CHAPTER- I

INTRODUCTION

Globalization has brought substantial benefits around the world, but in numerous rising countries it is contributing to be growing disparity, between the rich and poor. In a country like India, the structure of economy is dualistic. Here one can see the developing companies, booming stock market and sourcing profits, making the rich, the richer on the one hand while flouring earnings wages in the field of agriculture and allied activities in manufacturing the poor were reeling on informal credit channels such as local money lenders, market vendors, shopkeepers and other including friends and relatives. Credit in the informal system is regularly accessible immediately where necessary often without collateral and extensive documentation formalities. The south Asian countries particularly India and Bangladesh have been actively pursuing the policy of setting up formal network of Micro financing Institutions. These institutions included Non-Governmental organizations (NGOs), Non-Banking Financial companies (NBFCs) and government sponsored programmes.

In the early decades of planning troubles of women were looked upon as problems of social welfare rather than improvement. Throughout the third world mainly in the past 15 years there has been a proliferation of policies, programmes and projects planned to support low income women. Since the 1950 many different interventions strategies have been formulated to address women requirements which reflect changes in micro level economic of income and investments of self help group social approach as well as in state policy towards women.
Self-help group represents a distinctive approach to financial intermediation. This combines entree to low-cost financial services with a process of self-management and improvement for the women who are self-help groups’ members. Self-help groups are formed and supported usually by NGOs or increasingly by Government agencies interconnected not only to banks but also to broader expansion programme self-help groups are seen to confer many benefits, both economic and social. Self help group empowers women to grow their investments and to access the credit which banks are increasingly willing to lend. It can also be a community platform from which women become active in village affairs and stand for local election or take action to address social movement.

In India before 1990s credit schemes for rural women were largely negligible. But in the recent years most significantly developing system called self help groups (SHGs) is a major discovery in improving lives of womenfolk and alleviating in the rural poverty. The concepts of women’s credit were born on the insistence by women oriented studies which highlighted the discrimination and struggle the women had in accessing credit. Earlier there were certain misconceptions about the rural poor people that they need loan at subsidized rates of interest on soft terms, and they neither have education nor skills, capacity to save and therefore they are not bankable. However, the important success of several SHGs shows that the rural poor are truly efficient to manage credit and finance.

Financial institutions in emerging countries provide financial services such as saving and credit to aid several smallholder enterprises including farmers. This is an effort in line with the Millennium improvement goals which seek to reduce poverty by 50% by the year of 2015. However, the sustainability and continuity of the financial institutions to rise the volume of credit to stimulate the poverty reduction goal depends on the repayment rates.
High repayment rates allowed for the institutions to lower the interest rates and processing costs and consequently increase patronage of loans. Repayment performance thus serves as a positive signal for increasing the volume of credit availability to numerous sectors of the economy (Acquah and Addo, 2011). However, the financial institutions continue to decline credit to the agricultural and fisheries sectors. This decline was partly due to poor loan repayment performance from these sectors.

MICROFINANCE IN INDIA

In India, the history of microfinance dates back to establishment of Syndicate Bank in 1921 private sector in India. During the early years, Syndicate Bank concentrated on raising micro deposits in the form of daily/weekly basis and sanctioned micro loans to its clients for shorter period of time. But microfinance came to limelight only when Yunus gave it a mass movement in Grameen Bank experiment. Microfinance can be called a novel approach to provide saving and investment facility to the poor around the world. Improved access and efficient provision of savings, credit, and insurance facilities in specific can enable to the poor smoothen their consumption, manage their risk better, gradually build their asset based, develop their business, enhance their income earning capacity, and enjoy an improved quality of life. In India, microfinance mainly operating through Self Help Group (SHGs), Non Government organizations (NGOs), and Credit Agencies. It provides poor people with the means to found their own way out of poverty. It put the power squarely in hands, giving them a larger stake in their own success than one time donation of food, goods, or cash. The initiatives of Government for poverty alleviation could success to the desired level due to the fact that they do not take cognizance of power of the poor to deal with their own problems. Government tried to help them by way of subsidies and other helps but these initiatives
hardly reduce their poverty levels and are not a long term solution. This section of society
given with guidance to the power of capital and productive assets can be emerged as a
successful entrepreneur in India. This can easily to be achieved by them empowering with
power of microcredit. The poor do not have any worthy asset base. Hence, they have to be
provided with mortgage free loan (Akula, 2008). It has been proved beyond doubt from
Grameen Bank experiment. The system of microfinance was introduced about 28 years back
with an organization of Grameen Bank in Bangladesh by a famous economist Prof.
Mohammed Yunus for villagers who were unable to obtain credit at reasonable rates. So he
began to lend them money from them own pocket, allowing the villagers to buy materials for
projects like weaving bamboo tools and making pots (New York Times, 1997). Ten years
later, Yunus had set up Grameen Bank as a project in one of the villages in Bangladesh in
1976 to assist poor families by providing credit to them. Today micro-finance has been
widely spreading all over the world as an effective tool for the poverty eradication. It was
found that microfinance has reached about 80 million households and about 20000 micro-
finance institutions are operating in the developing countries of Asia, Africa, Europe and
Latin America (Pillai, 2011).

CONCEPT OF MICROFINANCE

Microfinance is a concept that is helping the poor to avail or create opportunities for
economic growth. In India, microfinance has fully the efforts of rural women development,
and wealth generation by providing small scale savings, credit, insurance and other financial
services to poor and low income households. Microfinance thus serves as a means to give
power to the poor and provides an important tool to help the economic development process.
The impression of micro financing and self-employment activities in rural areas has
developed considerably over the last two decades. It is working neither on domain/charity nor on subsidy. It is basically rotational investment done to motivate the poor to make powerful themselves and practice the command save for the future and use that resource during the time of need. Theoretically, microfinance also known as microcredit or micro lending means making provision for slight working capital loans to the self-employed or self-employment seeking poor.

