

## **CHAPTER VIII**

### **SUMMARY OF FINDINGS, SUGGESTIONS, AND CONCLUSIONS**

**VIII.1 Introduction**

**VIII.2. Kudumbashree – the Journey So Far**

**VIII.3. Summary of Findings**

**VIII.4. Suggestions for Improvement**

**VIII.5. Vision Kudumbashree**

**VIII.6. Directions for Future Research**

**VIII.7. Conclusion**

**VIII.8. References**

## **CHAPTER VIII**

### **SUMMARY OF FINDINGS, SUGGESTIONS, AND CONCLUSIONS**

*“Millions of women in our hamlets know what unemployment means. Give them access to economic activities and they will have access to power and self-confidence to which they hitherto have been strangers” Mahatma Gandhi*

#### **VIII.1 Introduction**

Empowerment of women and their participation in the development process has been considered an essential feature of development. It is presumed that real development is possible only in partnership with women on equal terms. So, there had been concerted efforts in nineties to bring the women-folk, especially those belonging to the weaker sections and poor, to the forefront and empower them through specific programmes and thereby empower the entire family and community. Ensuring justice to women was one of the prime objectives of the development agenda of the People’s Planning Campaign initiated in 1997. Such a shift in perspective led to the formulation of special programmes for women, setting aside ten percent of the general fund allocated to each local body for this purpose.

Kerala is considered as one of the most successful states in poverty reduction programmes in the country. The success is primarily due to public action in carrying out effective land reforms and providing all round social infrastructures, particularly education and health. In spite of the commendable development Kerala could achieve in health, literacy and social sectors, thorny threads of poverty still entangle the state, through the gravity of poverty and its multiple manifestations in Kerala may not be as severe as in most of the other Indian states. Unlike many of these

states, Kerala may offer a rather glamorous picture of infrastructural facilities, amenities and social life. Yet beneath this attractive veil, the brunt and scars of poverty are very much visible.

The failure of some anti-poverty programmes in the past can be attributed to the fixation of target, lack of involvement of beneficiaries, poor understanding of poverty and its causes and manifestations, the top down approach and the over dependence on bureaucracy. Kerala is seeking to achieve a break in participatory poverty reduction through Kudumbashree. This programme is implemented by the State Poverty Eradication Mission through the local self-government institutions. All urban local governments and village Panchayaths have been included under Kudumbashree.

Kudumbashree is the inevitable offspring of the collective experience derived from the bleak plight of the anti-poverty programmes of the past. The centrally planned, rigid, individual-oriented poverty eradication programmes of the past did not give any room at all for the involvement and commitment of the poor and viewed the poor only as resourceless 'receivers of benefits'. Poverty is a multi-faced sorry state of deprivation. Moreover, though the delivery costs of such programmes were exorbitant, they were very much susceptible to under-reporting and manipulations. When most of the seemingly well-conceived anti-poverty programmes of the Central and the State Governments failed to bring about the desired result, Kudumbashree has been successful in achieving it.

Kudumbashree, meaning the family's prosperity, is one of the flagship programmes of the government of Kerala. The programme is centered on women empowerment and has been successful in giving hope to millions of impoverished women and their

families in Kerala. Originally launched in 1998 for wiping out absolute poverty from the State, Kudumbashree is today one of the largest women-empowering projects in India.

Kudumbashree, the State Poverty Eradication Mission, launched by Government of Kerala for wiping out absolute poverty from the State is a holistic, participatory, women oriented, innovative, overarching poverty reduction approach. This process is implemented through Local Self Governments formed and empowered by the 73rd & 74th Constitutional Amendments. The Mission follows a process approach rather than a project approach. 'Kudumbashree' envisages prosperity of the poor families in the state with multiple programmes that provide them information, create awareness, build up their capability and capacity, enhance their confidence and show them opportunity for better social security and empower them physically, socially, economically and politically.

Kudumbashree initiative has today succeeded in addressing the basic needs of the less privileged women – thus providing them a more dignified life and better future. It is exclusively focussed on women, women in family and women in community. It is an organisation of women from below poverty line. The core activity is women empowerment through micro finance, micro enterprise and convergent community action. Kudumbashree stands for organising the poor under a community based organisation (Community Development Society - CDS). CDS has legally recognised as NGOs, since they are registered under the charitable societies Act, a legal provision provided for third sector.

## **VIII.2. Kudumbashree – the Journey so far**

### **VIII.2.1. Achievements**

Kudumbashree presents an impressive range of achievements to the world of micro finance and micro entrepreneurs. The achievements are immense and were praised and accolade with national and international awards. It is a unique poverty reduction participatory model of women empowerment tied up with Panchayathi Raj Institutions, seeks to achieve further heights with innovation and development.

- Kudumbashree is one of the largest women's movement in Asia with a membership of 37.8 lakhs representing equal number of families. 37.37 lakh poor families are brought under the community based organisations (CBOs) consisting of 2.05 lakh Neighbourhood Groups (NHGs), 19,773 Area Development Societies (ADSs) and 1,072 Community Development Societies (CDSs) - rural and urban. It has mobilised a sum of Rs. 1688/- crore as thrift and disbursed loans amounting to Rs. 4195/- crores to the members of Neighbourhood Groups. 1,50,755 NHGs are graded under Linkage Banking Programme, out of which 1,27,467 NHGs are linked with banks and an amount of Rs.1140/-crore is mobilised as credit.
- 25050 individual enterprises and 1757 group (with minimum 5-10 members) enterprises of women are developed in urban areas. 3516 individual enterprises and 10620 group (with minimum 5-10 members) enterprises of poor women are formed in rural areas.
- 2, 25,200 Women cultivators in 46444 groups are organised for collective farming in 2009-2010. 11916 Joint Liability Group are formed.
- 17 Samagra Projects are functioning with the involvement of 32,121 women

