Chapter V
ADMINISTRATION OF SELF HELP GROUP BY WOMEN ENTREPRENEURS

5.1 Introduction -

The self help groups are the groups run by the women members only who are also playing the role of administrator. Administration means management of the office, organisation or business. Administration means people who are responsible for running a business or organisation.

Here we are concerned with the administration of the self-help groups. In the self-help groups administration it is concerned with the organising the group, the meetings in the group, decide on the internal regulations, administrative procedure etc.

5.2 Administration of the Group -

In the administration of self help group, the focus is on the following important points:-

- Meeting the people for forming the group.
- Motivating the women to be the part of the group and also her family members.
- Internal regulations of the group.
- Planning of the group activities.
- Recruitment of the members.
- Recruitment of the leaders.
- Place of working.
- Financial Administration
- Training and Development
- Job Rotation.
- Guidelines
- Gradation of the group.
- Working condition
- Structure and Organisational set up of self help group
1. **Meeting the people for formation of the group:** When the group is to be started it is necessary to meet people and convince the members to join the group. In the group formation there are two stages which are group formation stage and promotion stage. In the first stage the promoters visit the villages and gathers information and builds rapport with the villagers. In the meetings with the village authorities, also it is necessary to meet the husbands as they prefer women members self help groups only. The husbands are to be convinced to support the women. It takes more time for this first stage as it is not so easy to convince the authorities and then the women to make them habitual of savings. It tells about the advantages of savings and credit. It is difficult for the people to understand the importance at the initial stages. The frequency of the next meeting is also to be arranged immediately so that the members convinced will join the group. It is necessary to tell the women that who all are interested should form the group of 10 to 20 members. It is necessary to tell them the advantages of the self help group its objectives and the responsibilities to be the members. The meetings at the initial stages are for all the people and then they have to be convinced for sending the women members in the group.

2. **Motivating the women to be the part of the group and also motivate her family members:** Since the group are consisting of all the women members the family members who are objecting needs to be convinced. For the same as mentioned earlier the groups have meetings with all the members so that women are send for the same. Many of the members especially in the villages join the group after convincing but many times do not pay the membership fees and tend to discontinue for which at the initial stages only it is necessary to motivate the women members and also her family to support her. The participate of women members in self help groups will increase their decision making, also it will increase her knowledge about the credits, and it will also influence the change in the attitude from the family members. Through joining self help groups the women also develops entrepreneurial activities which also needs to be convinced. The women should also be informed about that the monetary pressures are reduced by joining self-help groups Family members support is very necessary for the women. The family members should be convinced for the savings which is going to help their family and support the
family. Since some basic social activities within the members who are their neighbours will also be solved. The support of the family members will be very motivating to the members as it will help them to generate income related activities which is in the interest of the family. The women have various factors which are motivating to the join the group which are as following :-

- For getting the loan: The poor are denied loan by the banks or any other finance organisations due to which they had to take the loan from private money lenders. But when they join self help groups the access is to credit is possible without submitting the documents. Thus one of the purpose of joining self help group of many members is to get the loans.

- For promoting saving habits: This is one of the basic objective of the self help groups for which many of the members join the group. Since in the intial meetings they are being told the benefits of joining the group and importance of savings many members join the group for the same.

- Family Welfare: This is also one of the main reason which motivates the members to join the group. Since they come from family which is poor and have no source to carry out the expenses the members do join the group when motivated for the same. As for women members family comes first this factor is very motivating to them to join the group.

- For recognition in the family: This is also motivating to the members as mostly the women are considered as only for doing the household work in which they are not recognised at all. Somewhere women want recognition which she can get through joining the self help groups. Since only women members of the home join the group they develop identity in the house and also get the chance to generate income through trainings in the group.

- For receiving the Technical training: This is also one of the motivating factor to join self help groups by women as through joining self help groups the women get the stage to receive various trainings which was not possible earlier. Due to receiving of training many women members start the small enterprises.

- To achieve economic independence: Many members motive to join the group is achieving economic independence as they were not getting the opputunity to
do so earlier so they think that through the self help group they get a chance to do so and will receive a stage to generate income through this.

- To avail subsidy: Many of the women join the groups as they avail the subsidy facilities in the setting up of the enterprise or the children of the members get the educational subsidy etc. Thus this percentage is less but it can be one of the factor for joining the self help group.

- To remain active: This very rarely the reason to join the self help group but it can be for few women members the reason to join self help groups. Active can be in the sense that few women like to do the social work or have the leadership qualities which can be useful for the running of the group. Thus this can be one of the reasons to join the self help group.