**GROWTH OF MICROFINANCE IN INDIA**

Micro finance for poverty alleviation has been one of the guiding principles of the planning process in India. Government has considerably enhanced allocation for the provision of education, health and other facilities which support capacity building and well being of the poor. The Indian government put emphasis on providing financial services to the poor and the under-privileged since independence. The commercial banks are nationalized in 1969 and directed to lend 40% of their loan for concessional rate to the priority sector. The priority sectors include agriculture and other rural activities and weaker section of society in general. The government of India also launched various poverty alleviation programs like Small Farmers Development Scheme (SFDS), National Rural Development Programme (NRDP), Integrated Rural Development Programme (IRDP), Rural Landless Employment Guarantee Programme (RLEGP), Jawhar Rozgar Yojna (JRY) 1989, Swarna Jayanti Gram Swarojgar Yojana (SGSY) 1999 and many other programs. But none of these programs achieved its desired goal due to poor execution and malpractices on the part of government officials. Public funds intended for poverty alleviation are being misappropriated or diverted through manipulation by the locally powerful or corrupt (Mehta, 1996). To supplement the efforts of micro credit government of India started a very good scheme viz. Integrated Rural
Development Programme (IRDP) in 1980. But these supply side programs achieved little. It involved the commercial banks in giving loan of less than Rs 15000/- to the socially weaker section. In a period of nearly 20 years the total investment was around Rs 250 billion to roughly 55 million families. But it was far from realizing its desired goal holistic programme covering all aspects of self-employment such as formation of Self Help Groups (SHGs), training, credit facility, technology development, infrastructure and marketing programmes. The programme aims at establishing a large number of micro-enterprises in the rural areas. SGSY is a credit-cum- subsidy programme. It lays emphasis on activity microfinance which has come to be referred to as a small scale financial services and technical assistance provided to rural people who operate small or micro-enterprises, provide services, work for wages or commission and other individuals and group working at local levels.

EVALUATION OF SELF-HELP GROUPS IN INDIA

In India after independence, there has been an aggressive effort on the part of the Government, which was concerned with refining the entry of the rural poor for formal credit system. Some of the measures have been institutional, while some others were through implementation of focused programmes for elimination of rural poverty. Reaching out of the rural areas to provided credit and other banking services to the sanctions of the society is an unparalleled achievement of the Indian Banking Systems. The main emphasis is the spread of banking network and introduction of new instruments and credit packages and programmes to make the financial system responsive to the needs of the weaker sections in the society comprising small and marginal farmers, rural artisans, landless agricultural and non-agricultural labors and other small borrowers falling under the poverty line, With the implementation of the above policies, further the Government of India in its developmental
planning emphasized the promotion of agriculture and other allied economic activities through credit intervention for ensuring integrated rural development and securing the prosperity of the rural areas. Pursuance of the formal credit institutions have been guided by the principle of development with equity and huge share of the credit disbursed for numerous activities was channelized towards the weaker sections of the society. Consequently, by the implementation of several poverty alleviation programmes, the number of people below the poverty line declined from 272.7 million in 1984-85 to 210.8 million in 1989-90. In 1991-2000 which constitutes over 21 percent of the population. The number of operational holdings is estimated to have crossed the 100 million mark with more than 80 percent being small and marginal holdings. The institutional credit system wants to meet the challenge of delivering credit to growing number of rural people who need greater access to formal credit. It may have to strengthen its own structure at the gross root levels and also have to create new ways of reaching out to the rural poor. The experience of the implementation of the above discussed poverty alleviation programmes lead to the introduction of the joined rural improvement programme (IRDP) with the specific objective of raising poor rural formalities above poverty line. Such formalities considered credit support from banks as an important input in taking up economic and gainful activities.

Inspite of these inspiring achievements in the growth of the credit delivery system and the special programmes, nearly half the indebted rural households are skill outside the scope of the institutional credit system. They approached the moneylenders for meeting their consumption and production in the absence of institutional support. Some of the poor, who have not been reached even by the vast network of the institutional delivery system, have organized themselves to in self help groups (SHGs) and many such groups have come to in
existence either impulsively of the voluntary agencies which motivated the rural poor to pool their meager financial resources for meeting their small and regular consumption and production credit needs.

The self help group bank linkage program (SBLP), which is the India’s own innovation, has proved to be one of the most effective poverty alleviation and women empowerment programs. The self help group bank linkage programme (SBLP) had a modest beginning with 255 credit linked groups and Loan amount of Rs.29 lakh in 1992-93. Since then the program has grown exponentially. In the process, self help group has growth as a mass association across the country and largest community based microfinance model in the world. As per NABARD microfinance report by March 2012, 79.6 lakh self help group, with an expected membership of 9.7 crores, have savings accounts in the banks, with aggregate bank balance of Rs. 6,551 crores over 43.54 lakhs self help group have loan accounts with total loan outstanding of Rs. 36,340 crores. However, there remain regional disparities in the development of the self help group movement with limited progress in eastern and western regions.

