

Gender Framework Analysis of EMPOWERMENT OF WOMEN



GENDER FRAMEWORK ANALYSIS OF EMPOWERMENT OF WOMEN

**A Case Study of
Kudumbashree Programme**



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and Child Development**

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Foreword

Empowerment of women is a process of changing the existing power relations in favour of the women. It requires changes in knowledge, attitude and behaviour of not only women, but also of men and the society at large. It is a process of awareness and capacity building leading to greater participation, decision-making power and control, and to transformative action. Micro-credit is another potent tool contributing to women's empowerment; it has played an important role in improving the economic conditions of the poor as well as reducing their vulnerability through supporting asset building and increasing their negotiating abilities in maintaining the economic well-being of their families. Women's access to credit and savings can give rise to a series of interlinked and reinforcing 'virtuous upward spirals' of economic empowerment, improved awareness and self-confidence, and social and political empowerment. Getting cash into their hands women helps to increase women's self esteem. It translates into her control over a financial resource which, in turn, builds her economic empowerment, her voice and status within the family and, ultimately, with the community. Kudumbashree is a programme being implemented by Government of Kerala to empower women through micro-credit. Launched in 1992 on experimental basis to identify the poor and to redefine the nature and cause of poverty, the scheme aims at improving the living levels of the poor women in rural and urban areas. It seeks to bring the poor womenfolk together to form the grass root organisations to help enhance their economic security. The scheme aims at removing poverty among rural women households through setting up of micro-credit and productive enterprises. Under the scheme, activities such as micro-credit and micro-enterprises are undertaken by the locally formed groups of rural households.

The Kudumashree programme is a globally acknowledged model of poverty eradication and women empowerment at grass root level with the gender-sensitive environment and democratic process. The programme has been found quite effective for providing skill upgradation trainings, self-employment opportunities and infrastructural development. It gives necessary resource support and facilitates forward/backward linkages to promote micro-entrepreneurship among poor women.

The Institute undertook the case study of Kudumbashree, which examines the process of women empowerment through measures adopted under the scheme with focus on micro-credit and micro-enterprises development, how it helped in enhanced decision making and convergence of services at local level and how far gender issues have been incorporated in the programme. It seeks to examine the possibilities of replication of innovative practices adopted for capacity building and empowerment of women in other ongoing programmes.

I believe, this study will be useful for NGOs and government agencies to incorporate innovative aspects of Kudumbashree in their ongoing programmes." I acknowledge the contribution of Shri B.R. Siwal who has prepared this report based on his field investigations. I also express my thanks to Dr. Sulochana Vasudevan for providing guidance and suggestions for improving this case study. My thanks are also due to Shri HK Barthwal for editing and Shri AJ Kaul for printing of this document.



(A.K. Gopal)

Director

CHAPTER 1

INTRODUCTION AND METHODOLOGY

Introduction

Kerala is considered one of the most successful States in poverty reduction in the country. The success primarily due to public action in carrying out effective land reforms and providing all-round social infrastructure, particularly education and health. The 'Kerala model of development' is actively debated in many development fora. More recently, Kerala has embarked upon a path-breaking exercise in decentralised planning that has energised the vast rural masses and has shown remarkable results within a short time. Kerala seeks to achieve a breakthrough in poverty reduction through decentralisation of the state government and empowerment of women groups. These recent policy initiatives, including participatory planning, decision-making, and implementation, combined with fiscal devolution, are the primary components of the new Kerala model.

Gender Profile

In order to examine the impact of the Kudumbashree on empowerment of women, it is necessary to know the status of women in the State because same intervention may lead to different result based on the situation of women. In coming paragraphs an effort has been made to discuss the gender profile of women in Kerala. Kerala has got a unique character of having demographic transition long back, despite poor economic development. The State ranks 12 in the case of population among the different states of India, and has got the lowest population growth compared to other states of India. For the last 100 years Kerala has been maintaining a favorable female sex-ratio also.

