

**A COMPARATIVE STUDY OF SELF HELP GROUPS
(SHGs) ORGANISED AND PROMOTED BY NON-
GOVERNMENTAL ORGANISATIONS (NGOs) AND
KUDUMBASREE – A GOVERNMENT ORGANISED NON-
GOVERNMENTAL ORGANISATION (GONGO) IN
KERALA, TOWARDS EMPOWERMENT OF POOR
WOMEN**

FINAL REPORT

Submitted to

**Ministry of Human Resource Development
Department of Women and Child Development
Jeevandeep Building
Sansad Marg
New Delhi – 110 001**

Submitted by



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The study entitled, **“A Comparative Study of Self Help Groups (SHGs) organised and promoted by Non-Governmental Organisations (NGOs) and Kudumbasree—a Government Organised Non-Governmental Organisation (GONGO) in Kerala, towards Empowerment of Poor**

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EXECUTIVE SUMMARY

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EXECUTIVE SUMMARY

Self Help Groups (SHGs) are becoming one of the important means for the empowerment of poor women in almost all the developing countries including India. Kerala is no exception as regards the role played by women's collectives, known by different names for emancipation and empowerment of poor women. The NGOs who are in the field of socio-economic development of the marginalised sections in the society since last four to five decades, had initially organised Credit Unions and Mahila Samajams for better participation of people in development initiatives and also for thrift and credit facilities. Since the emergence of SHG system, as per the initiatives of National Bank for Agriculture and Rural Development (NABARD), and directives from Reserve Bank of India (RBI), from the beginning of 1990s, most of these Mahila Samajams and Credit Unions have been converted into SHGs, linked them to financial institutions for better credit facilities. In Kerala, since the middle of 1990s, the State Government also took initiatives in organizing the urban poor women into Neighbourhood Groups (NHGs). These NHGs are recognized as SHGs by NABARD, as far as SHG-Bank linkage and credit facilities are concerned.

Kudumbasree is a Programme under the Poverty Eradication Mission (PEM) of Government of Kerala, which came into existence since 1997. The PEM is a Government Organised Non-Governmental Organization (GONGO), directly supervised by the Local Administration Department of the Government of Kerala. The concept of Kudumbasree programme is conceived as a poverty eradication strategy and at the same time as a programme – implemented both in rural as well as in urban areas. *The present study was aimed at making a comparative study of the enabling processes and efforts by the NGO and Kudumbasree towards social, economic and political empowerment of poor women since last few years in Kerala.*

Objectives

- To examine constitution and function of SHGs organized and nurtured by NGOs and Kudumbasree in Kerala
- To study the social profile of the SHG members, aspects like time taken for bonding various activities undertaken by the SHGs etc., role of SHGs in the family, social and community issues
- To study the organizational dynamics within SHG, level of empowerment achieved by women SHG members
- To verify the role of SHG members in decision making in the family and the SHG
- To assess the economic and political enhancement that has been achieved both individual and family levels
- To distinguish between SHG formed for economic and non-economic motives and the contrast the nature of the SHGs and their dynamics
- To study the role of NGOs and Kudumbasree in empowering the members of SHGs with special reference to capacity building.

Methods

Multi-stage, simple random sampling method was used for selecting the SHGs and respondents. Thus a total of 80 SHGs and a sample of 400 members representing the sample SHGs were selected for the study. Interview schedule was used for primary data collection. Case Studies and Focus Group Discussions were conducted to supplement the data and information.

Neyyattinkara Integral Development Society (NIDS), Mithranikethan, the Kannur Association for Integrated Rural Organization and Support (KAIROS) and the Sree Narayana Trust (SN Trust) are the selected NGOs representing Northern and Southern regions of Kerala. The two Panchayats selected from Kudumbasree for the

study were Kottukal Panchayat from Thiruvananthapuram District and Mangattidam from Kannur District.

Constitution and Functioning of SHGs

In the constitution and functioning of SHGs, there is a wide variation observed among the SHGs of NGOs and between the SHGs of Kudumbasree and NGOs. Regarding membership, attendance and other regulations, SHGs of Kudumbashree have fixed rules and regulations whereas the SHGs of NGOs do not have any hard and fast rule in this regard. The designations of office bearers differ between SHGs of NGOs. The number of Executive Committee Members also varied depending upon the total strength of the group. SHGs of Kudumbasree follow the bye-laws of CDS in selecting its executive members and the office bearers are elected in a democratic way of voting. In the selection of beneficiaries for providing loan, the SHGs follow certain criteria. Interest rate to be charged and the number of installments for repayment and dealing with defaulter of repayment in time were left to the SHG. The most common rate of interest charged by the SHGs was Rs. 2 per Rs. 100 per month, i.e. 0.02 % interest.

Neighbours, friends, other members of SHGs, officials of Kudumbasree and animators of NGOs were the agents who motivated the respondents to join in the SHGs. For majority (39 %) of the respondents the motivating factor for joining the SHGs was economic reason, which includes inculcating savings-habit and getting easy loan at a reduced rate of interest. Interaction with other women in their area; cooperation among members, acquiring knowledge, skills and a desire to work for the development of the community etc. are the social motives influenced about 35% of the respondents.

There were dropouts reported from both the SHGs of NGOs and Kudumbasree. Usually the dropout starts after 6 to 12 months. Comparatively dropout rate was found less in Kudumbasree SHGs than from the SHGs of NGOs. Regarding the information about thrift saving and loan repayment, there was no significant difference between members of SHGs of NGOs and Kudumbasree. However, different NGOs follow different strategy for thrift savings. Some fix an amount,

which is agreed upon by majority of the groups under them, while others leave the matter to the SHGs to fix up the amount. And, the Kudumbasree seem to have advised its SHGs to fix up some norms for thrift savings. In the case of SHG-bank linkage, there was significant difference between Kudumbasree and NGOs. All the SHGs selected from NIDS and Mithranikethan were not linked to recognized banks/financial institutions since these two NGOs had their own systems where the thrift savings were deposited. All the SHGs of Kudumbasree were linked to Banks within two years.

Regarding conflict management, only 6 % of the respondents agreed about sub-groups in their SHG system and it was found in SHGs of NGOs as well as in Kudumbasree groups. Most of the problems emerged due to financial dealing and autonomy of the leaders.

Socio-Economic Profile of the Respondents

Majority of the respondents (43.3%) belonged to the age group of 31-40. It seems that the Kudumbasree restrict its membership to those above 55 years of age, but among the NGOs there was no such restriction. Further analysis of data showed that those who were in the age group of 55 -75 constituted mainly widows and separated women, and they were most vulnerable who needed assistance in self-employment schemes, micro finance and micro credit. In the case of religion, SHGs of both NGOs as well as of Kudumbasree upheld the secular nature of Kerala State. Majority (65.2%) of the respondents has educational qualification above high school level. The rather high educational standard of the members have helped them to take up leadership positions and lead the SHGs in a responsible manner. And in the educational status, there was no significant difference between the NGOs and Kudumbasree members. Majority (79.5%) of the respondents is married and 12.8% were either widows or separated women. Even in this aspect, there was no significant difference between the members of SHGs of NGOs and the Kudumbasree. The average family size of the respondents was 5.12. This was mainly due to the joint family system still found in the Northern Kerala. The loan availed by women from the SHGs that became a source of income for the entire family and due to this, men respects their women and encourage them to go out for

the activities of SHG. This has improved the status of women in the family. A great majority (84.25%) of the respondents had their own houses, while 8.25% lived in joint family and the rest 7.5% lived in rented accommodation. More respondents from the SHGs of Kudumbasree have own houses than the respondents from the NGOs. Regarding the type of family, majority (67.0%) of the families were nuclear in nature, while extended families constituted more than one fourth (25.3%), and the remaining (7.7%) were joint families. A significant difference was noticed only in joint family system, favouring the NGOs, especially in Kannur District.

Alcoholics and drug addicts were found more (36 %) among the family members of respondents from the NGOs than (19.5%) among family members of respondents from the SHGs of Kudumbasree. It was also found that 16.8% of the total families of respondents were women-headed and there was no significant difference was found between respondents from NGOs and Kudumbasree.

In the case of occupational type, self employed respondents were found more (31%) in Kudumbasree while it was only 17.5% among the NGOs. This clearly indicates that Kudumbasree was giving greater importance and support for self-employment. The main income generating programmes undertaken by the respondents were, production and sale of coconut oil, stationery shop, sale of palm leaves, flour making units, production and sale of snacks and bakery items, animal husbandry, fish wending, vegetable wending, sale of readymade garments, provision shops, pickle making etc.

Regarding monthly family income, majority of the respondents (85.2%) had a monthly income of less than Rs. 2000. And there was no significant difference in the family income between members of SHGs of NGOs and Kudumbasree. Considering the financial assets, majority of the respondents (63.7%) did not have any deposits except the thrift savings. Insurance (24.3%) and Chits (7.5%) were two methods used by the respondents as assets savings. Welfare Fund was a significant contribution (9.0%) by the respondents from NGO sector, and there was no such savings under Kudumbasree.

Women's Empowerment

In the study empowerment of poor women is viewed from three different angles, namely social, economic and political. Social empowerment is further viewed from individual, group and community levels. Empowerment at individual level is assessed by the increase in knowledge, skills and attitude effecting in better self-esteem and self-confidence. Decision-making was one of the most important aspects looked into while studying the SHGs and empowerment of women through SHGs. The decision making process was looked into from two angles, namely within the family and in the group. This study looked into the change that has happened in the decision making process within the family after the respondents became the member of SHGs. There was a visible change that has occurred in the level of participation of women in the decision making process within the family. As far as health care and decision on menu the change was found more among members of NGOs, while regarding the education of children respondents from Kudumbasree experienced greater change. Together with participation in decision-making another important aspect was the freedom of women as far as mobility was concerned. Remarkable change has happened regarding mobility of women - including women going out for attending meeting, classes, seminars, training programme, and various other functions of the SHG - investment and credit utilization were concerned.

On an average a great majority (79.88%) of the respondents had awareness on the legal rights relating to women and children. However the source of information was largely from outside the SHG. On an average only 12.5% of the knowledge came through the SHG system. Regarding the knowledge of members on various government programmes and welfare schemes, irrespective of NGO based SHGs as well as Kudumbasree organized SHGs, the respondents stay behind. In this context, the study recommends that all the NGOs as well as the Kudumbasree should take greater interest in organizing awareness classes on government schemes so that all the poor women members of the groups would benefit from these programmes.

NGOs and Kudumbasree had organized SHGs in Kerala for the empowerment of women particularly for economic independence and freedom from moneylenders. Majority of the respondents did not have savings account in any bank or in a post

office and it was revealed that only 20% of the respondents from NGOs and 23% from Kudumbasree SHGs could save an amount every month. Since most of these poor women did not have savings of their own, they had to depend on other sources for loan to meet their emergent needs. They had to depend on moneylenders, friends, neighbours and relatives, landlords, traders and at times formal financial institutions. Sometimes they had to mortgage the little gold or the land or the house as surety. Even after joining the SHGs, it was learned that the respondents depended on these sources for loan. The main reason for majority (49%) of the respondents, who still depended on moneylenders even after they became members of SHG, was that they could not get sufficient money from the SHG for their needs. Another reason was that the members had not have fully repaid the loan already taken from the SHG. And the third reason was the delay in getting a loan from the SHG. However, after they became members of SHGs, their dependency on moneylenders has come down drastically. A drastic reduction of about 27.5% among the respondents from NGOs and 32% reduction among the respondents from Kudumbasree were observed in the study. It is a significant achievement of SHG system both in NGO sector and the Kudumbasree. And it is expected that within a few years the poor women will fully be liberated from the clutches of moneylenders. This was a clear indicator of poor women getting empowered economically.

Besides, social and economic empowerment, political aspects also were looked into by the present study. Some of the indicators for the political empowerment looked into were their membership in other organizations, participation in Gram Sabha, contesting elections to Local Self Governments and holding responsible positions in various committees at the three-tier Panchayat system etc. SHGs are found to be effective means for encouraging poor women to participate actively in Gram Sabha. After joining in SHGs, the increase in attending Gram Sabha meetings was noticed more among members of Kudumbasree (29%) than of NGOs (16%).

Another area of political empowerment probed into was contesting of elections to Gram Panchayat. Three respondents from Kudumbasree contested before joining the SHG, and another three from NGOs. One member contested after joining in the

SHG and two before joining the SHGs, contested in the last Panchayat elections. And none of them could win the elections. In the case of casting their votes, against the general trend of poor turn out for voting, the poor women of SHGs exercised their franchise in a remarkable way. There was no significant difference between the respondents from NGOs and Kudumbasree, except that better performance was noticed in the NGO sector in Parliament and Assembly elections, while respondents from Kudumbasree did better in Panchayat elections. Apart from these, among the respondents, 33.5% from the NGOs and 40.5% from Kudumbasree had active membership in one or the other political parties.

A very impressive increase in general skills was noticed in majority of respondents except in the skill for presenting cultural programmes in public meetings. Highest increase was seen in communication skills. A great majority (82.5%) of the respondents showed the increase in freely and frankly speaking in SHG meetings, in teaching or training others (60.5%) and speaking in public meetings (54.5%). And in all these skills better increase was shown by respondents from Kudumbasree than the NGOs. The increase in self-esteem, self-confidence and fearlessness were seen in the response for going to government offices and police station (64.3%) and talking to the officials and policemen (65.5%). Women who were afraid of these offices and people were getting the confidence through the SHG. This was a sign of their social empowerment.

Conclusion

In comparing the enabling processes and efforts taken by the NGOs and Kudumbasree towards social, economic and political empowerment of poor women in Kerala, the study selected sample SHGs and respondents representing groups from the Northern as well as Southern regions of Kerala. While looking into the enabling processes of the selected SHGs, their constitutional procedures and functioning pattern were compared in which, there is a wide variation observed among the SHGs of NGOs and between the SHGs of Kudumbasree and NGOs. When comparing the socio-economic profiles of the respondents, not many differences could be seen between the SHGs of Kudumbasree and NGOs and a great majority of them are from low economic backgrounds. However the

membership exposes them to various activities in SHGs of both NGOs as well as Kudumbasree had enabled the members' social, economic and political empowerments to a large extent. Based on the study few suggestions are also made for improving the organizational and promotional strategies of both the NGOs and Kudumbasree in the process of empowering poor women in Kerala.

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CHAPTER - 1

INTRODUCTION

CHAPTER -1

INTRODUCTION

1.7. Introduction

The Ministry of Human Resource Development, Department of Women and Child Development, Government of India, sanctioned a grant-in-aid to Loyola Extension Services (LES), of Loyola College of Social Sciences, Thiruvananthapuram, in June 2004, to conduct a comparative study of Self Help Groups (SHGs), organised and promoted by Non Governmental Organizations and Kudumbasree in Kerala, towards empowerment of poor women. This is the report of the study.

Self Help Groups (SHGs) are becoming one of the best means for the empowerment of poor women in almost all the developing countries including India. Kerala is no exception as regards the role played by women's collectives, known by different names for emancipation and empowerment of poor women. The NGOs who are in the field of socio-economic development of the marginalised sections in the society since last four to five decades, had initially organised Credit Unions and Mahila Samajams for better participation of people in development initiatives and also for thrift and credit facilities. Since the emergence of SHG system, as per the initiatives of National Bank for Agriculture and Rural Development (NABARD), and directives from Reserve Bank of India (RBI), from the beginning of 1990s, most of these Mahila Samajams and Credit Unions have been converted into SHGs, linked them to financial institutions for better credit facilities.

In Kerala, since the middle of 1990s, the State Government also took initiatives in organizing the urban poor women into Neighbourhood Groups (NHGs), with more or less the same objectives. These NHGs are recognized as SHGs by NABARD, as far as SHG-Bank linkage and credit facilities are concerned. Therefore in this study, SHG would stand for both SHGs of NGOs and the NHGs of Kudumbasree. Since 1997, the Poverty Eradication Mission (PEM), under the Local Administration Department of Government of Kerala came into

existence. The PEM is termed as a Government Organised Non-Governmental Organization (GONGO), implementing the poverty eradication programmes through Kudumbasree - as a strategy and at the same time as a programme - both in rural as well as in urban areas. It has a Central Office, at Trivandrum the capital city of Kerala, three Regional Offices at Kozhikode, Ernakulam and Trivandrum, 14 District Mission Coordinating Offices and necessary staff support from Gram Panchayat level. The present study was aimed at making a comparative study of the enabling processes and efforts by the NGO and Kudumbasree towards social, economic and political empowerment of poor women since last few years in Kerala.

1.8. Title of the study

“A comparative study of SHGs organized and promoted by Non Governmental Organizations and Kudumbasree- a government organized Non Governmental Organization (GONGO), in Kerala, towards the Empowerment of Poor women”.

1.9. The Objectives of the Study

As per the Terms of Reference (ToR), agreed upon by the Loyola Extension Services and the Ministry of Human Resource Development, Department of Women and Child Development, the objectives of the study were:

- To examine constitution and function of SHGs organized and nurtured by NGOs and Kudumbasree in Kerala
- To study the social profile of the SHG members, aspects like time taken for bonding various activities undertaken by the SHGs etc., role of SHGs in the family, social and community issues
- To study the organizational dynamics within SHG, level of empowerment achieved by women SHG members
- To verify the role of SHG members in decision making in the family and the SHG

- To assess the economic and political enhancement that has been achieved both individual and family levels
- To distinguish between SHG formed for economic and non-economic motives and the contrast the nature of the SHGs and their dynamics
- To study the role of NGOs and Kudumbasree in empowering the members of SHGs with special reference to capacity building.

1.10. The Universe

The universe for the study included all the SHGs of poor women, initiated and promoted by NGOs and Kudumbasree in two districts of Kerala Thiruvananthapuram in the Southern District and Kannur in Northern District.

1.11. The study Design

This was a comparative social diagnosis study exploratory in nature. Focus Group Discussions were held at all the SHG level to supplement the quantitative data, collected through interview schedules. A few case studies are also included in the study to highlight the level of empowerment of women achieved in different aspects of the study.

1.12. The sampling Method

Multi-stage, simple random sampling method was used for the study at various levels.

1.6.1. Stage one

At this stage, selection of a district was done with geographical stratification. For the purpose of this study, the 14 Districts of Kerala was stratified into two regions, namely Southern and Northern Regions.

Southern Regions: Thiruvananthapuram, Kollam, Alappuzha, Kottayam, Idukki, Eranakulam, and Thrissur.

Northern Regions: Palakkadu, Malappuram, Kozhikkodu, wynadu, Kannur and Kasargod.

One District from each region was selected using simple random sampling method. Thus the Districts selected for the study were Thiruvananthapuram from Southern Region and Kannur from the Northern Region

1.6.2. Stage two

At the second stage, sampling was done for selection of two NGOs each, from the two regions. The list of prominent and reputed NGOs with good track record, and having sufficient experience in promoting SHG system was gathered from the NABARD Regional office at Trivandrum as well as from various directories of NGOs. Simple random sampling method was used for the selection of two NGOs each from the selected Districts. From the same area two Panchayats were selected from the Kudumbasree in consultation with the Kudumbasree District Coordination Office, the District Mission Coordinator and the Head Office of Kudumbasree at Thiruvananthapuram.

Thus the selected NGOs were Neyyattinkara Integral Development Society (NIDS) and Mithranikethan from the Thiruvananthapuram District; and Kannur Association for Integrated Rural Organization and Support (KAIROS) and Sree Narayana Trust (S.N. Trust) from Kannur District. And the two Panchayats selected from the Kudumbasree Programme were Kottukal from Thiruvananthapuram District and Mangattidam from Kannur District.

1.6.3. Stage three

At the third stage, selection of 10 SHGs from each of the selected NGOs was done using simple random sampling, and 20 SHGs each from the selected Panchayats of Kudumbasree. Thus, a total of 40 SHGs were selected from each region. And a total of 80 SHGs were selected for the study.

1.6.4. Stage four

At the last and final stage, selection of 5 respondents from the selected SHG was done using simple random sampling method. Thus a total of 400 members of SHGs were selected for the study.

1.7. Methods and Tools of data collection

1. Pre-tested Interview schedule was used for primary data collection from members of the SHGs.
2. Semi structured FGD guide was used to collect relevant data from the Leaders of SHG and their federations to supplement the quantitative data.
3. Case Studies for highlighting the achievements of some SHGs in women empowerment.
4. Observation schedule used for Personal Observation.

1. 8. Sample Size

From 80 SHGs, as explained above, five respondents each SHG makes 400 respondents as sample for the study.

1. 9. Sources of Data

The source of primary data was from the 400 respondents from 80 SHGs of the 4 NGOs and Kudumbasree programme in two Panchayats belonging to two Districts in two regions of Kerala

Secondary data were gathered from reports, minutes of the meetings, attendance register, and accounts registers, other relevant documents and registers maintained by the SHGs, the NGO, the financial institutions and Kudumbasree.

1.10. A Profile of the Selected NGOs

The profile of the selected NGOs would give an idea of their background, area of work, nature and experience. Neyyattinkara Integral Development Society (NIDS), Mithranikethan, the Kannur Association for Integrated Rural Organization and Support (KAIROS) and the Sree Narayana Trust (SN Trust) are the selected NGOs representing Northern and Southern regions of Kerala.

1.10.1. Neyyattinkara Integral Development Society (NIDS)

Neyyattinkara Integral Development Society (NIDS) is one of the NGOs selected for the study from Thiruvananthapuram District. It is the official organ of Social Service wing of the Diocese of Neyyattinkara. It was registered under the Travancore Cochin Literacy Scientific and Charitable Societies Registration Act of 1995 in 1997. The head office of NIDS and its training center are situated at the Pastoral Center Neyyattinkara. The objectives of NIDS are- to promote sustainable agriculture through organic farming, to facilitate participation and strengthening of Community Based Organizations and SHGs, to facilitate participation of women, dalits, tribals and other weaker sections of the society in development, to facilitate collective learning and resource mobilization, to facilitate the collaboration with local bodies, government and other development NGOs, to initiate anti-narcotic activities and rehabilitations, to initiate rehabilitation programmes for the physically and mentally retarded and aged, to organize and train the children for integral development, to promote alternative health care systems and eco friendly life style, to promote vocational skill training, formal and higher education and to support target group for infrastructure development.

The area of operation of NIDS is fully rural. NIDS is operating mainly in the district of Thiruvananthapuram. During the last seven years NIDS was committed to the cause of the poor. NIDS is organizing programmes for eco-friendly farming in agricultural sector; health and anti narcotic programmes; programmes for women, dalits and children. Since its base is rural, utmost preference has been given to animal husbandry too. The basic needs of the rural community were being met by different projects.