Table 1.1 STATE-WISE SPREAD OF THE SHG-BANK LINKAGE PROGRAMME - NUMBER OF SELF-HELP GROUPS

<table>
<thead>
<tr>
<th>State/UT</th>
<th>No. of SHGs</th>
<th>Average loan outstanding per SHG</th>
<th>Average savings Per SHG</th>
<th>Loans to savings ratio(Multiples)</th>
</tr>
</thead>
<tbody>
<tr>
<td>A.N Islands (UT)</td>
<td>4750</td>
<td>45257</td>
<td>2377.83</td>
<td>19</td>
</tr>
<tr>
<td>Andhra Pradesh</td>
<td>1466225</td>
<td>109506</td>
<td>9961.57</td>
<td>11</td>
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<tr>
<td>Arunachal Pradesh</td>
<td>7079</td>
<td>90206</td>
<td>2121.36</td>
<td>43</td>
</tr>
<tr>
<td>Assam</td>
<td>245120</td>
<td>53495</td>
<td>3560.10</td>
<td>15</td>
</tr>
<tr>
<td>Bihar</td>
<td>248197</td>
<td>46662</td>
<td>4602.35</td>
<td>10</td>
</tr>
<tr>
<td>Chandigarh</td>
<td>964</td>
<td>24323</td>
<td>6161.35</td>
<td>4</td>
</tr>
<tr>
<td>State</td>
<td>SHG</td>
<td>Bank</td>
<td>SHG-Bank</td>
<td>1000</td>
</tr>
<tr>
<td>----------------------</td>
<td>------</td>
<td>-------</td>
<td>----------</td>
<td>------</td>
</tr>
<tr>
<td>Chhattisgarh</td>
<td>118167</td>
<td>38021</td>
<td>5694.44</td>
<td>7</td>
</tr>
<tr>
<td>Goa</td>
<td>7926</td>
<td>84018</td>
<td>10324.46</td>
<td>8</td>
</tr>
<tr>
<td>Haryana</td>
<td>35319</td>
<td>95997</td>
<td>8325.08</td>
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<tr>
<td>Himachal Pradesh</td>
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<td>39279</td>
<td>5010.01</td>
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</tr>
<tr>
<td>Jammu &amp; Kashmir</td>
<td>5569</td>
<td>52489</td>
<td>6821.23</td>
<td>8</td>
</tr>
<tr>
<td>Jharkhand</td>
<td>87205</td>
<td>56770</td>
<td>7501.70</td>
<td>8</td>
</tr>
<tr>
<td>Karnataka</td>
<td>564545</td>
<td>129969</td>
<td>15941.14</td>
<td>8</td>
</tr>
<tr>
<td>Kerala</td>
<td>493347</td>
<td>111311</td>
<td>6719.21</td>
<td>17</td>
</tr>
<tr>
<td>Lakshadweep</td>
<td>164</td>
<td>34571</td>
<td>7298.25</td>
<td>5</td>
</tr>
<tr>
<td>Madhya Pradesh</td>
<td>153817</td>
<td>68089</td>
<td>6864.23</td>
<td>10</td>
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<tr>
<td>Maharashtra</td>
<td>760161</td>
<td>54321</td>
<td>8749.41</td>
<td>6</td>
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<td>Manipur</td>
<td>10306</td>
<td>39610</td>
<td>1725.91</td>
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<tr>
<td>Meghalaya</td>
<td>10653</td>
<td>54287</td>
<td>2943.30</td>
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<td>Mizoram</td>
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<td>Nagaland</td>
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<td>65036</td>
<td>3496.17</td>
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</tr>
<tr>
<td>New Delhi</td>
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<td>9191.73</td>
<td>14</td>
</tr>
<tr>
<td>Orissa</td>
<td>521152</td>
<td>52544</td>
<td>6691.57</td>
<td>8</td>
</tr>
<tr>
<td>Pondicherry</td>
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<td>120168</td>
<td>9394.91</td>
<td>13</td>
</tr>
<tr>
<td>Punjab</td>
<td>40919</td>
<td>55454</td>
<td>12551.26</td>
<td>4</td>
</tr>
<tr>
<td>Rajasthan</td>
<td>233793</td>
<td>52971</td>
<td>5081.22</td>
<td>11</td>
</tr>
<tr>
<td>Sikkim</td>
<td>2811</td>
<td>47180</td>
<td>4924.17</td>
<td>10</td>
</tr>
<tr>
<td>Tamil Nadu</td>
<td>943098</td>
<td>90223</td>
<td>8541.22</td>
<td>11</td>
</tr>
<tr>
<td>Tripura</td>
<td>34312</td>
<td>100571</td>
<td>9929.01</td>
<td>10</td>
</tr>
<tr>
<td>Uttar Pradesh</td>
<td>470157</td>
<td>95423</td>
<td>7814.66</td>
<td>12</td>
</tr>
<tr>
<td>Uttarakhand</td>
<td>44295</td>
<td>51846</td>
<td>12283.23</td>
<td>4</td>
</tr>
<tr>
<td>West Bengal</td>
<td>666314</td>
<td>40999</td>
<td>5499.24</td>
<td>7</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>7461946</strong></td>
<td>****</td>
<td>****</td>
<td>****</td>
</tr>
</tbody>
</table>

*Source: provisional Data from NABARD Head office Mumbai*

The table shows the state wise spread of the SHG-Bank linkage programme in India: the highest number of self help groups is in Andhra Pradesh, followed by Tamil Nadu,
Maharashtra, West Bengal and Karnataka and all other states. Least number of self help groups is in Lakshadweep. Bank for self help group is highest in Mizoram, and followed Karnataka, Kerala and Andhra Pradesh. Least outstanding performance is in Chandigarh. The table clearly shows that self help group savings is highest in Karnataka followed, by Punjab, Mizoram, and Goa states. Least number of saving self help group states are Manipur and Arunachal Pradesh followed by Andaman Nicobar Islands. Loan and savings ratio displays highest in Arunachal Pradesh, followed by Manipur, Nagaland and Andaman Nicobar Islands. Least ratio displays equal level of Chandigarh, Punjab and Uttarkhand. The self help group bank linkage model originated with the motive of connecting the SHG members with the formal financial institutions success Commercial banks, Regional Rural bank, Co-operative banks etc. Hence, they may not turn towards the informal sources for meeting out their credit needs.

INITIATIVES BY NABARD

The potential of self help groups is to grow as local financial intermediaries to reach the poor gained wide recognition in many emerging countries especially in the Asia-pacific Region. Many NGOs have played an active role in fostering the development of the self help groups in furtherance of their financial crises and socio-economic agenda. Considering the immense potential of the self help groups in meeting the growth aspirations of the unreached rural poor, The National Bank for Agriculture and Rural Development (NABARD), the apex development institution with exclusive focus on integrated rural development supported and funded in 1986-87, a MYRADA sponsored action research project on investments and credit management of the self help group. Therefore in collaboration with some of the other member institutions of the Asia pacific Rural and Agricultural credit Association
(APRACA), The NABARD took under a survey of 43 NGOs spread over 11 states in India to study the functioning of the SHGs and possibilities of collaboration between the banks and the SHGs in mobilization of rural investments and the delivery of credit to the poor.

**ORIGIN AND CONCEPT OF SHGs**

The origin of self help group (SHGs) is the brainchild of Grameen Bank of Bangladesh founded by Prof. Mohammed Yunus in 1975, who tried to out a new approach to rural credit in Bangladesh. Grameen gave loans without asked borrower either to provide collateral or engage. It pioneered what has come to be known as group based living. In India NABARD initiated self help group in the year 1986-87 but the real effort was taken after 1991-92 from the linkage of SHGs with the banks. A self help group is a registered or unregistered voluntary association of poor people of 10 to 20, from the same socio-economic backgrounds and it includes primarily saving and credit activities. Self help groups were formed independently without any political influence. It can be all women group all men-group or even a mixed group. However, it can be seen that over 90 per cent of these groups have only women members.

The self help group offers not only savings mechanism, which suits the requirements of the members but also offers a cost active delivery mechanism for small credit to its members (Tangirala, 2008). These groups start with saving and not with credit. The self help group then uses its savings to give loans to members to meet their emergency and other needs. The members decide on savings per member, maximum size of loans, and guarantee mechanisms in loan sanction (Kour, 2008). Self-help group is a small economically homogeneous affinity group of the rural poor voluntarily coming forward to save a small amount of money regularly deposited in a common fund to meet the members’ emergency
needs and to afford collateral free loans decided by the group. The SHGs have been recognized as a useful tool to support the poor and as an alternative mechanism to meet the urgent credit needs of poor through thrift. In Tamilnadu the self help groups were started in 1989 in Dharmapuri District. At present four lakh groups were functioning with 23.83 lakhs members in Tamilnadu.