Kerala's population density is 819/sq km. Kerala stands 3rd in density, Bengal being first and Bihar claiming the second position. The district of Alappuzha has the highest density of population followed by Trivandrum. Idukki has the lowest density, may be due to the geography. There is very little rural-urban difference in Kerala. In the case of urban centres also, Kerala stands unique, in that its urbanisation is based on population, not on industrialisation. Crude birth rate in Kerala was 17.5 in 1995, and 16 in 2001. The district of Malappuram has the highest birth rate with 24.71 followed by Kannur at 19.14. The lowest birth rate is in Pathanamthitta, 8.27. Malappuram has high rate of child marriages at 35.7.

The data shows that 65 percent of women in India marry before the age of 18 years. But in Kerala it is only 7 percent. The age at marriage in Kerala girls are 23.5 for women and 27 for men. The longevity of women reflects in the number of widows. For every 1000 widowers there are 762 widows. Life expectancy of women in Kerala is 73.62 and that of men is 68.23 during 2001. There is a rise in the life expectancy and this shows better health care system and standard of living. The Infant Mortality Rate (IMR) in Kerala is 16.

Maternal Mortality Rate (MMR) is minimal. There is a further decline in the population and fertility rates. MMR is very low and there is a further decline in MMR, which shows that access to hospitals, and post-natal care are still better in Kerala. Also the health awareness level is quite high. With an at marriage at 23 for girls, the childbearing age has also gone up accordingly. At the same time, unemployment rate is increasing in Kerala and opportunities for women in the employment market are further decreasing. Since most of the deliveries (97.3%) take place in hospitals and pre-natal and post-natal check-up is very regular MMR in Kerala are just 140 per one lakh deliveries. The low birth weight is also minimal.

When we compare the number of health indicators for males and females, we find that many of these favour girls and women as against boys and men. For example, the life expectancy at birth is 71 for men while it is 75 for women. The IMR was lower for girls (16.6/ 1000) than for boys (24.7/1000), and so was the child mortality rate: 4.5 for girls and 6.0 for boys. Morbidity indicators in children and adults also show an overall lower prevalence of morbidity in girls and women. The infant mortality rate for girls is lower than that for boys, the advantage is mainly in the neo-natal period. At the post neo-natal stage, girls had a higher mortality rate (6 per 1000) than boys (5.1 per 1000) in 2002 because the post neonatal period is influenced more by environmental factors as compared to the neonatal period, which is influenced by genetic factors and skilled attendance at birth.

Similarly, Kerala is the most literate state in the country with a literacy rate of 90.92 percent as against India's 65.38 percent according to 2001 Census report. Kerala's female literacy rate is 87.86 percent and male literacy rate 94 percent. Enrolment of girls is slightly lower than boys. High educational level reflects in the high political participation of women also. Women's participation in the political struggles is and was quite strong in Kerala, but women entering the power structure were a myth till recently. With the 73rd amendment great changes have taken place in Kerala too. Women's performance in the Local Self Governance was quite good in Kerala giving a new gender perspective to development issues.

Crime against Women: Reported offences are available under six categories of crime – Rape, Kidnapping and abduction, Dowry deaths, Cruelty by husband and relatives, Molestation and Sexual harassment. In the ascending order of total crime against women, Kerala ranks 24th among states/UTs. The suspicion that better

reporting of crime contributes to its rank is particularly strong when we consider Kerala, given the pervasive assumption that higher literacy levels and gender parity in the conventional sense would influence better reporting of crime. Reporting of crime is likely to be mediated by gender codes, which stigmatise women who have been raped or molested, but also by other factors, prominently the rigidity of the legal system and the intensity of crime. For long, Kerala was considered free of this crime in line with its matrilineal traditions and customary regulation of dowry among patrilineal groups. It is an indication of significant shifts in marriage practices that dowry deaths are being reported consistently in the state.

Divorce rates are high in Kerala. Kerala stands first in Asia in the case of divorces. Trivandrum district stands first with 1850 divorces having taken place during the year 2002. This trend could be seen as a positive factor. Women have started retaliating to the torture by the husband and seek divorce. Suicides in Kerala are steadily increasing. Though the number of men committing suicide is more, recent data show the number of women who committed suicide also has risen from 2227 to 2923. Girls commit suicide mainly because of failure in examination Female suicides comprise 29 percent of the total suicides committed in Kerala. However, the suicidal rate continues to be 29.6 for the last three years. Women's role in the public space is limited and that reflects in the suicidal rates also.