- 570 group enterprises and 810 individual enterprises have been started under the Special Employment Programme (Yuvashree).
- Ashraya-Destitute Identification and Rehabilitation Project is implemented in 909 Local Self Governments and 71,011 destitute are identified.
- 248 entrepreneur groups (Thelima) are formed for the municipal solid waste management in urban areas.
- 'Buds' -31 special schools for physically and mentally challenged children are set up under the leadership of the Local Self Government.
- 54669 Balasabhas (Children's Neighbourhood Groups) with 8.9 lakh children are formed in urban and rural areas.
- Involvement of 55,959 tribal families with 3,998 NHGs is there under the Tribal Special Project.
- Under the special Gender Self Learning Programme active participation of 50,220 resource persons and 2.2 lakhs NHGs is ensured. Kudumbashree launched Sree Sakthi Portal exclusively for women to participate in active discussions on various issues related to them.
- Functioning of Kudumbashree management Information System (MIS) which is first of its kind in India
- 74 Kudumbashree IT units with 1,024 people are functioning
- Sales from monthly market and festival fairs 14.15 Crores
- Political Empowerment of Women - In 2010 alone 11,773 women candidates contested Panchayath election and 5485 of them had won the elections. (Kudumbashree, 2011)
- The feedback from the respondents revealed that the success is attributed to the continuance and untiring work of government officials of Kerala,

especially the Kudumbashree State and District Mission, for the conceptualisation and expansion.

- Capacity and morale of the women has increased tremendously, and today they can face any challenge in life confidently.
- Income generation among members has increased as per the field survey. 2011 data shows that 49.7 per cent of women started earning an annual income between Rs.25,000/- to Rs.50000/- in these sample villages.
- Members are acquainted with various skills such as leadership qualities, entrepreneurial skills, maintenance of accounts, communication skills, public relations, exposure to various government offices and commercial banks.
- These women are recognised at their own home today due to the economic independence they have obtained through Kudumbashree. Their voice is heard and decisions are acknowledged at their home. They feel recognised and empowered.

### **VIII.2.2. Problems**

Kudumbashree, which brings women to the Grama Sabhas and helps them bring the needs of the poor to the attention of the local governments, “is the only self-help group movement in India, which is fully integrated to the Panchayati Raj.” But the model is not debarred from issues. Various issues have come across during the focussed group discussions and Field Survey which are cited below.

- 1. Cross Borrowing:** - Multiple borrowing is not a new phenomenon. As highlighted in Portfolios of the Poor, poor households regularly borrow from multiple sources to smooth their cash flows (Collins, Morduch, Rutherford, and Ruthven 2009). A book about the credit crisis of 1999 in Bolivia made an

apt analogy, “Apparently credit is like good food: when seated at the table in front of a feast, many people eat too much and regret it later...” (Rhyne 2001). The wide range of credit options can lead some borrowers to take on repayment obligations that exceed their cash flow. It is difficult to precisely define when a borrower becomes over-indebted. Several beneficiaries of Kudumbashree are found to be members of other Self-help group also. Such as Sree Narayana Dharma Paripalanasangam (SNDP), Nair Service Society (NSS) are some of the groups which run their own self-help groups of women in the society. Many beneficiaries take advances from Kudumbashree also takes advances from these agencies. The double dipping happens. Paying off loans from taking advances from other agencies. Out of 300 sample women beneficiaries, 252 women agreed that they are found to be members of other organisations, which is very alarming.

**2. Repayment Issue:** - The success and sustainability of group credit depends on how far the programme is able to recover loans by itself without any external assistance. Thus it points to the sustainability of the programme in ensuring repayment from the members and it is for this reason that Income Generating Activities (IGAs) need to be undertaken. Delay in repaying the loans is another major issue brought by the women during the survey. Peer pressure is often required for paying off the loans. 130 women agreed to the fact that repayment issue is happening in the NHGs.

**3. Lack of Monitoring of Credit:** - The beneficiaries of advances in the NHGs informed that apart from the annual audit as such, no monitoring of credit takes place. Micro-finance group loans should ensure that the members utilise the loans for productive purposes. In order to ensure this, both internal

and external agencies should monitor the loans. Otherwise, the pressure to make repayments forces the members to depend on outside sources and results in indebtedness. Lack of monitoring is visible in the NHGs surveyed for the study especially in Cherpu and Vallachira Panchayaths.

**4. Preoccupation with Thrift and Credit Operations:** - Due to rapid expansion and pressure to show results, the focus of Kudumbashree activities, has visibly narrowed to economic activities such as thrift, credit, and micro enterprise activities. The Kudumbashree staffs also promote this bias. The only data they report are the number of NHGs formed, thrift and credit operations and micro enterprise activities. Other activities are hardly mentioned. It, therefore appears that micro credit is overshadowing other vital issues of health, education, nutrition and sanitation.

**5. Inaccurate BPL List and Selection of NHG Members:** - During the field visit, it was observed that many beneficiaries of Kudumbashree are living in concrete houses with several modern amenities belong to BPL category. In fact many such respondents were living in expensive houses. When their BPL status was enquired, they have shown their ration cards which showed that they are BPL members. Several undeserved people belong to BPL on paper. They avail all benefits of Kudumbashree schemes. Whereas several APL members do not have such plush houses and amenities. A revisit for the list of BPL members is the need of the time.

**6. 9-point criteria for Measuring Poverty and Selection of NHG members:** - During the field visit to Panchayath offices of sample villages, it was noticed that APL members are included in Kudumbashree programmes. In fact, the then chairperson of Vallachira Grama Panchayath herself belonged to an

APL family (Not the case with other two Panchayaths namely Cherpu and Nadathara). During field visit to NHG meetings and to the member's households, it was surprising to note that the households are well equipped with colour television and refrigerator. The result of the survey reveals that while selecting the members, 9 point criteria for measuring poverty is not followed while selecting the NHG members.