Self help group have created awareness and social and economic empowerment through democratic functioning and have refinanced Rs. 3.00 crores to the banks. Many rural progress programmes like 'SwarnaJayanti Gram SwarozgarYozana' (SGSY) which is a mixture of six rural improvement programmes, are based on the self-help group strategy. It is a viable alternative to accomplish the objectives of rural growth and to get women’s participation in all rural improvement programmes. Microfinance programmes like the self-help group bank linkage Programme (SHG) in India have been increasingly hailed for their positive economic influence and the development of women. This is based on the view that women are more likely to be credit constrained, have limited access to wage labour market and have restricted decision-making and bargaining power within the household.

The self help group (SHG) movement in India can be observed as one of the best financial intermediary systems of the country. Reaching out beyond simple financial intermediation, it additionally affords the institutional framework for organizing livelihood and non-financial services as well as social services in accordance with self-help principles. Despite tremendous positive impacts, self help groups face important restrictions and challenges which bound their service capacity, bargaining power, and even hinder and endanger their long-term sustainability. Nationally, self help group maintained by their respective self help group Promoting Agencies (SHPAs), began organizing themselves into
bottom-up, multilevel federation systems. These structures of cluster- (village) level, block-(sub-district) level and district-level federations aim to afford support services to their member self help group and self help group members respectively. They act as an interface between self help group and mainstream institutions in India, the women self help group model is a home grown model. Primarily, it is the result of NGOs’ search for community-based institutions which may help the poor to overcome their vulnerability and lack of resources. The self help promoting agencies (SHPA) quickly learnt that savings and loans could be the compulsory factor for groups to continue active for longer periods and pursue their own agenda. SHGs got a big impetus in 1992 with the launch of SHG Banking Pilot Programme by NABARD. RBI permitted banks to open savings accounts in the name of informal groups self help groups and lend to those (informal) groups without collateral and without asking for the loan purpose. Since 1996, self help group banking has been reorganized as a regular banking activity.

Self help groups with a projected membership of 97 million have savings accounts in banks with an aggregate bank balance of 70.16 billion (NABARD, 2011). Over 4.787 million self help groups have loan accounts with a total loan outstanding of 312.212 billion. To take up agenda which was beyond the scope of individual self help group started promoting self help group networks, known as federations since early 1990s. Other objectives of promoting federations are to facilitate the exit of SHPAs, at least from certain basic functions, and to scale up economically. As of July 2010, there were nearly 164000 self help group federations. The first decade of the programme was meant to exhibit the potential of SHGs to organize them and be instrumental in managing their own savings and extending emergent micro credit needs. The second decade laid importance on establishing the reliability of the
model across the regions, with attention on resource poor regions of the country. They
decade also witnessed greatest confidence among the financing banks to “own” up the
programme as a potential business model thereby extending its outreach to the current level.
The improvement of planners including the Government of India and the State governments
also acknowledged the real potential of the self help group movement in development of the
poor and it was made an essential ingredient of all poverty alleviation programmes of the
Government. Even the private sector started realizing the untapped potential of SHGs for
deep penetration to the developing rural markets. The turbulence witnessed for the
microfinance sector in the past due to the mushrooming growth of microfinance Institutions
(MFIs) and their questionable ways in which they went ahead in extending their outreach and
credit intensification could not make any significant dent in the popularity of the self help
group bank linkage programme.

The 8 million self help groups of the poor uphold a balance of over `6550 crore in the
Savings Bank accounts with the banks, while self help groups are estimated to have
harnessed savings of over `22000 crore of which nearly 70% (over 15000 crore) goes for
internal lending. Over 4.4 million self help groups are regularly availed credit facilities from
the banks. During the year on 2011-12 alone over 1.15 million groups availed loans
amounting to 16535 crore from banks and together 4.4 million groups had loans the extended
of 36340 crore outstanding against them with the financing banks as on 31.3.2012. India’s
self help group (SHG) association has developed as the world’s biggest and most successful
network of community based organizations (CBOs). It is predominantly a women’s
association. These were probably the first instances of rural savings and credit in the country
for and of women self help groups. In the mid eighties, there were a few more similar
experiments, mostly in Andhra Pradesh and Tamil Nadu. The results were inspired and the rural development departments of the Government of India. In the late eighties called NGOs, donors and bankers to discuss the possibility of consciously promoting savings and credit of women self help group across the country. In place of the earlier DWCRA groups (Development of Women and Children in Rural Areas). SHGs became visible across the country. Several NGOs, most state governments, donors and lenders saw in self help group an occasion to mobilize rural women to work for their own social and economic progress. By the late nineties, self help groups not just savings and credit groups but were seen as common interest groups. Self help groups arose sprouting up in many villages, with numerous self help groups being promoted in the same villages. The significant milestones in the evolution of the self help group movement can be classified into six major phases: i) NGOs promote women self help groups as an alternative to mainstream financial services to reach un-reached segments of society; ii) NABARD take the leads in the partnering with NGOs particularly MYRADA, to pilot the well-known as SHG-bank linkage model; iii) State Governments particularly in the south take a proactive role in the promotion of self help groups in a big way. The way of revolving loan funds and other support; iv) SHG-Bank linkage reaches the scale of over a million bank-linked self help group v) SHG federations emerge to sustain the SHG movement and to provide value-added services; vi) self help group federations are given extensive recognition to act as implementing agents of numerous mainstream agencies such as financial institutions, corporate sector, and government (APMAS, 2007).

Self help group – bank linkage model has experienced exponential development over the past decade bank lending to SHG federations is presently being piloted in the long-term
the federations acting as business correspondent hold considerable potential for financial inclusion, and this financial inclusion will prove to be a sustainable model. Self help group federations will arise as sustainable institutions of the poor, providing a basket of financial and livelihoods services to their member self help groups and eventually to women. The self help group sector as a whole and SBLP in particular has been facing a number of challenges such as uneven quality of groups, unequal growth, policy contradictions, enormous shortage of capacity building infrastructure including resource material and resource persons to support the self help promoting Institutions (SHPIs).