For promoting self-employment NIDS has Technical Training Centers providing training in more than 20 disciplines. Hundreds of rural people such as women, dalits, unemployed and unskilled are being trained every year. NIDS has created a good marketing network for the products from the production units including vegetables and food crops. NIDS have Self Help Groups. NIDS is operating under seven regions, and has organized 2648 SHGs in these regions under the department of socio-economic development. All these SHGs are directly linked

to credit unions. Credit Unions and SHGs come under the Socio-economic development wing of NIDS. NIDS tried to develop the SHGs for the economic independence of the rural people and has given utmost importance to capacity building of SHG members. These SHGs were directly linked to Credit Unions and the Credit Unions meet the credit needs of the SHG members as well as other people as and when required. The animation team coordinates SHGs of NIDS.

Common programmes organized by NIDS for the SHGs are Vocational Training Programme, Awareness Classes- Health, Literacy, Management, Micro Credit etc, Rally for liquor and drug Prohibition, Rally for Communal Reservation for Minorities, Seminars, Training on Herbal Medicine, Training on Animal Husbandry, Training on Vermin Compost, and Training on Bio-farming.

1.10.2. Mithranikethan

Mithranikethan was the other NGO selected for the study from Thiruvananthapuram district. Mithranikethan is a well-known voluntary organization registered in 1956 under the Literacy and Charitable societies Registration Act of 1955. It is a non-sectarian, non-political and non-commercial organization engaged in rural development and educational activities since 1956. It is situated at Vellanad village about 24 Km, northeast of Trivandrum, the capital city of Kerala. It has got long experience in the field of rural development for more than 40 years. During these years it has implemented a large number of small and large projects under its integrated rural development programme like social forestry, child welfare, health and sanitation, youth welfare, old age homes, family welfare, agriculture, horticulture, animal husbandry, sericulture, development of folk and cultural entertainment.

Education is one of its main activities. Under the aegis of Mithranikethan, educational institutions like Vikas Bhavan High School. Nava Vidya Bhavan School for the deaf and dumb, National Open School, Mithranikethan People's

College and Centre for Education, Research, Innovation and Development are functioning. Agriculture farming and extension education in agriculture, development of appropriate technology and its transfer are other programmes that have helped the rural poor in a big way.

Under women's development, Mithranikethan has organised programmes on rights and opportunities for women and their conscientisation. Under the same programme, they organised Self-Help Groups and Micro-Credit, Women's Co-operative Society, Working Women's hostel and Vocational Training Programmes for them.

Mithranikethan started organizing Self Help Groups in 1998. At present there are only 15 out of which 10 are already linked to Syndicate Bank and Vellanad Cooperative Bank. They have organised skill development training programmes in soap making, umbrella production, jam and squash making, snacks unit, lotion and detergent making, tailoring etc. They have also organised and conducted Human Resource Development training programmes in leadership, communication, women empowerment, counseling, conflict management, banking procedures, accounting and book keeping etc.

Mithranikethan has won numerous awards in recognition of its sustained and holistic rural development activities, fostering people's participative culture at the grass roots level and cultivating a scientific temper. The awards include the prestigious Jammalal Bajaj Award, The Indian's Merchants Chamber platinum Jubilee Award, the KP Goenka Award, and Ratindranath Puraskar

1.10.3. The Kannur Association for Integrated Rural Organization and Support (KAIROS)

The Kannur Association for Integrated Rural Organization and Support (KAIROS) was one of the two NGOs selected for the study from Kannur district. KAIROS is a registered society under the societies Registration Act XXI of 1860. Though the organization, KAIROS was unofficially working in the area since 1989 as the regional wing of Calicut Diocesan Social Service Society, it started

independent involvement as an NGO from 1999. The area of operation covers the civil districts of Kannur and Kasargod, in the northern civil districts of Kerala. KAIROS is working with the dalits, fisher folk, marginal farmers, agricultural wage earners, women, children and the tribals.

The vision of KAIROS is to create a society of justice and peace based on true human values. KAIROS follows a participatory Action Reflection- Action approach in all interventions. Its objectives are Promotion of sustainable peoples' movement, Strengthening Decentralization and Participatory Process. Generating Gender perspective in Development Initiative is another important objective of KAIROS. In all intervention in these areas KAIROS organized Self Help Groups for women and men. Promotion of Eco-friendly initiatives and health is another focus of KAIROS.

Under KAIROS there are six Regions, sixty-five Village Development Councils, fifty Mahila Samajams, thirty-five credit unions, three hundred and thirty-five Self Help Groups of Women and fifty Self Help Groups of Men. The Development Activities of KAIROS include Micro finance operation, such as Formation of Self Help Groups, Formation of Federations and Credit unions, Programmes of Public interest/concern, Objective oriented savings and credit programmes (KAIROS Schemes) through Credit unions. Under Gender Development, KAIROS organizes training and awareness building programmes, promotion of Mahila Mandals, movements of women, women entrepreneurship development programme and research/case studies on women's problems / issues etc.

Capacity Building programmes of KAIROS include Process / technical capacity building training programmes (Participatory Rural Appraisal, Participatory Monitoring and Evaluation, Result Based Management, Natural Resource Management) and awareness generation activities. Research and documentation is another area of specialization, which includes study of villages, preparation of development projects and their impact.

The total project cost for promoting Rural Entrepreneurship Development programme (REDP) was Rs. 1,55,000 which focused on imparting technical training and initiating micro enterprises. Maximum amount allotted by NABARD for one programme is Rs 75,000/-. There is a SHG-Bank linkage programme and under this programme KAIROS intervene by linking the SHGs with local banks for starting micro enterprises or other Income Generating Projects. So far Rs 10,00,000/- is mobilized through this for various micro enterprises / Income Generating Projects.

1.10.4. Sree Narayana Trust (SN Trust)

It was the second NGO selected from Kannur district for the present study. S. N Trust comes under Sree Narayana Charitable Society, organized for serving the poor women under the Sree Narayana Dharma Paripalana Yogam in Kannur. It was registered under the Travancore Cochin Literacy Scientific and Charitable Societies Registration Act of 1995. The head office of SN Charitable Society situated at Thaliparamba. S.N. Objectives of S N Trust are Promotion of sustainable people's movement; strengthen decentralization and participatory process with the help of local bodies, government and other development NGOs, generating gender perspective in development initiatives, promotion of eco-friendly initiatives and health. The area of operation of S N Trust is fully rural and has extended its activities to 10 Gram Panchayats in Thaliparamba Block. S N Trust is operating mainly in the district of Kannur. They fully concentrate in the development of women through SHGs. S N Trust organizes programmes such as Natural Resource Management and Environmental Protection, Gender and Development, Basic Human Infrastructure Development, Health, Education and Culture, Entrepreneurship Development.

Under Development activities of S N Trust micro finance operation such as formation of Self Help Groups (SHGs), programmes of public interest and concern, objective oriented savings and credit programmes are included. Other main programmes include environment-sustainable agricultural programme, agricultural nursery, training and awareness generation programme, vermin culture; health

camps, herbal gardens, herbal medicine preparations, training and awareness generation programme.

S N Trust started organizing SHGs in 1999. It was concentrating on Human Resource Development in the beginning. Under human resource development various training programmes were organised on leadership, personality development, accounting and book keeping procedures etc. Nehru Youvak Kendra and financing Banks provided necessary training to the SHG members. There are at present 180 SHGs and out of which 70 SHGs are directly linked to North Malabar Gramin Bank. They have a total thrift collection of 32 lakh and have taken a loan of 33 lakh with 10 percent interest.

1.11 A profile of the Selected Kudumbasree Panchayats

The two Panchayats selected from Kudumbasree for the study were Kottukal Panchayat from Thiruvananthapuram District and Mangattidam from Kannur District.

1.11.1. Kottukal Gram Panchayat (Kudumbasree)

Kottukal is one of the best Gram Panchayats in Athiyannor Block in Thiruvananthapuram district. The Panchayat covers around 13.8 square kilometers of coastal area in Thiruvananthapuram district, having a total population of 45318. Most of the men folk in the Panchayat are engaged in fishing and allied works, and the remaining are daily labourers. Most of the women are working as daily labourers in the handloom sector either at home or in small cooperative units. The people belonging to different religion, caste, and political parties live here in peace and harmony in this Panchayat. Literacy rate is comparatively low especially in the coastal area.

The Self Help Group system was started in the Panchayat in March 2000. At present there are 182 SHGs catering to the needs of about 5130 families, out of which 50 groups are linked to banks. Different Banks involved in the SHG

programme are State Bank of India Kottukal, State Bank of Travancore Nellimoodu, Indian Bank Karamkulam, State Bank of Travancore Vizhinjam, and Tamilnadu Mercantile bank. They have a total thrift savings of Rs. 49,88,858 and given a thrift loan of Rs. 66,97,490. They have received a bank loan of Rs.14,60,000. There are about 1200 individual income-generating enterprises and another 176 group enterprises. They also organize various capacity building training programmes and awareness generation programmes on health, leadership, women's empowerment, personality development, legal literacy etc. They observe the anniversaries of their groups and important events like Independence Day, Republic Day, Balakalotsavam, Onam, etc are also celebrated as community festivals. They also get involved in social development programmes like pulse polio campaign conducted by the Panchayat, cleaning campaign of Government offices and health center in collaboration with the Panchayat. They also organised Onam Vipanana Mela (marketing of essential commodities during Onam festival season), in collaboration with the marketing division of Kudumbasree.

1.11.2. Mangattidam Gram Panchayat (Kudumbasree)

Mangattidam Gram Panchayat is situated in Koothuparamba Block in Kannur District. As per 2001 census, the total population of the Panchayat was 30975, spread over 33.3. Sq. km. Mangattidam was selected as one of the best Panchayats in Kannur District from the year 1999 to 2003. It is called a "S3" (Self sufficient, Self Reliant and Self sustainable) Panchayat. Majority of the people in the village depend on agriculture and allied jobs. A good percentage of the poor people are agricultural labourers and they have no regular income and savings. Agriculture depends very much on the monsoon, and a failure of monsoon can add to their misery. Most of the people depended on moneylenders, neighbors and friends for loan for meeting their daily needs.

Kudumbasree was started in the Panchayat towards middle of the year 2000. At present there are 114 SHGs, catering to the needs of about 2,700 poor families, out of which 89 SHGs are linked to various banks. They have a total thrift collection of Rs. 36,78,000, and given a thrift loan of Rs. 1,61,92,600. They have

initiated 82 income generating projects including lease-land-farming in 58 acres of land. Credit linked banks include State bank of Travancore, Central Bank of India, Co-operative bank, State Bank of India, Koothuparamba and North Malabar Gramin Bank The income generating activities were in direct marketing, vermin composting, soap making, cultivation of herbal medical plants, vegetable vending, production various types of snacks and bakery items, umbrella making, ready made garments making, pickle making etc. They have also organised training programmes in health awareness, leadership, women's empowerment, personality development, legal literacy, social security etc. All the group members have undergone computer training. They actively participate in all the programmes of the Panchayat in pulse polio campaign, social action against drug abuse etc.

CHAPTER – 2

HISTORICAL BACKGROUND

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2.1. Introduction

Since last one decade, Non Governmental Organizations (NGOs) as well as Voluntary Associations (VAs) are actively involved in the formation and promotion of collectives of poor women known as Self Help Groups (SHGs) throughout the State. The State Government-sponsored Kudumbasree Programme also has organised Neighbourhood Groups (NHGs) both in urban and rural areas. The efforts of the NGOs, VAs and the Kudumbasree are aimed at sustainable development and the empowerment of poor women, helping them to organise themselves, inculcating savings habit in them, building up their capacity, enabling them to be liberated from moneylenders, to become partners in the development process of the country, and to be self-reliant and empowered.

2.2. Credit Unions

The concept of self-help and mutual help existed in our country prior to any organised or formal form of self-help and mutual help. The history of organized self-help and mutual help may be traced back to the origin of the concept of credit unions. The concept of credit unions was a development in the field of thrift and credit. A credit union is a group of people who join together to save money and to make available loans to each other at a low rate of interest. A credit union is a financial co-operative organized by a group of people with a shared field of membership.

The origin of formal credit unions is from Germany towards the middle of the 19th century. Even before the formal credit union came to India, by the first half of twentieth century, there existed different kinds of such informal systems centered around religious institutions, through which the poor were encouraged the habit of savings to meet some urgent needs of the family. As far as Kerala is concerned, there existed "Kuri", "Payattu" and "Chitti" since long ago, in different forms at

different regions, for petty family consumption utility, as well as for major investments in income-generation activities. The concept of formal credit union was very well accepted by the Non-Governmental Organizations in Kerala, engaged in social welfare, social services, and social development fields. The religious institution-based informal systems were strengthened and merged into the formal system, like credit unions.

2.3. Cooperative Movement

From the idea of credit unions, Cooperative movement came into existence. Development of Cooperative has been envisaged as a significant strategy to build up strength in the people. With limited means, the co-operative movement aims at saving the rural poor, small farmers, marginal farmers, agricultural labourers and small artisans from exploitation by moneylenders. Today, India has a wide network of primary agricultural credit societies at village level. At district and state level, co-operative federations have also been set up in almost all states.

According to Karmakar (1999), the ideas based on cooperation, stressing thrift and mutual help among the peasants, emerged, which led to the Cooperative Credit Societies Act. Under this act small cooperative societies were to be organized to meet the short-term credit needs of the farmers. Adoption of the Act in 1904 marked the beginning of efforts to build an institutional finance system for agriculture.

According to (Puhazhendhi, 2000), at one stage, cooperative credit institutions in the country were considered as an option to bridge the gap between the poor and the Banks. However, the poor could not derive the intended benefits from the cooperatives mainly because the size of the cooperative societies was too large and people of diverse interests were grouped together. Economic and caste barriers were too strong for the people to work together as one cohesive unit.

2.4. Regional Rural Banks

The partial nationalization of the Imperial Bank of India and the formation of a large number of new branches after 1955, coupled with the continuing failure of cooperative credit institutions, led to the nationalization of 14 largest commercial banks in 1969. This led to a significant expansion of the number of rural branches for the purpose of monetising the rural economy. However, with increasing emphasis on 'priority' sector loans targeted at the poor and the weaker sections of the society, Regional Rural Banks (RRBs) were formed from 1975 onwards. (Karmakar, 1999)

According to Karmakar, almost all RRBs made losses from their lending operations and about 70 percent have accumulated losses in excess of their share capital, thereby becoming legally bankrupt. While these banks suffer very much from the general problem of the commercial banking system non-viability was built into their very concept. Staff costs levels, which were initially expected to be low, are close to that of commercial banks and the management, including that at the board level, is considered unsatisfactory.

According to Puhazhendhi, the RRBs could not fully achieve the goal as the issue of non-viability plagued them. Further, the fundamental malady of rural credit system has been the high level of overdue and the resultant bad debts, which threatened the basic structure of rural lending, making it non-viable and functionally ineffectiveⁱ (Puhazhendhi, 2000).

2.5. NGO Initiatives

Taking into consideration the failure of various attempts by formal credit unions, cooperatives and the RRBs, and the plight of the rural poor, as far as credit needs are concerned, NGOs started organizing them into community based organizations known under different names, like credit unions, Mahila Mandals, Mahila Samajams etc. Experience shows that the key to success of these groups and organizations lies in ensuring full cooperation and participation of people at the grassroots level. Under various poverty alleviation/eradication efforts, these days,

both by the Governments as well as NGOs, several types of community based organizational structures have come up throughout the country enabling the poor women to get out of the clutches of moneylenders.

The grassroots level women's collectives, better known these days as the SHGs, are the primary unit, common to most of the NGOs in terms the 'empowerment wing' of the women's movement. The women's collective has been accepted by NGOs as a standard entity at the village level, consisting of 10 or even as many as 60 women. Some of the Women's NGOs who had taken initiatives in this field were Cooperative Development Foundation (CDF), Andhra Pradesh; Working Women's Forum (WWF), Tamil Nadu; Self Employed Women's Association (SEWA), Gujarat; and Women's Development Programme (WDP), Rajasthan. Besides the above NGOs, there were others like the Mysore Resettlement and Development Agency (MYRADA) in Karnataka; the Professional Assistance for Development Action (PRADAN) in Tamil Nadu; the Rayalseema Seva Samithi (RASS) and Youth Charitable Organisation (YCO) in Andhra Pradesh; the Utkal Mahila Sanchaya Vikas (UMSV) under the aegis of People's Rural Education Movement (PREM); the Gram Vikas in Orissa etc., who initiated the self-help dynamics in their social development activities. There are several other NGOs who later followed suit throughout the country. The role played by MYRADA was very important as far as the concept of Self Help Group (SHG) is concerned.

2.6. Such Initiatives in Our Neighbouring Countries

The Bangladesh Grameen Bank (BGB) is considered by some as the initiators of SHGs. And the spread effect of Grameen Bank has crossed the oceans and reached India. NGOs have been making attempts to replicate the Grameen Bank model with certain adaptations to make it suitable to the local requirements in India. ADITHI (NARI NIDHI), Patna; Loyolam Bank, Manipur; SHARE, Andhra Pradesh; SRI, Kollengode, in Palakkad, Kerala etc. are some of the NGOs which follow Bangladesh Grameen Bank model. Bangladesh Rural Advancement

Committee (BRAC), Bangladesh and Production Credit For Rural Women (PCRW)- Nepal, are other models of SHGs in our neighbouring countries.

The SHG system in India is much more than a micro-credit concept. There is a marked difference between the concepts of SHGs, as it exists in India and in Bangladesh. The SHGs in India, as developed by NABARD starts with saving and then to credit however, the SHGs of Bangladesh starts with credit and then to saving.

2.7. The Concept of SHG

The concept of Self-Help Group (SHG) is not something very new. Katz and Bender (1976) provided a comprehensive definition of self-help groups. "Self-Help Groups are voluntary, small group structures for mutual aid and the accomplishment of a special purpose. They are usually formed by peers, who have come together for mutual assistance in satisfying a common need, overcoming a common handicap or life-disrupting problem, and bringing about desired social, and/or personal change". The initiators and members of such groups perceive that their needs are not or cannot be, met by or through existing social institutions. Self-Help Groups emphasize face-to-face social interactions and the assumption of personal responsibility by members. They often provide material assistance as well as emotional support.

2.8. The Emergence of SHGs in India

The emergence of the concept of Self Help Groups (SHGs), as we know it today in India, is an outcome of several experiments conducted at the Savings and Credit Management Groups (SCMG), sponsored by Mysore Resettlement and Development Agency (MYRADA). After experimentation with the cooperatives in some projects, MYRADA felt that a shift to an alternative credit system for the poor was required along with the efforts to make the existing delivery system, not

only more appropriate and effective but also willing to accept and relate to an alternative system with its own rules and management.

It was in this MYRADA project, that National Bank for Agriculture And Rural Development (NABARD) experimented the pilot project for the development of the SHG system in India. In 1986-87, NABARD supported and funded an action-research project on SCMG of MYRADA, for assessing its adequacy as an instrument to help the target groups. The main objective of this pilot project was to evolve supplementary credit strategies for meeting the credit needs of the poor by combining flexibility, sensitivity, and responsiveness of informal credit system with the financial resources of the formal credit institutions.

During 1991-92, NABARD launched 92 pilot projects on linking SHGs with Banks, in various parts of the country. In July 1991, RBI advised the banks to participate in the pilot project and to extend finance to SHGs as per the norms and guidelines of NABARD. In February 1992 detailed guidelines were issued to the commercial banks, explaining the modalities of the pilot project. Later the scheme was made applicable to RRBs and Cooperative Banks in May 1993. The NABARD guidelines to banks for implementation of the pilot project allowed ample flexibility to the participating banks to innovative responses and observed variations in the grassroots level situations. It aimed at providing credit to the informal SHGs of rural poor, through the banking system, with minimal documentation and simplified procedures.

2.9. Models of Bank Linkage

For the SHG system developed and promoted by NABARD, they took the initiatives for linkage between SHGs and NGOs on the one hand, and the banks on the other. Several models of SHG-Bank linkage programme were tried out. As a result of these experiments, three most commonly used Models throughout the country came into existence.

In **Model I**, the SHGs were organised and promoted directly by Banks. The bank provided credit in bulk directly to the SHG, which might be an informal or formal body. The SHG, in turn, would undertake on-lending to its members, on terms and conditions agreed upon mutually among them. NABARD provided refinance assistance to the lending Bank. In this Model there was no involvement of NGOs

But in **Model II**, NGO organized and promoted the SHGs, and then referred those SHGs to the Bank for lending directly either to the SHGs or to individual members of the SHGs. Here, the NGO stood only as a support to both the Bank and the SHGs, for monitoring and evaluation of the projects, proper functioning of the SHGs, repayment of the loans, provided training to members of SHGs, etc. NABARD provided refinance to the lending Bank.

And in **Model III**, the SHGs were organised and promoted by NGO and then referred to the Bank for linkage, and the Bank provided finance directly to the NGO for on-lending either to the SHGs or to individual members of SHGs. The NGO was fully responsible for making sure the repayment of the loan to the Bank, with proper monitoring and evaluation of the projects, as well as of the proper functioning of the SHG, and training of members of SHGs. NABARD provided cent percent refinance to the lending Bank. However, for the present study only the SHGs of poor women under Model II and Model III were taken into consideration, where there was involvement of NGOs in organizing, linking and promoting the SHGs.

As per NABARD, in Kerala, there are 5,629 SHGs under Model I, 13,403 under Model II and 14, 696 SHGs under Model III, linked to various financial institutions like Commercial Banks, Regional Rural Banks and Cooperative Banks (NABARD, 2003-2004)

2.10. Role of NGOs

As per NABARD guidelines, the NGOs have been playing an active role in fostering the growth of SHGs for furtherance of their basic objectives. It has been observed that NGOs, as a fundamental principle of their developmental role, always aim to make the rural poor economically self-sufficient through development of individuals with group support of his fellow villagers. This traditional concept took an interesting turn with the introduction of linkage of the SHGs with the formal banking system, started by NABARD in India through Pilot Project from the year 1991-92. Consequently, the role of NGOs also assumed an additional dimension to economic upliftment of the poor. In the backdrop of these developments and the traditional promotional activities, undertaken by the NGOs for the SHGs, the NGOs are expected to support the SHGs in the following areas:

- to motivate the rural people to organise themselves and to form into self-help groups at village level;
- to educate, train the group members in managing the group activities like maintenance of books of accounts, conducting meetings, management of funds, etc;
- to inculcate, promote thrift and savings habit among the group members and to help in institution building along with the development of individual;
- to help the SHG in identifying raw materials and local resources;
- to help the group members to upgrade their skills and technology to make best use of resources;
- to make available credit facilities and to act as a link between the rural poor and the bank;
- to educate and train the group members to utilize credit properly and to improve their economic conditions;
- to help the group members in exploring markets for their products;
- to work as facilitator in the meetings of the SHG; and
- to act as friend, philosopher and guide to the SHGs.