Employment and unemployment : The male work participation rate (WPR) in Kerala has increased from 42.22 percent to 50.4 percent i.e. by 8.18 percent within a span of 30 years but in the case of women it has increased only by 0.7 percent, whereas in India it has increased from 14.22 to 25.7. Out of the 82 lakh of main workers, women comprises of only 17 lakh, and out of 20 lakh marginal workers, women comprise only 7 lakh. Available data from the employment exchanges show that the number of unemployed is on the decline from 1999 onwards. Now, with the introduction of the thrift groups and neighbourhood groups there are small changes in the production sector.

Women's Property Rights: Ownership is logically a reliable indicator of women's property rights, it need not be a sufficient indication of the latter. Property in women's names could merely indicate a family arrangement, with no substantial bearing on women's ability to independently manage, transfer or decide who should inherit it. And yet intensely patrilineal/patriarchal societies have denied women substantial rights to inherit and control property, particularly immovable property. In order to develop a robust account of women's property rights, we need to think of gender disparity in ownership of property in association with the practices that regulate gender differentiated access and control over property. Existing patterns of gender-differentiated access are fairly long-term outcomes of practices that regulate control and transfer of property.

Social Reform, Gender and Family: Social reform involves a wide array of processes particularly modern education and employment, missionary intervention, public debate, mobilisation and campaign by reform-oriented organisations and individuals. The ideals of marriage/family cut across caste, class and religion in setting up a gender-based separation of spheres between the husband as the legal-economic protector of his wife and children and the wife as responsible for the home, supportive of her husband but his legal dependent. Social reform movements were centrally concerned with addressing caste indignity through education and agrarian struggle for better working conditions. Yet the onus of community honour/dignity was made to rest heavily on women. Lower caste and agrarian struggles questioned the feudal rights that upper caste men had over lower caste women but well within a framework of patriarchal rights of lower caste men. The scheduled castes are among the groups that continue to be outside the development achievements that have made Kerala so well known.

Kudumbashree Initiative

The well-known Kudumbashree initiative of the government of Kerala is characterised as a women-oriented poverty eradication programme with women's empowerment as one of its major goals – one that is actively projected in the media. Kudumbashree places women from below poverty line (BPL) households at the heart of the poverty eradication efforts of the state. It was begun in 1998 by the government of Kerala with the aim of eliminating poverty within 10 years, by 2008. The present structure, however, began to evolve earlier, in 1991, when the Community-Based Nutrition Programme (CBNP) was initiated by the government of Kerala with active help from UNICEF to improve the nutritional status of women and children. In this initiative three-tiered structures composed of neighbourhood groups (NHGs) federated into area development societies at the ward level, which were in turn federated into a community development society (CDS) at the municipal level, were formed, composed exclusively of women from families identified as poor through a non-income-based index.

The success of the CDS model in urban Alappuzha and in rural Malappuram led the government of Kerala to scale up the strategy to the whole of the state in 1998 under the name Kudumbashree, with the State Poverty Eradication Mission taking the responsibility of implementation through the Department of Local Self-government. The Kudumbashree has since followed a multi-pronged strategy, which includes: (a) convergence of various government programmes and resources at the community-based organisation level; (b) efforts to involve the CDS structure in local level anti-poverty planning; and (c) development of women's micro-enterprises, and thrift and credit societies. Indeed, it has been widely hailed and rewarded for its innovativeness and unprecedented reach. While micro-credit is one among the many strategies initiated in the Kudumbashree strategy, it has been gaining in importance and visibility within the programme.

Present Study

Keeping the above in view, it was proposed to undertake a research study of Kudumbashree programme with the following objectives:

- To study the structure, functions and process of Kudumbashree and convergence of services at local level and how far gender issues have been incorporated in the over all programme;
- To study the measures taken by Kudumbashree for economic empowerment of women with special focus on micro-credit and micro-enterprises development;
- To examine the process of social empowerment in the programme with reference to education, health, housing, elimination of violence and other support services provided to women;
- To study how the Kudumbashree programme enhanced the decision making leadership and political empowerment of women;
- To analyse the institutional mechanism, convergence, networking, advocacy and partnership process of the programme with gender perspectives and
- To document and find out the possibilities of replication of innovative practices adopted for capacity building and empowerment of women in the other on going programme.