Stimulated by the results of the studies of the self help group experience, the NABARD in consultation with the RBI, the commercial Banks (CBs) and the NGOs launched the project of linking the self help groups with the commercial banks in 1991-1992 and issued detailed guidelines in February 1992. The RBI advised the commercial bank in July 1991 to spread finance to the self help groups as per the NABARD guidelines. Consequently the bank linkage project was extended to the RRBs and the co-operatives. The self help groups Cwith linkage based on the informal credit system that is the money lenders were holding their away over the rural poor because of their responsiveness, flexibility and sensitivity to the credit needs of the poor. The poor require credit very often in small quantities without much irritation and for the activity own choice.
### Table 1.2 PROGRESS UNDER SAVINGS OF SHGS WITH BANKS

**AGENCY-WISE POSITION**

(Amount lakhs)

<table>
<thead>
<tr>
<th>S.No</th>
<th>Name of the Agency</th>
<th>Total savings of SHGs with Banks as on 31 March 2012</th>
<th>Out of Total-Under SGSY</th>
<th>Out of Total-Exclusive women SHGs</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No. of SHGs</td>
<td>Savings Amount</td>
<td>No. of SHGs</td>
<td>Savings Amount</td>
</tr>
<tr>
<td>1</td>
<td>Commercial Banks</td>
<td>4618086</td>
<td>415298.04</td>
<td>1231524</td>
</tr>
<tr>
<td></td>
<td>58%</td>
<td>63%</td>
<td>58%</td>
<td>69%</td>
</tr>
<tr>
<td>2</td>
<td>Regional Rural Bank</td>
<td>2127368</td>
<td>130013.93</td>
<td>691304</td>
</tr>
<tr>
<td></td>
<td>27%</td>
<td>20%</td>
<td>33%</td>
<td>22%</td>
</tr>
<tr>
<td>3</td>
<td>Co-operative Banks</td>
<td>1214895</td>
<td>109829.49</td>
<td>200192</td>
</tr>
<tr>
<td></td>
<td>15%</td>
<td>17%</td>
<td>9%</td>
<td>9%</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>7960349</strong></td>
<td><strong>655141.46</strong></td>
<td><strong>2123020</strong></td>
</tr>
</tbody>
</table>

**Source:** Status of Microfinance in India

The table displays microfinance in India of the entire self-help groups 58 percent of and 63 percent of savings amount in commercial bank, and the 27 percent of total self help group Regional Rural bank and the savings amount of self help group with banks 20 percent. Co-operative bank entire self help group 15 percent and the 17 percent of savings amount in total savings of self help group with Bank. Out of total under SGSY 58 percent self help group in commercial bank and the 69 percent of savings amount. The Regional Rural Bank 33 percent of entire self help group and 22 percentage of savings amount in SGSY and the cooperative bank 9 percent of self help group and 9 percent of savings amount in out of total under SGSY. Out of total exclusive women self help groups are commercial bank 60 percent and 67 percent of savings. The Regional Rural bank 27 percent of self-help group and 20 percent of savings amount of out of total exclusive women self help group and the Cooperative Banks 13 percent of self help group and the 13 percent of savings amount in
Women self help group. The commercial bank invest amount in good health more than other banks.

Table 1.3 PROGRESSES UNDER BANK LOANS DISBURSED TO SHGS AGENCY-WISE POSITION

<table>
<thead>
<tr>
<th>S.No</th>
<th>Name of the Agency</th>
<th>Loans disbursed to SHGs by banks during the year</th>
<th>Out of Total- Under SGSY</th>
<th>Out of Total-Exclusive women SHGs</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No. of SHGs</td>
<td>Loans disbursed</td>
<td>No. of SHGs</td>
<td>Loans disbursed</td>
</tr>
<tr>
<td>1</td>
<td>Commercial Banks</td>
<td>600807</td>
<td>994204.49</td>
<td>103865</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>52%</td>
<td>60%</td>
<td>50%</td>
</tr>
<tr>
<td>2</td>
<td>Regional Rural Bank</td>
<td>304809</td>
<td>502605.15</td>
<td>67873</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>27%</td>
<td>30%</td>
<td>32%</td>
</tr>
<tr>
<td>3</td>
<td>Co-operative Banks</td>
<td>242262</td>
<td>156667.23</td>
<td>38041</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>21%</td>
<td>10%</td>
<td>18%</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>1147878</td>
<td>1653476.87</td>
<td>209779</td>
</tr>
</tbody>
</table>

Source: Status of Microfinance in India

The table displays micro finance in India: 52 percent of and 60 percent of Loan are distributed in commercial bank, and the 27 percent of total self help group Regional Rural bank and the Loans disbursed of self help group with banks is 30 percent. Co-operative bank total self help group 21 percent and the 10 percent of savings amount in total savings of self help group with Bank during by the year. The out of total under SGSY 50 percent self help group in commercial bank and the 50 percent of Loans distributed. The Regional Rural Bank 32 percent of entire self help group and 37 percentage of savings amount in SGSY and the cooperative Bank 18 percent of self help group and 13 percent of savings amount in out of
entire under SGSY. The out of total exclusive women self help group in commercial bank 57.5 percent and 61 percent of savings. The regional Rural Bank 28.5 percent of self help group and 32 percent of savings amount of out of total exclusive women self help group and the Cooperative Banks 14 percent of self help group and the 7 percent of savings amount in women self help group. The commercial Bank savings amount and Loans disbursed in good health than other banks.

Table 1.4 PROGRESS UNDER BANK LOANS OUTSTANDING AGAINST SELF-HELP GROUP AGENCY-WISE POSITION (Amount lakhs)

<table>
<thead>
<tr>
<th>S.No</th>
<th>Name of the Agency</th>
<th>Total outstanding Bank Loans against SHGs</th>
<th>Out of Total-Under SGSY</th>
<th>Out of Total-Exclusive women SHGs</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>No. of SHGs</td>
<td>Loan outstanding</td>
<td>No. of SHGs</td>
</tr>
<tr>
<td>1</td>
<td>Commercial Banks</td>
<td>2617199</td>
<td>2581028.86</td>
<td>643100</td>
</tr>
<tr>
<td></td>
<td></td>
<td>60%</td>
<td>71%</td>
<td>53%</td>
</tr>
<tr>
<td>2</td>
<td>Regional Rural Bank</td>
<td>1293809</td>
<td>861357.81</td>
<td>476063</td>
</tr>
<tr>
<td></td>
<td></td>
<td>30%</td>
<td>23%</td>
<td>39%</td>
</tr>
<tr>
<td>3</td>
<td>Co-operative Banks</td>
<td>443434</td>
<td>191613.51</td>
<td>97165</td>
</tr>
<tr>
<td></td>
<td></td>
<td>10%</td>
<td>6%</td>
<td>8%</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>4354442</td>
<td>3634000.18</td>
<td>1216328</td>
</tr>
</tbody>
</table>