2.11. The Kudumbasree Programme

The anti poverty initiatives by the State Government with assistance from the Central Government, like the Development of Women and Children in Rural Areas (DWCRA); the Urban Basic Services (UBS); the Urban Basic Services for the Poor (UBSP); Community Based Nutrition Programme and Poverty Alleviation Project (CBNP & PAP); the Prime Minister's Integrated Urban Poverty Eradication Programme (PMIUPEP) etc. were implemented through Self Help Groups of women. The Swarna Jayanti Shahari Rozgar Yojana (SJSRY); Development of Women and Children in Urban Areas (DWCUA); in urban areas, the Swarnajayanti Gram Swarozgar Yojana (SGSY) in rural areas, and various other development programmes of the Government are being implemented through community based organizational structures created for the purpose.

In Kerala, in order to implement the above-mentioned programmes and schemes under the aegis of Kudumbasree, the community based organizational structure created is known as Community Development Society (CDS)ⁱⁱ. The CDS has a three-tier organizational structure. At the grass root level every poor family in a neighbourhood, each represented by a woman, is organized into a Neighbourhood Group (NHG), covering about 20 to 40 households. A team of five barefoot organizers, consisting of Community Health Volunteer, Community Infrastructure Volunteer, Community Income Generation Volunteer, Secretary and President are at the helm of every NHG. The NHGs are federated at ward level Area Development Societies (ADSs) and then further networked into Community Development Societies (CDSs) at the Panchayat, Municipality or Corporation level (Economic Review, 2001). The NHG/ADS/CDS system was initiated in Alappuzha Municipality while implementing UBS and UBSP Programmes, during the eighth Five Year Plan, and then extended to all the Corporations, Municipalities and Gram Panchayats through out Kerala.

Kudumbasree is a Programmeⁱⁱⁱ under the Poverty Eradication Mission (PEM) of Government of Kerala. The PEM is a Government Organised Non-Governmental Organization (GONGO), directly supervised by the Local Administration Department of the Government of Kerala. Kudumbasree means prosperity of the family. It indicates the approach of the State PEM, which was launched on 1st April 1999 as a partnership of the State Government, Central Government, Local Government and the National Bank for Agriculture and Rural Development (NABARD) for eradicating poverty.

The principal objective of Kudumbasree is the eradication of absolute poverty from the State of Kerala within a decade and the strategy slogan of the Mission is "reaching families through women and reaching the community through families". Women empowerment initiatives, micro finance operations, micro enterprise and convergent action constitute the core activities of Kudumbasree, carried out through organizations of women below the poverty line. Kudumbasree works through a community based organization of the poor called Community Development Society (CDS), which has a three-tier structure as explained above.

The CDS plans become the anti-poverty Sub-plan of the Village Panchayat or Municipality, for which about one third of the development resources of the local government are earmarked. Under the local government laws, CDS is empowered to identify the beneficiaries of anti-poverty programmes and take up community - contracting of local development works. Thus the CDS system has the right of voice, the power of choice and the entitlement of action - that is, real empowerment.

A significant achievement has been the setting up of a process of genuine empowerment of women - avoiding patronage in identification of the poor, improving knowledge about benefits and services, enhancing capacity to access guaranteed entitlements, social and economic security through self-help, expanding control over resources meant for the poor, strengthening demand for improvement in services, and gradually moving on to public action.

At present there are 45,405 SHGs under Kudumbasree catering to the needs of about 10 lakh poor families. Total thrift collection is Rs. 38.7 crore and thrift loan given through these SHGs amounts to 30.08 crore. Kudumbasree gives great importance to micro enterprises both individual and collective. There are about 11,042 individual micro enterprises and 711 group micro enterprises functioning under Kudumbasree. Bank loan utilized for these enterprises is Rs.6.06 crore and the subsidy amount is Rs.5.71 crore. The role played by Kudumbasree in poverty eradication in Kerala has been recognized awarded various international agencies.

2.12. The Concept of Women's Empowerment

The concept of empowerment of poor women is a relatively new especially in the realm of development. It is a process of changing the existing power relations in favour of the poor and the marginalized women. It is a long-term process that requires changes in knowledge, attitude and behaviour of not only women, but also of men and the society at large. Empowerment of women in general and poor women in particular, is the thrust area of development initiatives in India today. Empowerment is a process of awareness and capacity building leading to greater participation to greater decision-making power and control, and to transformative action. The concept of women's empowerment has become the catchword today.

The concept of women's empowerment appears to be the outcome of several important critiques and debates generated by the women's movement throughout the world, and particularly by Third World feminists. Its source can be traced to the interaction between feminism and the concept of "popular education" developed in Latin America in the 1970s (Walters, 1991).

The concept of the empowerment of women as a goal of development projects and programmes has been gaining wider acceptance in the 1990s. Women's participation in grassroots organizations is increasingly recognized as crucial to their empowerment and as a way for them to help shape development policies. According

to Khan (2001) and Sinha (2002) the Eighth Five Year Plan (1992-97) makes a shift from 'development' to 'empowerment' of women. Policies, programmes and projects designed to assist and uplift the low-income women, have shifted from "welfare approach" to an "empowerment approach". Hence, a number of measures have been taken by the Government in this direction for social and economic emancipation of women.

According to Sahay, empowerment occurs both at individual as well as collective levels. At individual level, a new confidence and sense of self-efficacy emerges as the person redefines him or herself as a more capable and worthy individual. Closely connected to the psychological redefinition of self is the actual increase of individual knowledge, competency, skills, resources, and opportunities, which enable more effective action and interpersonal relations. There is a positive interactive effect between the development of self-confidence and the strengthening of personal ability. (Sahay, 1998)

As per NABARD's estimate, there are going to be several thousands of SHGs being linked with different banks for their financing and several hundreds are watching this development with great interest and enthusiasm. Micro finance is now widely accepted world over as an effective tool for socio economic empowerment of the poor. The micro finance movement in Kerala is getting entrenched well with the initiatives taken by the National Bank, Government of Kerala (through Kudumbasree Programme) and with the participation of NGOs, bankers and development agencies.

Thus it is found that the SHG system is going to become a movement in Kerala. Taking this into consideration, the present study would be of great importance to both for NGOs and for Kudumbasree to evaluate the performance of SHGs under different NGOs in Kerala as well as under the Kudumbasree. The present study is a comparative study of the SHGs of NGOs and of Kudumbasree and also to assess the level of empowerment achieved by these groups in social and economic spheres.

CHAPTER – 3

**CONSTITUTION AND
FUNCTIONING OF SHGS**

CHAPTER – 3

CONSTITUTION AND FUNCTIONING OF SHGs

3.1. Introduction

When the NABARD got involved in the propagation and promulgation of SHG system in India, it has given specific guidelines regarding the role and functions of NGOs for the formation, promotion and management of SHGs. NGOs were found as the best vehicle for organizing SHGs and make the system as efficient and effective as possible. But still there are NGOs who follow their own methods and do not care for the stipulations of NABARD. Neither do they go for any assistance from NABARD or any other financial institution. They are as independent as possible from external interference. In these backgrounds, the study intends to understand the constitution and functioning of the sample SHGs. In order to study these aspects both quantitative as well as qualitative methods were employed.

Focus Group Discussion (FGD) was one of the qualitative techniques used for collecting information regarding the pattern of organization and promotion of SHG system in Kerala. Since the NGOs selected for the study were following different methods for organizing and promoting their SHG systems, separate FGDs were conducted by constituting members of each SHGs in all the four NGOs and the two Panchayats of Kudumbasree. The FGDs were organised usually in a common place with ten to twelve representatives from two to three SHGs in and around the locality. The main objective of FGDs was to gather information on general functioning of the groups in that locality. An interview guide was used to direct the discussions. The discussions threw light on the following issues.

3.2 Meeting Place

The meeting place was usually decided by the group. The NHGs of Kottukal Panchayat met usually in the house of the President or the Secretary. But in Mangattidam Panchayat the meeting was held in the houses of members on rotation. But among the SHGs of NGOs, they followed a system of holding the meetings in member's houses on rotation, but in case of lacking facilities to hold a meeting in a particular house, then they met in a common place. Most of the time, the meetings of SHGs of Mithranikethan, were held either in the house of the President or at the Secretary's. This showed that there was no fixed rule followed as far as the place of meeting was concerned. But it was always better to hold the meetings in the houses of each and every member on rotation, even if facilities were limited. This fostered the unity of the members and was an opportunity to share the concerns of the members.

3.3 Attendance Rate, Late Comers and Absentees

The rate of attendance in meetings was found good. The attendance rate in Mithranikethan was 80-90 percent, in Kottukal Panchayat 85-95 percent, and in Mangattidam Panchayat and in other two NGOs – KAIROS, and S N Trust - it was 90-95 percent. The attendance rate was found below 80% only in SHGs under NIDS. The latecomers were not fined in any of the SHGs. As regards absentees, there were fixed rules and regulations in Kudumbasree. The member who was going to be absent has to inform either the president or the Secretary through other members, and if a member were absent for three consecutive meetings without proper information, that member could be suspended or dismissed depending upon the decision of the members of the group. But such cases have not been recorded. But in SHGs of NGOs there was no such hard and fast rule. Usually the absentee informed one of the leaders of the group and sent the thrift collection through one of the members.

3.4 Membership Criteria

Anyone willing to join a SHG could become a member of the SHG under the NGOs studied. But in Kudumbasree there were strict rules and regulations for becoming a member of the SHG. The family has to be from among the BPL list. Besides the economic criteria, non-economic criteria, based on 9 poverty indices were used for selection of members in NHGs of Kudumbasree.

3.5 Leadership

The leadership of SHG was vested in a team of SHG members elected by the members. The designations differed. In NIDS and Mithranikethan, the designations were President, Secretary, Cashier and Executive Committee Members. The number of Executive Committee Members varied depending upon the total strength of the group. It could be 3, 5 or 7. But in all other groups, belonging to KAIROS, SN Trust and the Kudumbasree, the designations were President, Secretary and 3 Executive Committee Members. As per CDS bye-law of Kudumbasree, each of the three Executive Committee Members has special responsibility as to be in charge of Health, Education and Infrastructure Development. Office bearers under all the agencies studied, were selected in a democratic way using voting. They were selected based on their leadership qualities and educational qualification.

The tenure of these leaders was for two years in all the agencies except in the case of KAIROS, where they were elected for a period of three years. In all the agencies, the leaders could be reelected only once, as per the byelaw. The animators were playing the role of supervisor over the executive committee members in NIDS, KAIROS and SN Trust. In the other three agencies, the ADS Chairperson and other Committee Members supervised the functioning of the SHGs and the leaders of the SHG. These supervisors also conducted periodic internal auditing and assisted in solving conflict situation within the SHG in a participatory style. The CDS President and the Executive Committee consisting of a Government Officer did the overall supervision of Kudumbasree SHGs. But in the cases of

NGOs, the Executive Director or Chairman had the power of overall supervision of SHGs.

It was also learned through FGDs that ordinary members were not coming up to take up leadership positions in the SHGs. Therefore the Leaders continue functioning for more than four years in some of the SHGs. Here the NGO should take the responsibility of building up a second tier leaders, and provide them proper leadership training.

3.6 Selection of Beneficiaries for Loan

Selection of beneficiaries for providing loan was another important aspect enquired through FGDs. There were criteria for selection of beneficiaries for loan. In NIDS and in Kottukal Panchayat the member should have a thrift savings of at least Rs. 1,000. But this sealing was not found in any of the other agencies. Regularity in attending SHG meetings, regular thrift savings, active participation in all the activities of the SHGs were considered as minimum criteria for selection of beneficiaries for providing loan. If a member wanted a second loan, regular and timely repayment of the first loan was considered as a very important criterion. All the agencies insisted that the member who wanted a loan had to submit a request in written explaining the reason for the loan. The request was discussed during the next weekly meeting and final decision for sanctioning the loan was taken during the meeting with the consent of all the members and it was recorded in the minute book. The loan amount also differed from 1:1 to 1:4, depending up on the total thrift collection of the SHG and the purpose of the loan.

Interest rate to be charged and the number of installments for repayment and dealing with defaulter of repayment in time were left to the SHG. The most common rate of interest was Rs. 2 per Rs. 100 per month, as followed in all the agencies except in NIDS, which charged only Rs. 1.5 per month for Rs. 100, and in KAIROS the annual interest rate was fixed at 10% for an amount up to Rs. 1,000. And if the loan amount exceeds Rs. 1,000 the group would decide the rate of

interest to be charged. Likewise, depending on the amount of loan and the purpose of loan, the group fixes the number of installment for the repayment of loan. In NIDS it was fixed as 10 equal installments including the interest. In KAIROS and SN Trust the loan had to be repaid within 5 months and in Kudumbasree and in Mithranikethan it was fully left to the SHG, which fixed the time from 5 to 12 months.

Selection of beneficiaries for training in self-employment depended on the educational qualification, the economic condition of the family and the interest of the candidate for the concerned skill. If the demand was more than the supply then the selection was based on the majority opinion of the SHG as a whole.

3.7 Development Assistance from the Agency

NIDS provided housing loan from its own development fund to deserving candidates. Mithranikethan and KAIROS provided to all interested members of SHGs in various skill development training programme for self-employment. These trainings were given either free of cost or on a subsidized rate. The SHG members from the Kudumbasree programme were selected for the development assistance of the Panchayat. The selection process went through SHG to ADS, and then it came up for discussion at the Ward Sabha and the final selection was done there. Many of the members received assistance for housing, construction of sanitary latrine, electrification of houses etc.

3.8 Social Action Initiatives

On enquiry, most participants in all the FGDs were aware of the social issues and community problems existed in their community, but very little action

had been taken by the SHGs to ameliorate the situation. Most common social issues were alcoholism, use of pan parag and such intoxicating items being sold through pan shops, atrocity against women etc. Members of SHGs from NIDS, KAIROS and SN Trust had either organized or participated in campaign against these. Community problems included lack of safe drinking water and all-weather roads for communication. SHG members from SN Trust, and Kudumbasree made representations at the local self-government for finding solutions to these problems.

The following information is collected by quantitative technique using an interview schedule. The responses were grouped and discussed in the subsequent topics.

3.9. Motivating Agents to join in SHGs

Table 1 Motivating Agent to join the SHGs

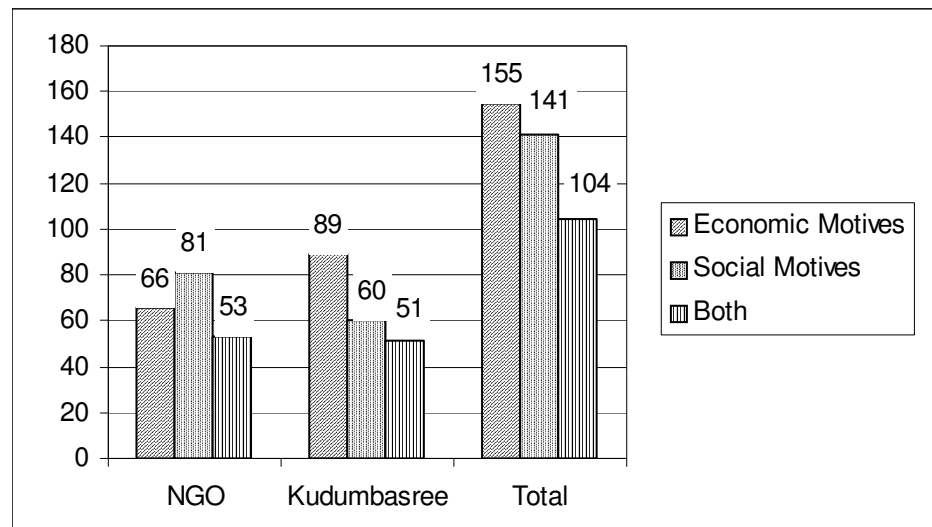
Motivated by	Agency				Total	
	NGO		Kudumbasree		No	%
	No	%	No	%		
Neighbors	5	2.5	22	11.0	27	6.7
Friends	7	3.5	21	10.5	28	7.0
SHG Members	83	41.5	78	39.0	161	40.3
Officials of Kudumbasree / NGO	105	52.5	69	34.5	174	43.5
Others			10	5.0	10	2.5
Total	200	100	200	100	400	100

Majority of the respondents (43.5%) joined the SHG because of the officials of Kudumbasree and animators of NGOs (Table 1). In this case there was a significant difference between NGOs and Kudumbasree. The animators of the SHGs have motivated more (52.5%) of the respondents to join the SHGs, while it was only 34.5% by the officials and others of Kudumbasree. Other major motivating agents were the SHG members. Even in this matter the SHG members of NGOs were found better than the Kudumbasree in motivating women to join the SHGs. In the case of Kudumbasree, the officials of Kudumbasree i.e. members of ADS, CDS also played an important role in motivating women to join the SHGs. Friends and neighbours also played the role of motivators of poor women to join the SHGs.

3.9.1 Motivating Factors

Besides the motivating agents, there were motivating factors, which had influenced the poor women to join the SHGs. The following chart gives details of the motivating factors that influenced the poor women for joining the SHGs.

Chart 1 Motivating Factors for the poor Women



The above chart clearly indicates that for majority (38.75%) of the respondents the motivating factor for joining the SHGs was economic motives, which included inculcating savings-habit and getting easy loan at a reduced rate of interest. And the social motives like interaction with other women in their area; cooperation among members, acquiring knowledge, skills and a desire to work for the development of the community etc. influenced 35.25% of the respondents. For the remaining (26%) the influencing factors were both economic as well as social motives. There was a significant difference noticed between the SHGs of NGO and Kudumbasree as regards the influencing factor for joining the SHG. While 40.5% of the respondents from SHGs of NGOs were motivated by social motives, only 30% of the respondents from Kudumbasree were influenced by social motives. But majority of respondents (44.5%) from Kudumbasree were motivated by economic benefits, and the economic motives influenced only 33% of the respondents from SHGs of NGOs. One of the reasons for this could be that the members of SHGs of NGOs were organised much before the economic factor was introduced into these

groups. Social motives were the main reason for the members to join these groups under NGOs.

3.10. Dropouts from the SHGs

There were dropouts reported from both the SHGs of NGOs and Kudumbasree. Usually the dropout starts after 6 to 12 months. Several reasons were given by the respondents for the dropout from SHGs (Table 2).

Table 2 Reasons for Dropouts from the SHGs

Reason for dropout	Agency				Total	
	NGO		Kudumbasree			
	No	%	No	%	No	%
No & Don't know	29	14.5	72	36	101	25.2
Financial constraints	33	16.5	30	15	63	15.8
Rules and regulations	22	11	20	10	42	10.5
Physical problem	5	2.5	9	4.5	14	3.5
Change in residence	39	19.5	8	4	47	11.8
Not interested to continue	52	26	29	14.5	81	20.2
Marriage	20	10	32	16	52	13
Total	200	100	200	100	400	100

Constitution and functioning of SHGs could also be assessed from the number of dropouts and the reasons for dropouts. Most of the SHGs reported that there were dropouts. Comparatively dropout rate was found less in Kudumbasree SHGs than from the SHGs of NGOs. Economic empowerment of women was considered as one of the main reasons for joining the SHGs. But financial constraint was also found as a major factor for the members leaving the SHGs. Defaulters in loan repayment usually end up in non-interest and drop out. Another important reason for drop out was due to non-realization of the aspirations of the members. Strict rules like punctuality and regular attendance in meeting, timely repayment of loans, regular thrift savings etc. might not be possible especially for daily labourers and other self-employed persons. When they found it difficult, they preferred to leave the group. Change in residence and marriage of members were found other reasons for dropout.

3.11 Transparency in dealings

Transparency in social and financial dealings makes an organization powerful and reliable. Proper maintenance of account books, registers, reports etc. is therefore very important and these are to be made available to any member on demand. This would show the level of transparency in dealings. The following table (3) gives details on the availability of these documents to any member on demand.

Table 3 Availability of Account books, Registers, Reports etc. to members

Availability of Accounts, registers, reports etc	Agency				Total	
	NGO		Kudumbasree			
	No	%	No	%	No	%
Yes	171	85.5	183	91.5	354	88.5
Don't know	29	14.5	17	8.5	46	11.5
Total	200	100	200	100	400	100

A great majority (88.5%) of the respondents affirmed that these documents were maintained properly and available to any member on demand, and the remaining 11.5% did not know that these were to be made available to other members other than the leaders. Usually ordinary members do not examine these documents.

But response to a question whether the respondents had examined these documents during last six months, it was found that 77% of the respondents had replied affirmatively. This clearly indicates that great majority of the members were serious about the functioning of the SHGs and were particular about transparency of all dealings. Further analysis showed that 85.5% of the respondents from NGOs had examined these records within last six months, while it was a little behind from the part of the Kudumbasree.

3.12. Information about thrift saving and loan repayment

This is another important aspect of transparency in financial dealings. The collection of thrift savings, loan disbursement and repayment loan etc. are to be done only during the meetings and all the members are to be informed about the financial position of the group. In order to assess the level of transparency in this matter, respondents were asked whether they knew about thrift collection, loan repayment

done during the last meeting, a great majority (88.7%) of the respondents knew it. But the way they came to know about it is given in the following table.

Table 4 Information received on thrift saving and loan repayment during last meeting

How did you know it	Agency				Total	
	NGO		Kudumbasree			
	No	%	No	%	No	%
Don't know	46	23	39	19.5	85	21.2
Announced in the end of the meeting	60	30	60	30	120	30
Announced in the next meeting	14	07	21	10.5	35	8.8
Office bearer	80	40	80	40	160	40
Total	200	100	200	100	400	100

Majority of the respondents (40%) got the information about the financial dealings during the last meeting from the office bearers or the leaders, and another 30% of the respondents knew about it while it was announced at the end of the meeting and the remaining 8.8% were informed during the next meeting. A good percentage (21.2%) was not interested to know about it. This could be because they did not attend the last meeting or they might have entrusted other members for depositing the thrift savings. There was also provision in some of the SHGs that even if a member does not attend the meeting, she can deposit her thrift savings through any other member of the group. In the same way if a member has to leave the meeting before its closure, she can entrust her thrift savings to any of the members for deposit. There was no significant difference between members of SHGs of NGOs and Kudumbasree. Some how, due care has to be taken to let all the members know about the financial dealings of group either at the end of the meeting or during the next meeting. It could be made an agenda of the meeting. Financial dealings have to be done in front of all the members and they have the responsibility to be present through out the meeting.