The districts of Thiruvananthapuram, Alappuza, Malapurram and Kasargod, Both rural and urban areas were studies in these districts were covered in the study.

Methodology and Coverage

The information/data were collected through semi-structured schedules with the help of interview guide and focused group discussion were held with the programme functionaries/government officials, officials of networking institutions e.g. community-based organisations and beneficiaries. Besides the primary sources, secondary source of information are also used to prepare the case study. Information available on website as well as a published study article on the subject are also referred.

Intensive field visits and investigations and direct observation formed the basis of examining and assessing the empowerment processes happening at individual and collective levels at grassroots. It needs to be mentioned that it was not possible to use structured sample survey due to lack of time and coverage of different strata. The attempt was to identify the qualitative changes taking place among the women through their own voices.

Informal and Focus group discussions with group members, leaders at group, CBO leaders were held to collect information on group formation, decision making

processes, savings and lending operations and different products offered and issues of financial and social sustainability. Individual discussion at family level for discerning the impact on household level, analysis of division of labour, work load, mobility and intra-household decision making before and after the Kudumbashree intervention has been discussed. Informal discussions with primary School teachers, Anganwadi workers, local administration, Panchyat and Municipal officers, village leaders, male community who are related to women members or otherwise. Formal and informal discussions were held with the officials of District Mission Coordinator. Review of secondary material like annual reports, newsletters and case studies and website of Mission were also used to supplement information.

Choice of Focus Groups

This was a comparative social diagnosis study exploratory in nature. Focus Group Discussions (FGDs) were held at all the NHG level. Five FGDs were held in the four district of Kerala. The Panchayats have been selected in conversation with Kudumbashree because of their diversity of experiences. The FGDs were held at meeting of the group organised by Kudumbashree. Facilitators/Investigators, who were native speakers of Malayalam, ensure that quieter participants spoke, and that more dominant participants were encouraged to share the analysis with others. The mood of the meetings was often quite lively.



The first few questions were simple, and meant mainly to put the group at ease and start a conversation: how often did the women meet, and what did they do during their meetings, and how long had they been meeting. Then the impact assessment began. Participants were asked to consider why they continued to attend the meetings: what benefits did they find. When a participant named a benefit – such as receiving loans – then the benefit was probed. Did others agree? How many had received loans? What were the loans for? By these questions it was attempted to understand the meaning that participants attached to the benefit. Participants would enumerate the benefits that they received, then the participants were requested to rank the benefits: which was the most important to them? In the course of this discussion, many insights emerged as to the nature of the group activity and the women's experiences.

Besides the FGD, observational visits were made to understand the activities of Kudumbashree located in these districts more specifically the micro-enterprise run by the women. Interviews were also held with development functionaries as well as Gram Panchayats and Municipal ward members. While preparing the report, information already published by Kudumbashree and other agencies were also used.

Limitation of the Study

This study is the outcome of two weeks field visit to Kerala. It was an attempt to look at the programme with an outsiders view throughout the visit. Looking at the vast expansion and structure of the programme it is possible that some aspects of the programme might have been missed out, or the impact would not have been captured. It was difficult to cover the entire state and all the aspects of the programme. Such a large programme must have undergone different processes, actions and phases over a period of, say ten years which have now stabilised among the women members and Kudumbashree functionaries. It is possible that the study and fieldwork conducted in such a short time may be missing certain processes and aspects of the programme.

It is to be stated that, in all the discussions and field visits, an open and friendly attitude and transparent exchanges took place with NHG, ADS, CDS, DMC, elected representative of PRIs and urban local bodies, grass roots government functionaries etc. A special word of thanks and gratitude to all the women needs to be expressed for untiring response to all the queries enthusiastically. It was also felt that opportunity given to share the experiences and ideas with the top functionaries of *Kudumbashree* was well received and appreciated.

