



Self help group and women employability and entrepreneurship

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Self Help Groups -What are SHGs?

- Self-help Groups (SHGs) are informal associations of people who come together to find ways to improve their living conditions. They are generally self-governed and peer-controlled.
- They are groups of 10-20 people in a locality formed for any social or economic purposes
- People of similar economic and social backgrounds associate generally with the help of any NGO or government agency and try to resolve their issues, and improve their living conditions.
- Most of the SHG's are formed for the purpose of better financial security among its members. SHG's can exist with or without registration.
- Self help groups are India's most powerful conduits for incubating and empowering women to move from subsistence to sustainability.



Self help groups: women become the change they want to see in the world

The emergence of Self Help Groups – Origin and Development in India

- In India SHG's first emerged within the mysore resettlement and development agency(MYRADA) in 1985
- Even before there were small efforts at self organizing. For example self employed women's association(SEWA) in Ahmedabad working with poor, self employed women in the informal sector. SEWA tried to help these women get work,income and food security. Ela Bhatt, who formed SEWA organized poor and self employed women such as weavers, potters, hawkers and others in the unorganised sector with the objective of enhancing their income.



The history of SHG's can be broadly studied in two phases:

Phase 1(1987-1992)

in this phase, NABARD was the main agency for helping out SHGs. NABARD undertook measures to assist MYRADA through a grant of INR 1 million in 1987. It then helped other NGOs involved in promoting SHGs. In 1992, the RBI accepted the SHG model as an alternative credit option.

Phase 2(1992-present)

In this second phase, the linkage of SHGs and banks was done, with the unstinting support of RBI as well as IFAD. By March 2005, credit had been extended to about 1,628,456 SHGs with a cumulative membership of about 24 million families.

Evolution Stages of Self Help Groups in India

Every Self-help group usually goes through 3 stages of evolution stated below:

1. Formation of group
2. Funding or Formation of Capital
3. Development of required skills to boost income generation for the group

Many self-help groups are formed with the assistance of Self- help to promote agencies.

The various types of Self-help promoting agencies are stated below:

1. Non-governmental agencies
2. Government
3. Poverty management programmes
4. State & commercial banks
5. Microfinance institutions
6. SHG Federations
7. SHG leaders/Entrepreneurs



Objectives of self help group

Self-help groups work to achieve several objectives collectively as well for its members individually which are as follows:-

- To develop the habits of saving and banking among the members
- To ensure the availability of loan for productive purposes
- To help the members uplift their economic status and gain economic prosperity through credit facilities
- To secure the members from financial, moral and Technical strengths
- To initiate a group feeling among the members and enhance the confidence and capabilities of them
- To instil the values of collective decision making and problem-solving among the members

- To sensitize the women of the rural and urban poor areas and its relevance in their strengthening of the status
- To make them learn the organisation and management of finance and distribution of benefits
- To motivate the members, especially women, to take up the social responsibilities related to the development
- To develop a forum for the members to provide them with space and support for each other



Features of Self Help Groups

- 1.The motto of every group members should be “saving first – credit latter”
- 2.Self Help Group is homogeneous in terms of economic status.
- 3.The ideal size of a Self Help Group ranges between 10 and 20 members.
- 4.The groups need not be registered.
- 5.Groups are non-political, voluntary associations and follow a democratic culture.
- 6.Each group should have only one member from one single family.
- 7.A group is to be formed with only men or only with women.
- 8.Self Help Group holds weekly meetings mostly during non-working hours, and full attendance is made mandatory for better participation.
- 9.The groups have transparency among themselves and they have collective accountability in respect of financial transactions.
- 10.Every group provides a platform to its members for exchange of their views and ideas freely.

What is the need for Self-Help Groups (SHGs)?

Self-help groups have significantly emerged as a powerful way to uplift the social and economic status of the rural and poor population.

They are strongly needed in the current scenario due to the following reasons:-

- To make the **rural population accessible and available with the credit and financial services**. Inadequate resources and lack of knowledge restricts them from availing the complete benefits of the same.
- To take **collective action against breaking the chain of poverty**. Individually, the rural and urban poor problems cannot be solved and eradicated.
- **Develops a sound community network in the villages**. Self-help groups have been increasingly recognised as one of the most crucial elements resulting in credit linkage in the rural areas.