**7. Fraudulent Practices in Sample Villages:-** The fraud practices were conducted by four women officials in Sreelaxmi NHG in Cherpu Panchayth. Sreelaxmi NHG was granted with one lakh subsidy by the government for a group venture. The information of obtaining the subsidy was not disclosed to the members and it was divided among the four and used for some other purposes. When the other members came to know about the money after seeing the bank pass book, there was a fight among the members and the group got split into two. Being one of the oldest groups in the Panchayath this kind of an act was not expected and other members blindly trusted their leaders. District Mission intervened and solved the issue. This is not the only case. Women misuse the subsidy and a show false account to the Panchayath is happening in Vallachira too, is reported by Vallachira Grama Panchayath. A close monitoring of the purpose of the subsidy should be done by the officials of CDS in order to avoid such fraud practices. Some legal action also should be taken against the guilty.

**8. MNREGS Dominates the NHGs Environment:** - Mahatma Gandhi National Rural Employment Scheme (MNREGS) has overtaken all other activities of NHGs. Women beneficiaries eagerly look forward towards their workings days during the monsoon season with MNREGS. Per day wages in

MNREGS is above the wages they otherwise earn. Women consider it as a government job and 92.3 per cent of the respondent women are a part of the programme. Kudumbashree has attracted many women to be a part of MGREGS because it is a nodal agency in the state for the entire central government programme. When the working days of MNREGS begin, women tend to neglect other enterprise they otherwise run. This is not a good signal and it affects work effective functioning of the rural enterprises run by the women.

**9. Marketing Issues:** - Most of the women beneficiaries preferred to undertake agriculture and animal husbandry where the investments required are low as also the risks. Another activity undertaken by them is soap making which does not require much skill. Moreover, such products manufactured by them have easy marketability. It is observed during the field visit that women members themselves become the buyers and create market among thems. According to them the sale takes place more for many products only during the festival seasons such as Onam and Christmas. At other times most of the products face marketing problems. Disappointed with this kind of response several members do not want to continue with the existing enterprises, this is alarming for the sustainability of the enterprises.

**10. Lack of Specialised Training:** - The women who join NHG needs specialised training in the areas of finance, marketing, production etc. The survey shows that 80.7 per cent of women received Entrepreneurial Development Programme Training. But the updating is lacking. During the research, the researcher visited a training programme on financial literacy in the Vallachira Panchayath. Only 25 per cent of the registered NHG officials

were only present for the same. The trained officials are supposed to be imparting the training to the NHG members, but it rarely happens. The chairperson reported that it is very difficult to make women attend such training programme.

**11. Lack of Vision and Strategy among the Women Entrepreneurs:** - Most of the enterprises lack future vision and proper strategy for their business. Many of them are running the business as it provides them subsidy which they don't have to repay.

**12. Politicisation of Kudumbashree Affairs:-** Kudumbashree as a movement was initiated by the leftists in Kerala. Soon it became a mass movement. Ever since general elections started for CDS, political parties started dominating the movement. Above all, when congress started Janashree a parallel movement to Kudumbashree politicisation of the movement got elevated. Kudumbashree is a known name to women of Kerala. Protests had been in the air ever since Janashree was inaugurated in Kochi in 2008. All such efforts damage the efforts of a mass movement like Kudumbashree.

**13. Nature of Income Generating Activities:** - The nature of the income generating activities undertaken by the women are more traditional and with low risk. They lack diversity. Most women are either indulging in goat or cattle rearing or in savoury making. Overcrowding in some activities like cloth business, vegetable vending etc. made the beneficiaries face competition within the locality. Along with this, household responsibilities restrict women from moving outside the locality. In the case of group activities failure on the part of some group members in repaying loan, lack of interference on the part of implementing agencies and irregular work done by

some beneficiaries affected the better functioning of the system. Lack of skills prevents them from further expanding their activities. Normally revenue is generated in instalments. As a result, they suffer from severe shortage of funds because this money constitutes the working capital of the business. Very few respondents have reported to have activities like chocolate making, paper bag units, and umbrella units. These units are diverse and can also be promoted as exportable product to other states.

**14. Leadership Issues:-** Although there are rules associated with rotation of leadership, many NHGs prefer to have the same leader, which in turns may leads to corruption and dominant character of the leader. There are only few in each group with little higher education than the rest, who often dominate the members and show that they are better than others in leading many activities. This is a threat to empowerment itself.

**15. Dividing Women in the Name of Religion and Caste:** - Micro finance initiatives launched by religious, caste and community-based organisations already mushrooming in Kerala are a matter of concern. Its members invariably seeking multiple affiliations and loans from several sources that could eventually push them into debt traps. They also posed a threat to the cohesiveness of Kudumbashree, the network of underprivileged women functioning uniquely under local government institutions, with micro-credit, entrepreneurship and empowerment as its key components. SNDP, Christian Community, Nair Samajam, Hisaaf are a few examples.

**16. Shrinking Volunteerism:** - Initial interests in carrying out activities are not seen amongst the volunteers. Constant motivation and encouragement is needed for the same. The diminishing interests towards activities is due to

increasing workload and lack of monetary benefit to the officials. It is observed during the field visit and to the Panchayath offices that CDS members from all Wards of Panchayath are paid once in three months. A lump sum sent by the government which is divided by the CDS members. They do not get more than Rs. 500/- per person. As far as ADS members are concerned, they are doing the service today because they enjoy the position and status. There is no monetary benefit provided to them in the form of honorarium. NHG officials also do not receive any money for their service. All these factors lead to shrinking volunteerism.