Source: Status of Microfinance in India

The table displays that micro finance in India the total self help group 60 percent of and 71 percent of Total outstanding loan amount in commercial bank, and the 30 percent of total self help group Regional Rural bank and the Loan outstanding amount of self help group with banks 23 percent. Co-operative bank total self help group 10 percent and Loans
outstanding percent of amount in total outstanding of self help group with Bank. The out of total under SGSY 53 percent self help group in commercial bank and the 61 percent of savings amount. The Regional Rural Bank 39 percent of entire self help group and 32 percentage of savings amount in SGSY and the cooperative Bank 8 percent of self help group and 7 percent of savings amount in out of total under SGSY. The out of total exclusive women SHG in commercial bank 62 percent and 72 percent of loan outstanding. The Regional Rural Bank 30 percent of self help group and 24 percent of loans outstanding amount of out of entire exclusive women self help group and the Cooperative Banks 8 percent of self help group and the 4 percent of loans outstanding amount in women self help group.

SELF HELP GROUP IN TAMILNADU

The Government of Tamil Nadu implemented many schemes for the progress of women and uplift them economically and socially all the schemes were not successful because those schemes providing financial facilities to women at macro level and followed many procedures among many schemes of women development. The self help group for women is one of the successful schemes, which is refining financial and playing a major role to eradicate poverty particularly in rural areas. Micro finance is the reason for the successfulness of the scheme. The Tamil Nadu Corporation for Development of Women Limited was established for the development of women in December 1983 by the Tamil Nadu Government. Several schemes have been implemented by the corporation for the social and economic development of women. Among the scheme called “Mahalir Thittam” was implemented with the support of Non-Government Organizations (NGOs) and Banks and is
functioning through a network of Women’s Self-Help Groups. This scheme also plans for the
development of SHG movement with a view to promote the status of rural women.

The women self help group using the loans by banks through the NGOs include
themselves in activities for salt making, fish processing and selling vegetables, selling sarees,
petty shops, tea shops, produced agarbathi, crop culture, etc., Loyola College in chennai
funded NGOs trained these women for stitching and using computers for the youth especially
are being trained in catering so as to make them even with all these economic activities. They
are not get sustainable income which makes them go for other jobs under the employment
guarantee scheme of the Government, or as part time work in hotels. These employments are
also not a regular feature added that there are other final amount comes to the hands of the
labour as such this also is not adequate to sustain them.

FINANCIAL PROBLEMS

Self help groups get external funds due to absence of tangible security and credit
process to avail the loan facility is time-consuming that its delay frequently disappoints the
self help groups. Lack of finance, high rate of interest and insufficient loan amount are the
major problems which self help groups is bearing now days especially due to global
recession tackled by self help groups include low level of purchasing power of rural
members, lack of finance to start the business and reduced profits due to competitions,
pricing of goods and services for the financial statements are hard to be maintained by lack
of guarantees for raising up of loans, difficulty in raised capital through equity, dependence
on small money lenders for the loans. They charge discriminating interest rates and enormous
rent and property cost. These all problems generate a difficulty in raising money through
loans poor people often have insufficient established forms of collateral securities to the offer. They are often excluded from traditional financial market. The Government was provided subsidy to the rural areas but due to high cost of finance, these subsidies are not giving profitable numerous schemes like loan scheme, raising funds through equity is little bit difficult for self help Groups because of lack of financial knowledge and also their financial corpus is also low, so loans are primary source of finance for them which proved to be a greatest hurdle in developing self help groups. Various policies of RBI regarding priority sector lending failed to accomplish by the objectives unit of micro finance movement in India. Self help group is a group of few individual who pooled their savings into the fund from they could borrow as required. Self-help group is associated with banks but linking an existing self help group is frequently a costly affair for an aspiring villager. In order to maintain parity among the members, a new member has to link by depositing the entire accumulated individual savings and interest of group members. Self-help group is starting new easy business as compared to joining the existing one. They have less capital resources as they cannot increase equity capital. Once the groups display this mature financial behavior banks were encouraged to make loans to the self help group in certain multiples of the accumulated savings of the self help group.

The bank loans were given without any collateral and at market interest rates. The members have experienced the benefits of credit discipline by being able to save and borrow regularly without many hassles. The groups continue to agree the terms of loans to their own members. The pressure ensures timely repayments and replaces the “collateral” for the bank loans availability of timely and adequate credit is essential for them to undertake any economic activity rather than credit subsidy. Financial problem is tackled by all members of
self help groups. They face the problems at the time of starting as well as during operation of their business enterprises for problems in getting loan and subsidy, insistence of collateral security and margin money necessity, time taken to process loan, tight repayment schedule, poor financial management and maintenance of account. Problem in availing financial assistance, financing the enterprise is another problem tackled by the women self help groups rely on family finance or at the maximum on partners and friends even among the few who sought financing from external sources.

**MARKETING PROBLEMS**

Self help groups face severe competition for small groups incurs high cost of production due to high input cost. The problems tackled by marketers are the problem of standardization and competitions, advertisement, poor quality of products, higher prices, lack of product planning of self help group problems in physical distribution in fixing the standards of sticking to them have limited financial resources and hence cannot afford to spend more on sales promotion. The units are not having any standard brand name under which they could selling their products. New ventures have come up with new advertisement strategies which the rural people can easily understood. The literacy rate among the rural consumer is very low and sales volume is insufficient, printed media have limited possibility in the rural context. The traditionally restricted nature to cultural backwardness and cultural barriers add to the difficulty of communication. It has been seen in recent past that in spite of adequate food stocks with government warehouses people are dying problem of the public distribution system. The producers have not collective in their approach for marketing their products because they are to be widely scattered and unqualified. The self help groups are heavily reliant on middlemen for marketing of their products who pocket huge amount of
profit. Storage facilities and poor transport are other marketing problems in self help groups. Self-help group methods of storage have not capability of protecting the produced for the goods. The marketing activities of the self help groups are far below the new standards fixed by globalization. They market their products only locally mass production and massive marketing packing of the finished products do not attract the mass as other manufactured product. The self help groups even involve in advertising their products like marketing target only known people to the relatives and other Self help group members as their customers. Self help group products through the nearby shops even put stalls in local shandys. Even some self help groups women indulge in door to door marketing of their products which affords less possibility of sales and they end with lesser profits.