3.12.1 Amount of Thrift Collection

Different NGOs follow different strategy for thrift savings. Some fix an amount, which is agreed upon by majority of the groups under them, while others leave the matter to the SHGs to fix up the amount. The amount also depended on the frequency of meetings. If weekly meetings, the amount is fixed on a lower

amount, if not it goes up accordingly. The following table (5) gives more details on the amount fixed by various SHGs studied.

Table 5 Models of Weekly Thrift Collection

Weekly Thrift Collection	Agency				Total	
	NGO		Kudumbasree			
	No	%	No	%	No	%
10 Rs	90	45	155	77.5	245	61.2
15 Rs	15	7.5	0	0	15	3.8
20 Rs	10	5	5	2.5	15	3.8
25 Rs	10	5	0	0	10	2.5
10 – 50 Rs	30	15	20	10	50	12.5
5 – 50 Rs	5	2.5	0	0	5	1.2
Any amount above Rs.10	15	7.5	20	10	35	8.8
Any amount above Rs.5	25	12.5	0	0	25	6.2
Total	200	100	200	100	400	100

The above table shows that majority (61.2%) of the respondents deposit Rs. 10 per weekly meeting. That means majority of the SHGs have fixed the amount of thrift savings at Rs. 10 per week. And the next highest was 12.5% where the amount was fixed between Rs. 10 and 50. There were a few significant differences seen between NGOs and the Kudumbasree. More than three fourth (77.5%) respondents from Kudumbasree were depositing Rs. 10 as fixed by them. And Kudumbasree seems to have advised to fix up some norms for thrift savings. That might be the reason that among the SHGs of Kudumbasree there was only one system followed that it could be any amount between Rs. 10 and 50. And it is to be noted that no amount less than Rs. 10 was fixed by any SHG. This is a good norm that could be followed.

3.12.2. Starting of Thrift Savings

Table 6 Starting of Thrift Savings

Time of Thrift starting	Agency				Total	
	NGO		Kudumbasree			
	No	%	No	%	No	%
Within one week	113	56.5	103	51.5	216	54.0
Within one month	15	7.5	48	24.0	63	15.7
Within 3 months	11	5.5	5	2.5	16	4.0
Within 3 - 6 months	28	14	6	3.0	34	8.5
Don't know	33	16.5	38	19.0	71	17.8

Total	200	100	200	100	400	100
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The table 6 shows that majority (54%) of the respondents started thrift savings within a week of their joining the group, and another 15.7% started thrift savings within one month. Among the late starters in thrift savings, the respondents of SHGs from NGOs accounted for almost (78%) of them. This indicated that thrift savings was introduced slowly among the members of SHGs in NGOs. There were members (17.8%) who did not remember when they had started thrift savings from both NGO and Kudumbasree groups.

3.12.3. Time taken for Bank linkage

Table 7 Time taken for SHG-Bank Linkage

Time taken for SHG-Bank linkage	Agency				Total	
	NGO		Kudumbasree			
	No	%	No	%	No	%
Within 12 Months	0	0	14	7	14	3.5
12- 24 Months	63	31.5	186	93	225	62.2
24 – 36 Months	27	13.5	0	0	27	6.8
After 36 Months	10	2	0	0	10	2.5
Not Linked to Banks	100	50	0	0	100	25.0
Total	200	100	200	100	400	100

The table 7 indicates that majority (62.2%) of the SHGs were linked to Banks/financial institutions between 12 to 24 months. In the case of SHG-bank linkage, there was significant difference between Kudumbasree and NGOs. All the SHGs selected from NIDS and Mithranikethan were not linked to recognized banks/financial institutions. These two NGOs had their own systems where the thrift savings were deposited. NIDS had Credit Union and Mithranikethan had ‘Paraspara Sahaya Nidhi’ (Mutual Help Fund) for depositing the thrift savings of the SHG members. All the SHGs from Kudumbasree were linked to Banks within two years. But the SHGs of NGOs were linked even after 36 months. The reasons given were that the SHGs of NGOs were under the financial control of NGOs and they were not very much interested in Bank linkage. As per NABARD directives, in order to establish SHG-Bank linkage, each SHG has to pass a graduation test conducted by the bank. The SHGs, which score 120 out of 150, were eligible to SHG-bank linkage. (Details of the questionnaire used for the test given in Appendix -2)

3.13. Satisfaction over the functioning of SHGs and the Federations

Table 8 Satisfaction over the functioning of SHGs and Federations

Satisfaction	Agency				Total	
	NGO		Kudumbasree			
	No	%	No	%	No	%
Yes	175	87.5	200	100	375	93.8
No	25	12.5	0	0	25	6.2
Total	200	100	200	100	400	100

As far as the satisfaction of members over the functioning of the SHGs and the federations were concerned, it was found that all (100%) of the respondents from Kudumbasree were satisfied with the functioning of the SHGs and their federations, while 12.5% of the respondents from the NGOs expressed some concern over the functioning of SHGs and their federations.

3.14. Decision Making within the SHG

Decision-making in SHGs was looked into from four aspects like decisions on general matters, decisions on selection of beneficiaries for loans, fixing up the interest rate for loans, dealing with defaulters in loan repayment.

Table 9 Decision Making within the SHGs

	Decisions	Agency				Total	
		NGO		Kudumbasree			
		F	%	F	%	F	%
Decisions on general matters	Common consensus	115	57.5	120	60	235	58.8
	Decided on majority	45	22.5	45	22.5	90	22.5
	Decided by leaders	40	20	35	17.5	75	18.7
	Total	200	100	200	100	400	100
Selecting beneficiary for loan	Kudumbasree / NGO officials	30	15	0	0	30	11.3
	Committee members	30	15	30	7.5	70	11.3
	The whole group	120	60	180	85	300	73.8
	No loan	20	10	0	0	20	03.8
	Total	200	100	200	100	400	100
Interest rate for loan	Kudumbasree / NGO officials	80	40	0	0	80	20
	Committee members	10	5	25	12.5	35	08.8
	The whole group	90	45	120	60	210	52.5
	Bank officials	0	0	55	27.5	55	13.75

	No loan	20	10	0	0	20	05
	Total	200	100	200	100	400	100
Defaulters of loan repayment	No Fine	140	55	150	70	290	97.5
	Kudumbasree / NGO officials	20	10	0	0	20	05
	Committee members	5	2.5	0	0	5	1.25
	The whole group	15	7.5	50	25	65	16.25
	No loan	20	10	0	0	20	05
	Total	200	100	200	100	400	100

As far as general decisions on the day today functioning of the SHGs were concerned, majority of the respondents (58.8%) said that the decisions were taken on consensus after due discussions during the meeting, rather than voting. And according to 22.5% respondents the decisions were taken by voting and the remaining 18.7% respondents felt that the leaders played a greater role in the decision-making in the SHG.

The best way of decision making within the SHG is to arrive at a consensus rather than voting. Decision-making influenced by the leaders is not at all desirable. There was no significant difference found between the SHGs of NGOs and the Kudumbasree. Regarding decisions on selection of beneficiaries for giving loans, a great majority (73.8%) of the respondents said that the decisions were taken by the whole group after due discussions for and against the beneficiaries. In this case, no Kudumbasree officials got involved, whereas 15% of the respondents said that the NGO officials got involved in such decisions. Involvement of Committee members was found in both among NGOs and Kudumbasree. About 10% of the respondents from NGOs did not utilize loan from the SHGs.

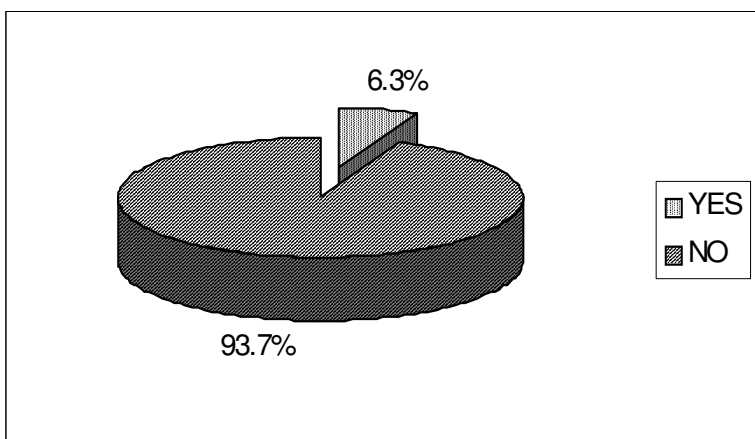
Decisions on interest rate for loan, again majority of the decisions (52.5%) were taken by the whole group after discussing the matter in the group. NGO officials played a role in deciding interest rate for loan. The SHGs of NIDS, the thrift savings was deposited in the credit union and the officials of credit union took the final decision on interest rate for loan and other financial matters. Majority of the SHGs (60%) from Kudumbasree decided interest rate by the whole group. Bank officials as well as Committee Members also played roles in deciding the interest rate

Decisions on dealing with defaulters in loan repayment, no fine were imposed by almost all (97.5%) the respondents. As regarding the rest, most of the decisions were taken by the group as a whole, while involvement of NGO officials and committee members was found only in SHGs of NGOs. And this kind of involvement from external agencies was not found in SHGs of Kudumbasree. It is also to be noted that 10% of the respondents from SHGs of NGOs did not take any loan so far.

3.15. Conflict Management in SHGs

Usually in almost all social groups, conflicts arise out of sub group formation due to several reasons. If appropriate action is taken in time, the minor conflicts can be resolved. SHGs are no exemption in this matter. According to social work theory, the principles of group work dynamism explain various stages of group functioning. Sub group formation might adversely affect the performance of the group. Timely intervention by the group leader or the social group worker revives the group dynamism and enables the group to achieve the objectives. In the case of SHGs, the stages of growth is initiated and strengthened by the NGO. The involvement and the support especially during the initial stages are very crucial for the smooth functioning of the SHGs. The following chart gives the details of subgroups in the SHGs studied.

Chart 2 Sub groups in SHG system



Only 6.3% of the respondents said that there were sub groups in their SHG system and it was found in SHGs of NGOs as well as Kudumbasree. Most of the problems emerged due to financial dealing and autonomy of the leaders. Some leaders were very strict and not ready to agree with the members. Lack of coordination among members also created conflict. There were SHGs from Kudumbasree, which could not utilize the revolving fund from Block Panchayat due to the conflict within the group. Again because of the conflict among members some groups were not able to initiate income-generating programme.

3.15.1. Management of Conflict among Members

Table 10 Management of Conflict among Members

Solving problems in SHGs	Agency				Total	
	NGO		Kudumbasree		No	%
	No	%	No	%		
By the SHG members	105	52.5	135	67.5	240	60
By the leaders	85	42.5	50	25	135	33.8
By higher authorities	10	5	15	7.5	25	6.3
Total	200	100	200	100	400	100

Table 10 indicates that majority of the respondents (60%) were of opinion that conflicts were resolved by the members themselves. About 33.8% of respondents said that the leaders resolved conflicts and the remaining 6.3% expressed the involvement of higher authorities in solving conflicts. In conflict management, there was slight difference where Kudumbasree sought to better democratic way of conflict management, by leaving the matter to the group to resolve it. But at the same time involvement of higher authorities was found in Kudumbasree also. The involvement of the committee members and of higher authorities was sought only if the conflict could not be solved within the group. In short the constitution and functioning of SHGs both under NGOs and Kudumbasree were found good.

It was observed that most of the NGOs followed their own approach in initiating the groups, formalizing the structures, emphasizing group activity, choosing the model of linkage with bank etc. There are other NGOs belonged to a more professional group with sectoral approach to economic micro enterprises to earn an additional income for the family. They have very little interest in the holistic empowerment of the poor, excepting economic self-sufficiency. Still there

are other groups of NGOs, ready to implement any programme for which funds are available. They may follow what other NGOs do, and try to survive on external funding from government and government departments.

CHAPTER – 4

SOCIO-ECONOMIC PROFILE OF THE RESPONDENTS

CHAPTER - 4

SOCIO-ECONOMIC PROFILE OF THE RESPONDENTS

4.1. Introduction

This chapter deals with socio-economic profile of the respondents of the study. A total of 400 respondents from four NGOs and two Panchayats of Kudumbasree Programme were interviewed using pretested Interview Schedules. The two Districts selected for the study were Kannur from the North and Thiruvananthapuram from the South. The NGOs selected from these districts were KAIROS and S.N Trust from Kannur, and NIDS and Mithranikethan from Thiruvananthapuram. And the two Panchayats selected under Kudumbasree programme were Kottukal from Thiruvananthapuram and Mangattidam from Kannur.

4.2. Age of the Respondents

Table 11 Age group of the Respondents

Age Group	Agency				Total	
	NGO		Kudumbasree		No	%
	No	%	No	%		
15 – 30	41	20.5	36	15	77	19.2
31 – 40	80	40	93	46.5	173	43.3
41 – 50	51	25.5	51	25.5	102	25.5
51 – 60	21	10	20	10	41	10.3
60 – 75	07	3.5	0	0	07	01.7
Total	200	100	200	100	400	100

Majority of the respondents (43.3%) belonged to the age group of 31-40. That meant they were responsible and matured housewives. The above table reveals another important factor that the Kudumbasree restrict its membership to those above 55 years of age, but among the NGOs there was no such restriction. Further analysis of data showed that those who were in the age group of 55 -75 constituted mainly widows and separated women, and they were most vulnerable who needed assistance in self-employment schemes, micro finance and micro credit.

4.3. Religion of the Respondents

Table 12 Religion of the Respondents

Religion	Agency				Total	
	NGO		Kudumbasree			
	No	%	No	%	No	%
Hindu	85	42.5	155	77.5	240	60
Muslim	07	3.5	06	03	13	3.3
Christian	108	54	39	19.5	147	36.7
Total	200	100	200	100	400	100

Majority (60.00%) of the respondents belonged to Hindus, followed by Christians (36.8%) and the remaining 3.3% Muslims. Even though there were two NGOs selected belonged to Christian leadership and the other two of Hindu organizations and the Kudumbasree a neutral set up, there was due representation of all the three main religions among the respondents. It indicated that SHGs of both NGOs as well as of Kudumbasree upheld the secular nature of Kerala State.

4.4. Educational Qualification of the Respondents

Table 13 Education of the Respondents

Educational qualification	Agency				Total	
	NGO		Kudumbasree			
	No	%	No	%	No	%
Illiterate	16	08	09	04.5	25	06.3
Lower Primary	11	05.5	18	09	29	07.3
Upper Primary	38	19	48	24	86	21.5
High School	87	43.5	91	45.5	178	44.5
+2	34	17	25	12.5	59	14.8
Degree	08	04	07	03.5	15	03.8
Post graduate	01	0.5	0	0	01	0.3
Technical	05	02.5	02	01	07	01.8
Total	200	100	200	100	400	100

The above table indicates that majority (65.2%) of the respondents has educational qualification above high school level. The rather high educational standard of the members have helped them to take up leadership positions and lead the SHGs in a responsible manner. But at the same time in a fully literate State like Kerala, 6.3% of the respondents were found illiterate. And there was no significant difference between the NGOs and Kudumbasree members. Further analysis of data showed that most of the present and previous leaders had higher educational

qualification above Upper Primary School level and some of them were even graduates.

4.5. Marital status of the Respondents

Table 14 Marital Status of the Respondents

Marital Status	Agency				Total	
	NGO		Kudumbasree			
	No	%	No	%	No	%
Single	13	06.5	18	09	31	07.8
Married	163	81.5	155	77.5	318	79.5
Widow	21	10.5	21	10.5	42	10.5
Separated	03	01.5	06	03	09	02.3
Total	200	100	200	100	400	100

The above table shows that majority (79.5%) of the respondents were married and 12.8% were either widows or separated women. Single women constituted only 7.8%. It indicated that a great majority of the members of the SHGs were responsible housewives. Even in this matter, there was no significant difference between the members of SHGs of NGOs and the Kudumbasree.

4.6. Family size of the Respondents

Table 15 Family Members of the Respondents

Family Members	Agency				Total	
	NGO		Kudumbasree			
	No	%	No	%	No	%
Children below 5 years	38	3.66	35	3.45	73	3.56
Abandoned women	02	0.19	06	0.59	08	0.39
Unwed mothers	01	0.09	0	0	01	0.04
Unmarried because of illness	02	0.19	0	0	02	0.09

Unmarried because of financial problem	04	0.38	02	0.19	06	0.29
Disabled due to old age	17	1.63	23	2.27	40	1.95
Handicapped members	04	0.38	02	0.19	06	0.29
Chronically disabled	05	0.48	06	0.59	11	0.53
Others	953	91.9	927	91.6	1880	91.75
Total	1037	100	1012	100	2049	100

The total population stood at 2049 in 400 families selected for the study. Thus the average family size was 5.12. This was higher than the average family size of the State. This was mainly due to the joint family system still found in the Northern Kerala. The family structure showed that 8.25% of the family members including children below five years, abandoned or unwed mothers, unmarried because of illness and financial problem, disabled persons due to old age, handicapped, chronically ill etc. required special attention and care from the other family members. The SHG system could take up special programmes for the welfare and rehabilitation of these people.

4.7 Role of SHG in the Family

The loan availed by women from the SHGs that became a source of income for the entire family and due to this, men respects their women and encourage them to go out for the activities of SHG. This has improved the status of women in the family. Her work and contribution to the family were being recognized by the other members of the family.

4.7.1 Men Helping Women in Household Works

Another area, which the study looked into, as far as gender issues were concerned, was the involvement of men in the daily activities of the family. The following table gives more information of the changes that has happened.

Table 16 Men Helping Women in Household Works

Household Works		Agency				Total	
		NGO		Kudumbasree			
		No	%	No	%	No	%
Cooking	Increased	22	11	22	11	44	11
	No change	178	89	178	89	356	89
Bringing water /fuel	Increased	28	14	23	11.5	51	12.75
	No change	172	86	177	88.5	349	87.3

Household cleaning	Increased	36	18	24	12	60	15
	No change	164	82	176	88	340	85
Going to market	Increased	43	21.5	39	19.5	82	20.5
	No change	157	78.5	161	80.5	318	79.5

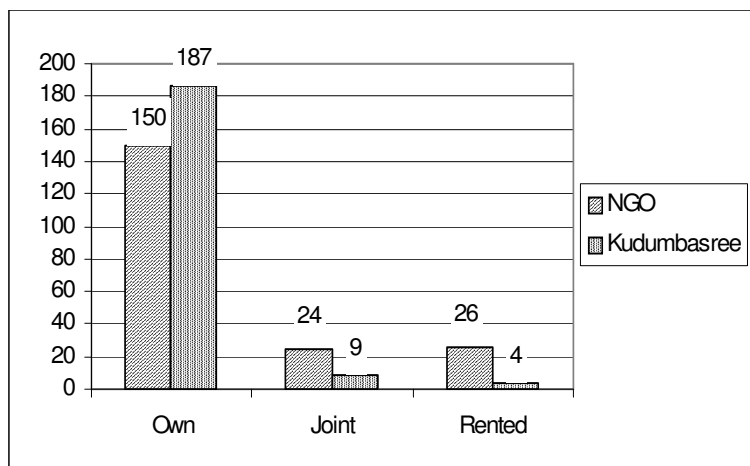
The above table clearly indicates positive signs of change in the families of the respondents as regarding the attitude of men in helping women in the household chores. Even though the change was noticed only in 11 to 20 percent of the families of the respondents, the situation would change for better if the trend continues. For a great majority (up to 89%) of the respondents there was no change in the attitude of men in helping women in the household work. This shows that there is need for gender sensitization for men, because women still are not able to influence men in helping them in their daily household works.

4.7.2 Living Condition of the Respondents

As far as the living condition of the respondents were concerned, land holding, ownership of the house, area of residence, type of family, type of housing, electrification of houses, availability of sanitary latrine and safe drinking water, etc were taken into consideration.

4.7.3. Ownership of House

Chart 3 Ownership of House



A great majority (84.25%) of the respondents had their own houses, while 8.25% lived in joint family and the rest 7.5% lived in rented accommodation. More respondents from the SHGs of Kudumbasree have own houses than the respondents from the NGOs. But the respondents from NGOs outnumber those of Kudumbasree

in other two cases namely the joint family and in rented houses were concerned. Those who did not have own houses were found more among the respondents from the NGOs. Even though there are several schemes for housing both under Central and State Governments, and the Gram Sabha does the selection of beneficiaries for these programmes; very often the most deserving members of SHGs get neglected due to several reasons, as not having sufficient land in their name, or having no land at all in their name, or are not able to bear a part of the total cost involved in the construction of the house, or they are not able to get a bank loan etc.

4.7.4. General Information on the Families

Under general information on the families of the respondents, the present study looked into the place of their residence – whether rural, urban or cantonment area; under the type of family - whether it was a nuclear, joint or extended family; and under the type of housing - whether the house was kutchra, semi-pucca or pucca house. The following table gives more details regarding these general features.

Table No. 17 General Features of Family

General Features		Agency				Total	
		NGO		Kudumbasree			
		No	%	No	%	No	%
Place of Residence	Rural	170	85	200	100	370	92.5
	Cantonment	30	15	0	0	30	7.5
	Total	200	100	200	100	400	100
Type of family	Nuclear	130	65	138	69	268	67
	Joint	22	11	9	4.5	31	7.7
	Extended	48	24	53	26.5	101	25.3
	Total	200	100	200	100	400	100
Type of housing	Katcha	26	13	38	19	64	16
	Semi pucca	122	61	105	52.5	227	56.7
	Pucca	52	26	57	28.5	109	27.3
	Total	200	100	200	100	400	100

The above table (17) shows that all the respondents of Kudumbasree resided in rural areas, whereas 30 families under NGOs lived in cantonment area in Kannur

District. Regarding the type of family, majority (67.0%) of the families were nuclear families, while extended families constituted more than one fourth (25.3%), and the remaining (7.7%) were joint families. A significant difference was noticed only in joint family system, favouring the NGOs, especially in Kannur District.

Majority of the respondents (56.7%) lived in semi-pucca houses, while 27.3% in pucca houses and the remaining only 16% in kutcha houses. Number of families living in Kutcha houses was found more under Kudumbasree SHGs than in NGOs. As a whole the housing condition of the respondents was found satisfactory. Still, the SHGs can play a greater role in ensuring the basic facility as a safe housing for its members, with assistance from various housing schemes available both under central and state governments.

There was no significant difference found between the NGOs and the Kudumbasree except that a small variation in semi-pucca housing found more among the respondents from the NGOs. Further analysis of the data showed that 15% of the respondents from among the NGOs resided in cantonment area in Kannur District.

4.7.5. Other facilities available to the Families

Some other facilities available to these families were also looked into by this study. These included the ownership of land, electrification of houses, availability of sanitary latrine and safe drinking water within a reasonable distance.