### **VIII.3. Summary of Findings**

Thrissur District is known as the cultural capital of Kerala. People are passionate about fine arts and engaged in primary sector activities. Thrissur District Kudumbashree Mission has set an example by setting up the most popular enterprises like Nature Fresh Milk, Nivedyam and Catering. The Three Panchayaths selected for research Nadathara, Cherpu and Vallachira from Thrissur District are known for its serene beauty of the nature and enthusiastic and enterprising women.

- The grassroots of Kudumbashree are Neighbourhood Groups (NHGs) that send representatives to the ward level Area Development Societies (ADS). The ADS sends its representatives to the Community Development Society (CDS), which completes the unique three-tier structure of Kudumbashree. Today, there are 2.02 lakhs NHGs, over 17,000 ADSs and 1061 CDSs in Kudumbashree.
- Majority of the women respondents are aged between 30 to 50 years, having not more than two children. On an average they possess secondary education,

having an income less than Rs.50,000/- and most of them are below poverty level. 75 per cent of the respondents belong to Hindu religion and 53.7 per cent belongs to open category.

- The repayment of advances is collected weekly during routine NHG meetings. 85 per cent of the women are regular in attending the meeting.
- The total thrift collected by NHGs in the state comes to Rs.1041/- Crore and the internal loans generated are to the tune of Rs.4591/- Crore (as on November 2011).
- Advances are taken for various purposes like day to day expenditure, children's education, health care, marriage or any other family occasion, house construction, repayment of old loan, festival celebrations, purchase of household items, and for income generating activities. The field survey reveals that out of 300 respondents 288 women have taken loan for income generating activities.
- More than 90 per cent of the savings in the thrift societies are given away as loans. The selection of beneficiaries, the rate of interest, the quantum of loans and the period of repayment, etc. are all decided and implemented by the women themselves. Since the decisions regarding the repayment of loans with the rate of interest are taken by the NHGs, the monitoring mechanisms are inbuilt. But still it is noticed that the defaulters are maximum in the BPL category of women borrowers. Rate of interest although prescribed by the government as 12 per cent per annum, a few NHGs are not seen to be following it.
- Although interest rate is on higher side Kudumbashree micro credit scheme tasted the success due to the following reasons. 85.7 per cent of women

responded that money is easily available to them. 70.3 per cent of women believed that it is bank at their neighbourhood, 81.3 per cent of women believed that the success is due to cooperation of members and 97.3 per cent of women said that the success is only because of the mutual trust the members have in each other.

**Table No.VIII.1**  
**Reasons for Success of Kudumbashree Micro Credit Scheme**

Sr. No.	Reasons	No. of Respondents	Percentage
1.	Easy availability	257	85.7
2.	Bank at Neighbourhood	211	70.3
3.	Cooperation of members	244	81.3
4.	Mutual trust	292	97.3
	<b>Total</b>	<b>300</b>	

**Source: Field Survey**

- The nature of government assignment undertaken by women in the villages is Anganwadi, Survey and MNREGS. 92.3 per cent of the women are a part of MNREGS. Annual income earned by 62.7 per cent women is more than Rs. 25000/- per annum from such assignment.
- 86.3 per cent received subsidy on their loan amount in the sample villages selected for study.
- 81.7 per cent enjoyed interest subsidy since they have carried out income generating activities.

- Very few NHGs found, (6.3 per cent) lending funds to other NHGs.
- Governments and banks were major funding agents in Kudumbashree.
- Nadathara CDS leads in the entrepreneurial activities amongst the sample villages taken for study.
- 79.3 per cent respondents are seen in the group venture, 13.3 per cent is self-employed and 7.3 per cent have individual venture of classification.
- 43.3 per cent of the respondents have taken loan amount between Rs.10000/- to Rs. 20000/-, 23 per cent of these women have taken a loan amount more than Rs.20000/- for Income Generating Activities (IGA).
- 35 income generating activities are found in the sample villages taken for study, and 32 of them are promoted with subsidy by the Government of Kerala. 67.7per cent of the women received subsidy amounting between Rs.1000/- to Rs.5000/-.
- 93 per cent women used modern methods of production.
- 40.3 per cent women are found to be the beneficiaries of revolving fund.
- 85 per cent women earn a monthly income of Rs.1000/- to Rs. 5000/- per month form the income generating activities.
- 67 per cent women who have taken advances for income generating activities could repay their advance on time.
- Innovative practices like running canteen or catering services by women, mushroom plantation, artificial jewellery making, jute bags, home shop, jasmine cultivation, anti-diabetic juice, chocolate making, paper bags making are seen in these sample villages.
- 91.3 per cent products produced by the women were found to be with a brand name especially the name of their NHG.

- 87 per cent women have received job oriented training from the government through Panchayaths.
- The mode of marketing found in the sample villages are door to door, local markets and nearby towns. Marketing strategies adopted by the women respondents are classified as marketing by word of mouth, using sign boards, and distributing pamphlets.
- Almost 96 per cent of respondents agreed to the fact that Kudumbashree has been successful in reducing poverty from their lives.
- Kudumbashree has been successful in empowering women politically, socially and economically. The respondents felt courage, improved morale, improved skills, and awareness amongst themselves after joining the NHGs.
- The field survey reveals that Kudumbashree programme has made substantial change in health, education of children, enterprise development and women empowerment. In fact it has become a movement of women contributing significantly to their socio- economic empowerment.
- The survey reveals that more than 60 per cent of the women agreed that they received a very good support from the family.
- 4 per cent respondents were contesting for Panchayath elections and 16 per cent were contestant for CDS election.
- All the 300 respondents were found to have a bank account after joining NHGs.
- Women found considerable improvement in satisfaction of basic needs, cognitive change in level of knowledge, improved skills and awareness, increase in income increased level of mobility, increased status and decision making within household, and courage to visit bank or other offices.