PRODUCTIONS PROBLEMS

The self help groups are facing production problems of high cost of production and equipments, poor knowledge on equipments, Improper locations, lack of water facilities, Scarcity of power and fuel, High cost of productions, Non- availability of raw materials, Irregular supply of raw materials, High cost of transport, and Environmental issues. Self help groups are selling price depends upon the cost of productions. The cost of productions was high, selling prices are high and customer may find it hard to buy costly products. The competitor’s prices are less sales will rise although, the self help group is a problem as to be what price he has to charged for the goods. It was suggested for the preparation of plant and machinery and furniture and fixture in such a way that it inhabits minimum space in the business locations of productions. This minimizes has not only the space but also facilitates easy association of materials, men and completed goods. In addition to the layout of building self help groups have to solve other problems such as power, ventilations, air-conditioning,
sanitations, noise control, etc., The numerous methods of overcoming these problems of the selection of the design of the product is another problem tackled by self help group; change in the design of the product will affect the design of the plant and its layout which will demonstrated costly and complex for the enterprise. The design problem should be considered in advanced one of the problems tackled by ensures ready availability of materials to ensure continuity in production of self help groups with a view to take advantage of reduced cost of material and to avoid excess losses and wastages, different techniques of material control such as deciding Economic Order Quantity (EOQ) level settings, ABC analysis, perpetual stock taking systems must be decided for the production planning and control techniques are essential to keep up promised delivery dates. The self help group must also decided the production capacity has to plan the flexible schedules, work load of men and machines and evaluate the flow of production from machine to machine. Customer satisfaction to a greater extent and depends upon the quality of the products. The quality of goods must achieve the rule set by ISI and ISO series. The production problems must consider product inspection and statistical quality control techniques to confirm quality of goods functioning of a factory are affected by numerous economic and non-economic environmental factors, such as social, culturals, political, technological, naturals, and historical to take into account all these issues so that the adverse effects may be solved by taking suitable measures Strategic management holds a set of decisions, actions and interactions in the help of designing an effective strategic network to facilitate the accomplishment of organization’s mission. In other words, it can be stated that the importance of strategic management is on innovative strategic programme, looks for changes
in programme, classifies the potential for changes and makes critical appraisal of programme of attaining enterprises of self help group.

**HUMAN RESOURCES PROBLEMS**

Human resource management is one of the major challenges confronted by the self help groups. The self help groups have comprehended the importance of hiring qualified professionals for scaling up self help groups operations, reducing costs and achieving sustainability. However, self help group are faced with many problems and constraints; in this regard they face the problems regarding planning, decision making, and operations. It has come to be increasingly realized that in order to be successful both in outreach. Self help group must be operated in a professional way facing human resource problem in lack of leadership skills, unskilled group members, lack of training, lack of members participation and conflict among group members, Absence of motivation, lack of co-operation among members, inexperience, continuously getting exact people having the necessary skills and honesty and who can help in achieving financial/operational. Due to lack of any standard practices based on its own experiences find it hard to cover huge number of group members. Sensitive requirement is felt to upgrade skills and abilities of the staff through training and exposure. Self help group have difficult to attract leaders for their get on even developing second line leadership has been found to be a challenging task. Training enter membership has been found to be hard as many leaders find it difficult to take up the training is also lack of inadequate leadership in self help groups. There is a requirement for giving regular on job training, skill up gradation and exposure to best practices in self help groups. There is need for an appropriate Human resource management to run self help groups with financial support. The human resource must help to address issues like determining the number of
active borrowers including maintaining gender balance in members training, capacity building, and promotion, etc. Self help group is very difficult to reach out to the poorest communities in remote rural and urban areas. They have neither entrée to good market nor the risk taking ability face irregular flow of income due to seasonality of employment. NGOs work in the same villages with different models. There is also the government SGSY programme giving subsidies to groups. Further, there is the risk in the villages for move around with cash in hand banks are not available at proper distances in rural areas transaction and service cost lack of community or group feeling, lack of availability of time to members for group meetings and discussion, and absence of cultural and traditional ties and shifting of self help group.

A. Savings: All members must save the minimum amount every week to be fixed by the members themselves. No maximum limit is to be fixed on weekly savings. Individual savings need not be obtained from money which is left over after all expenses have been made savings should be money that is kept away before spending.

B. Lending and Repayment: For the common fund of the SAG to grow it should always be in circulation. Loan requests should be prioritized and all decisions concerning lending are to be taken in the meeting itself. Interest rates charged or loans are to be fixed by the members themselves. The repayment schedule for each loan must be fixed in the SAG meeting before the loan is sanctioned.

C. Maintaining Books of Accounts and Records: The self help groups must maintain the following books and records:

- Admission book
- Attendance book
- Minute’s book
- Cash book
- General ledger
- Savings and loans ledger
- Receipts and payments vouchers
- Individual pass book
- Banks pass book and cheque book

**Savings and loans:**

- Save at least the minimum amount agreed upon by the group every week.
- Obtain loans for valid purpose and never to misuse as loan.
- Repay loans as agreed upon in the self help groups meeting and to pay interest on time
- Keep track of ones individual savings amount and loan recorded.
- Ensure that all group members utilized their loans for the agreed purpose.
- Ensure that they are repay the money on time

**Cash Management and Documentation**

- Conduct cash transactions with the self help groups only during the meetings and never outside of the meeting.
- Bring the passbooks for updating in each self help groups meeting.
- Ensure that the cash inflow to the self help groups is remitted to the savings bank account at the earliest.
- Ensure that they are maintenance of all the books and records of the self help groups including the individual pass book.
- Ensure that they are receipts issued for any cash transactions with the self help groups
To learn sign ones name and also acquire the basic literacy and numeracy skills

Ensure that the audit of all self help groups’ transactions takes place every year.

To discuss the audit findings in the self help groups and take follow-up action.

Issue receipts for any cash received (savings, loan repayments, etc.) by the self help groups either from its members or from others - immediately.

**Savings and Credit**

**Loans:** The group must decided upon the prioritize of loans, monitor the proper utilization of loans, and charge interest rate on loans.

**Use of the Cheques:** Transactions of amounts larger than Rs. 500 are usually done through cheques not cash, although that there is an less chance of pilferage or of making accounting mistakes. Cheques were written in the presence of all group members to confirm transparency in financial matters.