Table 18 Other facilities in the Respondent's family

Other facilities		Agency				Total	
		NGO		Kudumbasree			
		No	%	No	%	No	%
Land ownership	Yes	161	80.5	181	90.5	342	85.5
Electrification of house	Yes	138	69	167	83.5	305	76.3
Sanitary latrine	Yes	162	81	171	85.5	333	83.3
Drinking water within 150 meter	Yes	165	82.5	159	79.5	324	81

All the above facilities were found available to a great majority of the respondents. The ownership of land by the respondents shows that, 19.5% of the respondents from NGOs and 9.5% of Kudumbasree members were landless families. This was found to be significant difference. This was mainly because some of the respondents from SHGs of NGO were residing either in joint family or in rented house particularly the cantonment area in Kannur District. Another significant difference was found in the electrification of houses, while 31% of the respondents from NGOs were not electrified, only 16.5% of the respondents from Kudumbasree did not have that facility.

As far as sanitary latrine facility and availability of safe drinking water within 150 meters were concerned, there was no significant difference between respondents from NGO and Kudumbasree. Those families who did not have their own sanitary latrine depended on public latrine, open place and pit latrine. The respondents from coastal area and cantonment were mainly depending on public latrines. Availability of Drinking water within 150 meter was another facility that the study probed into. It was found that while 20.5% of the respondents from Kudumbasree felt the scarcity of safe drinking water facility within a reasonable distance, only 17.5% of the respondents of the NGO felt the scarcity.

Further probing whether these facilities were made available because they were members of SHG, only in the housing and construction of sanitary latrines there was a positive response. While 18 members (9%) of Kudumbasree received assistance for construction of houses, only 5 members (2.5%) from the NGO side received assistance for housing. In the same way assistance for construction of sanitary latrine was received by 8 members from the Kudumbasree it was just half (4) from among the NGOs. The above findings indicated that as far as electrification of houses and provision of sanitary latrines were concerned; the Kudumbasree had taken greater initiatives in providing such facilities. Further analysis showed that Mithranikethan had done a good work in this field among the NGOs with financial assistance from CAPART.

4.8. Social issues/problems faced by the Families

In order to assess the social status of the families of the respondents a few queries on social issues/problems faced by the families, like school drop out cases below the age of 14, child mortality rate, prevalence of alcoholism and drug addition and women-headed families were looked into.

Table 19 Problems faced by the Family

Problems		Agency				Total	
		NGO		Kudumbasree			
		No	%	No	%	No	%
School Drop outs	Yes	10	5	16	8	26	6.5
	Total	200	100	200	100	400	100
Death of Children	No	200	100	200	100	400	100
	Total	200	100	200	100	400	100
Drug addict / Alcoholic in family	Yes	72	36	39	19.5	111	27.8
	Total	200	100	200	100	400	100
Women headed Family	Yes	32	16	35	17.5	67	16.8
	Total	200	100	200	100	400	100

The above table showed that cases of school drop outs were found more (8%) among the family members of respondents from Kudumbasree than (5%) among respondents from the NGOs. But alcoholics and drug addicts were found more (36%) among the family members of respondents from the NGOs than (19.5%) among the respondents from the Kudumbasree. It was also found that 16.8% of the total families of respondents were women-headed and there was no significant difference was found between respondents from NGOs and Kudumbasree. Further analysis of data showed that the reasons for school dropouts in those families were due to financial constraints, health related problems, lack of interest etc. And there was no death of child was reported by the respondents.

4.9. Economic Status of the Respondents

Under economic status of the respondents, the study concentrated on the occupation, monthly income, land holding, and other assets like gold ornaments, bank deposit, insurance etc. The following table gives more details regarding these.

4.9.1. Occupation of the Respondents

Table 20 Occupation of the Respondents

Occupation of the Respondent	Agency				Total	
	NGO		Kudumbasree			
	No	%	No	%	No	%
Agriculture & allied	11	05.5	12	06	23	05.8
Daily labourers	35	17.5	47	23.5	82	20.5
Salaried	09	04.5	01	0.5	10	02.5
Self employed	35	17.5	62	31	97	24.2
House wife	103	51.5	72	36	175	43.8
Unemployed	07	03.5	05	02.5	12	03
Student	0	0	01	0.5	01	0.2
Total	200	100	200	100	400	100

Majority (53%) of the respondents were earning members as employed in agriculture and allied fields, daily labourers, self-employed and salaried. While 43.8% were housewives, the remaining 3.2% were unemployed and students.

Self employed respondents were found more (31%) in Kudumbasree while it was only 17.5% among the NGOs. This clearly indicates that Kudumbasree was giving greater importance and support for self-employment. But salaried were more among the NGOs rather than the Kudumbasree. Most of the self-employed persons had received training for self-employment programmes from the respective authorities. The main income generating programmes undertaken by the respondents were, production and sale of coconut oil, stationery shop, sale of palm leaves, flour making units, production and sale of snacks and bakery items, animal husbandry, fish wending, vegetable wending, sale of readymade garments, provision shops, pickle making etc.

4.9.2. Monthly income of the Respondent Family

Table 21 Monthly Income of the Family

Monthly income of the family	Agency				Total	
	NGO		Kudumbasree			
	No	%	No	%	No	%
< 500	30	15.0	34	17.0	65	16.2
500 – 1000	41	20.5	35	17.5	75	18.7
1001 – 1500	49	24.5	60	30.0	109	27.3

1501 – 2000	49	24.5	43	21.5	92	23.0
2001 – 3000	24	12.0	22	11.0	46	11.5
3001- 4000	06	03.0	06	03.0	12	03.0
More than 4000	01	0.5	0	0.0	01	0.3
Total	200	100.0	200	100.0	400	100.0

The above table shows that a great majority of the respondents (85.2%) had a monthly income of less than Rs. 2000. About 16 % of the respondents have a monthly income of less than Rs. 500. And only 3.3% of the respondents had an income above Rs. 3000 and only one family had above Rs. 4000 per month. And there was no significant difference in the family income between members of SHGs of NGOs and Kudumbasree. Usually people tend to give a very low income of the family, but it was noticed that the respondents were ready to give more or less the actual income of the family.

Since the average family size of the respondents was 5.12, the annual income of such a family to be below poverty line, has to have an annual income of Rs. 20,120. This was based on the central government norms fixed for Kerala. For Kerala central government has fixed a per capita per month income of Rs. 327.48 for rural areas. That means a great majority of the respondents (about 85%) were found below poverty line.

4.9.3. Size of the Land holding

Table 22 Size of the Land holding

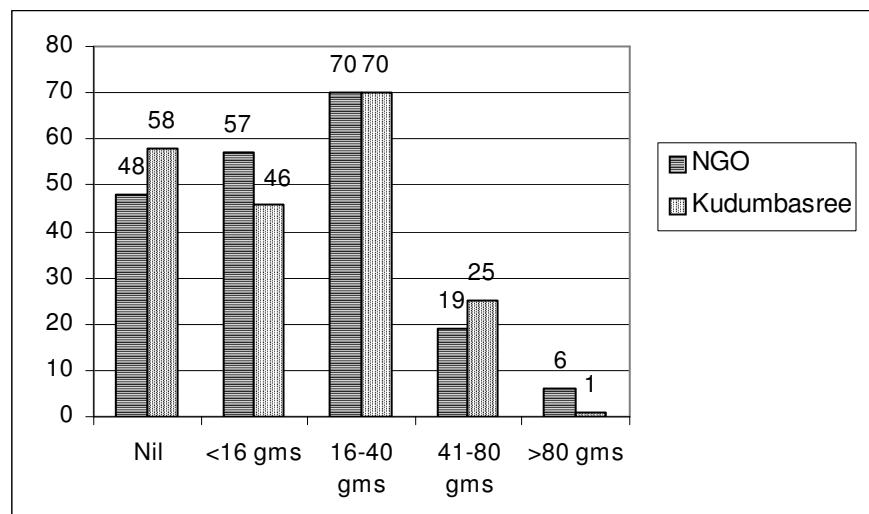
Size of the landholding	Agency				Total	
	NGO		Kudumbasree		No	%
	No	%	No	%		
Not Available	35	17.5	08	04.0	43	10.7
< 10	69	34.5	79	39.5	148	37.0
11 – 20	38	19.0	61	30.5	99	24.8
21 – 35	22	11.0	33	16.5	55	13.7
36 – 50	10	05.0	08	04.0	18	04.5
51 – 100	16	08.0	09	04.5	25	06.3
> 100	10	05.0	02	01.0	12	03.0
Total	200	100	200	100	400	100

Size of the land is another important factor that determines the economic status of the respondents. More than 10% of the total families were landless, while it was 17.5% among families under NGOs. It is mainly due to the joint family and the extended family system found among the respondents in Kannur District. Majority (37%) of the total respondents had a landholding of less than 10 cents. Another 43% of the respondents owned land between 10 cents to 50 cents and only 6.3% of the respondents had land measuring 50 cents to one acre. While comparing between the NGOs and Kudumbasree, landless people are found four times higher among the NGOs than the respondents of Kudumbasree. Such significant difference was not found in any other category of land holding

4.9.4. Possession of Gold ornaments

Economic status of the family could also be determined, besides the land holding and monthly family income, from the quantity of gold ornaments and other savings deposit. The following chart gives more details regarding the quantity of gold owned by the respondents.

Chart 4 Quantity of Gold Ornaments owned by Respondents



The above chart shows that 26.5% of the total respondents did not own any gold ornaments at all. While majority (35%) of the respondents owned 16-40 grams of gold ornaments, more than one fourth (25.75%) owned less than 16 grams, and only 1.75% of the respondents had gold ornaments more than 80 grams. Women in

Kerala as a whole prefer to own gold ornaments because it is an asset that can be very easily mortgaged to take loan either from the banks or from any private party. And there was no significant variation in this matter as far as the two agencies were concerned.

4.9.5. Possession of other Assets

Table 23 Other Financial Assets owned by the Family

Financial assets	Agency				Total	
	NGO		Kudumbasree		No	%
	No	%	No	%		
Chits	16	08	14	07	30	07.5
Insurance	47	23.5	50	25	97	24.3
Welfare fund	18	09	0	0	18	04.5
No Deposits	119	59.5	136	68	255	63.7
Total	200	100	200	100	400	100

The above table shows the types of other financial assets of the families of the respondents. Majority of the respondents (63.7%) did not have any deposits except the thrift savings. Insurance (24.3%) and Chits (7.5%) were two methods used by the respondents as assets savings. Welfare Fund was a significant contribution (9.0%) by the respondents from NGO sector, and there was no such savings under Kudumbasree. The Life Insurance policy seemed to be a popular method of savings among the rural people.

CHAPTER – 5

WOMEN’S EMPOWERMENT

CHAPTER – 5

WOMEN'S EMPOWERMENT

5.1. Introduction

Empowerment of poor women is a process that enables individuals and groups to realize their full identity and powers in all spheres of their life. This process provides opportunities for greater access to knowledge, skills and resources. NGOs have the responsibility to build up the capacities of poor women through Self Help System, enabling them to graduate from powerlessness to becoming powerful. Empowerment occurs at two levels, namely at individual and collective levels. At individual level, increase of individual knowledge, competency, skills, resources, and opportunities, which enable more effective action and interpersonal relations. The individual who has become more empowered becomes more human in the fullest sense of the word.

The impact of individual empowerment should reflect within self, the SHG and the community at large. Community based activist groups can bring about sustainable development and find feasible solutions to social issues relating especially to women and children.

This chapter deals with empowerment of poor women from three different angles, namely social, economic and political. From the social point of view it looks at it from individual, group and community levels. Empowerment at individual level is assessed by the increase in knowledge, skills and attitude effecting in better self-esteem and self-confidence. Poor women need more than income to improve the quality of life of their families and communities; they need increased information/knowledge, self-respect, self-confidence; skills and capacities; recognition from their family members and the community at large; their contribution to the family and the community be acknowledged and they be given opportunity to participate in decision making at various forums.

At the group level, social empowerment is assessed from the process of participation in discussions and decision making within the SHG. And at the

community level it is looked into from the point of their involvement and participation in common programmes organised by SHGs and the social action initiatives by the SHGs.

5.2. Social Empowerment

According to Sahay, access to knowledge, information and a feeling of knowing from self-enquiry, strengthening their skills and capacities to mediate with the external world are essential for individual social empowerment. It occurs at both individual as well as collective levels. Mediation entails relating with the outside world, with the markets, with financial institutions, with competitors, with suppliers, with a host of policy-makers and other important segments of external environment, i.e., politicians, bureaucrats, officials, etc. This would enhance their self-respect and self-esteem.

In this study the individual empowerment was looked into from level of access to information and knowledge gained through active participation in awareness building and capacity building programmes organised by the SHGs, as regarding gender issues, rights of women and children, government schemes etc. In order to assess the level of knowledge of the respondents, they were asked whether they knew about the statements and if they knew, from where they received the information, either from the SHGs or from outside. The responses are shown below.

At the individual level, when she acquires sufficient knowledge and skills, there could be an attitudinal change within herself and towards realities around her. The present study probes into her attitude towards some of the gender issues and social customs prevalent in our present day society, to assess whether change has occurred in her attitude after she has become a member of the SHG.

Empowerment is a continuous process where the powerless people become conscious of their situation and organize themselves to improve it and access opportunities to strengthen it. It takes a long time. In order to examine the real level

of empowerment of poor women through SHGs, it requires knowing their number of years of experience as a part of SHGs (Table 24).

5.2.1 Number of years as Member of SHGs

Table 24 Number of years as Member of SHGs

No. of years in the SHG	Agency				Total	
	NGO		Kudumbasree			
	No	%	No	%	No	%
1-2 Years	9	4.5	6	3	15	3.7
2-3 Years	24	12	38	19	62	15.5
3-4 Years	102	51	116	58	218	54.5
More than 4 years	65	32	40	20	105	26.3
Total	200	100	200	100	400	100

A great majority of the respondents (80.8%) had been members of the SHGs for more than three years (Table 1). And another 15.5% had more than two years' experience. Only 3.7% had less than two years of experience as members of SHGs. Thus the respondents were found having sufficient experience. The number of respondents having more than four years of experience was found more among NGOs than Kudumbasree. It was a significant difference and was due to the fact that the NGOs had started organizing women's groups in rural areas before the Kudumbasree came into this field. It was also noted that those SHGs, which were in existence for more than four years under Kudumbasree, were once organised by NGOs like Bharath Sevak Samaj in Kottukal area and lately merged with Kudumbasree

5. 2.2 Decision Making

Decision-making was one of the most important aspects looked into while studying the SHGs and empowerment of women through SHGs. The decision making process was looked into from two angles, namely within the family and in the group. This study looked into the change that has happened in the decision making process within the family after the respondents became the member of SHGs. The following table (25) gives details regarding the areas studied under decision-making process within the family.

Table 25 Participation of Women in decision making within the family

Participation in decision-making		Agency				Total	
		NGO		Kudumbasree			
		No	%	No	%	No	%
Education of children	Increased	79	39.5	84	41.0	163	40.7
	No change	121	60.5	116	58.0	237	59.3
Investment / loans	Increased	129	64.5	124	62.0	233	58.2
	No change	71	35.5	76	38.0	147	36.8
Menu deciding	Increased	69	34.5	59	29.5	128	32.0
	No change	131	65.5	141	70.5	272	68.0
Health care	Increased	92	46.0	62	31.0	144	38.0
	No change	108	54.0	138	69.0	246	61.5
Mobility	Increased	127	63.5	122	61.0	249	62.2
	No change	73	36.5	78	39.0	151	37.8
Recognizing women's contribution	Increased	90	45.0	103	51.5	193	48.25
	No change	110	55.0	97	48.5	207	51.8

Empowerment of women can be assessed from the changes occurred in the level of their participation in the decision making process within the family. In the present study the areas looked into were regarding the education of their children, making investments or taking a loan, deciding the menu for the day, the health care of the family members.

The above table showed that there was a visible change that has occurred in the level of participation of women in the decision making process within the family. As far as matters like education of children, deciding menu for the day's meals and health care, majority was of opinion that there was no change in their families, but at the same time 32 to 40 percent respondents agreed that there was change in the decision making process within their families. As far as health care and decision on menu the change was found more among members of NGOs, while regarding the education of children respondents from Kudumbasree experienced greater change.

Together with participation in decision-making another important aspect was the freedom of women as far as mobility was concerned. The traditional women were considered to be spending their time within the four walls of the house. But changes are happening in this sphere since the SHG system came into

existence. And always women's contribution to the family in the form of their household work was not taken into consideration, not accounted for. This study has tried to look into this aspect as well.

The above table (25) shows that remarkable change has happened regarding mobility of women - including women going out for attending meeting, classes, seminars, training programme, and various other functions of the SHG - investment and credit utilization were concerned. Most of the respondents had taken different types of loans from SHGs for consumption needs, income generation and other needs.

On an average a great majority (79.88%) of the respondents had awareness on the legal rights relating to women and children (Table 26). But the source of this information was largely from outside the SHG. On an average only 12.5% of the knowledge came through the SHG system. It clearly indicated that even the poor women in Kerala are well informed of their rights and duties. That could be one of the reasons that these topics did not find due consideration for discussions in the SHG meetings. But at the same time that these topics and others, relating to legal rights of women and children find place in SHG meetings and the members know about it without fail. Here SHGs have to play a more important role. In these matters there was no significant difference seen between respondents from NGOs and the Kudumbasree. And even on other matters the level of knowledge was found highly satisfactory. There are Panchayats, which organized legal and other social awareness classes for women in Kerala, and Kottukal Panchayat in Thiruvananthapuram got recognition as "Women Friendly Panchayat". In order to assess the level of knowledge of respondents regarding government programmes and schemes, especially for the development of women and children, commonly known 12 programmes and schemes were identified and asked them whether they knew about these, and if so from where they got the information, either from the SHG or from outside. The following table gives details of the questions.

Table 26 Level of knowledge of Members about legal rights of women and children

Sl. No	Statement		NGO		Kudumbasree		Total	
			Known	Source SHG	Known	Source SHG	Known	Source SHG
1	A daughter widow and mother can inherit paternal property as equal to sons	No.	195	24	196	7	391	31
		%	97.5	12.3	98	3.6	97.8	7.9
2	Widows and divorced women are entitled to remarry	No.	194	18	197	4	391	22
		%	97	9.3	98.5	2	97.8	5.6
3	Marriageable age for girls is 18 years and for boys is 21	No.	194	35	195	6	389	41
		%	97	18	97.5	3	97.2	10.5
4	Dowry giving /accepting are prohibited	No.	170	41	172	16	342	57
		%	85	24.1	86	9	85.5	16.6
5	With the consent of women on medical ground, abortion is legalized	No.	147	40	157	12	304	52
		%	73.5	27.2	78.5	7.6	76	17.1
6	Immoral trafficking of women and girls is legally punishable	No.	181	42	189	20	370	62
		%	90	23.2	94.5	10.6	92.5	16.8
7	Women also have the right to divorce on same ground as admissible for men	No.	159	40	164	8	323	48
		%	79.5	25.2	82.0	4.8	80.8	14.8
8	Women are entitled to get equal wage with men for same type of work	No.	142	39	136	10	278	49
		%	71.0	27.4	68.0	7.3	69.5	17.6
9	Provision for getting alimony	No.	103	9	80	4	183	13
		%	51.5	8.7	40	5	45.7	7.1
10	Right to education is a right for the child	No.	117	19	107	5	224	24
		%	58.5	16.2	53.5	4.6	56	10.7
	Average		80.05	19.16	79.65	5.7	79.88	12.5

Table 27 Level of Information on Government Programmes and Schemes

Sl. No	Statement		NGO		Kudumbasree		Total	
			Known	Source SHG	Known	Source SHG	Known	Source SHG
1	Developmental programmes of the government	No.	135	11	125	8	260	19
		%	67.5	8.1	62.5	6.4	65.0	7.3
2	Integrated Child Development Scheme (ICDS)	No.	26	1	59	15	85	16
		%	13.0	3.8	29.5	25.4	21.2	18.8
3	Kerala Development Plan	No.	164	3	149	6	313	9
		%	82.0	1.8	74.5	4.0	78.2	2.8
4	Financial assistance for the marriage	No.	171	8	175	2	346	10

	of the widow's daughters	%	85.5	4.7	87.5	1.1	86.5	2.9
5	Pension for widows / handicapped / elderly	No.	174	0	175	4	349	4
		%	87.0	0.0	87.5	2.3	87.2	1.1
6	Asraya programme	No.	36	3	108	82	144	85
		%	18.0	8.3	54.0	76.0	36.0	59.0
7	National Social Assistance Plan (NSAP)	No.	12	0	10	1	22	1
		%	6.0	0.0	5.0	20.0	5.5	4.5
8	Women's Component Plan	No.	14	2	25	13	39	15
		%	7.0	14.3	12.5	52.0	9.7	38.5
9	Sampoorna Grama Swarozgar Yojana (SGSY)	No.	19	11	70	62	89	73
		%	9.5	57.8	35.0	88.6	22.3	82.0
10	Prime Minister's Rozgar Yojana (PMRY)	No.	44	29	15	7	59	36
		%	22.0	66.0	7.5	46.7	14.7	61.0
11	Swarna Jayanthi Shahary Rozgar Yojana (SJSRY)	No.	10	4	7	3	17	7
		%	5.0	50.0	3.5	42.8	4.2	41.1
12	Valmiki Ambedkar Awaz Yojana (VAMBAY)	No.	13	0	10	6	23	6
		%	6.5	0.0	5.0	60.0	5.7	26.0
	Average		34.1	17.9	38.7	35.4	36.4	28.8

The table 27 indicates that the knowledge of respondents about governmental programme was much below (34%) expectation. And even in these matters nearly fifty percent of the information came from outside the SHG. The respondents from NGOs had a better knowledge about common governmental programme such as Developmental programme of the government, Kerala Development Plan, Financial assistance for the marriage of widow's daughters, pensions for widows, handicapped and elderly. But programme such as Integrated Child Development Scheme (ICDS), Asraya programme, National Social Assistance Plan (NSAP), Women's Component Plan (WCP), Sampoorna Gram Swarozgar Yojana (SGSY), Prime Ministers Rozgar Yojana (PMRY), Swarna Jayanthi Shahary Rozgar Yojana (SJSRY), Valmiki Ambedkar Awaz Yojana (VAMBAY) etc. were better known to respondents from Kudumbasree. One of the reasons could be that beneficiaries of these programmes are being selected through Kudumbasree programme. KAIROS and S. N Trust had undertaken Prime Minister's Rozgar Yojana (PMRY), a self-employment scheme of the central government, for their beneficiaries, and the respondents from these NGOs were aware of these programmes. It was also reported that Kudumbasree units were getting better opportunities under government sponsored programmes.