- **It helps in poverty alleviation** as it makes the rural and urban poor people access to the credit facilities of the bank.
- To help the members of the group **obtain financial Independence** through self-employment opportunities and facilities.
- **To improve the literacy levels**, better family planning and better Healthcare system for the members of self-help groups and other people belonging to the rural areas and similar backgrounds
- **To develop and build social capital for the women** belonging to the poor socio-economic background by empowering them and furnishing them with a greater voice in the society

What are the functions of Self-Help Groups?

The members of self-help groups perform various functions. These functions ensure the successful and long-running of the groups. They have the responsibility to perform the following functions:-

- 1. Developing and enhancing the decision making capacity of members.**
- 2. Increasing general awareness on literacy among members.**
- 3. Equipping the poor with basic skills for understanding monetary transactions.**
- 4. Maintaining books and registers to ensure proper accounts.**
- 5. Providing necessary training in the chosen field.**
- 6. Submitting the accounts for annual audit by a qualified auditor.**
- 7. Deciding the loan amount to be sanctioned to the group members.**

Advantages of Self Help Groups

- Financial Inclusion Voice to marginalised
- Social Integrity
- Gender Equality
- Pressure Groups.
- Enhancing the efficiency of government schemes
- Alternate source of livelihood/employment
- Impact on healthcare and housing
- Banking literacy

Problems of Self Help Groups (SHGs)

- Need for extending this idea into the poorest families, which is not necessarily the case at present.
- Patriarchal mindset prevailing which prevents many women from coming forward.
- There are about 1.2 lakh branches of banks in rural areas as opposed to 6 lakh villages in the country. There is a need to expand banking amenities further.
- Sustainability and the quality of operations of such groups have been questionable.
- There is a need for monitoring cells to be established for SHGs across the country.
- The SHGs work on mutual trust. The deposits are not safe or secure.

- Too much dependence on government and NGOs: Many SHGs are dependent on the promoter agencies for their survival. In case these agencies withdraw their support, the SHGs are vulnerable to downfall.
- Lacks qualified facilitator: The facilitators do not have professional training with regard to organising SHGs.
- Lacks up-gradation of skills: Most SHGs are not making use of new technological innovation and skills. This is because there is limited awareness with regards to new technologies and they do not have the necessary skills to make use of the same. Furthermore, there is a lack of effective mechanisms that promote skill development in rural areas.
- SHGs are run by non-professionals: There is no professionalism within the SHGs. This does not promote the expansion and improvement of the SHGs. This does not allow for the increase of wages of the members and improvement in their living conditions. This also leads to errors in accounting and mismanagement of the funds

SHGs in Tamil Nadu

- In Tamil Nadu, Tamil Nadu Corporation for Development of Women Limited (TNCDW) was established in the year 1983 with the prime objective of socio economic development and empowerment of rural women. The Government of Tamil Nadu spearheaded the Self Help Group concept in the country by forming SHGs in Dharmapuri district with the assistance of International Fund for Agricultural Development (IFAD) in September 1989. The success of the IFAD project paved way for the now popularly called “Mahalir Thittam” project, which was launched during 1997-98 with the State Government funding and was progressively extended to all the 30 districts. The SHG movement has now emerged as a powerful and vibrant movement illuminating the lives of many poor women in the state.

Sr No.	State Name	Districts Count		Blocks Count		SHGs Count		
		Total Districts	Number of Districts where SHGs entry has started	Total Blocks	Number of Blocks where SHGs entry has started	Total Number of SHGs	SHGs with less than 5 Members	SHGs with more than 20 members

State Name

1	ANDHRA PRADESH	13	13	662	662	8,20,012	2,198	1
2	ASSAM	33	33	219	219	3,09,602	3	0
3	BIHAR	38	38	534	534	10,03,145	14	0
4	CHHATTISGARH	28	28	146	146	2,10,090	424	0
5	GUJARAT	33	33	248	248	2,60,560	265	0
6	JHARKHAND	24	24	263	263	2,74,183	6	6
7	KARNATAKA	31	31	226	226	2,20,698	564	0
8	KERALA	14	14	152	152	2,50,989	138	1,741
9	MADHYA PRADESH	52	52	313	313	3,67,788	355	0
10	MAHARASHTRA	34	34	351	351	5,55,989	299	0
11	ODISHA	30	30	314	314	5,01,289	768	0
12	RAJASTHAN	33	33	352	352	2,15,047	124	0
13	TAMIL NADU	37	37	388	388	2,90,284	463	0
14	TELANGANA	32	32	542	536	4,26,620	847	0
15	UTTAR PRADESH	75	75	827	827	5,94,204	1,723	0
16	WEST BENGAL	22	22	342	342	9,51,169	1,452	0
Sub Total		529	529	5,879	5,873	72,51,669	9,643	1,748