- Moderate improvement was found by most of the women in increased bargaining power, ability to interact effectively, participation in non-family groups, increased employment opportunities, increased household assets , increased leadership quality and improved housing, water and sanitation.

### **Problems and Deficiencies**

- Those below poverty line are found to be defaulters or delay the repayments of loan.
- The various reasons cited by the women for delay in repayment of loan are due to revenue generation in the business below expectation, diversion of money in other activities, sudden slump in business; health related reasons and some have no particular reason.
- Every successful programme will have some issues associated with it. Kudumbashree's micro credit scheme is no exception. Responses collected during the survey reveal that 84.8 per cent of women revealed the danger of cross borrowing existing in the NHGs. Women borrow money from the NHG to pay back the money they borrowed from another group. Women who borrow delay the payments for long time. The peer pressure is required often to get the money back. 43.8 per cent women respondents have reported that they have faced this issue of repayment. Politicisation of Kudumbashree has already happened in Kerala. Earlier research findings were seriously pointing out this issue of politicisation of the programme. Now CDS election is taking place not just with the contestant's ability but by backing of political parties. In 2008 the first CDS election took place. It is a serious issue this programme has to tackle with.

Table No.VIII.3 reflects the various problems the NHGs deal with.

**Table No.VIII.3**  
**Problems in the Kudumbashree Micro Credit Scheme**

Sr. No.	Problems	No. of Respondents	Percentage
1.	Cross borrowings	252	84.8
2.	Politicisation	145	48.8
3.	Repayment issue	130	43.8
4.	No issues	6	2.0
	Total	300	

**Source: Field Survey**

- **Higher Rate of Interest on Advances:**-Interesting facts were revealed when enquired about interest rate on advances. Kudumbashree mission says to collect Re. 1/- for Rs. 100/- per month as rate of interest. 24 per cent women were charged with 24 per cent rate of interest per annum. Remaining 76 per cent were charged with 12 per cent rate of interest per annum.
- But the most interesting finding here are about the higher interest rate of 24 per cent per annum, 22.9 per cent of the women from BPL pays it and 34.5 per cent of APL women pay the same. It indicates that women from below poverty line are also paying higher rate of interest. If we see the absolute number 62 BPL and 10 APL beneficiaries are paying interest on loan at 24 per cent.
- **Presence of Instances:** - Several instances were reported during the survey. Such as 14.2 per cent of the women had the opinion that Kudumbashree is mismanaging the funds. 25.3 per cent opines that there is non-utilisation of funds with local bodies. 20.4 per cent has the opinion that

there is wastage of funds and a larger section (59.5%) of women agrees that there is lack of coordination between Panchayath officials and CDS.

**Table No. VIII.4**

**Presence of Instances**

Sr. No.	Instances	No. of Respondents	Percentage
1.	Lack of co-ordination	172	59.5
2.	Non utilisation of funds	73	25.3
3.	Wastage of funds	59	20.4
4.	Corruption	42	14.5
5.	Mismanagement	41	14.2
6.	None	29	10.0

**Source: Field Survey**

- Marketing problems faced by the women respondents are classified as higher prices charged for the commodities, better substitutes are available in the markets, poor packaging strategies, and transportation problems they deal with.

**VIII. 4. Suggestions for Improvement**

The impact of Kudumbashree Programme can be further improved if following suggestions are considered.

- 1. Registration of NHGs Compulsory:** - Several NHGs do not feel like registering every year or to upgrade the registration as per the rules. But they run the thrift and credit societies. This kind of act actually creates illegal units in the Kudumbashree. Updating registration of NHGs as well as other Self Help Group should be made mandatory in order to avoid chaos in the functioning of the system.
- 2. Monitoring of Credit and Purpose of Credit:** - The most essential and the pressing need of the hour is monitoring of the credit, subsidy, purpose of taking credit, enterprise activity of the NHGs and overall functioning of the NHGs. An internal as well as external monitoring index can be used for this purpose. Internal monitoring can be entrusted with officials of NHGs and external referees can be from the ADS members. But overall an audit by the CDS officials as well as Panchayath officers will do the needful. Close monitoring and follow up on effective use of micro credit is a must. This only avoids the misuse of credit and can avoid shutting down of enterprises.
- 3. BPL list Accuracy:** - Kudumbashree has been assigned to conduct various surveys, health programmes, and preparation of BPL list. Due care should be taken while selecting the beneficiaries of NHGs by looking into the accuracy of BPL list. It was observed during the field survey that many families who deserves to be in APL category enjoys a BPL card and hence the facilities.
- 4. Building New Strategy for upgradation of BPL into APL:** - The mission of Kudumbashree is to eradicate poverty. Therefore there should be proper strategy to drag out the people who have escalated to APL category and still remain in BPL. New list must be created and the government should take

initiative for the same. There can be some incentive for escalating to APL from BPL category.

**5. Health Issues Neglected Needs Attention:** - There is a post called as Health Volunteer in every NHG. None of these volunteers have taken this post seriously and have done anything related to health of the women. Women have a tendency to neglect health, and unless it is very severe they do not see the doctor. This essential post is created in order to discuss the health related issues happening among the women in the village. Unfortunately, women do not give importance to this factor rather they concentrate more on enterprise development or thrift collection.

**6. Rotational Leadership:** - The Chairman of the Community Development Society (CDS) and co-ordinators of SHGs should see that the office bearers of the NHGs and SHGs are rotational so that every member of the group is involved in leadership activities, accounting, etc. At present, most of the offices bearers continue as long as they wish to till other members voluntarily take up the responsibility.