The present study would recommend that all the NGOs as well as the Kudumbasree should take greater interest in organizing awareness classes on government schemes so that all the poor women members of the groups would benefit from these programmes. The SHGs on their own should take initiatives in these matters.

5.3. Economic Empowerment

Economic empowerment of women was one of the main objectives of the present study and it focused on the role of SHGs in economic empowerment of women through SHGs. NGOs and Kudumbasree had organized SHGs in Kerala for the empowerment of women mainly for economic independence and freedom from moneylenders. So Economic empowerment of women was assessed by studying the attitude of women in savings before they became the members of SHGs and the change that has occurred in their attitude towards savings habit. It is a fact that poor

women usually have no savings, if saving means expenditure minus income. In order to assess the savings habit of the respondents, they were asked whether they had a savings account either in a savings bank account or in a post office before they joined the SHG. The following table gives the details of the response.

5.3.1 Savings Banks / Post office account before joining SHGs

Table 28 Savings Account in Banks / Post office before joining SHGs

Savings Habit Before joining SHG		Agency				Total	
		NGO		Kudumbasree			
		No.	%	No.	%	No.	%
Savings Bank account	Yes	49	24.5	44	22.0	93	23.25
	No	151	75.5	156	78.0	307	76.75
	Total	200	100	200	100	400	100
Post office account	Yes	43	21.5	36	18.0	79	19.75
	No	157	78.5	164	82.0	321	80.25
	Total	200	100	200	100	400	100

A great majority of the respondents did not have savings account in any bank (76.75%) or in a Post Office (80.25%), before they joined the SHG. Only the remaining 23.5% had savings account in any bank and 19.75% in any Post Office. There was no significant difference found between NGOs and the Kudumbasree. The following table gives further details regarding the holder of this savings bank/post office account of those who had the savings.

Table 29 Holder of Savings Bank Account

Account holder	Agency				Total	
	NGO		Kudumbasree			
	No.	%	No.	%	No.	%
Own name	30	61.2	15	34	45	48.3
Joint account	19	38.8	29	66	48	51.7
Total	49	100	44	100	93	100

Out of the 93 respondents, who had Savings Bank Account 51.7% had the account in joint name while the rest had it in their own name. There was a significant difference in the accounts in their own names favouring the respondents from the

NGOs (61.2%) against 34% in Kudumbasree. Further probing into the saving habit at least on a monthly basis, it was revealed that only 20% of the respondents from NGOs and 23% from Kudumbasree SHGs could save an amount every month.

Since most of these poor women did not have savings of their own, they had to depend on other sources for loan to meet their emergent needs. They had to depend on moneylenders, friends, neighbours and relatives, landlords, traders and at times formal financial institutions. Sometimes they had to mortgage the little gold or the land or the house as surety. One of the main objectives of SHGs was to get these poor women out of these moneylenders other informal sources of borrowing for meeting their emergent needs. The study probed into the source of money for meeting their emergent needs just during one year before they joined the SHGs. The following table gives the details.

5.3.2 Source of money for meeting emergent needs

Table 30 Source of money for meeting the emergent needs of the respondents before they joined the SHG

Source of money for meeting emergent needs	Agency				Total	
	NGO		Kudumbasree			
	No.	%	No.	%	No.	%
Moneylenders	127	63.5	94	47.0	221	55.25
Informal borrowing	07	03.5	23	13.5	30	07.5
Banks/cooperatives	12	06.0	20	11.5	32	08.0
Not taken loan	54	27.0	63	31.5	117	29.25
Total	200	100	200	100	400	100

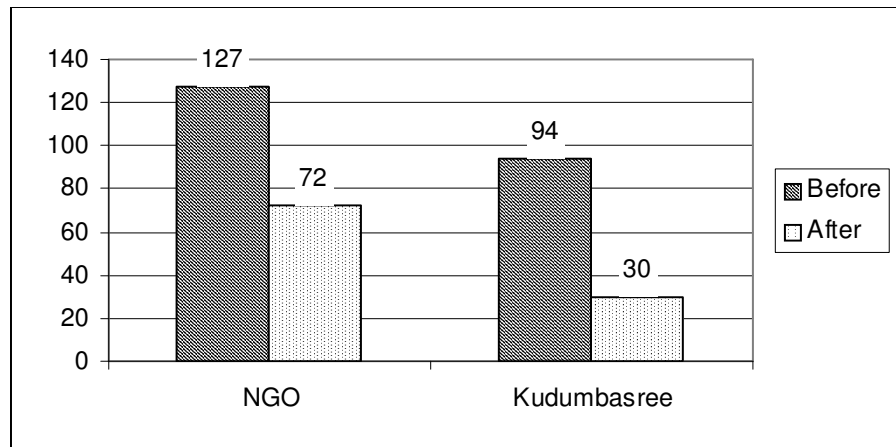
The above table showed that majority (55.25%) of the respondents depended on moneylenders for loan to meet the emergent needs of the family just during one year before they joined the SHG. And the respondents from NGO sector depended on moneylenders more (63.5%) than (47%) respondents from Kudumbasree. But the respondents from Kudumbasree depended more on informal borrowing from friends and relatives and from other recognized financial institutions. And about thirty percent (29.25%) of the respondents did not take loan from any one during the one year before they joined the SHG.

5.3.4 Getting liberated from Moneylenders

Even after joining the SHGs, it was learned that the respondents depended on these sources for loan. The chart given below gives a clear picture of the dependency on moneylenders for loan after they became members of SHGs. But the dependency on moneylenders has come down drastically. The following chart shows that there was a drastic reduction of about 27.5% (from 127 to 72) among the respondents from NGOs and 32% reduction (from 94 to 30) among the respondents from Kudumbasree.

Chart No 5. Liberation from Moneylenders

It was found as a wonderful achievement of SHG system both in NGO



sector and the Kudumbasree. And it is expected that within a few years the poor women will fully be liberated from the clutches of moneylenders. This was a clear indicator of poor women getting empowered economically.

Still, dependency on moneylenders for loan continues. Around one-fourth (25.5%) of the respondents still depended on moneylenders. Those who were still depending on moneylenders were asked the reason for this dependence on moneylenders. The following table gives details on the reasons given by the respondents.

Table 31 Reasons for depending on Moneylenders for loan even now

Reason for depending on money lenders	Agency				Total	
	NGO		Kudumbasree			
	No.	%	No.	%	No.	%
Don't get sufficient loan from SHG	41	57.0	09	30.0	50	49.0
Haven't repaid the loan from SHG	22	30.5	17	56.7	39	38.3
Delay in getting loan from SHG	09	12.5	04	13.3	13	12.7
Total	72	100	30	100	102	100

The main reason for majority (49%) of the respondents, who still depended on moneylenders even after they became members of SHG, was that they could not get sufficient money from the SHG. It could be natural that within a span of three to four years, the SHGs might not have sufficient fund to cater to big demands from the members. Another reason was that the members had not have fully repaid the loan already taken from the SHG. And the third reason was the delay in getting a loan from the SHG.

The member has to submit an application and then wait for the next meeting for the decision to be taken at the SHG meeting, and then wait for the approval from the higher authority and get the money either from the bank or from the agency. This procedure would take nearly a fortnight. But the moneylender might be visiting them daily and ready cash is made available to them. Therefore those who need money urgently still depend on moneylenders. The recommendation of the study would be to reduce the time taken for the processing and provision of loan for those who require it urgently.

5.3.5 Individual Thrift Savings

Thrift saving is a way to inculcate the habit of savings among the poor women. The SHG system is the forum for them to practice it. The following table gives details regarding the individual thrift savings of the respondents.

Table 32 Amount of Thrift Saving by Members

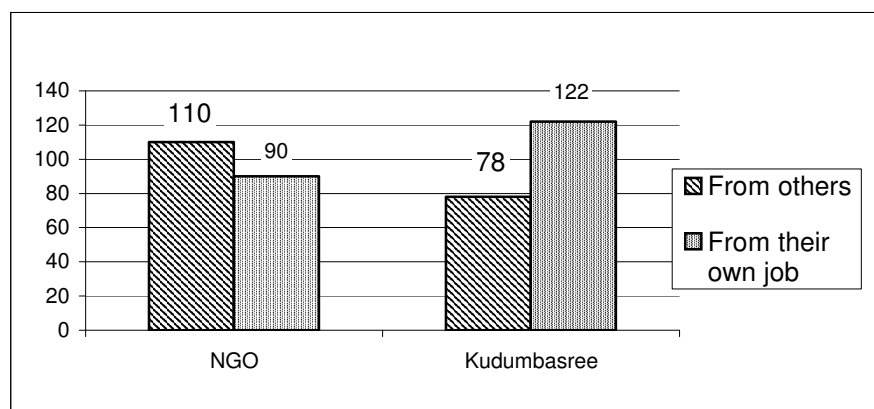
Thrift Saving	Agency				Total	
	NGO		Kudumbasree		No.	%
	No.	%	No.	%		
1-500	45	22.5	05	02.5	50	12.5
501-1000	20	10.0	25	12.5	45	11.25
1001-2500	113	56.5	142	71.0	255	63.75
2501-3500	14	07.0	15	07.5	29	07.25
3501-5000	06	03.0	06	03.0	12	03.0
5001-7500	02	01.0	07	03.5	09	2.25
Total	200	100	200	100	400	100

The above table shows that majority of the respondents (63.75%) had a total thrift saving between Rs.1001 and Rs.2500. While 23.75% of the respondents had an average thrift savings of less than Rs. 1000, about 5.25% had more than Rs. 3500. A significant difference is noticed in the thrift savings between Rs1001-2500 favouring Kudumbasree (71.0%) over respondents from NGO (56.5%). This would indicate that Kudumbasree was more insistent in regular thrift savings as against the NGOs. And when compared to Table No. 3.1, the number of respondents who had more years of experience in SHGs also was found in Kudumbasree. The amount of thrift saving per weekly meeting also resulted in this status.

5.3.6 Source of Thrift Savings

The study further probed into the source of thrift savings. The following chart gives more details.

Chart No. 6 Source of Money to Deposit in Thrift



Majority (55%) of the respondents from NGOs had to depend on other members in the family for finding money to deposit in thrift savings, but only 39%

of the respondents from Kudumbasree depended on others for money to deposit in thrift savings. This also indicated that there were more earning members among the respondents from the Kudumbasree.

5.3.7 Continuation in Saving Habit as in SHGs

The respondents were asked whether would continue the saving habit even if the SHG ceased to exist or they left the SHG. The response is given in the following table.

Table No 33 Continuation in Saving Habit as in SHGs

Continuation in Saving	Agency				Total	
	NGO		Kudumbasree		No.	%
	No.	%	No.	%		
Yes	110	55	140	70	250	62.5
No	10	05	02	01	12	03
Can't say	80	40	58	29	138	34.5
Total	200	100	200	100	400	100

The above table indicated that majority (62.5%) of the respondents were sure of continuing the savings either in a post office or in a bank even if the SHG ceased to exist or they left the SHG. While three percent of the respondents said that they would not continue the savings habit, another 34.5% had not yet decided about continuing the saving habit.

5.3.8. Availing of Loans from SHGs

Economic empowerment depended on the availability and utilization of loans from and through SHGs. Mainly three types of loans were taken from the SHGs, namely for consumption purposes – including for education, health and marriage; for production purpose to earn an additional income for the family; and for other purposes like purchase of household items, for repaying loan from moneylenders etc. The following table gives details of those who had availed any type of loan.

Table 34 Availing Loan from SHGs

Availing loan from SHG	Agency				Total	
	NGO		Kudumbasree			
	No.	%	No.	%	No.	%
Yes	165	82.5	183	91.5	348	87
No	35	17.5	17	8.5	52	13
Total	200	100	200	100	400	100

A great majority (87%) of the respondents had utilized loans from the SHG. More respondents from Kudumbasree (91.5%) had utilized loans than respondents from NGOs (82.5%). The following tables would give more details regarding various types of loan utilized by the respondents.

5.3.9. Utilization of Consumption Loans

Table 35 Purpose of taking Consumption loans

Purpose of Consumption Loan	Agency				Total	
	NGO		Kudumbasree			
	No.	%	No.	%	No.	%
Food & clothing	04	2	04	2	08	2
Education	31	15.5	24	12	55	13.75
Health	27	13.5	31	15.5	58	14.5
Marriage	05	02.5	12	6	17	4.25
Other needs	33	16.5	50	25	83	20.75
No consumption loan	100	50	79	39.5	179	44.75
Total	200	100	200	100	400	100

The above table shows that a great majority of those who had availed consumption loan had utilized it for health and educational purposes. The next purpose for taking consumption loan was for festivity needs. Nearly 45% of the respondents did not utilize consumption loan. And there was no significant difference seen between members of SHGs of Kudumbasree in utilization of consumption loan.

It is to be noted that the main purpose of starting the SHG system was to assist the members in availing at least loans for consumption purposes. And it be made available to all the members and they make use of the facility. The present study did not expect that such a large percentage of respondents (44.75%) would not have made use of consumption loans. Otherwise, it would have been necessary

to probe into the reason why they have not made use of this facility. Therefore, it is not possible to give the reasons for the under utilization of consumption loan.

At the same time, further probing into the number of times the respondents had taken consumption loan up to five times and up to Rs. 20,000. But those who took more than Rs. 5000 were only 6.25% of the total respondents. Out of 55.25% respondents who had utilized consumption loan, about 30% used it once, 17% twice and the remaining 8.5% three to four times. There was only one respondent from Kudumbasree who utilized consumption loan five times.

5.3.10. Repayment status of Consumption Loan

Repayment of consumption loan in time is very essential for the smooth functioning of the SHG. The table given below shows the repayment status of the consumption loans taken by the respondents.

Table 36 Repayment status of Consumption loan

Repayment status	Agency				Total	
	NGO		Kudumbasree		No.	%
	No.	%	No.	%		
Fully repaid	68	68	88	72.7	156	70.6
Being repaid	32	32	33	27.3	65	29.4
Total	100	100	121	100	221	100

The above table indicates that a great majority of the respondents (70.6%) had already repaid the full amount of consumption loan, while the remaining 29.4% were on the process of repayment.

5.3.11. Utilization of Production Loan

Production loan is used for any income generating activity that would bring an additional income for the family. The activity would differ depending upon the area and the skill required for the activity. The following table gives details of the utilization of production loan.

Table 37 Utilization of Production Loan

Production Loan	Agency				Total	
	NGO		Kudumbasree		No.	%
	No.	%	No.	%		
Agriculture	9	4.5	6	3	15	3.75
Animal husbandry	15	7.5	7	3.5	22	5.5
Petty business	17	8.5	31	15.5	48	12
Did not take Production loan	159	79.5	156	78	315	78.75
Total	200	100	200	100	400	100

A great majority (78.75%) of the respondents did not utilize production loan for initiating income-generating projects. There was no significant difference between the respondents from Kudumbasree and NGOs. Only in the case of petty business, Kudumbasree had done better than NGOs; and as far as agriculture and animal husbandry were concerned, NGOs had done better than Kudumbasree. Some of the respondents (3.75%) utilized production loan more than once. About 85% of those who had taken loan had repaid the full amount and the rest 15% were continuing repayment of the loan. The rate of repayment has been found more than 95%.

Utilization of production loan was found rather poor. More members were to be encouraged to initiate income-generating schemes, even with assistance from financial institutions.

5.3.12. Utilization of Other Loans

Members of SHGs also were allowed to avail loan for other purposes than mentioned above. Other loans were used for repayment of loan taken from moneylenders, purchase of household utility items, purchase of land, construction of sanitary latrines etc. The following table gives further information on the utilization of other loans.

Table 38 Utilization of other loans

Utilization of Other loans	Agency				Total	
	NGO		Kudumbasree		No.	%
Loan repayment	32	16%	35	17.5%		
Purchase of household items	42	21%	60	30%	102	25.5%
Purchase of land	03	01.5%	02	01%	5	01.25%
Construction of latrine	03	01.5%	16	08%	19	04.75%

Not taken Other loans	120	60%	87	43.5%	207	51.75%
Total	200	100 %	200	100 %	400	100 %

The above table indicates that majority (51.75%) of the respondents have not utilized loan for other purposes. Among those utilized the loan majority of respondents used it for purchase of household items like chairs, table, bed, cupboard etc. Repayment of outstanding loan from moneylenders was the next priority for taking other loans and a good many number of respondents used this loan for the construction of sanitary latrines. Only five respondents used the loan for purchase of land. About 15% of the respondents used the loan for other purposes more than once. Amount of this loan taken ranged between Rs. 1,500 to Rs. 20,000. About 62% of the respondents who had taken other loans have already fully repaid the amount while the rest 48% are continuing repayment of the loan. The repayment rate has been found above 90%. Again, the utilization of loan for other purposes was not found very encouraging. Many more members could make use of this loan for meeting the needs of the household.

5.3.13 Availing of direct bank loan for Income Generation Programmes

The members of SHGs could avail of direct bank loan to initiate income-generating activities, if the fund available from the thrift savings were not sufficient enough. The present study probed into the extent of utilization of direct bank loan by the respondents. The table given below shows the number of respondents who took direct bank loan for income generation projects.

Table 39 Bank loan availed for Income Generation Projects

Direct Bank Loan availed	Agency				Total	
	NGO		Kudumbasree		No.	%
	No.	%	No.	%		
Yes	29	14.5	27	13.5	56	14.0
No	171	85.5	173	86.5	344	86.0
Total	200	100	200	100	400	100

As expected only 14% of the respondents utilized direct bank loan for income generating activities. Most of these loans were taken for agriculture (21) and animal husbandry (26). A few (6) respondents used it for petty business like provision stores and the remaining 3 respondents used for production of edible bakery items.

The study probed into the reason for not utilizing direct bank loan for taking up income-generating activities. The reasons given by the respondents are given in the following table.

Table 40 Reason for not utilizing the opportunity

Reason for not utilizing the opportunity	Agency				Total	
	NGO		Kudumbasree			
	No.	%	No.	%	No.	%
Not interested	40	23.5	47	27.2	87	25.3
Not able to take my share	51	29.8	57	32.9	108	31.4
I cant get a bank loan	76	44.4	65	37.6	141	41.0
Couldn't select a suitable enterprise	04	02.3	04	02.3	08	02.3
Total	171	100	173	100	344	100

The above table indicated that majority (41%) of the respondents were not eligible for a bank loan, and another 31.4% were not able to contribute a share of the total cost of the project as per rules stipulated for the project. But more than one-fourth (25.3%) of the respondents were not interested to start an income-generating scheme. The remaining (2.3%) of the respondents could not find a suitable profit making scheme.

5.3.14. Dealing with defaulters in loan repayment

Though there were only a few defaulters in repayment of loans, there were some who were not in a position to make the repayment in time. Some of the reasons given for late repayment were that irregular income to the family, death and sickness of members in the family etc. When asked about action taken against the defaulters the respondents gave the following answers.

Table 41 Action taken against default

	Agency	Total

Action against default	NGO		Kudumbasree			
	No.	%	No.	%	No.	%
Extend period without fine	115	57.5	130	65	245	61.25
Extends with fine	85	42.5	60	30	145	36.25
Adjust against Thrift Savings	0	0	10	05	10	02.5
Total	200	100	200	100	400	100

Majority (61.25%) of the respondents said that defaulters were given extended time period, for another month or two, without fine taking into consideration the reason for delay in repayment. Another (36.25%) of the respondents said that a fine was imposed on defaulter while the time for repayment was extended. The remaining 2.5% respondents said that loan repayment was adjusted from their thrift savings

5.4 Political Empowerment

Besides, social and economic empowerment, political aspects also were looked into by the present study. Some of the indicators for the political empowerment looked into were their membership in other organizations, participation in Gram Sabha, contesting elections to Local Self Governments and holding responsible positions in various committees at the three-tier Panchayat system etc. Active participation in formal discussions, democratic decision-making process, conflict management within the SHG level, and the efficient management of SHGs, etc. which had already been examined, also enhanced their political empowerment.

As regarding membership in other groups and organizations, a great majority of the respondents (81% from Kudumbasree and 46% from NGOs), did not have membership in any other groups or organizations. From SHGs of NGOs, 34.5% of the respondents had taken membership in Kudumbasree and another 17.5% were members of some religious or church-based organizations. Some of them (8%) were holding responsible positions in these organizations.

Dual membership in SHGs of both the NGOs and Kudumbasree created some kind of misunderstanding among the members of SHGs of NGOs. When it was a double burden to these members for finding money for thrift savings in both

the groups, some members were of the opinion that they were getting double benefits. It would be advisable to have membership only in one SHG and make it more efficient and effective with full participation of all the members.

5.4.1. Participation in Gram Sabha

Participation in Gram Sabha is an indicator for political empowerment and participation in the decision-making bodies. Poor women's political empowerment also is shown through their increased participation in the decision making process within the family. SHGs are found to be effective means for encouraging poor women to participate actively in Gram Sabha. The following table gives the increase in the level of participation of respondents in Gram Sabha before and after they became members of SHGs

Table 42 Attended Gram Sabha before and after joining in the SHGs

Participation in Gram Sabha		Agency				Total	
		NGO		Kudumbasree		No.	%
		No.	%	No.	%		
Before	Yes	91	45.5	127	63.5	218	54.5
	No	109	54.5	73	36.5	182	45.5
	Total	200	100	200	100	400	100
After	Yes	123	61.5	185	92.5	308	77.0
	No	77	38.5	15	7.5	92	23.0
	Total	200	100	200	100	400	100

The above table clearly indicates there was a marked (22.5%) increase in the participation of respondents in Gram Sabha after they became members of SHGs. The increase was noticed more among members of Kudumbasree (29%) than of NGOs (16%). While almost all (92.5%) the respondents from Kudumbasree attended the Gram Sabha, only 61.5% attended the last Gram Sabha. One of the reasons for this phenomenon was that 15% the respondents (KAIROS) were residing in cantonment area, and therefore they had no Gram Sabha system. When this figure is added to those who attended the Gram Sabha, the number of those who did not attend the last gram Sabha among the NGOs would come down to 22. Thus there was no significant difference found between the SHGs of NGOs and Kudumbasree. In fact only 9.25% of the respondents did not attend the last Gram Sabha.

The level of participation in Gram Sabha also increased after they became members of the SHGs. The increase from silent to active participation was 22.5% and from active to very active was 12.5%. And the rate of attendance also increased from often to always (60%), from sometimes to often (42%) and from never to other degrees (44%). This kind of increased active participation in Gram Sabha was an indicator that the poor women are getting more involved in the decision making bodies at the local self government, and were getting politically empowered in realizing their demands and fighting for their rights.

The 9.25% of the respondents who did not attend the Gram Sabha even after they became members of the SHG were asked the reason for not attending the last Gram Sabha. The reasons were that they could not find time, not satisfied with the way discussions were held in the Gram Sabha, and health reasons.