NORTH WEST STATES

1	HARYANA	22	22	141	140	50,802	59	0
2	HIMACHAL PRADESH	12	12	87	87	34,824	105	0
3	JAMMU AND KASHMIR	20	20	125	112	61,473	84	0
4	PUNJAB	23	23	153	122	31,723	16	0
5	UTTARAKHAND	13	13	95	95	36,952	41	0
Sub Total		90	90	601	556	2,15,774	305	0

NORTH EAST STATES

1	ARUNACHAL PRADESH	25	22	114	60	4,552	15	0
2	MANIPUR	16	10	70	25	3,741	2	0
3	MEGHALAYA	11	11	46	46	39,818	8	0
4	MIZORAM	11	11	26	26	7,773	5	0
5	NAGALAND	11	11	74	74	12,568	14	0
6	SIKKIM	4	4	33	33	5,252	5	0
7	TRIPURA	8	8	58	58	34,088	86	0
Sub Total		86	77	421	322	1,07,792	135	0

UNION TERRITORIES

1	ANDAMAN AND NICOBAR	3	3	9	9	1,041	0	0
2	GOA	2	2	12	12	3,390	0	0
3	LADAKH	2	2	31	8	514	0	0
4	LAKSHADWEEP	1	1	10	7	318	0	0
5	PUDUCHERRY	2	2	3	3	3,566	0	0
6	THE DADRA AND NAGAR HAVELI AND DAMAN AND DIU	3	3	3	3	724	0	0
Sub Total		13	13	68	42	9,553	0	0
Grand Total		718	709	6,969	6,793	75,84,788	10,083	1,748

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Any loan waiver schemes for SHG's?

Self Help Groups' loans will be waived, women's welfare key in DMK regime: MK Stalin

A Subburaj / TNN / Feb 20, 2021, 19:14 IST

COIMBATORE: DMK president [MK Stalin](#) said the party will waive the loans of [Self Help Groups](#) (SHGs) availed from the [Primary Agricultural Credit Society](#) (PACS) when the party comes to power. He added that the SHGs will also be revived by the DMK government.

Official apathy costs SHG members loan waiver?

However, the authorities are claiming that they received the cheque only on February 14.