**7. Reduce Political Interference:** - Kudumbashree is a mass movement for eradication of poverty and empowerment and development of women. Political interference may put this movement down which is already accolade internationally. When the world is adopting this movement as theirs, political interference in it will definitely spoil the image. Steps should be taken for autonomy of Kudumbashree. It should be allowed to compete in a healthy manner with the parallel movements like Janashree, so that Kudumbashree has a better place in minds of the people.

**8. Training to All:** - Many women receive training but it is not reaching to everyone. Strategy should be framed in such a way that all NHG members are attracted towards training programmes organised by the Panchayaths. The successful women entrepreneurs who received training from the Panchayath can be of great help.

**9. Expansion of Entrepreneurial Activities:** - The economic activities taken up by the SHG and NHG members are mostly traditional and lack diversity. There is enough scope for agro-based industries, sunrise industries and non-farm activities in the rural area. So, the promoters should focus on promoting such activities through the NHGs. The proper selection of activity for the group is crucial for its survival and expansion. Efforts should be made to identify the suitable activity based on resources, skills and markets. The resources for the activity must be either available locally or procurable easily and economically. Above all, market conditions should be ascertained before setting up of units.

**10. Standardisation of Products Should Be Made Mandatory:** - Kudumbashree products should be standardised to follow the norms prescribed by industries and government of India. Quality upgradation of the products will lead to better demand of the product.

**11. Incentives for Kudumbashree Activities:** - Kudumbashree activities can be providing with tax exemption and the products can also be considered as promotional and reserved items. At least removing sales tax from the Kudumbashree products and government purchase can be of great help for the products to gain demand in the market.

**12. Marketing Solutions:** - The problem of marketing truly poses a serious threat to the progress of NHGs. Improving packing, quality of the products, setting up of centres all over Kerala, development of trade mark; brand name can improve the situation. Leaving everything to the first generation entrepreneurs i.e. women beneficiaries will not achieve the objective. No doubt the daily markets, monthly fairs serve the purpose, but to face the stiff competition from the leading firms does matter.

**13. Appropriate Strategy for Promoting Women Entrepreneurship:** - The current terms of providing advances and subsidy was set several years ago. Rs.50,000/- as subsidy from the government and maximum Rs.1,00,000/- from the bank as advances to begin a group venture. According to the women entrepreneurs it is very difficult to begin a good activity as the amount is too low in this inflated scenario of India. A revision of loan amount and subsidy should be considered by the State Mission at best possible interest rate.

**14. Business Consultants:** - During the field visit, it was observed that there are no business consultants or any kind of advisors for helping those who want to start any new business apt for their nature, capacity or suitable to the concerned village people. CDS members can take this initiative and approach the needy women's group.

**15. Promotional Agencies:** - Members are more prone to undertake low risk activities, which require lower skills and less marketing efforts for their products. It is here that the significance of the promoting agency comes in that should conduct training programmes, encourage the development of indigenous products and provide scope for marketing facilities. Promoting

agencies should give equal importance to the utilisation of the loan and to timely repayment.

If the marketing facilities are better, the risks of the members are smaller and they might undertake higher Income Generating Activities (IGAs). Hence, promoting agencies should support the members with marketing opportunities and other facilities, such as the provision of raw materials so that the risks of the members are brought down and they are encouraged to take up IGAs.

**16. Kudumbashree Outlets:** - Every Panchayath office/ the government offices such as where people pay electricity bill, telephone bills, post office, and nationalised banks can have Kudumbashree products outlets so that they can get customers for their products. Kudumbashree products have already won the trust of the people but often people are unable to reach the seller. If the government provides such opportunities to the women through local bodies help, it can surely encourage more women to take entrepreneurship.

**17. Development of Common Facilities and Flexibilities:** - The key challenge is in providing market oriented business support services to micro entrepreneurs. Since most of them are first generation entrepreneurs the challenge is more intense. Although various linking strategies have emerged to provide services to support micro enterprises in Kudumbashree, a novel network and associations, business clusters, franchising, leasing, subcontracting and business incubators are needed to promote the enterprises.

**18. Honorarium to Officials of Kudumbashree:** - The officials of CDS do receive an honorarium once in three months. The amount is so meagre that disappoints the hard working women. ADS and NHG officials do not receive

any money in the form of honorarium from Kudumbashree. The scenario should be changed, and the members should be provided with an amount which is suitable for their hard work and dedication. Government of Kerala should seriously look into the matter and do the needful in order to avoid the mounting aversion of volunteerism among members.

### **VIII.5 Researcher's Vision of Kudumbashree Fifteen Years Ahead**

Kudumbashree has presented a unique model of poverty eradication through participatory approach. The researcher's vision here has been to look into a responsible and self-sustaining Kudumbashree which is free from all the disturbing and controversial issues. The model reflects the thoughts and ideas of the researcher which have emerged out of her own experience from the field study.

In the year 2013 Kudumbashree is completing 15 years since its inception. This period is long enough to establish any system on a solid ground which is reflected in the present form of Kudumbashree. A historical review of last fifteen years of Kudumbashree formation has given this researcher an idea to visualise its coming 15 years. In the year 2028 Kudumbashree will be thirty years old and by this year the researcher's vision of Kudumbashree is the autonomy to all its NHGs. The autonomy can be achieved in a phased manner. The entities now under Kudumbashree may be made free from the liabilities which they bear as partners of the government but will be weaned away from its benefits also.

Kudumbashree has proved that women are the agents of change towards development. So far Kudumbashree has been working as a government programme. Over a period of next fifteen years Kudumbashree can function as an autonomous

organisation. This will prevent the interference of political parties and the influence of outside agencies into the functioning of Kudumbashree.

It is also clearly understood that autonomy is not easy for an institution like Kudumbashree, which has been functioning so far with government of Kerala. Without the support of the government for funds and organisation Kudumbashree cannot function and become autonomous.

