Self Help Groups – Empowering Women

According to the 2011 Census, while 82.3 percent of women in rural India are engaged in agricultural activity or household industry, only 28.83 percent of them are cultivators. Moreover, almost 60% of women are outside the labour force and do not participate in any gainful economic activity, which is among the highest in the world. These numbers taken together are an indication of the limited economic opportunity available to women in the country, and bring into sharp focus issue of gender equality, women’s empowerment and livelihood creation. Women’s participation in the workforce is reflective of a country’s economic strength, thus making it a pertinent indicator.

This brief aims to highlight the critical role that Self Help Groups can play towards women’s empowerment in India.

Emergence of Self Help Groups

Self Help Groups (SHG) in India started with the global emergence of micro-finance as the solution for financial inclusion of rural and urban poor in developing nations. SHGs were developed along the lines of “Community Driven Development” with a focus on financial intermediation through micro-finance interventions. In 1991, Self-Help Groups rose to prominence with NABARD promoting SHGs on a large scale and RBI allowing them to open a savings account and have since, seen tremendous expansion. As of 31st March 2011, there are 74 lakh SHGs covering over 10 crore households saving with the formal banking system under the SHG-Bank Linkage Programme (SBLP).

Women played a prominent role in setting up and managing SHGs. Currently, over 90% of all the SHGs in India comprise of women. SHGs are perceived as a platform for empowering women through financial inclusion and social development. The Government, NGOs and international agencies seek to leverage this existing infrastructure and strong participation of women to ensure that the public programs reach the targeted beneficiaries. To promote this vision, programs such as Aajeevika - National Rural Livelihoods Mission (NRLM) have been launched which envision SHGs to be an effective tool in poverty reduction and livelihoods generation.

As the next step, it is important for policy makers to create avenues for capacity building of these SHGs and also foster formation of SHGs in more parts of the country, as almost 85% of loans disbursed to SHGs were in the 4 southern states of Tamil Nadu, Kerala, Karnataka, Andhra Pradesh (undivided). (Source: Status of Microfinance in India, NABARD, 2013-14)

The SHG Ecosystem

1. How to establish an SHG?
2. How to build capacity of an SHG?
3. How to generate livelihoods via SHG?
Phase 1: How to establish an SHG?

The existing institutions of Panchayats and NGOs play an active role in mobilization of people to form an SHG. The following steps are involved in establishing an SHG:

- Field Officers from NGO to meet Village Resource Management Committee and Panchayat members and hold discussions with the women of the village talking about the advantages of organizing themselves in an SHG and other modalities.
- Women come together to form the SHG and also select a group leader and other key members to facilitate interaction with the bank/ NGO
- Group agrees on the frequency of meetings and amount of savings to be collected in each meeting
- Responsibilities of the group leader is to ensure that the SHG practices ‘Panchasutra’
  - Regular meetings
  - Regular savings
  - Regular inter-loaning
  - Timely repayment
  - Up-to-date books of accounts
- Registration of group at the District Program Management Unit (DPMU)

Phase 2: How to build capacity of SHG?

The next phase of the plan involves focusing on capacity building of SHGs. The idea is to empower the SHGs to develop internal capacity to manage their financial goals. Within six to twenty four months of SHG formation, the focus would be on capacity building via following methods:

a) Preparing micro investment plan (MIP)

b) Creating linkages with banks

c) Setting up primary federation

Case study of Andhra Pradesh: World Bank Intervention to build capacity

The World Bank supported Society for Elimination of Rural Poverty (SERP) project in Andhra Pradesh has developed and practiced the Community Resource Person (CRP) strategy, involving the experienced community members for primarily capacity building and scaling up of various processes within the project.

There are two types of CRPs developed – Internal and External. Internal CRPs are the community persons from within the block and external are from outside the block/district or state. A systematic process of identification and orientation is given for the CRPs before their services are utilized. CRPs are paid a fee for the time and services provided for the project, in addition to the project bearing food and travel expenses of the CRP. CRPs are expected to deliver defined set of outputs in a given time frame and CRPs are used primarily as an interim strategy to trigger the process and support the project staff. CRPs are community members who were active members of mature SHGs/Village Organization (VO)/Mandal Samakhya, or who have come out of poverty as a result of the intervention and are recognized as role models; have the ability and skills to organize training programs for the community by drawing lessons from their personal experiences and the best practices of their SHGs and VOs.