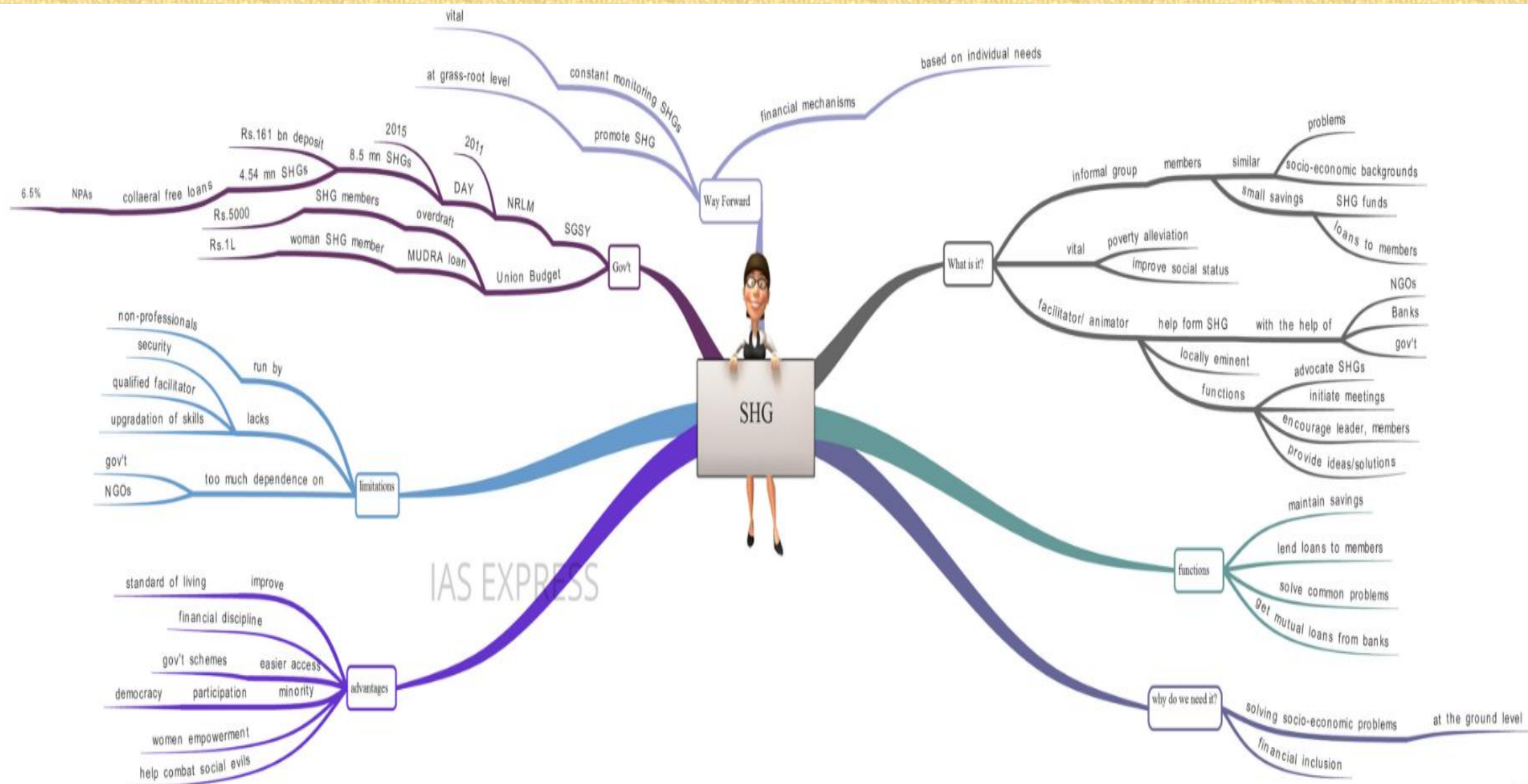
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THOOTHUKUDI: Even though the Chief Minister announced loan waiver benefits for women self-help groups, members of a Self-Help Group in the district have failed to avail of the benefits. The reason: alleged apathy of bank officials.

Angered, the members besieged Thoothukudi district cooperative central bank in Ettayapuram. They claimed that even though they submitted the cheque valued `60.80 lakh, which was given to them by State Cooperation Minister Sellur Raju, last month, the bank did not credit it. Had they taken action within time, the SHG members would have been a happy lot now, they added.



Self-help groups play a big role in the empowerment of women

Collateral-free micro-loans offered by SHGs are among our most vital tools for women to achieve socio-economic self-reliance

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," said Mahatma Gandhi in Young India (1930). Nearly a century has passed, and despite the multidimensional growth that India has achieved since, his concerns remain relevant even today

Although women constitute almost half of India's population of 1.2 billion, they are largely excluded from participating in economic activities and decision-making, as well as access to resources of health, nutrition, education, etc. This exclusion and discrimination is reflected in low female labour force participation rates, with India recording a meagre 22.3% in 2021 in comparison with 30.3% in 1990.

Even though working women account for approximately 432 million, about 343 million are not in paid formal job roles or work. An estimated 324 million of them are not in the labour force; and another 19 million are part of the labour force but not employed.

To overcome social stigmas around employment and give women the agency to break out of the shackles of subordination, entrepreneurship is an innovative and simple tool. To boost the participation of women in the entrepreneurship ecosystem, the government has introduced a plethora of schemes, such as the Mudra Yojana, Udyogini Scheme, Annapurna Scheme and Stand Up India.

In such a scenario, self-help groups (SHG) can act as a bridge between women entrepreneurs who have the will to begin an enterprise but do not have the resources to fulfil their dream, and the finances needed for it. SHGs have already made a significant contribution in developing entrepreneurship aptitudes among rural women by enhancing their skills and giving them a chance to engage in various entrepreneurial activities

SHGs provide women entrepreneurs with micro-loans to sustain their businesses, while also creating an environment for them to develop greater agency and decision-making skills. The SHG movement began in the 1980s, when several non-government organizations mobilized and organized poor communities in rural areas and offered them formal channels for social and financial support.