The **losses** to Kudumbashree as an autonomous agency will be that it will be denied of all funds, subsidies, and other benefits which government has been providing so far. Women, who considered Kudumbashree as a government agency; work as if they are government workers, may stop working for Kudumbashree.

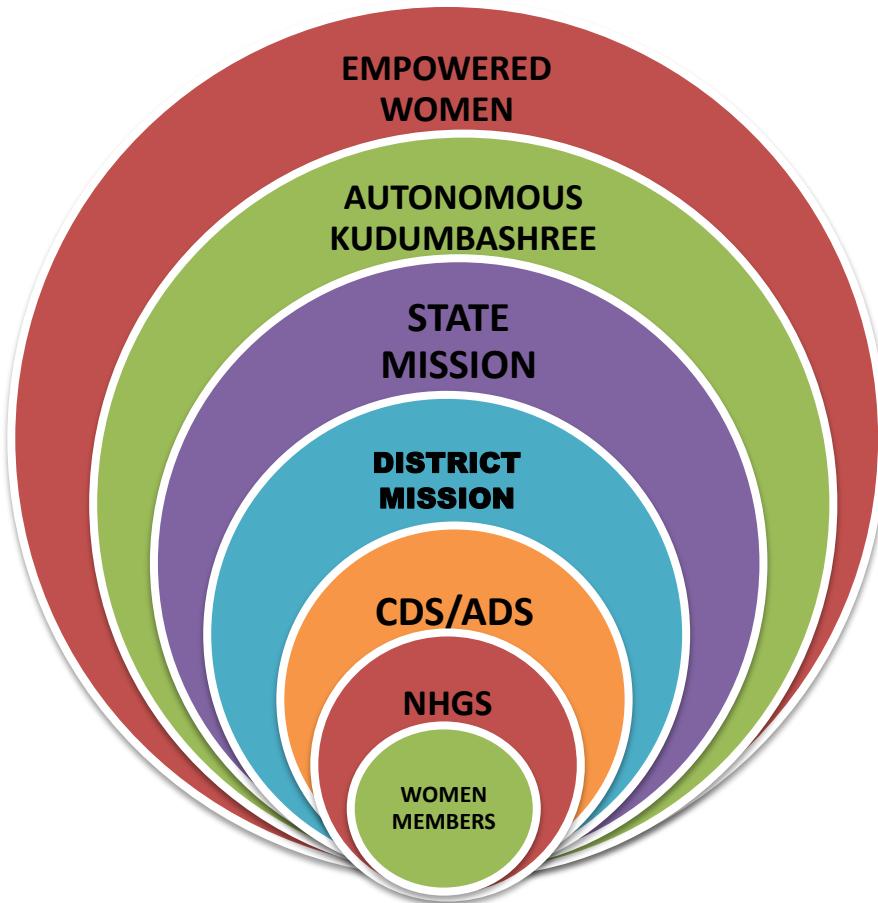
The **benefits** are that Kudumbashree can be made free from the burning issues associated with it like - politicisation, lack of monitoring, marketing of the products, fraud practices and so on. A model which is successful and appreciated internationally and has brought several laurels to our nation has to be reviewed for its own betterment. The evils in the existing programme should be removed to bring in professionalism. Therefore, construction of a renovated model is a need of the day.

With this view in mind a humble effort of constructing a prospective workable model has been made by the researcher which is presented below:

The researcher believes that the existing structure of Kudumbashree is admirable and should be continued with few modifications into it even in an autonomous manner. A structure of planned social change has been constructed to illustrate this vision. The structure is in stacked Venn format which is used to show overlapping relationships and to show emphasizing growth or gradation. Women being the

nucleus of the Kudumbashree Structure obtain the centre position and are growing with NHGs/CDS/ADS and then to mission through mission it achieves autonomy and then a complete empowered woman.

**Figure No VIII.1**  
**Kudumbashree: A Model for Planned Social Change**



The entities under Kudumbashree can take the following forms:

- 1. Women Members:** Most of the women, who come to take help from Kudumbashree, belong to the BPL category. As a member of NHG they start contributing in thrift and credit operations first and later they get

financial help to start their own enterprise if they wish to do that. Kudumbashree aims at complete empowerment of these downtrodden women, for which more rigorous training programmes are required to be in place.

- 2. Neighbourhood Groups (NHGs):** - The presence of NHGs at the grass root level should be there as they are, to collect thrift and provide credit to the needy women. But the officials of NHGs should be provided with a decent amount of honorarium depending upon NHG's earnings, their performance and role in the NHGs and in the Panchayaths. As an autonomous entity, NHG is expected to earn some profits, a part of that should go to the structures above the NHG, to ensure sustainability.
- 3. Area Development Society (ADS):-** ADS members, drawn out of NHG members, should be monitoring and evaluating the activities of NHGs at the ward level. Honorarium should be given to those ADS members who are not getting it at NHG level depending upon the performance of NHGs at the ward level. They should be responsible for guiding the NHGs on training and marketing the products by connecting them to the Panchayaths/CDS concerned. ADS will have a share in NHG profits to bear their expenses.
- 4. Community Development Society (CDS):** - CDS members play a vital role in controlling, monitoring, managing and regulating the operations of NHGs and ADS in the villages. Members should be given a decent honorarium and incentives for doing well for innovation in the respective Panchayaths. New avenues for marketing should be invented and should be implemented in the respective Panchayath. At this stage, the possibility of joining hands with the corporate sector should also be explored.

**5. District Mission:** - District Mission should function as it is. Its periodical visit to all CDS/ADS/NHGs should be organised frequently to know the root problems women face in the villages.