CHAPTER 2

KUDUMBASHREE Structure and Functions

The State Poverty Eradication Mission-*Kudumbashree*-launched by the Government of Kerala is a massive poverty eradication programme in recent years. It was felt that women empowerment is the best strategy for poverty eradication. Women, who were regarded as voiceless and powerless started identifying their inner strength, opportunities for growth, and their role in reshaping their own destiny. The process of empowerment becomes the source of strength for their children, their families and the society at large. It opens new vistas in development history. *Kudumbashree* presents a unique model of participatory development, which can very well be emulated by other developing countries. *Kudumbashree* in local language means 'prosperity of the family', which helps enjoy the economic opportunities by a good number of the poor women folks in rural and urban Kerala. The anti-poverty programme under *Kudumbashree* has been launched by the State Government of Kerala with the active support of the Government of India and the National Bank for Agriculture and Rural Development (NABARD). The programme aims at removing absolute poverty within 10 years with the full cooperation of the local self governments.

The Genesis

In 1992, an innovative poverty reduction initiative was experimented in seven wards of Alappuzha Municipality with community participation. In this experiment, a three-tier CBO of poor women was formed to implement Urban-Based Services (UBS) and Urban Basic Services for the Poor (UBSP) programmes. In this experiment 9 'non-monetary parameters' were used to identify the poor families. This woman-oriented, participatory and convergent approach to fight poverty was later known as '*Alappuzha Model*'. This was scaled up and experimented in all the 36 wards of Alappuzha Municipality in 1993. The success of '*Alappuzha Model*' persuaded the State Government to scale up this model to the entire urban areas (58 Urban Local Bodies) of the State in 1995. The success experienced in the '*Urban CDS Model*' encouraged Kerala Government to expand this model to the entire State under the name '*Kudumbashree*' in 1998. The programme was expanded to the rural areas in a phased manner.

The Mission

Kudumbashree Mission is working for the fulfilment of a shared vision. Mission, which is reflected in the Statement, "To eradicate absolute poverty in ten years through

concerted community action under the leadership of Local Self Governments, by facilitating organisation of the poor combining self-help with demand-led convergence of available services and resources to tackle the multiple dimensions and manifestations of poverty, holistically." The principal objective of Kudumbashree is the eradication of absolute poverty from the State of Kerala.

Objectives of the Mission are to :

1. Facilitating self-identification of the poor families through a transparent risk index composed of socially accepted indicators of poverty through a participatory survey.
2. Empowering the women among the poor to improve their individual and collective capabilities by organising them into Neighbourhood Groups at the local level, Area Development Societies at the local government ward level and Community Development Societies at the local government level.
3. Encouraging thrift and investment through credit by developing Community Development Societies to work as "Informal Banks of the Poor".
4. Improving incomes of the poor through upgradation of vocational and managerial skills and creation of opportunities for self-employment and wage employment.
5. Ensuring better health and nutrition for all poor families.
6. Ensuring access to basic amenities like safe drinking water, sanitary latrines, improved shelter and healthy living environment.
7. Ensuring zero drop out in schools for all children belonging to the poor families.
8. Promoting functional literacy among the poor and supporting continuing education.
9. Enabling the poor to participate in the decentralisation process through the Community Development Society, as a sub-system of the local governments.
10. Helping the poor to fight social evils like alcoholism, smoking and drug abuse, dowry, discrimination based on gender/religion, caste etc.
11. Providing a mechanism for convergence of all resources and services meant for alleviation of poverty in the State.
12. Collaborating with governmental and non-governmental institutions and agencies in all activities related to improving the quality of life of the poor.

Focus Areas for Kudumbashree

Kudumbashree has been focusing its activities in the following sectors.

1. Human Resource Development

2. Community Health
3. Education
4. Balasabha - Children's NHG
5. Basic Minimum Infrastructure Development
6. Micro Finance - Linkage Banking
7. Asraya - Destitute Identification Rehabilitation & Monitoring (DIRM)
8. Lease Land Farming
9. Micro Housing
10. Micro Enterprise Development
11. Self Reliant, Self-Sufficient and Sustainable Panchayat

Recognition

Within a short span of time, Kudumbashree has gained reputation and goodwill at National and International Levels. It has also been appreciated for bringing about a silent revolution within the state; a reference to the quiet way in which lakhs of poor women have brought about positive changes in their life. The success of the government-initiated programme has made others take notice, lot of states across the country are seeking support from Kudumbashree for replicating the programme. It has been identified as one among the 20 best practices of the country by UNDP. In 2000, Kudumbashree model has won gold medal for "Best innovation" under auspices of Commonwealth Association for Public Administrations and Management (CAPAM). The overall performance of Kudumbashree in poverty reduction efforts, with special emphasis on the thrift and credit operations and bank-linked programmes has also made a positive impact on the banking community in the state.