This programme gained momentum with the National Bank for Agriculture and Rural Development linking a small number of such groups with banks. Called the Self-Help Group Bank Linkage Programme

- SHGs provide women entrepreneurs with micro-loans to sustain their businesses, while also creating an environment for them to develop greater agency and decision-making skills.
- In India, the SHG movement began in the 1980s, when several non-government organizations mobilized and organized poor communities in rural areas and offered them formal channels for social and financial support
- This programme gained momentum with the National Bank for Agriculture and Rural Development linking a small number of such groups with banks Called the Self-Help Group Bank Linkage Programme, this revolutionary initiative connected group members, many of whom had never had a bank account before, to formal financial services in a sustainable and scalable manner

- In Maharashtra, specifically, the concept of SHGs goes way back to 1947, when a few women of Amravati district established an SHG with just 25 paise.
- Today, apart from being a conduit for credit in the state, SHGs also deliver services ranging from entrepreneurial training, livelihood promotion and community development for women entrepreneurs.
- SHGs such as Mahila Arthik Vikas MahilaMandal, UMED Abhiyan under Maharashtra's department of rural development's State Rural Livelihood Mission, and government schemes such as Tejaswani, etc, have proven beneficial in the development of women entrepreneurship for the cause of women's empowerment.
- A study conducted by Ashwini Deshpande and Shantanu Khanna in 2020 reported that SHGs in Maharashtra have had a strong impact on a range of indicators related to women's empowerment in the state, including political participation, knowledge of administration, financial literacy, mobility and decision-making.

- In Maharashtra alone, 527,000 SHGs have had a role to play in accounting for over 50% of all women-led small-scale industrial units in India, which shows that SHGs can lead to the holistic development of women entrepreneurship.
- Self-help groups are exceedingly relevant today because their provision of micro-loans helps overcome regional imbalances as well as information asymmetries, thus offering a level playing field in terms of access to resources for women.
- The multi-faceted IFMR study conducted by the ministry of rural development evaluated the impact that SHGs have had on livelihoods, and thereby on consumption, expenditure and savings patterns in households whose women are part of it. The study found that women aided by SHGs were 10% more likely to save on a regular basis, resulting in economic empowerment, while working towards a better future for the next generation.

- The revolutionary momentum that SHGs have created has given women an important sense of self-assurance in their journey to become aatmanirbhar or self-reliant. Observing the crucial role they play, corporations and foundations globally have designed SHG-led programmes to help women achieve economic empowerment.
- With mortgage-free micro-loans at the core of the trust that SHGs build with their beneficiaries, they are one of India's most important tools for women to achieve socio-economic self-reliance.

What is Self- Help Group (SHG) -Bank Linkage Programme?

- A major effort to provide banking services to the weaker and unorganised sector was the Bank Self Help Group Linkage Programme that was launched in early 1990s. The programme was started at the initiative of NABARD in 1992 to link the unorganised sector with the formal banking sector.

Working of the programme

Under this programme, banks were allowed to open savings accounts for Self-Help Groups (SHGs).

Banks provide loans to the SHGs against group guarantee and the quantum of loan could be several times the deposits placed by such SHGs with the banks. Banks should consider entire credit requirements of SHG members, namely,

- (a) income generation activities,
- (b) social needs like housing, education, marriage, etc. and
- (c) debt swapping”

- Lending to SHGs should be included by the banks as part of their lending to the weaker sections. As per the RBI's latest (May 2016) Priority Sector Lending norms, bank credit to members of SHGs is eligible for priority sector advance under respective categories viz., Agriculture, Micro, Small and Medium Enterprises, Social Infrastructure and Others.
- The recovery rates of loans are good and banks have found that the transaction cost of reaching the poor through SHGs is considerably lower rather than direct lending by the bank.

Savings and lending under SHG linkage

- According to NABARD as on 31 March 2014, there were around 74.30 lakh savings-linked SHGs, covering over 9.7 crore poor households. The total savings of these SHGs with banks amounted to Rs 9897 crore. The number of credit-linked SHGs under the programme was around 42 lakhs.
- The initial phase of SHG movement saw concentration of SHGs in the southern parts of the country, but now the SHGs have spread more to the eastern and northeastern regions where the extent of financial exclusion is greater. The Government of India has also been using the SHGs for subsidy-linked credit schemes for the poor. NABARD offers grant assistance to NGOs that promote SHGs and link them to banks.