3. **Meetings to be held among the group members:** After the women join the group the meetings are to be conducted properly by the leaders. The meetings should be conducted regularly which ideally should be once in a week. The objectives or purpose of the meetings should be very clear. As stated earlier the meetings should be four times for the purpose of discussions on the common issues or some society problems, developing social cause for the members to join the group and once in month also to collect the membership fees and dispose of the loans required by the members. The meetings should be very encouraging to the members and the administration of the meeting includes not only getting the members together for the membership fees but also for discussing on the social issues and coming together and developing the habit of savings. Also for the members it is one of the reasons to come out from their routine work and contribute to the social work and to the group. The attendance register in the meeting is to be maintained regularly. The members should be punctual and maintain the punctuality in the timings of the meetings.

4. **Internal regulations of the group:** The group has to decide collectively about the internal regulations. These regulations are being strictly followed once they are decided. The internal regulations are also the norms which are for functioning of the group. The norms includes:

   a) Maintenance of the Books: The group should be maintaining the basic books like loan register, attendance books, individual pass books are also maintained.
b) The decision regarding the group size as to how many members can be in the group which should be in ideal size of minimum 10 to 20 members is also to be decided in the internal.

c) The members should be from same, social and financial background.

d) From each family only one member is allowed to join one group.

e) All the registers and account books should be writes during the course of meeting.

f) The group should be using savings amount for giving loans to the members.

g) The rate of interest of the loan is also to be decided in the internal regulation as mostly the members join the group for this purpose and if the regulations are their then these women do not bypass the same and they follow it.

h) The purpose for which loan is to be used, should be decided in the internal regulations. As some groups draft the regulation that the purpose of the loan should be told and based on that the loan will be sanctioned after deciding about the emergency of the concerned member.

i) The amount of loan is decided on the savings available and if their more than one member asking for the loan then how much amount to be issued to whom should be already decided in the internal regulations.

j) The repayment schedule is to be decided in the internal regulations as to whether it should be along with the monthly membership or any other schedule so that the members agree to the repayment in the way it is decided as the rule.

These regulations are very important as the group stability is dependent on this and when the regulations are clear then the function is proper.

5. **Planning of the group activities:**- The group not only conducts meetings but also members are free to exchange the views and all the members should participate in decision making. The group should maintain transparency in keeping of the records. The group activities should include discussions on the current social aspects and regarding any problems faced by the any group members. The activities mostly include the social activities. The group members of Pune city carry out the activities like green environment, arranging for safe sanitation for women who are staying in the slum, also income generating activities like incense sticks making, candle making, food processing units like pickle making, jam, vermi-compost, tailoring bag making.
etc. The NGO members regularly interact with the members and get information about the development process and the profit distribution among the members. The social activities like fight against dowry system, evils with the wife, unhygeneic sanitation etc are properly fought with. Thwself help group members are also giving the services like distribution of the electricity bills, which is done successfully by them. All the group activities needs participation from all the members.

6. **Recruitment of the members:** - The membership criteria in many groups is for the poor members like who are not having proper house, no proper toilets, insufficient income, cannot miss the days work else his family will sleep hungry. The criteria in the urban areas are different like family member can join one group, some groups take the members who can read and write, some groups take the members who have the permanent residence proof of that area where they stay

   Thus in the administration of the groups recruitment of the members play an important role and there are also few groups who have no criteria for recruitment, the members have the common things when to be recruited, like one

7. **Recruitment of the leaders:** - The leaders are the one who runs the daily activities of the group. But the group leaders are those who are elected by the voting by all the members. After certain period the others are given a chance in many groups to be the leaders through the elections. Leaders are actually running the group and are also one among the members.

8. **Place of working:** - The groups do not have the office place as such. The groups meet at the common places as decided for the meeting. Since there is no fixed place for the office the activities to be carried out face the difficulties. Difficulties like where to communicate, how to arrange for trainings so that all the members will be informed, the authorities to be contacted since there is no fixed place to sit, any other time if they want to meet other than the meeting day it is difficult since there is no office. Since place of working being not their like any other offices for administration there are lot of difficulties which are faced.

9. **Financial Administration:** - The group collects the membership fees from the members every month the same funds are being used for granting loan to the
members. The access to finance to women was due to the self help groups. Thus in the routine working of the group many financial activities are their which needs to be administered effectively. The group also receives revolving funds from the corporation or NGO’s for funding as capital to start the new enterprises for the same also the use of those funds for the same purpose for which they are funded is also to be effectively administered. Thus the stability of the group is widely dependent on the effective financial administration.

10. **Training and Development** :- The enterprises started by the members are only because of they joining the group. Earlier they had the skills but had no confidence to start the business and neither had the funds to start. But after joining the groups the women developed confidence, received the funds and confidence was developed from the training given by the groups. The training and developments have become the part of the group which are conducted frequently. To arrange for the members trainings on various aspects are very challenging and professional are to be called for the same. The secretory or the group leader is independently given the responsibility to arrange for the trainings whenever required. Thus training and development and the administration of the same is to be effectively carried out and it should work out to be very profitable to the members which develops confidence among them.

