

# Self Help Groups, Poverty Alleviation and Empowerment

# Backdrop

- Environment for ensuring 'spread effect of growth' emphasized during 90s.
- Concept of women's groups (Sangams) existed from 80s. NGOs drew on experience of Left movements and Anti-arrack movement.
- Andhra Pradesh adopted DWCRA (Development of Women and Children in Rural Areas) model for APDPIP (Dist. Poverty Initiative Program) and APRPRP (Rural Poverty Reduction Program)
- Organizing women around thrift and credit services is a very effective method for alleviating poverty and empowering women

# Vision of Andhra Pradesh

- Each family in the state should be out of poverty, and, enjoy-
- Life with dignity, voice
- Intra family equity equal status for women
- Freedom from hunger
- Decent Income gtRs.5000 per month, 3 - 4 sources
- Planned household expenditure
- Risk management - life, health, assets and incomes
- Education, health and shelter

# Our core beliefs about Poor

- Poor have a strong desire and innate ability to come out of poverty
- Poor have a strong sense of self-help and volunteerism
- Obstacles psychological, social, economic, political - suppress their innate capability
- Social mobilization to unleash their innate abilities
- Poor can come out of poverty only through their own institutions

# Genesis of A.P program

- A long term strategy for poverty eradication
- Women S.H.Gs in A.P mass literacy campaigns from 1990 - 95 - initiative of District Collectors
- Simultaneously N.G.Os fostering S.H.Gs
- N.A.B.A.R.D directions to banks to finance S.H.Gs in 1992
- S.A.A.R.C Colombo Summit 1992
- First Independent South Asia Commission on Poverty Alleviation - 1993 (Meeting the challenges)
- S.A.A.R.C Dhaka Summit 1993

# Critical role of Govt. of A.P.

- UNDP-SAPAP Project (1995 2000)
- Scaling up SAPAP - World Bank fund support (2000 continuing)
- Setting up of S.E.R.P
- District level initiatives of Collectors
- Support from all line departments
- Strong and sustained commitment of successive Chief Ministers of A.P to this process
- Govt vision to cover each and every poor family in the state

# Role of S.E.R.P

- Sensitive support organization for the poor
- Autonomous society, set up by Government in 2000
- Chief Minister Chairman of General Body of S.E.R.P
- Statewide mandate
- firm conviction in the capability of poor, and, in organizations of the poor

# S.E.R.P mission

- To induce social mobilization
- To provide facilitation support to institutions of poor
- To sensitize all line departments to be inclusive of the needs of the poor
- To sensitise banks, insurance companies, and other service providers



# C.B.Os implement the project Zilla Samakhya

- Mandal Samakhyas and V.Os plan and implement the various
- project components
- Each Mandal is divided into three Clusters of 10-12 habitations.
- A development professional, called Community Coordinator (CC) is placed in each Cluster. S/he stays in her cluster.
- SERP selects and trains them. After completion of training, they are contracted by the MS and are accountable to MS.
- M.S responsible for social mobilisation, institution building and funding the microplans of S.H.Gs/V.Os from C.I.F
- Micro credit plans are evolved by the S.H.Gs in each village. These plans are funded by their own savings, CIF fund and Bank Linkage.
- V.Os responsible for appraising the microplans and recommending them to M.S for financing from C.I.F
- V.Os appraise microplans and also finance them from the recycled C.I.F
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# Rationale for promoting SHG Federations

Poverty elimination is the goal of the SHGs

- Poverty is eliminated only through multi-pronged initiatives
- SHGs individually can not handle the multi-pronged approach to poverty elimination
- Hence the Federations

# SHG Federations at a Glance in AP

- 7.42 lakh SHGs covering 90.58 lakh women
- SHGs federated into 16,236 Village Organisations (VOs) at village level
- Village Organisations Federated into Mandal Samakyas at Mandal level
- Mandal Samakyas federated into 13 Zilla Samakyas in each of the 13 Districts in AP
- SHG Federations actively involved in wide range of poverty elimination initiatives

# Structure Of Village Organization

## Activities of Village Organization

- Identification of left over Poorest of the poor  
Poor Formation of new SHGs
- Promotion of SHGs
- Monitoring of the performance of SHGs
- Supporting SHGs in Problem solving Conflict resolution
- Training SHG bookkeepers on Bookkeeping
- Conducting Audit of SHG books of accounts
- Till now 2.95 lakh new SHGs are promoted and 1.1 lakh SHG bookkeepers are trained by VOs

# Activities of Village Organisation

- Financial intermediation
- Supporting SHGs in preparing Micro Credit plans
- Prioritization of Loans
- Disbursement and recovery of Community Investment Fund (CIF)
- Establishment of Community Based Recovery Mechanism (CBRM)
- Facilitates SHG bank linkage ensures 100 % repayment

# Activities of Village Organisation

- Assists the SHGs in dealing with social issues
- Management of Health savings, health risk fund, nutrition cum day care centers and pre-primary schools 1.17 lakh members health savings Rs. 78 lakh Rs. 18 crs as Health risk fund established 200 nutrition and day centers
- Organised 1,95,435 differently abled persons into 21,546 SHGs
- Establishment of social action committees and family counseling centers for dealing gender issues In 229 Family counseling centers 293 cases are dealt in 602 mandals

# Activities of Village Organisation

- Enables SHGs to access all Govt Programs at village level
- Creating awareness on NREGS among SHG members wage labourers NREGS in getting job cards, opening post office/bank accounts, submitting application for work
- Developing labour demand land development MCPs
- Supporting SHG members in accessing Housing programe facilitating Bank loans, provision of materials ensuring the quality
- Disbursement of pensions

# Benefits of SHG models

- SHG movement created an institutional framework.
- Participation of women in SHGs improved their access to credit.
- Culture of thrift and disciplined loan repayment
- Winning confidence of mainstream financial sector as credit worthy institutions.
- Interest rates in the informal credit sector decreased.
- Consumption needs and certain production needs met.



# Problems

- Low levels of credit absorption, low skill base and low asset base.
- Interior and tribal villages have not benefited.

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# Gender Perspective of Empowerment

- No men in SHGs
- Resistance to women's entry in local market and political structures
- Family resistance to changing power relations
- Continuing need for improving quality of life: education, literacy, health, child care, household chores

# Empowerment through livelihood development: Problems

- Microfinance programmes assume men and women face same challenges.
- Management of household subsistence needs
- Adding to household income stream – ('work efficiency'; skills for home based activity etc,)
- Managing a small business
- Scaling up the small business