Another area of political empowerment probed into was contesting of elections to Gram Panchayat. Three respondents from Kudumbasree before joining the SHG, and another three from NGOs – one after and two before joining the SHGs, contested election to the last Panchayat elections. And none of them could win the elections.

5.4.2 Voting

The respondents were asked whether they had voted during last elections to Assembly, Parliament and the Panchayat. Their response is given in the following table.

Table 43 Habit of Casting Vote

Voting during the last Elections		Agency				Total	
		NGO		Kudumbasree			
		No.	%	No.	%	No.	%
Assembly	Yes	196	98	191	95.5	387	96.8
	No	4	2	9	4.5	13	3.25
	Total	200	100	200	100	400	100
Parliament	Yes	198	99	196	98	394	98.5
	No	2	1	4	2	6	1.5
	Total	200	100	200	100	400	100
Panchayat	Yes	166	83	191	95.5	357	89.25
	No	34	17	9	4.5	43	10.75
	Total	200	100	200	100	400	100

Against the general trend of poor turn out for voting, the poor women exercised their franchise in a remarkable way. Almost all to (89.25%) respondents cast their vote during last elections. The highest turn out (98.5%) was for the election to the Parliament and then to the Assembly (96.8%) and the lowest (89.25%) to the Panchayat elections. There was no significant difference between the respondents from NGOs and Kudumbasree, except that better performance was noticed in the NGO sector in Parliament and Assembly elections, while respondents from Kudumbasree did better in Panchayat elections. Active membership in any political party might be also considered as an indicator for political empowerment. Among the respondents, 33.5% from the NGOs and 40.5% from Kudumbasree had active membership in one or the other political parties.

5.5 Capacity Building

Capacity building enhances the ability and skills at the individual level to realise her full potential and live a more happy and meaningful life. This is an enabling and empowering process to work as a group and play different roles, necessary for development and maintenance of the group. It is important from the point of view of empowerment that women are not only capable of functioning as a group, but also are able to effectively participate in the process of economic activity

undertaken by the group of women. Capacity building of women in the areas of planning, executing, and monitoring all aspects of the economic activity is equally desired in this context.

The NGOs as well as Kudumbasree are responsible for the capacity building of the members of the SHGs. Their efforts in mobilizing poor women in small groups, initiating awareness generation programmes, making thrift and credit available to such groups along with leadership development from within the groups, sensitizing them on community problems and social issues and enabling them to resolve them, developing their capacity and latent entrepreneurial skills, etc. are included in the capacity building process. Collective awareness building provides a sense of group identify and the power of working as a group. Capacity building and skills development, especially the ability to plan, make decisions, organise, manage and carry out activities, to deal with people and institutions in the world around them make the poor women empowered.

In this study, capacity building was looked into from general skills required to function as an effective group member and management of SHG, and skill development training programmes for initiating income-generating activities. The general skills studied were communication skills, leadership qualities, self esteem and confidence, and other skills required for effective management of SHGs like maintenance of accounts, writing of reports, handling bank transactions etc. The change that has come about is measured using a five-point scale as “Very High”, “High”, “Same”, “Low” and “Very Low”. There was no response against Low and Very Low. The following table gives the number of respondents whose general skills have increased either high or very high under both the NGOs and Kudumbasree. The last column gives the total increase, and the rest of the respondents remained in the same level as before they joined the SHG

Table 44 Increase in General Skills of the respondents

General skills	Agency		Total
	SHG	Kudumbasree	

	V. High	High	V. High	High	V. High	High	Total increase
Teaching & training someone else	19 9.5%	89 44.5%	24 12%	110 55%	43 10.75%	199 49.75%	242 60.5%
Speaking during public meetings	19 9.5%	80 40.0%	14 7.0%	105 52.5%	33 8.25%	185 46.25%	218 54.5%
Presenting programme in public meetings	14 7.0%	79 39.5%	10 5.0%	85 42.5%	24 6.0%	164 41.0%	188 47.0%
Freely & frankly speaking in SHG meetings	20 10.0%	149 74.5%	24 12.0%	138 69.0%	44 11.0%	287 71.75%	331 82.8%
Taking leadership positions in the SHG	21 10.5%	93 46.5%	17 8.5%	92 46.0%	38 9.5%	185 46.25%	223 55.8%
Writing minutes of SHG meetings	23 11.5%	103 51.5%	22 11.0%	90 45.0%	45 11.25%	193 48.25%	238 59.5%
Keeping of the accounts of SHG	22 11.0%	109 54.5%	20 10.0%	99 49.5%	42 10.5%	208 52.0%	250 62.5%
Performing bank transaction	19 9.5%	116 58.0%	19 9.5%	114 57.0%	38 9.5%	230 57.5%	268 67.0%
Going to Government office / police station	14 7.0%	114 57.0%	14 7.0%	115 57.5%	28 7.0%	229 57.25%	257 64.3%
Talking to Government officials / police	15 7.5%	116 58.0%	17 8.5%	114 57.0%	32 8.0%	230 57.5%	262 65.5%

A very impressive increase in general skills was noticed in majority of respondents except in the skill for presenting cultural programmes in public meetings. It might be because they had no chance for such opportunities. Highest increase was seen in communication skills. A great majority (82.5%) of the respondents showed the increase in freely and frankly speaking in SHG meetings, in teaching or training others (60.5%) and speaking in public meetings (54.5%). And in all these skills better increase was shown by respondents from Kudumbasree than the NGOs. But in the case of taking up leadership positions, the increase among respondents from NGOs was found better (57%) than the respondents from Kudumbasree (54.5%).

As regarding skills for proper management of SHGs, the increase was found remarkable in writing minutes of the SHG meeting (59.5%), keeping the accounts of SHGs (62.5%) and going to banks and performing bank transactions (67%). And there was no significant difference noticed in these cases between the SHGs of NGOs and Kudumbasree. The increase in self-esteem, self-confidence and fearlessness were seen in the response against going to government offices and police station (64.3%) and talking to the officials and policemen in these offices

(65.5%). Women who were afraid of these offices and people are getting the confidence through the SHG. This was a sign of their social empowerment.

All the NGOs and the Kudumbasree programmes in the Panchayats studied had organised and conducted various awareness generation skill development programmes. Primary importance was given to topics related to management of SHGs, like how to conduct meetings, write minutes and reports, keep different account books and other registers etc. And also they had conducted skill development training programme in leadership, communication, conflict management, legal rights relating to women etc. Awareness classes on health and health related topics were given due importance by all the NGOs and Kudumbasree. NIDS and KAIROS organised special awareness programmes on herbal medicines.

Another area of capacity building training was in self-employment programmes. Mithranikethan organised several such training programmes. All others like NIDS, KAIROS, Kottukal and Mangattidam Panchayats and S N Trust also organised a few training programmes in self-employment. The important areas of trainings were on goat rearing, animal husbandry, soap making, candle making, lotion making, detergent powder making, jam and squash making, tailoring, bio farming, vermin composting etc. Rainwater harvesting techniques was a topic, which was also taken up by some of them.

In all the groups, common festivals like Independence Day, Republic Day, Onam, and the anniversary of the group formation were celebrated with full cooperation of all the members and the local people. Some of the groups organised various types of competitions for children as well as for the members of SHGs and held public meetings. These common programmes have imbibed in them the unity and mutual respect.

CHAPTER - 6

**MAJOR FINDINGS AND
SUGGESTIONS**

MAJOR FINDINGS AND SUGGESTIONS

Based on the analysis of empirical data, focus group discussions, case studies and personal observations, the following findings were obtained. In the light of findings, few suggestions were given for improving effective functioning of the SHG system in Kerala.

6.1 Constitution and Functioning of SHGs

- In the constitution and functioning of SHGs, there is a wide variation observed among the SHGs of NGOs and between the SHGs of Kudumbasree and NGOs.
- A great majority of the respondents (80.8%) had been members of the SHGs for more than three years. The number of respondents having more than four years of experience was found more among NGOs than Kudumbasree. This significant difference was due to the fact that the NGOs had started organizing women's groups in rural areas before the Kudumbasree came into this field.
- It was also noted that those SHGs, which were in existence for more than four years under Kudumbasree, were once organised by NGOs like Bharath Sevak Samaj in Kottukal area and later merged with Kudumbasree.
- For majority of the respondents (43.5%) the motivating agents to join in SHG were the officials of Kudumbasree and animators of NGOs. In this case there was a significant difference between NGOs and Kudumbasree. The animators of the SHGs have motivated more (52.5%) of the respondents to join the SHGs, while it was only 34.5% by the officials and others of Kudumbasree.
- Those who were already members in SHGs were also become major motivating agents. Even in this matter the SHG members of NGOs were found more active than the Kudumbasree members in motivating women to

join in SHGs. Friends and neighbours of poor women were also advised many to join the SHGs.

- However, for majority (38.75%) of the respondents the motivating factor for joining the SHGs was economic factors, which included inculcating savings-habit and getting easy loan at a reduced rate of interest.
- And the social motives like interaction with other women in their area; cooperation among members, acquiring knowledge, skills and a desire to work for the development of the community etc. influenced 35.25% of the respondents.
- Regarding the influencing factor for joining the SHG was concerned, there was a significant difference noticed between the SHGs of NGOs and Kudumbasree. While 40.5% of the respondents from SHGs of NGOs were motivated by social motives, only 30% of the respondents from Kudumbasree were influenced by social motives. But majority of respondents (44.5%) from Kudumbasree were motivated by economic benefits, and the economic motives influenced only 33% of the respondents from SHGs of NGOs. One of the reasons for this could be that the members of SHGs of NGOs were organised much before the economic factor was introduced into these groups.
- Most of the SHGs reported the problem of dropouts from their groups. Comparatively dropout rate was found less in SHGs of Kudumbasree than from the SHGs of NGOs. Economic empowerment of women was considered as one of the main reasons for joining the SHGs. But financial constraint was found as one of the main reasons for the members leaving the SHGs.
- As far as transparency in the functioning of the SHGs was considered, a great majority (88.5%) of the respondents affirmed that proper documents like account books, registers, reports were maintained properly and were available to members on demand. And 77% of the respondents had examined these documents during last six months.

- This clearly indicates that great majority of the members were aware of the functioning of the SHG and were particular about keeping transparency in all dealings.
- The weekly thrift savings was found between Rs.10 and 50 in all the SHGs studied. Decision to fix up the amount was left to the concerned SHG.
- Majority (54%) of the respondents started thrift savings within a week of their joining the group, and another 16% started thrift savings within a month. Among the late starters in thrift savings, the respondents of SHGs from NGOs accounted majority (78%). This indicated that thrift savings was introduced slowly among the members of SHGs in NGOs when compared with Kudumbasree.
- Majority (62.2%) of the SHGs were linked to Banks/financial institutions between 12 to 24 months. In the case of SHG-bank linkage, there was significant difference between Kudumbasree and NGOs. All the SHGs selected from NIDS and Mithranikethan were not linked to recognized banks/financial institutions. These two NGOs had their own systems where the thrift savings were deposited. NIDS had Credit Union and Mithranikethan had 'Paraspara Sahaya Nidhi' (Mutual Help Fund) for depositing the thrift savings of the SHG members. All the SHGs from Kudumbasree were linked to Banks within two years.
- As far as the satisfaction of members over the functioning of the SHGs and the federations were concerned, it was found that all (100%) the respondents from Kudumbasree were satisfied while 12.5% of the respondents from the NGOs expressed some concern over the functioning of SHGs and their federations.
- There was a visible change (32 to 40 percent) that has occurred in the level of participation of women in the decision making process within the family. As far as matters like education of children, deciding on menu for the day's meals and health care, etc are few examples.
- The availability of loan through the membership of women in SHG and its utilization for the family has brought a change in the attitude of men towards

their women within the family. It has reflected in the increasing participation of women in the decision-making process within their family.

- It also has helped women to go out for the activities of SHG, get involved in self-employment schemes and to supplement the income of the family. Her monetary contribution to the family impressed the other family members to recognize her work and decisions.
- However, a great majority (up to 89%) of the respondents opined that there was no change in the attitude of men in helping women in their household work. This indicates that the women still were not able to influence men in sharing their daily household works and the need for sensitizing men in this aspect remains.
- As far as the general decisions on day today functioning of the SHGs were concerned, majority of the respondents (58.8%) reported that the decisions were taken on consensus after due discussions during the meeting, rather than voting. And according to 22.5% respondents the decisions were taken by voting and the remaining 18.7% respondents felt that the leaders dominate the decision-making in the SHGs.
- According to majority of the respondents (60%) conflicts within their groups were resolved by the members themselves. In few cases (34%) the respondents reported the involvement of leaders in resolving conflicts and in very few incidents (6%) they expressed the involvement of higher authorities in solving conflicts.

6.2 Socio-economic Profile of the Respondents

- Majority (65.2%) of the respondents has educational qualification above high school level. The rather high educational standard of the members have helped them to take up leadership positions and participate in the SHGs in a responsible manner. About 80% of the respondents were married women.
- The total population covered by the study was 2049 representing 400 families. Thus the average family size was 5.12. This was higher than the average family size of the State, mainly due to the inclusion of sample households from Northern Kerala who still practice joint family system.

- Regarding the type of family, majority (67.0%) was living as nuclear families, and about 57% of the respondents were living in semi-pucca houses, while 27 % in pucca houses.
- Majority (53%) of the respondents were employed as labourers in agriculture and allied fields, daily labourers, self-employed and in salaried jobs. While 44% were housewives, the remaining 3.2% were unemployed and students.
- Self employed respondents were found more (31%) in Kudumbasree while it was only 17.5% among the NGOs. This clearly indicates that the Kudumbasree was giving greater importance and support to its members for self-employment.
- About 85 % of the respondents had a monthly income of less than Rs. 2000. Since the average family size of the respondents was 5.12, the annual income of such families normally falls below poverty line.
- Majority of the respondents (63.7%) did not have any deposits except the thrift savings. Insurance (24.3%) and Chits (7.5%) were the two methods used by the respondents for savings. Contribution to welfare Fund was a mode of saving for about 9 % of the respondents from NGO sector, and there was no such savings under Kudumbasree.

6.3 Women's Empowerment

- On an average 80% of the respondents had awareness on legal rights relating to women and children. But the information was availed largely from outside the SHGs. About 12.5% of the awareness they got through the SHG system. It clearly indicates that even the poor women in Kerala are well informed of their rights and duties.
- However knowledge of respondents about government welfare programmes was found much low (34%). In this context, the study recommends that all the NGOs as well as the Kudumbasree should take greater interest in organizing awareness classes on government schemes so that all the members of the groups, particularly the poor families, would benefit from

these programmes. The SHGs on their own should take initiatives in these matters.

- Majority of the respondents did not have savings account in any bank or in a post office before joining the SHGs. Out of the 93 respondents, who had Savings Bank Account, 52% had their account in joint name while the rest had it in their own name.
- About 55% of the respondents depend on moneylenders for loan to meet emergent needs of their family until one year after they joined the SHG. And the respondents from NGO sector depended on moneylenders more (63.5%) than (47%) respondents from Kudumbasree. But the respondents from Kudumbasree depended more on informal borrowing from friends and relatives and from other recognized financial institutions.
- However the dependency on moneylenders has come down about 27.5% (from 127 to 72) among the respondents from NGOs and 32% reduction (from 94 to 30) among the respondents from Kudumbasree.
- It was a noted achievement of SHG system both in NGO sector and the Kudumbasree. And it is expected that within few years the poor women will fully be liberated from the clutches of moneylenders. It is a positive indication of poor women getting empowered economically.
- Still, dependency on moneylenders for loan continues. Around one-fourth (25.5%) of the respondents still depended on moneylenders.
- The main reason for majority (49%) of the respondents, who still depended on moneylenders, even after they became members of SHG, was that they could not get sufficient money from the SHG. And another reason was the delay in getting loan from the SHG. The recommendation of the study would be to reduce the complications in processing of loans so that the time taken for the provision of loan would be reduced for those who require it urgently.
- Majority of the respondents (63.75%) had a total thrift saving between Rs.1001 and Rs.2500. While 23.75% of the respondents had an average thrift savings of less than Rs. 1000, about 5.25% had savings exceeding Rs. 3500. A significant difference is noticed in the thrift savings between

Rs1001-2500 favouring Kudumbasree (71.0%) over respondents from NGO (56.5%).

- Majority (55%) of the respondents from NGOs had to depend on other members in the family for finding money to deposit in thrift savings, but only 39% of the respondents from Kudumbasree depended on others for money to deposit in thrift savings. This also indicated that there were more earning members among the respondents from the Kudumbasree.
- Majority (62.5%) of the respondents were sure of continuing the savings either in a post office or in a bank even if the SHGs ceased to exist or in a situation of leaving the SHG membership. While three percent of the respondents said that they would not continue the savings habit, another 34.5% had yet to decide about continuing the saving habit.
- A great majority (87%) of the respondents had utilized loans from the SHGs. More respondents from Kudumbasree (91.5%) had utilized loans than respondents from NGOs (82.5%).
- Nearly 45% of the respondents did not utilize consumption loan. And there was no significant difference seen between members of SHGs of Kudumbasree and NGOs in utilization of consumption loan.
- The main purpose of starting the SHG system was to assist the members in availing at least loans for consumption purposes. And it would be made available to all the members and to ensure that they make use of the facility. However in the present study it was observed that a large percentage of respondents (45%) have not utilized consumption loans. It is necessary to probe into the reason why they have not made use of this facility.
- Again, a great majority (78.75%) of the respondents did not utilize production loan for initiating income-generating projects. There was no significant difference between the respondents from Kudumbasree and NGOs. Utilization of production loan was found rather poor. More and more members were to be encouraged to initiate income-generating schemes, even with assistance from outside financial institutions.
- Among those utilized the loan, majority used it for purchase of household items like chairs, table, bed, cupboard etc. Repayment of outstanding loan

from moneylenders was given a second priority. A good number of respondents have taken other loans and used for the construction of sanitary latrines.

- The rate of repayment of all kinds of loans from SHGs was found more than 95%.
- Only 14% of the respondents utilized direct bank loan for income generation activities. Most of these loans were taken for agriculture (21) and animal husbandry (26) purposes.
- When probing into the reasons for not taking direct loans, it was observed that the majority (41%) of the respondents was not eligible for a bank loan and another 31.4% were not able to contribute a share of the total cost of the project as per rules stipulated for the project. However, more than one-fourth (25.3%) of the respondents were not interested to start income-generating schemes. The remaining (2.3%) of the respondents could not find a suitable profit-making scheme.
- Majority (61.25%) of the respondents were agreeing on the extension period granted to the defaulters without charging any fine amount and consider the reasons given by the defaulters for delay in repayment. Another (36.25%) of the respondents opined that a fine has to be imposed on defaulter while the time for repayment was extended. The remaining 2.5%, advised that loan repayment should be adjusted from the thrift savings of the defaulters.
- From SHGs of NGOs, 34.5% of the respondents had taken membership in Kudumbasree and another 17.5% were members of some religious or church-based organizations. Some of them (8%) were holding responsible positions in these organizations.
- Dual membership in SHGs of both the NGOs and Kudumbasree created some kind of confusions among the members of SHGs of NGOs. When it was a double burden to these members for finding money for thrift savings in both the groups, some members were of the opinion that they were getting double benefits. It would be advisable to have membership only in one SHG and to make it more effective with full participation of all the members.

- There was a marked increase (from 54.5% before joining the SHG to 77% after joining the SHG) in the participation of respondents in Gram Sabha after they became members of SHGs. The increase was noticed more among members of Kudumbasree (29%) than those of NGOs (16%).
- A great majority of (92.5%) the respondents from Kudumbasree attends the Gram Sabha meetings.
- The level of participation in Gram Sabha also increased after they became members of the SHGs. The increase from silent to active participation was 22.5% and from active to very active was 12.5%.
- And the rate of attendance also increased from often to always (60%), from sometimes to often (42%) and from never to other degrees (44%). This kind of increased active participation in Gram Sabha was an indicator that the poor women were getting more involved in the decision making bodies at the local self government, and were getting politically empowered in realizing their demands and fighting for their rights.
- Against the general trend of poor turn out for voting, the poor women exercised their franchise in a remarkable way. Almost all to (89.25%) respondents cast their vote during last elections. The highest turn out (98.5%) was for the election to the Parliament and then to the Assembly (96.8%) and the lowest (89.25%) to the Panchayat elections.

6.4 Capacity Building

- A very impressive increase in general skills was noticed in majority of respondents except in the skill for presenting cultural programmes in public meetings. It might be because they had no chance for practicing such opportunities.

- Highest increase was seen in communication skills. A great majority (82.5%) of the respondents showed the increase in freely and frankly speaking in SHG meetings, in teaching or training others (60.5%) and speaking in public meetings (54.5%).
- And in all these skills respondents from Kudumbasree showed better increase than the NGOs. But in the case of taking up leadership positions, the increase among respondents from NGOs was found better (57%) than the respondents from Kudumbasree (54.5%).
- Regarding the skills for proper management of SHGs, the increase was found remarkable in writing minutes of the SHG meeting (59.5%), keeping the accounts of SHGs (62.5%) and going to banks and performing bank transactions (67%). And there was no significant difference noticed in these cases between the SHGs of NGOs and Kudumbasree.
- The increase in self-esteem, self-confidence and fearlessness were seen in the response for going to government offices and police station (64.3%) and talking to the officials and policemen (65.5%). Women who were afraid of these offices and people were getting the confidence through the SHG. This was a strong sign of their social empowerment.
- All the NGOs, and Kudumbasree in the Panchayats studied had organised and conducted various awareness generation and skill development programmes. Primary importance was given to topics related to management of SHGs, like how to conduct meetings, write minutes and reports, keep different account books and registers etc. And also they had conducted skill development training programme in leadership, communication, conflict management, legal rights relating to women etc.
- Awareness classes on health and health related topics were given due importance by all the NGOs and Kudumbasree. NIDS and KAIROS organised special awareness programmes on herbal medicines.
- Another area of capacity building was achieved through the trainings given in self-employment programmes. Mithranikethan organised several such training programmes. All others like NIDS, KAIROS, Kottukal and Mangattidam Panchayats and S N Trust also organised a few training

programmes in self-employment. The important areas of trainings were in animal husbandry, soap making, candle making, lotion making, detergent powder making, jam and squash making, tailoring, bio farming, vermin composting etc. Training in rainwater harvesting techniques was a topic, which was also taken up by some of them.

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APPENDIX

CASE STUDIES

Case Study – 1 - Taking up Big Challenge

Ashrayam is a SHGs organized and promoted by Mithranikethan from September 2000 at Sankaramukham. In the beginning there were 18 members, and now they increased to 23 in number. Of the total members, 16 were Hindus and the remaining 7 were Christians. Among them except two all are married. The weekly meetings of SHG were held on every Thursday at 4.30 PM. The group is linked to Syndicate Bank, Vellanad.