SHG-Bank Linkage Programme

When?

launched in 1992

What, Why?

A major effort to provide banking services

to the weaker and unorganised sector

by linking

unorganised sector

formal banking sector.

Who?

initiative of NABARD

How?

banks allowed to open savings accounts

for SHGs

Bank credit to SHG members

eligible for

priority sector advance under respective categories viz.,

Agriculture,

Micro, Small and Medium Enterprises,

Social Infrastructure and others.

Self Help Group Case Study – Kudumbashree Community Network in Kerala

Kudumbashree is essentially a community network that covers the entire State of Kerala.

- It consists of a three-tier structure:
 1. Neighbourhood Groups (NHGs) or *Ayalkoottam* – primary level units.
 2. Area Development Societies (ADS) – at the ward level.
 3. Community Development Societies (CDS) – at the local government level.
- Kudumbashree is the poverty eradication mission of the Kerala State Government. The foundation of the program is on women's network. Kudumbashree is arguably one of the largest women's networks in the world.

While the community network is formed around the central themes of poverty eradication and women empowerment, its main features include democratic leadership and support structures formed from the 'Kudumbashree family'.

Skill development and training under kudumbashree

- **ARISE (Acquiring Resilience and Identity through Sustainable Employment) Skill Campaign**

As part of post flood activity for resurgent kerala , a livelihood survey was conducted on 28th & 29th of October 2018 and identified the skill gap of Kerala. Based on the survey we could find the skill gap and started a skill campaign.

ARISE (Acquiring Resilience and Identity through Sustainable Employment), the skill campaign of Kudumbashree started from 15th December 2018 to 31st March 2019. The aim of this programme is to provide skill training to 50000 candidates in 10 selected areas. It includes House Keeping, Housemaid, Plumbing, Electronic Repair, Electrical Work, Day Care, Agriculture Labour, Sales, Data Entry and Laundry & Ironing.

- **NULM : EMPLOYMENT THROUGH SKILLS TRAINING & PLACEMENT (EST&P)**

The Employment through Skills Training & Placement (EST&P) Component under NULM is designed to provide skills to the unskilled urban poor as well as to upgrade their existing skills. The program will provide for skill training of the urban poor to enable them setting up self-employment ventures and for salaried jobs in the private sector. The mission will ensure placement for 70% of the successfully trained candidates.

what benefits does DAY-NULM offer under the EST&P component?

- The entire cost of training per candidate along with travel allowance would be funded under DAY-NULM.
- The trained candidates would be accessed and certified by a competent certifying agency which has acceptability in the industry. It would be ensured that these certificates would be considered as valid document for application of Enterprise loans from banks.
- To provide an asset to the urban poor in the form of skills for sustainable livelihood. Apart from basic skills training course modules would include soft skills, financial literacy and information on other government schemes.
- To increase the income of urban poor through structured, market-oriented certified courses that can provide salaried employment and / or self-employment opportunities which will eventually lead to better living standards and alleviation of urban poverty on a sustainable basis
- Ensure inclusive growth with increased contribution of skilled urban poor to the National Economy.

