given by SHGs**

Loans taken from groups are used mostly for the following purposes: \(^{36}\)

- Improvement of land;
Improvement of water channels and drains;
Sinking of a handpump;
Release from old debts;
Education of children and their clothing;
Purchase of food grains;
Purchase of household goods;
Contributions towards traditional community financial contributions;
Health care;
Purchase of cattle/livestock and their health requirements;
Purchase of fertiliser and other farm inputs including implements;
Nursery raising;
Beekeeping;
Purchase of raw material for handicrafts etc;
Any other income generating activities.

Practically all the Self-Help Groups are engaged in a large-scale activity of improving soil, rivers, rivulets, laying anicuts, deepening of wells as per development plans worked out by the development projects in consultation with the groups and villagers themselves. A number of villagers have now begun planting high-value trees e.g., teak, fruits, fuel wood etc.

SHGs can also participate in various government-sponsored rural employment programmes.

Books of Self-Help Groups

Since the Self-Help Group is an organization, it is necessary to maintain certain books to keep track of membership, decisions and accounts. The NABARD has suggested that the following books need to be maintained by all Self-Help Groups:
a. Simple and clear books for all transactions to be maintained;
b. If the group is not able to maintain the books on its own, someone from outside can be engaged by the group for the purpose;
c. **Minutes Books.** This book should contain the proceedings of meetings, the rules and regulations of the group, names and full addresses of the members, and details of deposits received and loans given, details and comments of the visitors and major happenings in the village etc.;
d. **Savings and Loan Register.** It should contain information on the savings of the members separately and of the group as a whole. Details of individual loans repayments, interest collected, balance etc. are to be entered in this book;
e. **Members Passbooks.** Individual members’ passbooks encourage regular savings;
f. A regular **correspondence file** to be maintained which should have all the correspondence of the group with the bank, members and other agencies.

The motivator can provide assistance in the management of these registers/records.

**Reconciliation of Accounts**

While the groups continue to collect money from the members and maintain relationship with the lead bank, it is also necessary to carry on regularly reconciliation of accounts with the bank.

**Income-Generating Activities of SHGs**

These can be the following:

- Agriculturerelated [seed multiplication, beekeeping, nursery raising etc.];
- Small retail businesses/General Store;
- Brick-making;
- Livestock development [animal husbandry, goatery, poultry, piggery etc.];
- Cattle-feed sales;
- Bicycle repair shop;
- Milk procurement and processing;
- Clay-pot making;
- Leaf/Paper plate making;
Flourmill and grain shop;
Carpentry, Iron-smithing, welding;
Garment shop [tailoring, embroidery, knitting];
Rawsugar [gur/Chakkar] making;
Beauty saloon;
Fruit/Vegetable preservation and processing;
Motor winding etc.

Self-Help Groups do not thrive and prosper only on one or two activities. They need to expand the range of their activities by incorporating new methods and techniques to produce new products. Diversification of business and up-scaling of activities with the support of SHG association and cooperative society can further add to the income of members. Self-Help Groups, as members of SHG association, can create more services and products not only for members themselves but also for the market. Associations, being legal entities, are fully empowered to transact business with raw material suppliers and end-product consumers and traders. The associations transact business on behalf of the affiliated Self-Help Groups, and ultimately for the members of SHGs.37

Credit Management in Self-Help Groups

The poor relate more easily to Self-Help Groups than to banks. One of the important functions of Self-Help Groups is credit management, as discussed below:
a. The groups foster thrift and promote savings;
b. The groups encourage women’s groups in fostering thrift and savings;
c. Groups contribute a part of their savings earned through group action. This strengthens the value of group action;
d. Groups mobilise capital through: [a] Savings, [b] From interest at rates decided by the group; and [c] From banks and cooperatives;
e. The groups interlink with other groups with similar functions.
The effective functioning of any group or organization and its ability to achieve its desired objectives depends upon the administrative setup of that group or organization. The administration of SHGs consists of two entities viz., the external administration and the internal administration. The external administration is represented by the Society for the Elimination of Rural Poverty (SERP) and the internal administration which is done by the members of the said SHG depending upon the rules and regulations frame by them from time to time.

The main objective of SERP is to enable the disadvantaged communities perceive possibilities for change and bring about desired change by exercising informed choices through collective actions.

The day-to-day management of organization is carried out by the CEO and his team of officials. The top decision making activities are carried out in the State Project Management Unit (SPMU) headed by the CEO, State Project Directors and other functional specialists. SERP also has a general body and executive council. The Chairman of the General Body is the Chief Minister and the Vice-Chairman is the Minister, Rural Development. It has a battery of government officials as members like the Principal Secretary, Rural Development, Commissioner, Rural Development, Commissioner, A.P. A.R.D, Commissioner Tribal Welfare etc. The executive council of SERP has minister of Rural Development as President, Principal Secretary of RD as Vice-President and has a team of officials as members like Commissioner RD, Commissioner Tribal Welfare etc.

At District level, there is District Project Management Unit, headed by a Project Director (DRDA) and is assisted by a functional specialist. Project Director, DRDA implements all the programmes of IKP, the programme of SHGs at the district level under the overall guidance and support of the district collector. The Chairman of the Zilla Parishad is the Chairman of the governing body of the DRDA. The District Collector acts as the Chairman of DRDA. It is his responsibility to ensure that the administration of the DRDA and the programmes are conducted in accordance with the guidelines. Wherever, the Zilla Parishads are not existence or are non-functional, the DRDA should function under the aegis of the District Collector-District Magistrate as the case may be. The governing body of the DRDA will provide policy directions, approve the annual plans and also review and monitor the implementation of the different
programmes pertaining to SHGs. A team of APOs and ministerial staff assist the Project Director DRDA in the execution of activities related to the SHGs.

The onus of looking after the internal administration of an SHG depends upon all the members of the group who are usually 15-20 number and belong to the same village. Rules and regulations regarding the running and working of SHGs is written to the last detail and all the member should sign these rules and regulations and be counter signed by the Chairman of the meeting.

The management of the SHG is similar to a Co-operative society, democratically based on the principle of ‘one member- one vote’. SHGs have their own rules and regulations which they adopt voluntarily and impose upon themselves and agree to abide by them.

Both the internal and external administration of the SHGs are fine tuned to the compatible with the objectives of the said groups viz., to empower the dis-advantaged communities in all aspects by making them to overcome all social, economic, cultural and psychological barriers.
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