The SHG is a voluntary association of the poor who come together to improve their socio-economic conditions. As the group matures, they initiate income enhancement and entrepreneurial activities. These can be both individual and group activities; The SHG borrows a required fund from banks to disburse it among the group members to undertake various income-generating activities. Self-Help Groups is a solution for poor family members, they can’t access the traditional banking services at the same time it can solve the entire crisis created by corporate. In India the unprecedented growth of savings and lending operations of SHGs among the poor changed the notion that the poorest cannot save and are not creditworthy. In Kerala, The Kudumbashree Mission launched by the State Government, with the active support of the Government of India and NABARD, had adopted a group approach for wiping out absolute poverty through community-based organisations.

The present study is designed as a descriptive and analytical one, which analyses the problems in production and marketing of the products of Self-Help Groups in the State. The study is based on data collected from 350 sample Self-Help Groups statistically selected using multi-stage random sampling technique. The data are analysed based on production problems, marketing problems and evaluation of opinions Self-Help Groups regarding the functioning of agencies in providing production and marketing support to them. The tools used for data analysis include Chi-square test, Friedman’s test for related samples, Factor Analysis, Multi-variate analysis of variance (MANOVA), and Multiple Discriminant function analysis.

The study reveals that all the financial problems like Capital-related, Book keeping-related and Banking support-related are high for Dress material, except Repayment-related financial problems, which are high among Furniture and Wood processing units. The study also describes the production practices and the major production problems of self-Help Groups. The study identifies
five major problems in production and marketing. Again, these problems vary across the three districts selected. As per the opinions of respondents, the interventions of production agencies are better in Rural area compared to urban areas while the interventions of agencies involved in marketing are better in urban areas compared to rural areas.