The presence of the Internal CRPs proved to be vital for building a deep penetration of SHGs in Andhra Pradesh. The extensive experience of CRPs in Andhra Pradesh was later leveraged to trigger similar transformations in Bihar Rural Livelihoods Program and more recently in Rajasthan.
Phase 3: How to generate livelihoods through SHG?

After the initial twenty-four months, the focus would be on visioning/planning, promoting new livelihoods, new products and creating social capital. Specialized institutions like livelihood collectives, producer's cooperatives/Companies for livelihoods promotion (which work on scale, ensure backward and forward linkages with the market, and enable access to information, credit and technology) could be partnered with to make SHGs self-reliant.

Case study of the Self-Help Groups in Yelagiri Hills, Tamil Nadu

SHGs have played a crucial role in providing employment opportunities and social security to the tribal women of Yelagiri Hills in Vellore District. The SHGs in the area are organized under the Social Education Movement (SEM) promoted by Centre for Rural Health and Social Education (CRHSE). One of the SHG under the SEM is Mahalir Mandran Poongarun - III. The group used to collect flowers known as 'shenbaga poo', which they sold to wholesalers at Rs. 0.50. With the profits, they expanded to horticulture and cultivated flowers such as roses and 'chendu malli'. The SHG now sells half of its produce to wholesalers while selling the rest directly in the city at Re. 1 earning higher profits. Recognizing the efforts of the SHGs in the area, the district administration also decided to lease the Poonganur Boating, canteen, horticulture garden, maintenance of toilets, shop to exhibit and sell SHG products to the group in order to also promote tourism in the area. The initiative has helped improve the lives of the women of Yelagiri and contributed to poverty reduction in the area.
Available Resources

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<tr>
<th>Schemes</th>
<th>Name of the scheme</th>
<th>Description</th>
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<tr>
<td>Central Schemes</td>
<td>National Rural Livelihoods Mission (NRLM)</td>
<td>Through NRLM, the states will ensure that at least one member from each identified rural poor household, preferably a woman, is brought under the Self Help Group (SHG) network in a time bound manner. NRLM is mandated to promote SHGs with exclusive women membership.</td>
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<td>Rashtriya Mahila Kosh (RMK)</td>
<td>Under RMK, the Ministry of Women &amp; Child Development runs several sub-schemes to enable loans under various heads – Housing Loan, Entrepreneurship Loan, Housing Loan</td>
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<td>Key Resource People</td>
<td>Village Sarpanch</td>
<td>For mobilization of people to form SHGs</td>
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<td>Community Resource Persons (CRPs)</td>
<td>Responsible for encouraging SHGs on the field and training of women to participate more effectively in its day-to-day activities</td>
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<td>State Rural Livelihoods Mission (SRLM)</td>
<td>The coordinating agency, which ensures convergence of various, schemes run by other ministries. Would help provide a snapshot of the activities undertaken under NRLM</td>
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Case Study of SMILE Saheli in Pune

In the district of Pune, a small Mahila Mandal named Sfurti Mahila Mandal started with the intent of working towards women empowerment and environment has today transpired into one of the great success stories of Self Help Groups. The Mahila Mandal saw immense potential in the idea of SHGs, which were operating informally but were pretty active in conducting activities and mobilizing community. Due to the enthusiasm of its members and associates, the Mahila Mandal started an organization called SMILE (Savitri Marketing Institute for Ladies Empowerment) to focus the energies of all these SHGs under 1 formal unit. Under the leadership of the then Mayor, it started as a Joint Venture between Pune Municipal Corporation and the organization in 1998.

The organization started with 15 women SHGs under it. They decided to manufacture purses, handicrafts which were prepared by women and disabled. It envisioned selling toys, bags made using block painting, papier maiche, embroidery etc. The friends of SMILE – including civil society organizations, experts and donors - brought in the necessary design and quality focus to make the products marketable.

Today, SMILE has 3 marketing outlets in Pune. The government of Maharashtra has also issued a notification stating that all towns and cities in Maharashtra should initiate such marketing activities.