11. **Job Rotation**:- Job rotation is giving the chance to other members to do the work. In the administration of the group generally two members are appointed as secretory, and the chairman or representative 1 and representative 2 who are also called as leaders who are rotated after their tenure is over. These representatives or leaders are appointed by the voting of all the members. Through the job rotation each members get the chance of leadership for the groups in Pune city. Also due to job rotation the administration is also improved and the skills of administration of various members are utilised for better administration of the group.

12. **Guidelines**:- The self help groups have certain guidelines on which the working of the group is dependent. Following guidelines like number of members should be minimum 10 and maximum 20, there should be regular meetings, group should function in democratic way, members should participate in decision making, meetings should be conducted as per the
agenda, group should collect the decided voluntary membership amount and the same should be utilised to advance loans to members according to the norms of the group related to rate of interest, repayment and amount to be sanctioned. The group should also maintain records like loan register, cashbook, bank passbook, attendance register, minutes book etc. The chairman, secretory will not be given any remuneration for the same post, the social activities will be carried out frequently by informing in advance, in the group working otger than the members outsiders are not allowed to interfere and loan will not be given to the outsider, in case of emergency with the consent of chairman and secretory the member will be given the advance without charging interest with the promise of paying on time, if not paid on time then it will be considered as loan and interest will be charged. Thus these guidelines are important to be followed and the administration becomes easier by following the same.

13. **Gradation of the group:** The groups are given internal loans to the members from the collection of membership funds and as per their rules the repayment of the loan, use of the loan, management of the loan etc. is done. After effectively running the group the group is eligible for loan from the bank after completion of six months for the group gradation is being done by banks on the basis of unity of the group, the knowledge of purpose of starting the group among the members, knowledge of objective of the group, meetings held, attendance in the meeting, regularity in paying the membership fees, internal loan disbursements, when it started, turnover of the loans, repayment position of the whole group as such, maintenance of the various books of accounts, in the financial decisions participation by all the group members, decisions on the internal loans in the group meetings, activities or work done by the group. On the above mentioned categories there are three options given and also the marks for the same are stated if any group is getting 90 marks which is 60% then it is termed as stable or good group which is eligible for loan from the bank. But the groups who are below this does not mean that they are not eligible for loans banks checks the purpose, sincerity, objective of the loans, working of the groups and if they are satisfactory then loans are given to them.

While doing the gradation bank rates the groups on the following grades like best, good, not satisfactory. The grades were given on the
categories like number of members-10-15 (best), number of meetings-4 times in month (good), attendance of members-90% and above, rate on interest of internal loans-good is 24 to 30%, repayment best is more than 90 %, maintaining of all the books of accounts, the amount of membership best is 5000, about the rules and regulations and working of the group if all are aware of the rules then the group is graded as the best group. The literacy among the members the group comes in the best category if 20% of members can read and write and if members are less than 20% who cannot read and write then the group falls in not satisfactory grade and lastly the knowledge of members about the government run schemes in the interest of SHG, if all members are aware of it then it is best group and if majority of the group members are aware of it then it is good group and if none of the members are aware of it then it is not satisfactory group. Thus from the above 15 categories groups with 12 to 15 fall in the groups in best category then the loan is immediately given, 10 to 12 have got category of best then group is given loan after 3 to 6 months and groups who score less than 10 for best group they are not eligible for loans from banks.

14. **Working Conditions:-** The groups face the problems of inadequate infrastructure. The activities of the group like income generating activities are carried out in the members house and they are inadequate to accommodate these activities, they do not have the transport or storage facilities, there is no developed market. The groups have no well developed market for the products prepared by them, neither they have a fixed place to sell their products. The groups since lack in the funds they do not have good machinery for the products produced and working conditions are not favourable. Due to this the administration faces problems and if the group members are provided with the good working conditions the group activities will expand and also the members will be motivated to join the groups and number of groups and the membership will increase.

15. **Structure and Organisational set up of self-help group:-**

- The group should be having the membership of 15 to 20 members.
- No Discrimination :- The members should not be having any discrimination based on caste, religion or political affiliation.
• The members should be from same socio-economic background
• There should be regular attendance in meetings and decision making.
• All the financial and non-financial transactions should be transparent.
• The groups can discuss and set up set of bye-laws indicating rules and regulations, powers, functions and objectives of the group members, group as whole, leaders or representatives elected.
• Members should be inculcated the habit of savings so that a strong common funds are collected.
• The collected funds should be utilised for loans to be given to the needy members who should repay the loan interest as per the schedule.
• For effective administration the group should consist of two group leaders who are rotated periodically and the members pay the monthly savings to meet administrative expenditure which ranges from Rs.50 to Rs.100.

5.3 Conclusion:

The administration of Self Help Group by Women Entrepreneurs in this chapter as we have covered the administrative part of these groups and we have considered all the aspects of administration. Few findings are disclosed through proper understanding of the administration and lagging the professional approach.