**Handling Cash:** All cash collections are directly deposited in the bank to decrease the possibility of theft and also to decrease the possibility of members themselves mishandling for the cash. Members to take turned to deposited the collection of amount in the banks. so that responsibility does not lie heavy on the shoulders of a few people.

**Maintenance of Accounts:** Members decided for maintained books and records and accounts, how much they will pay this person and how they will monitor him or her. Minutes Book: Minutes book is as significant and basic book which contains not only the proceedings of the group meeting but also the financial transactions which have taken place on the day of the meeting. It helps the self help groups to review the choices taken in the previous meetings action will be taken for the follow-up required. It is often called the "mother book".
**Member's Individual Pass Book:** Member's Individual Pass Book authorizes the cumulative savings and loan position of each member. The Passbook is kept with the individual member.

**Individual Savings Ledger:** Individual Savings Ledger contains the day-to-day savings of all individual members of the group. It supports the self help group to know the member-wise savings for the day, for the month and for the year. Even if a member's passbook is misplaced, her savings and loan status may be traced from the ledger.

**Individual Loan Ledger:** Individual Loan Ledger contains all information of loans disbursed to members, individually, including loan issues, purpose of loan, interest payment schedule, recovery, outstanding and overdue.

**General Ledger:** General Ledger covers the activity wise cumulative balances. For example, from the General Ledger, one can express how much has been spent on transportation by the self help groups, how much has been earned from fines, etc. It affords the self help groups with information on the financial position of each activity

**Bank/Cash Book:** Bank/cash book maintained for all the records of cash and bank transactions of the self help groups.

**Petty cash book:** Petty cash books used for recording all tiny payments such as postage stamps, stationary, traveling expenses, etc.

**Receipt Book:** Receipt Book keeps track of all receipts to the self help groups. It was maintained for duplicate with the original being issued to the person who has paid the money. This helps both the self help groups and the payer validate that the amount has been received.
Supporting documents: Supporting document link to the numerous financial transactions and choices made by the group and all correspondence should be filed in the documentation file.

Stock Book: Stock Book covers information of materials (e.g. raw materials for a production activity) received or issued and balances, along with their material value.

Penalties: Fines were fixed for overdue loans, for defaulters and those who break norms established by the self help groups.

Interest on Savings: Members decided whether interest on savings/dividends will be paid and distributed.

Source: Self help groups in Namakkal district
Internal lending:
The SHG should be using the savings amount for giving loan to the members.

- In case of urgent requirement, women need not approach any moneylender or such agencies. They can getting loan from the self help group with respect.
- For getting loan, there is a provision of 1% or 2% of interest levied by the group. Repayment can be made in easy installments according to their income.
- The interest amount should be benefits to the group members only distributed among the members.
- The purpose of amounts rate of interest and schedule of repayment are to be decided by the group.
- Proper accounts to be kept by the self help groups.
- Money was not kept idle in the bank since it earns much less interest than when it is loaned to members. Surplus money is invested intelligently in businesses or interest-earning deposits.
- Money should not spend unnecessarily from the common fund for social or administrative purposes.
- All financial transactions took place during the meeting, thus ensuring the involvement of all members in managing the common fund.
- Members and some of the assets were insured that losses from risks are minimized.
- The interest amount could also condoned by the collective decision of the group.
- Women are able to fulfill a lot of their needs from the loan so taken. They become proud of their savings.

Eligibility for loan: The following of the common criteria adopted by the self help groups for assessing for the eligibility of the loan applicant:
• Regular attendance of member - at least 90%

• Regular savings

• The member participates eagerly in common action programmes

• The member partakes constructively in group affairs

• Purpose for which loan are requested for and its urgency

• Ability of the member to managed by the asset/activity being financed by the loan

• Capacity of the applicant to repay the loans from various sources of income

• Utilization and repayment of previous loans.

**Tailoring & Ready-made garments**

![Image of women sewing](image)

**Leadership**

Two or three group members are designated as leaders/ book-writers initially the opinion leaders may be the leaders and over a period of time they are expected to be taking turns. The group leaders are expected to
- Regularly convene and conduct meetings,
- Help the group members in taking decisions,
- Resolve conflicts,
- Maintain books of account and
- Approaches of bank branch for the operation of accounts.

**Candle Making:**

A two - day training program can be organized on specific candle making including packing. The trainees can be trained in making different types and varieties including semi transparent and floating candles.

**Source: Self help groups in Namakkal district**

Candles have been used to afford both illumination and warmth for thousands of years and have been manufactured using a multiplicity of techniques. Modern candle making contains melting wax, then pouring it into a mold or glass container inserting the wick and allowing the wax to harden. Dyes and fragrances could be added to the melted wax to produce different colored and scented candles.
Pickle Making:

Pickle making training can be very useful. The varieties can be Lime, Mango, and Garlic and mixed vegetable Pickles.

Source: Self help groups in Namakkal district

Training in Agarbathi Making:

During the training programme for one month, the women were able to make around 100,000 sticks. After the training programme women are giving raw materials and the trust will make preparations to sell the same under the UJWALA brand. This program will afford employment to women when there is no agricultural work (usually 6-8 months in a year) and the family can earn a nominal amount. This program will be extended to other villages of the program area and our target is to give employment to at least 1000 women in the next 5 years.
**Home furnishing**

Home furnishing can make space look exceptionally uncluttered and adding décor items to every space will only developing the ambience for the room. Rustic home furnishings are very popular and this contain drapes, window curtain, table cloths, wallpapers, wall effects, cushions and bed covers Home furnishings have rehabilitated with the change in trends and lifestyles. Today there are several green home or furnishing, art furniture styles, etc. while antiques are still favorite, wrought iron furniture is similarly in demand. Then bathroom furnishings, home accent, window furnishings, and kitchen treatment. It inspiring home furnishing options are accessible in the market. It should be selected and ordered online.

**Mushroom Cultivation:**
Other Training Programmes:

- Hollow Block manufacturing
- Grocery shops running
- Small Business
- Public Distribution Centers
- Food Processing Health and Beauty, each for six months duration
- Printing technology,
- Publications on Development information / Education and Communication
- Day care centre
- Painting,
- Chalk pencil making
- Detergent making
- Potato chips making.
- Vocational Training Programmes for SHG Members

Tailoring & Ready-made garments making: In order to afford employment for school dropout girls, a tailoring program can be begun and they can purchase tailoring machine through SHGs or on their own and start stitching clothes on an average; they can earn around Rs.2000/- to Rs.3000/- per month depending on the season and the month.