OVERVIEW

HISTORY & BACKGROUND

LOCAL GOVERNMENT INTERFACE



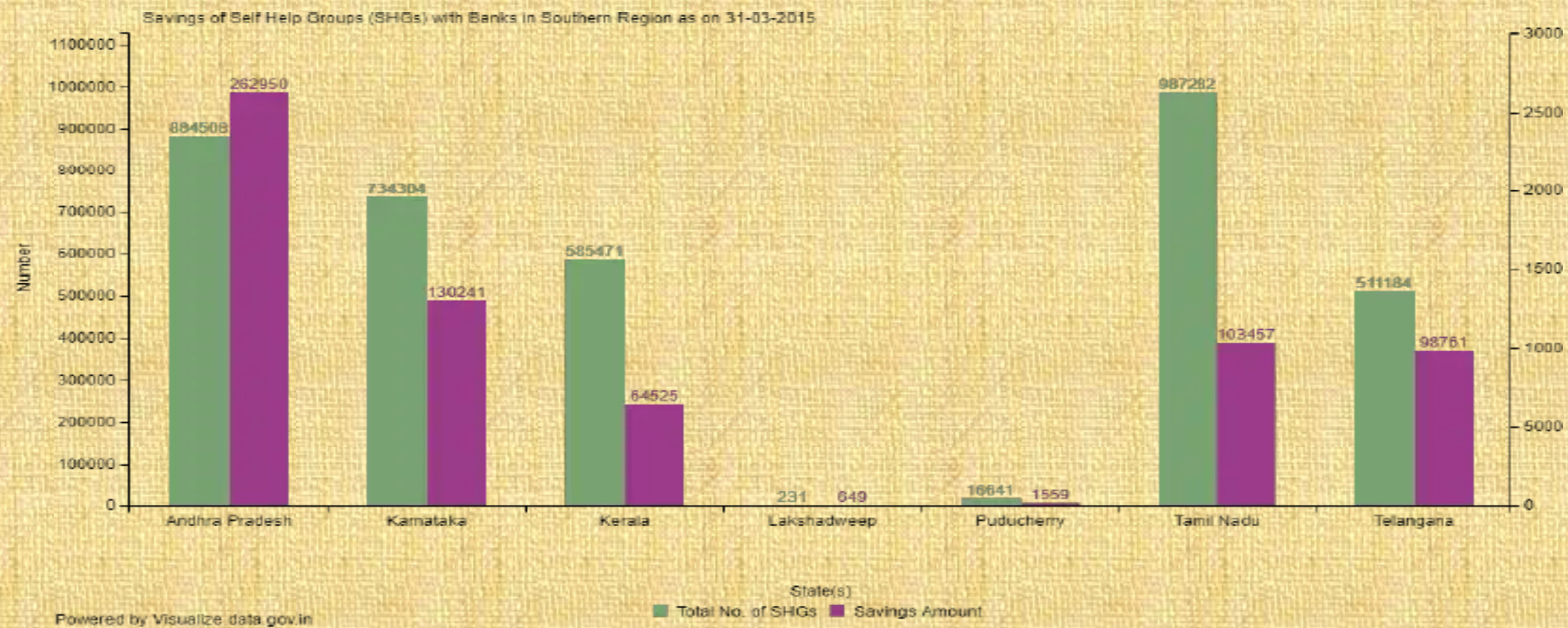
Kudumbashree, the Kerala State Poverty Eradication Mission was launched on 17th May 1998 inaugurated by the Prime Minister, Shri Atal Bihari Vajpayee. The Mission aims to eradicate absolute poverty within a definite time frame of 10 years under the leadership of Local Self Governments formed and empowered by the 73rd and 74th Amendments of the Constitution of India. The Mission launched by the State Government with the active support of Government of India and NABARD has adopted a different methodology in addressing poverty by organizing the poor in to community-based organizations. The Mission follows a process approach rather than a project approach. Kudumbashree, a community organization of Neighborhood Groups (NHGs) of women in Kerala, has been recognized as an effective strategy for the empowerment of women in rural as well as urban areas: bringing women together from all spheres of life to fight for their rights or for empowerment. The overall empowerment of women is closely linked to economic empowerment. Women through these NHGs work on a range of issues such as health, nutrition, agriculture, etc. besides income generation activities and seeking micro credit. Kudumbashree differs from conventional programmes in that it perceives poverty not just as the deprivation of money, but also as the deprivation of basic rights. The poor need to find a collective voice to help claim these rights. Kudumbashree was conceived as a joint programme of the Government of



PMAY	NRLM	NULM	DDU-GKY	MKSP	NRO	SVEP	ATTAPPADY	COVID-19
1,02,229	2,46,490	56,062	1,17,247	3,49,875	20	25,713	9,433	COVID-19
Houses	NHGs	NHGs	Sklting	Farmers	States	Enterprises	Families	Activities

Comparison between SHGs in Kerala and Tamil Nadu

NABARD estimates that there are 2.2 million SHGs in India, representing 33million members that have taken loans from banks under its linkage program to date. This does not include SHGs that have not borrowed



- In 2013, it was observed that **Tamil Nadu** had 98,410 SHGs, whereas, **Kerala** only had 21,012 – almost 1/5th.