Mithranikethan had organized various skill development/upgradation training programmes for the members of SHGs, and soap making was one of them. Four members representing the Ashrayam SHG, Mrs. Geetha, Mrs. Lalitha, Mrs. Anitha and Mrs. Thressya, got trained under the skill development program and ventured into soap making as a self-employment option. They were making bath soap with natural coconut oil, in five different flavors. In spite of having no specific advertisement about their product, they found that there was a big demand for their product, because of the quality of the soap.

They follow a marketing strategy of door-to-door sale along with supply to government and private offices and small shops in and around Vellanad area. It was also made compulsory that all the members of the SHG to buy and use their product. The cost of the soap made by the SHG is lesser than the branded soaps available in the market and is affordable to many. The rate per cake varied between Rs. 7 to 10.

They took a thrift loan of Rs. 5,000 and started the enterprise. They had to spend one full day for processing and wait for another week to get the final product. Ready-made raw materials were available in the market. One packet of raw material costs around Rs. 30. They purchase pure coconut oil directly from mills.

To make soaps from one packet of raw material required 1200 gm of coconut oil and it costs around Rs. 90. Thus with an investment of Rs. 120, they could make 28 cakes of bath soap. Even with an average price of Rs. 8 per cake, they earned Rs. 244, which accounts a profit of Rs. 124 from one packet of raw material.

In a week time, they make soaps from 25 packets of raw materials, which accounts an approximate expenditure of Rs. 3,000 and the income earned from the product was around Rs. 5,600. This amount works out to a weekly income of Rs. 2,600 for the team. When the income was equally divided among four members, it comes to Rs. 650 per person. Out of Rs. 650, each member keeps aside Rs. 50 for repayment of loan, traveling and other expenses. Hence a daily income of each member worked out to Rs. 100. It should be noted that this part time engagement was only an additional income for the family.

When there is tough competition in the market even for branded soaps, the efforts of these poor women succeeded mainly because of the concerted efforts of the group as a whole, their teamwork and the quality of the product. Their acceptance by the community and the marketing strategy added to their success. They plan to increase the production per week and to present the product in a more attractive packing.

Case Study – 2 - Women in Bio-farming?

It may be surprising for many, that women who are not even considered as beneficiary under agriculture development programme, takes up challenging assignments for self employment under bio-farming. The members of Aruna SHG have taken it up with pleasure. Aruna is a well-known SHG in Arayoor - one of the seven regions under NIDS. Most of the group members are housewives and few of them are daily labourers. The SHG has direct link to the Credit Union under Pottailkada Unit.

The group was started in March 1998. The animators of NIDS used to make daily visit to the SHGs in the beginning. As part of their agriculture development programme, the members of SHGs were given training in bio farming. It included the techniques of making eco-friendly bio-manure and bio-cultivation.

Mrs. Susan George the President of the SHG and other 15 members decided to start such innovative bio farming with the help of the agriculture department of NIDS.

It was rather difficult to find land for vegetable cultivation. Then the innovative idea of terrace-farming came into their mind. With the help of friendly neighbours in the locality, they started vegetable cultivation in plastic bags on their neighbour's terraces. It was found a big success and then they turned to banana and plantain cultivation, both on the terrace as well as on leased land.

They took a loan of Rs15, 000 from the credit union against their thrift savings and started the business. Total cost for the project was around Rs. 25,000. Each member made Rs. 500 as her contribution. Moreover, during the last Onam season they organized a vegetable stall near to the Pottayilkada market and sold vegetables and food crops value of Rs. 45,000. According to the group members, there was a big demand for their products since no chemical fertilizers or pesticides were used during the cultivation of these vegetables and fruits. They also produced and sold bio-manure. They were well aware of the ill effects of chemical fertilizers and pesticides. Each of the family earned an additional income of around Rs. 500 per month, besides using fresh vegetables and fruits for their own consumption.

This case teaches a lesson that if there is a will, there is a way. With able support and guidance from the NGO and because of the firm determination of these poor women they could earn something on their own, to boost up their self-image and self-respect, they ventured out into the field of agriculture, traditionally considered as men's domain. They are finding success and will go a long way to make them self-reliant.

Case Study – 3

Ushus is one of the SHGs organized and promoted by S. N Trust. This SHG was started in October 2001 with 18 members. It works in and around Pariyaram, 25 km away from Kannur city. They have a thrift collection of around Rs. 25,000, and most of the members have utilized one or the other type of loan from the thrift savings.

S. N Trust also had organized several programmes for skill development/up gradation for the members of SHGs. Agriculture and bio-farming were the new areas suggested to the group, where women could try their luck. After the training, seven members of the Ushus SHG ventured into a new enterprise for agriculture and plantain farming, for self-employment and to earn an additional income for sustaining their families.

With a loan of Rs. 5,000 from the SHG, and with their own contribution of Rs. 2,800, they took two acres of agricultural land suitable for plantain cultivation on lease. Initially they availed help from the male members of their family, and later on managed the whole affairs on their own. Total investment for the programme was Rs. 7,800 including production and use of bio-manure. They sold the banana bunches to the neighbours, shops and at the local market. Since they used eco-friendly organic manure, there was good demand for their products. Total collection from their sale was Rs. 29,000.

Within six months each women of the group could earn an additional income of around Rs. 3000, which means about Rs. 500 per month. They have reinvested their saving plus another loan for recultivation, extending the area to four acres. These women have gained confidence and are moving towards achieving great heights.

Case Study – 4 – Business is Business

‘Friends - A’ is one of the best SHGs of Mangattidam Panchayat. This group is situated at Kaitheri near Mangattidam. The group was started in April 2000. Membership increased to 43, and then it was divided into two SHGs, naming ‘Friends – A’ and Friends – B’. At present there are 20 members in ‘Friends – A’ SHG, and all of them are very active and interested in SHG activities. They have a total thrift collection of Rs. 45,000, and all the members have utilized loan from their thrift collection.

Six members of ‘Friends –A’ SHG, ventured as a group enterprise into a big business with due courage and determination. Since there was no Stationary Shop close by, they ventured into starting a Stationary Shop with a total investment of more than Rs. 3,00,000 on 25th August 2004. In order to start the business, they took a bank loan of Rs. 1,00,000 and they received a subsidy of Rs. 2,00,000, besides their own contribution of about Rs. 30,000.

According to the group members, they had an average monthly sale for more than Rs. 1,00,000, and had a profit of about 15,000 per month. Stationary items were being supplied at the shop on credit cum ready cash basis. They had to repay Rs. 7,000 per month to the Bank. The rest was being shared among all the 6 members. These poor women had never thought that they could manage such a big business. However, they could manage well and were given further training in accounting and book keeping by the Kudumbasree officials. The six members take daily shift and till date there were no complaints at all. Proper monitoring and support was being provided by Kudumbasree.

Appendix II

A COMPARATIVE STUDY OF THE SHGs / NHGs ORGANIZED AND PROMOTED BY NGOs AND KUDUMBASREE INTERVIEW SCHEDULE FOR THE MEMBERS OF SHGs

INTERVIEW SCHEDULE

1. IDENTIFICATION

1.1 Agency

NGO-1, KUDUMBASREE-2

1.2 Name and address of the NGO

1.3 Name and address of the SHG / NHG

1.4 Panchayat

1.5 District

2. SOCIAL-ECONOMIC AND LIVING CONDITIONS OF THE RESPONDENTS

SOCIAL CONDITIONS

2.01. Name and address of the respondent

2.02. Designation of the respondent
Ordinary member-1, Office bearer-2

2.03. Were you an office bearer at any time previously?
Yes-1 No-2

2.04. Age

2.05. Religion 3, Others-4
Hindu-1, Muslim-2, Christian-

2.06. Caste Others-4
SC-1, ST-2, OBC-3,

2.07. Marital status
Single -1 Married-2 Widow -3
Separated -4 Divorced -5

2.08. Educational qualification
Illiterate-1 LP -2 UP -3 HS-4 +2-5
Degree-6 Post graduation-7 Technical-8

2.09. Information about Family members

- a. Children below 5 years _____ b. Unwed mothers _____
c. Abandoned women _____ d. Unmarried because of illness _____
e. Unmarried because of financial constraint _____
f. Disable due to old age _____ g. Handicapped members _____
h. Chronically disabled due to old age _____ i. Others _____
j. Total _____

2.10. Place of residence corporation-3
Slum-1 Panchayat -2, Municipal/

2.11. Type of family Extended-3
Nuclear-1 Joint-2

2.12. Any school drop out child in your family?
Yes-1 No-2

2.13. Explain the Reason for dropout

- 2.14. Death of children below 5 years within one year
 Yes-1 No-2
- 2.15. Is there any drug addict/alcoholic in your family?
 Yes-1 No-2
- 2.16. Is the family woman headed?
 Yes-1 No-2.

ECONOMIC CONDITIONS OF THE RESPONDENT

- 2.18. Main occupation
 Agriculture and allied-1 Daily labour-2 Salaried-3
 Self employed / petty business-4 House wife-5
 Unemployed-6 Any other (Specify) -7
- 2.19. Average monthly income of the family (approximate) Rs
 <500-1, 500 to 1000-2, 1001 to 1500-3, 1501 to
 2000-4,
 2001 to 3000-5, 3001 to 4000 -6, More than 4000-7
- 2.20. Do you have land with Patta?
 Yes -1, No-2
- 2.21. If yes, how much is the size of the land (in Cents)?
 <10-1, 10 to 20-2 21 to 35-3 36 to 50-4 50 to 100-5
 >100-6
- 2.22. Do you have gold ornaments?
 Yes-1 No-2
- 2.23. If yes, how much _____
- 2.24. Other financial assets
 Chits-1 Private savings-2 Informal
 deposits-3
 Insurance-4 Any other-5 No- 0

Living Conditions of the Respondent

- 2.30. Do you have own house?
 Yes-1 No-2
- 2.31. If yes, type of housing?
 Kutcha-1 Semi-Pucca-2 Pucca-3 NA-0
- 2.32. Is it due to your membership in SHG?
 Yes-1 No-2
- 2.33. Is your house electrified?
 Yes-1 No-2
- 2.34. If yes, is it due to your membership in SHG?

- Yes-1 No-2 NA-0
- 2.35. Do you have a sanitary latrine?
Yes-1 No-2
- 2.36. If yes, is it due to your membership in SHG?
Yes-1 No-2 NA-0
- 2.37. If no, what is the type of sanitation do you have?
Public Latrine-1 Pit Latrine-2 Open Place-3 NA-0
- 2.38. If you do not have sanitary latrine, what is the reasons?
No sufficient land-1 No money-2 Not a felt need-3 NA-0
- 2.39. Do you have safe drinking water within 150 meters?
Yes-1 No-2
- 2.40. How do you dispose household waste-solid / liquid? (Specify)

3. CONSTITUTION AND FUNCTIONING / ORGANIZATIONAL DYNAMICS

- 3.01. When did you join in the SHG?
Month _____ Year _____
- 3.02. Who motivated you to become the member of SHG?
Neighbours-1 Friends-2 S H G Members-3
Officials of Kudumbashree/NGO-4 Any other (Specify)-5
- 3.03. What motivated you to become a member of the SHG?
- 3.04. If there are dropouts in your SHG?
Yes-1 No-2
- 3.05. what are the reasons for dropouts?
- 3.06. Are the attendance registers, account Books, Reports are maintained properly?
Yes-1 No-2 Don't know-3
- 3.06. Are the attendance registers, account books, reports etc. available to any member on demand?
Yes-1 No-2 Do not know-3.
- 3.07. Have you examined any of these during the last six months?
Yes-1 No-2
- 3.08. Do you know the total amount collected through thrift saving and loans repayment during the last meeting?
Yes-1 No-2
- 3.09. If yes, how did you know it?

	Accepting your Views in the family	Education of children					
		Investment / loans					
		Menu deciding					
		Health care					
2	Men Helping Women in Household works	Cooking					
		Bringing water /fuel					
		Cleaning					
		Going to market					
3	Allowing women to go out for work						
4	Recognizing the value of your Household work						

(Remarks- Decrease/increased/No change)

4.02 How are the decisions taken in the SHG? SHG -1,
 Arrive at a consensus after discussing the matter in the SHG -2,
 Decides on majority after discussing the matter in the SHG -2,
 Leaders and committee members-3,
 As per directive from higher authorities-4, any other (specify)-5

4.03. Who selects the beneficiary for loans?
 Kudumbasree/ NGO officials-1 Committee
 members-2 The whole group-3

4.04. Who decides the interest for loans?
 Kudumbasree/ NGO officials-1, Committee members-2,
 The whole group-3

4.05. If somebody defaults in loans repayment who decides the fine or punishment?
 Kudumbasree/ NGO officials-1 Committee members-2 The whole group-3
 Not Applicable-4

4.06. If some problem arises in the SHG who solves it?
 By the S H G member them selves-1 By the leaders or
 Committee members-2 By higher authorities-3
 By outsiders-4, Not Applicable-5
 Any other (Specify)-6

5. COLLECTIVE AND ORGANIZATIONAL EFFORTS IN RESOLVING SOCIAL ISSUES AND COMMUNITY PROBLEMS

5.1. Please indicate whether the following social issues / community problems exist in your community.

SI No	Statement	Yes	No	Do not know	Remarks
1	Scarcity of safe drinking water				
2	Insufficient basic infra structure facilities				
3	Unequal wages				

4	Drop outs from school				
5	Atrocity against women				
6	Eve teasing				
7	Child abuse				
8	Child Labour				
9	Alcoholism				
10	Drug addiction				
11	Domestic violence				

(Remarks- Type of issues)

5.2 How often do you discuss the above problems / issues at the SHG meetings?

Very often-1 Sometimes-2 Never-3

5.3. Have you ever organized any action in respect of such social issues and problems?

Yes-1 No-2 Don't know-3 NA-0

5.4. If no, why did you not react to these?

Fear of isolation-1 Lack of co-operation from others-2

Discouragement from others-3 Lack of time-4

Unwillingness to participate in such activities-5 Any other (Specify)-6

NA-0

5.5. If yes, Please explain.

5.6. Is there any change occurred regarding these issues & problems?

Yes-1 No-2 NA-0

5.7. Have you taken up any social development programme under WCP or any other Panchayat programme?

Yes-1 No-2

5.8. If yes, please give details regarding important works done.

6. Social empowerment

(i) Knowledge / Information

6.01. Do you know about the following Programmes and if yes, from where did you get the information? (Please tick wherever necessary)

Sl. No	Programmes	Knowledge		Source of Knowledge	
		Yes	No	SHG	Out side
1	A daughter, widow and mother can inherit paternal property as equal to sons				
2	Widows and divorced women are entitled to remarry				
3	Marriageable age for girls is 18 and for boys it is 21				
4	Dowry giving accepting are prohibited				
5	With the consent of women on medical ground, abortion is legalized				
6	Immoral traffic of women and girl's is legally punishable				
7	Women also have the right to divorce on same ground as				

	admissible for men				
8	Women are entitled to get equal wage with men for same type of work				
9	Right to education is a right for the child				
10	Developmental programmes of the government				
11	Integrated Child Development Scheme (ICDS)				
12	Kerala Development Plan				
13	Financial assistance for the marriage of the widow's daughters				
14	Provision for getting alimony				
15	Pension for widows / handicapped / elderly				
16	Ashraya programme				
17	National Social Assistance Plan (NSAP)				
18	S G R Y				
19	Women's Component Plan				
20	Old age pensions				
21	Sampoorna Grama Swarozgar Yojana				
22	Prime Ministers Rashtriya Yojana				
23	Swarna Jayanthi Shahary Rozgar Yojana (SJSRY)				
24	Valmiki Ambedkar Awaz Yojana (VAMBAY)				

(ii) Skill / Ability

6.02. After becoming a member of the SHG, how much change has occurred in you regarding the following skills/ abilities? (Please tick the appropriate column)

Sl. No	Statement	Change				
		V.High	High	Same	Low	V.Low
1	Freely and frankly speaking in SHG meetings					
2	Teaching / Training someone else					
3	Speaking during public meetings					
4	Presenting cultural programme in public meetings					
5	Taking up leadership positions in the SHG					
6	Writing minutes of SHG meetings					
7	Keeping of the accounts of SHG					
8	Performing bank transactions					
9	Going to government office / police station					
10	Talking to government officials / police					

7. ECONOMIC EMPOWERMENT

7.01. Did you have a Savings Bank account before joining the SHG?

Yes-1, No-2

7.02. Did you have a Post office account before joining the SHG?

Yes-1, No-2

7.03. If yes, in whose name was the account?

Own name-1, Joint account-2 NA-0

7.04. Did you had your own savings accounts did you have monthly savings?

Yes-1, No-2 NA-0

7.05. What was the source of finance in your contingency before joining the SHG

7.06. Do you take loan from this source after joining the SHG

Yes-1 No-2

7.07. Had you/ your family taken loans from money lenders before joining the SHG?

Yes-1, No-2, Don't know-3

7.08. Are you still availing loans from money lenders even after joining SHG?

Yes-1, No-2

7.09. If yes, what are the reasons that you still depend on money lenders?

Don't get sufficient loans from SHGs-1 Haven't repaid the loans from SHG-2

Delay in getting the loans from SHG-3 Any other (Specify)-4

NA-0

7.10. If yes, what are the reasons that you still depend on gold loans?

7.11. What is your thrift saving as on today? Rs _____

7.12. Suppose the SHG ceases to exist and there are no more SHG meetings, or you leave the SHG, still will you continue your savings in a Bank / Post office?

Yes-1, No-2, Can't say-3

7.13. Have you taken any loans from / through the SHG?

Yes-1, No-2

7.14. If yes, give the details of loans and their repayment status?

Sl No	Purpose of loans	Total Amount Rs	No. Of times	Last Loan	Repayment Status
1	Consumption				
2	Income Generation				
3	Other Loans				

Consumption-Food-1 Clothing-2 Education-3

Marriage-4 Festival Needs-5 Any other (Specify)-6

Income Generation-Agriculture-1 Animal Husbandry-2 Petty Business-3

Cottage Industries-4 Any other (Specify)-5

Other Loans- Purchasing of land-1 Construction/ Maintenance of Well-2

Construction/ Maintenance of House-3 Construction/ Maintenance of

Latrine-4 Repayment of Old loans-5 Re-claiming mortgaged

loan-6 Any other(specify)-7

(*Status of repayment- Fully Repaid-1 Being repaid-2 Not yet started-3)

7.15. Have you taken bank loans for income generation?

Yes-1, No-2s

7.16. If no, why did you not utilize the opportunity?

Not interested -1, Not able to take my share-2, I can't get a bank loans-3 could not select a suitable enterprise-4, any other (specify)-5

(For those who have taken up Income Generation Programme)

Self Employment / Income generation (individual)

7.17. Activity of the enterprise _____

7.18. When was it started _____

7.19. Have you got any training

Yes-1 No-2 NA-0

7.20. The total project cost in Rs _____

7.21. Loans amount Rs _____ subsidy/ grant amount Rs _____

7.22. Beneficiary share amount Rs _____

7.23. What type of loans

Direct Bank loans-1 NGO / CDS transferring Loans -2
Only from thrift-3 Any other(Specify)-4

7.24. Average monthly profit _____

7.25. If no why?

7.26. Rough monthly expenses in Rs _____

7.27. Status of repayment

Fully Repaid-1 Being repaid-2 Not yet started-3

Self Employment / Income generation (group)

7.28. Activity of the enterprise _____

7.29. When was it started _____

7.30. Have you got any training?

Yes-1 No-2 NA-0

7.31. Number of people engaged _____

7.32. Total project cost in Rs _____

7.33. Loans amount Rs _____ Subsidy/ grant amount Rs _____

7.34. Beneficial contribution amount Rs _____

7.35. Is there any difficulty in getting beneficial

contribution?

Yes-1 No-2

7.36. If yes what is the difficulty please explain

7.37. What type of loans?

Direct Bank loans-1, NGO / CDS transferring Loans -2
Only from thrift-3 Any other(Specify)-4

7.38. Average Monthly profit from this enterprise_____

7.39. If no, Why?

7.40. Average monthly expenses in Rs_____

7.41. Status of repayment

Fully Repaid-1 Being repaid-2 Not yet started-3

7.42. Are you a defaulter of loans _____ repayment?

Yes-1, No-2

7.43. What are the main reasons for default in repayment of loans?

7.44. If some one default in loans repayment what action is taken?

Extend the period without fine-1, Extend the period with fine-2,
Any other (Specify)-3 N.A-0

8. POLITICAL EMPOWERMENT

**8.01. Are you a member of any other social/ religious organization/
group?**

Yes-1, No-2

8.02. If yes, what is the name of the organization / group?

**8.03. Have you ever held leadership position in any of this
organization/ group?**

Yes-1, No-2 NA-0

**8.04. Have you attended any Grama Sabha/ Ward convention before you became
a member of the SHG?**

Yes-1, No-2

8.05. If yes, how often?

All the 4 meetings-1, 3 of _____ meetings-2,
2 of meetings-3 only 1 of them-4 NA-0

8.06. How did you participate in discussions?

Very actively-1 Actively-2 Indifferently-3

**8.07. Have you attended any Grama Sabha/ Ward convention
after you have become a member of the SHG?**

Yes-1, No-2

8.08. If yes, how often?

All the 4 meetings-1, 3 of meetings- 2, NA-0
2 of meetings-3 only 1 of them-4

8.09. If no what are the reasons ?

8.10. Have you contested in Panchayat / Municipal Elections?

Yes-1, No-2

8.11. If yes, when?

After joining the SHG-1, Before joining the SHG-2 NA-0

8.12. If yes, what was the result?

Won-1, Lost-2 NA-0

8.13. If won, are you a Chairperson of any Standing Committee / Working group?

Yes-1, No-2 NA-0

8.14. Did you vote during the last election?

Yes-1, No-2
 Assembly Parliament Panchayat

8.15. Are you an active participant of any political party?

Yes-1, No-2

9. COMMENTS OF THE INVESTIGATOR

Name and signature of the investigator

Date:

ⁱ See also Karmakar, K. G.1999. *Rural Credit and Self Help Groups - Micro Finance Needs and Concepts in India*. New Delhi. Sage Publications: 23, 54 & 55

ⁱⁱ The CDS system came into existence in February 1993, much before the Kudumbasree programme. For more details on the CDS system Please see

Oommen , M.A. 1999. *The community Development Society of Kerala - An Impact Study*. New Delhi. Institute Social Sciences: 17-32

ⁱⁱⁱ For more details and the achievement of Kudumbasree Please see Economic Review. 2001. Planning Board, Government of Kerala: 168-175