**6. State Mission (Kudumbashree Head Office):** -State Mission, Kudumbashree has been doing tremendous effort in bringing all the 14 districts together and offering all needed help for carrying out the programmes. Monitoring the funds flow and supervising the activities of district mission, promoting export of the Kudumbashree products, providing incentives to the women entrepreneurs should be more vigorous.

**The Role of Panchayaths:** - Panchayaths should not consider Kudumbashree as a parallel programme. Instead they should treat it as a programme that will develop the concerned village. All kind of help and facilities should be provided to uplift the programmes run by Kudumbashree.

**Finance:** Out of profits generated at the NHG level, 10 per cent should go to the higher entities. Out of 10 per cent of the profits of the NHGs, ADS, CDS, District Mission and State Mission should get 2.5 per cent each to sustain themselves and render their responsibilities. As far as generation of funds are concerned, the waves of collaboration are already in the picture and several firms of the corporate world are interested in functioning with Kudumbashree as their part of Corporate Social Responsibility. CSR integration into researcher's model offers a high likelihood of finding answers to the pressing challenges of sustainability. Many corporations are doing pioneering and proactive work in this area. Funds flowing from the corporates as their CSR will definitely boost the morale of the women and inculcate the corporate culture in them.

**Autonomy:** - It is easy to say but difficult in practice to make Kudumbashree autonomous as stated earlier. The suggestion is that autonomy should take place in a phased manner. Since Kudumbashree is completing twenty years in 2018, it can be the beginning of its autonomy. Government can provide autonomy to certain programmes in Kudumbashree. State Mission of Kudumbashree has proved that it is working extremely well in the previous years. If the State Mission gets autonomy in the first phase it can do wonders. And after five years of obtaining autonomy to State Mission government can think of making District mission an autonomous agency and when Kudumbashree completes thirty years the Panchayath level autonomy can be achieved.

**Women Empowerment:** - With all the above mentioned uplifting functions of the autonomous Kudumbashree, the final achievement is visualised as an economically, politically, digitally, socially and educationally empowered women.

### **VIII.6. Directions for Future Research**

Poverty reduction strategy of Government of Kerala, Kudumbashree is a model which is complete and unique in all its way. The future is bright and there is tremendous scope to investigate and study in all 999 Grama Panchayaths it has adopted. Every village and Municipality has a story to share. There are several areas in Kudumbashree to be explored. To learn and experience micro finance, micro enterprises, IT, Social services like clean Kerala, Destitute rehabilitation programme like Ashraya, Bala Sabha for children's empowerment, buds – special school for mentally retarded children, Bhavanashree, Haritashree and several upcoming programmes for women and youth will enhance and enrich researchers who would like to continue their research in this area.

### **VIII.7. Conclusion**

This empirical study based on Kerala Poverty Eradication model Kudumbashree, appraised the model with positive and negative impact and concluded it as a programme which truly empowers women in Kerala. The study suggests a model designed as per the views and opinion based on the findings and discussion held with Kudumbashree officials at Panchayath level. The study is conducted in Thrissur district of Kerala and has taken three Grama Panchayaths. The findings cannot be generalised since it is a micro study. The inferences from the study indicate that Kudumbashree's attempt in empowering women of Kerala has been achieved to larger extent. But it is time to move on from these achievements. The issue now is one of sustainability – the sustainability and, better still, augmentation of these achievements, which are premised on continuous efforts in maintaining good governance. Given the strains that such a pro-poor policy is placing on the economy, it is time to move towards increasing the size of the pie in order to see that poverty alleviation efforts are sustainable.

### **VIII. 8. References**

1. Chen Greg, Rasmussen Stphen, Xavier Reille (2010), “Growth and Vulnerabilities in Microfinance”, CGAP, No.61, February 2010, Washington.
2. Collins, Daryl, Jonathan Morduch, Stuart Rutherford, and Orlanda Ruthven. (2009), “Portfolios of the Poor: How the World’s Poor Live on \$2 a Day”, Princeton, N.J.: Princeton University Press.
3. Dhanya M B and Sivakumar P (2010), “Women Empowerment and Micro Finance: Case Study from Kerala”, Munich Personal RePEc Archive,

retrieved from <http://mpra.ub.uni-muenchen.de/25337/> accessed on February 2012.

4. Edward Manoj, Zakkariya K. A., (2007), “Relevance of Social Marketing in Kudumbashree”, International Marketing Conference on Marketing and Society, Research Papers Part I.
5. Emil Mathew (2005), “A Study of Micro-finance Groups in Wayanad District, Kerala”, Institute for Social and Economic Change, Bangalore.
6. John Jacob (2009), “A Study on Kudumbashree Project A Poverty Eradication Programme in Kerala Performance, Impact and Lessons for Other States”, Kerala Development Society, New Delhi.
7. Krishnan C (2009), “Role of Microfinance in Women Empowerment: A Study of Selected Experiments in Kerala”, The Microfinance Review Vol. 1 No. 1, January–June 2009 Bankers Institute Of Rural Development, Lucknow, India.
8. Kudumbashree (2009), Annual Report 2009-2010, Thiruvananthapuram, Kerala, India.
9. Kudumbashree (2011), “Kudumbashree Mission Hope” Thiruvananthapuram, Kerala, India.
10. Rhyne, Elisabeth (2001), “Mainstreaming Microfinance: How Lending to the Poor Began, Grew and Came of Age in Bolivia.” Kumarian Press.
11. Siwal B.R. (2009), “Gender Framework Analysis of Empowerment of Women: A Case study of Kudumbashree Programme of Kerala”, National Institute of Public Cooperation and Child Development, New Delhi. Retrieved from <http://ssrn.com/abstract=1334478>, accessed on January’2010.
12. [www.kudumbashree.org](http://www.kudumbashree.org)