	Kudumbashree in kerala	Mahalir thittam in tamilnadu
structure	<p>kudumbashree has a three-tier structure for its women community network as follows:</p> <ul style="list-style-type: none"> • Neighbourhood Groups (NHG) at the lowest level • Area Development Societies (ADS) at the middle level • Community Development Societies (CDS) at the local-government level 	<p>In Mahalir Thittam, federations of SHGs are formed at Village Panchayat Level called Panchayat Level Federation (PLF).</p> <ul style="list-style-type: none"> • Panchayat Level Federation (PLF) • Cluster Level Forum (CLF) • Slum Level Federation (SLF)
Activities	<ul style="list-style-type: none"> • Mahila Kisan Sashaktikaran Pariyojana (MKSP) • kudumbashree Micro Enterprises: There are special micro enterprises that have been specifically sponsored and developed by the Kudumbasree Mission. Some of them are as follows: <ul style="list-style-type: none"> I. Santhwanam II. Café Kudumbashree • Asraya Beneficiary • Special Intervention in Tribal Areas 	<p>Skill Training for Youth: With this objective in mind, TNCDW imparts skill training to almost 25,000 youth every year through reputed industrial houses and institutions like MRF, NOKIA, and Saint Gobain among others</p> <p>Health Activities: District Rural Development Agency (DRDA) and the Tamil Nadu Corporation of Development of Women Ltd. Conducts health programmes for the women Self-Help Group members</p>

Training	<p>The Mission fulfils this objective by providing necessary handholding support in the form of trainings and providing required resources to its various stake holders. As the Mission's activities are varied, the type of trainings offered and services its renders too varies. The Kudumbashree network and the Kudumbashree entrepreneurs are capacitated at different levels as per the requirements .These Community Training Groups takes the form of:</p> <p>KAASS: the Accounting and Auditing team of the Kudumbashree network to provide microfinance literacy</p> <p>EKSAT:for conducting entrepreneurship development</p> <p>MECs: the master trainers for Kudumbashree livelihood development programmes</p> <p>AIFRHM: specialized training groups that caters to the requirements of special livelihood programmes.</p>	<ul style="list-style-type: none"> • The hallmark of the SHGs promoted by Mahalir Thittam is the systematic training provided to the SHG members and the office bearers • All the SHG members are imparted training in 4 modules for 4 days to orient them to the SHG concept • The office bearers of the SHGs (Animator and Representatives) are given training in 3 modules for 6 days. • This training enhances the leadership quality, team building spirit, and capacity to maintain books of accounts • SHG members who are interested in starting economic activities or develop skills to get self-employment are provided skill training and entrepreneurship development training. The skill training includes a 5 day capsule on entrepreneurial development • Vocational programmes are also conducted by to teach skills such a soap-making, stitching, cooking etc

Major differences at a glance

- From the point-of-view of Demographics, there are major differences between the 2 states of Kerala and Tamil Nadu. Tamil Nadu has almost double the population of Kerala. This could account for the increased membership in SHGs in Tamil Nadu. However, Tamil Nadu has a 30% female work participation rate, as compared to Kerala's 15%. Kerala on the other hand overtakes Tamil Nadu in terms of literacy rate and life expectancy at birth. Keeping this in mind let's look at the major differences between SHGs in Kerala vs Tamil Nadu, with respect to Kudumbashree and Mahalir Thittam.

Basis	Kerala	Tamil Nadu
Initiative	SPEM.	DRD
Members	43,06,976 women	59,00,000 women
Membership	Open to all women	BPL women.
Training	Own institutions	Reputed third-party trainers
Reservation	President or Secretary has to be BPL.	-Disabled persons. - 50% of groups in each block should be for women

According to 2018 statistics

Way Forward for Effective Self-Help Groups

1. The Government should create a supportive environment for the growth and development of the SHG movement. It should play the role of a facilitator and promoter.
2. SHG Movement should be expanded to Credit Deficient Areas of the Country – such as Madhya Pradesh, Rajasthan, States of the North-East.
3. Financial infrastructure should be expanded (including that of NABARD) by adopting extensive IT-enabled communication and capacity building measures in these States.
4. Extension of Self-Help Groups to Urban/Peri-Urban Areas – efforts should be made to increase income generation abilities of the urban poor as there has been a rapid rise in urbanization and many people remain financially excluded.
5. Government functionaries should treat the poor and marginalized as viable and responsible customers and as possible entrepreneurs.
6. SHG monitoring cell should be established in every state. The cell should have direct links with district and block level monitoring system. The cell should collect both quantitative and qualitative information.
7. Commercial Banks and NABARD in collaboration with the State Government need to continuously innovate and design new financial products for these groups to meet their needs.



THANK YOU!