Some Important achievements of Mission

- Formation of 178698 NHGs all over Kerala.
- Formation of 16435 ADSs at Ward level.
- Formation of 1048 CDSs at Panchayat/Municipality/Corporation

Total family covered are 3758361. These

- Provide shelter to all poor.
- Provide safe drinking water within 300 meters of their residence.
- Provide sanitation facility to all the families.

- Establish at least one sustainable micro enterprise in each NHG leading to large-scale employment.

Capacity of the poor women of the state in several areas has gone up considerably, status of women in families and community has also improved, Kudumbashree has already gained national and international acclaim as an ideal and workable development model, the economic activities of the women groups of the Mission have even rejuvenated the economy of the state to a great extent. *Kudumbashree* became the lifeline to many of the poor women in the state of Kerala. It assumed the status of helpline for many. It is a massive anti-poverty programme of the Government of Kerala aiming at eradicating poverty and salvage the destitutes from the wretches of extreme deprivation. The formation of 1,78,698 NHGs of the women from 37,58,361 at risk families, covering urban, rural and tribal areas of the state helps develop 2,42,489 poor women into vibrant micro entrepreneurs. Resultantly, the poor women of the state have become active participants in the planning and implementation process of various anti-poverty programmes. By participating in various income generating-cum-developmental activities, the morale and confidence of women become very high. Capacity of the poor women of the state in several areas has gone up considerably, status of women in families and community has also improved. Kudumbashree has gained national and international acclaim as an ideal and workable model of participatory development for eradicating poverty.

Kudumbashree addresses the multifaceted deprivations of the poor families, which lack food, health care, education, basic amenities such as shelter, drinking water, safe latrines and employment. It is felt that poverty reduction would foster economic development if it sustains the secured gains. Hence, sustainable economic development assumes greater importance in the process of attacking poverty. So much so, *Kudumbashree* has evolved a project to build a model in select panchayats on the concept of comprehensive development. The project focuses on self sufficiency, self reliance and sustainability of the village panchayats. The project envisages to address the problems of Child Development, Geriatric care, Mentally and Physically Challenged, Education, Adolescent care, women empowerment, enterprise development, Unemployment of the educated youth, Agriculture/Animal husbandry/Dairy development, Revamping the traditional sectors, Basic minimum Needs and Destitute Identification and Rehabilitation.

Reading from official statements, the argument advanced for Kudumbashree in Kerala clearly states that it is a 'poverty alleviation programme'. Thus, while gender equity is cited as an objective, Kudumbashree is described as a 'women-oriented' poverty eradication 'mission'. The poverty alleviation paradigm is rooted in state intervention to eradicate poverty through community development and micro-finance. It has been absorbed as an innovation in this larger strategy aiming at poverty reduction and increasing the well-being of poor households. For this, the twin instruments of loan provision and encouragement of small savings and the building

of social capital through group formation are emphasised. Women are regarded as the major agents of change within Kudumbashree, not just because they assure better repayment rates, but also because they are identified as more vulnerable among the poor; implicitly, a greater responsibility and concern for the well being of the family is assumed to exist among women.

Innovation in Identifying Poor and Estimating Poverty

In conventional anti-poverty programmes the poor are identified using income as the sole parameter. This too is done through a household survey. Under Kudumbashree, to identify the poor irrespective of the income nine point non-monetary risk indicators have been designed and developed. The 'nine-point risk indicators' are very simple, transparent, easily understood by the community and include various manifestations of poverty. Unlike in the conventional anti poverty programmes it enables to identify the poor by themselves, provides large possible combinations of Poverty. 382 different combinations of finding a poor family and provides the opportunity to have a rational grading and to find out corrective steps. To identify the poor the intervention of the official is removed and the task is entrusted with the community themselves.

Risk Index

The risk index as an effective tool to identify poor was first developed in the early stages of community development system, tried and experimented at 7 wards of Alappuzha Municipality. This index was subsequently modified to suit the current day requirements. The original index and modified versions are given below.

Nine-point index

1. Living in a substandard house or hut
2. No access to sanitary latrines
3. No access to safe drinking water (150 Mts)
4. Getting only 2 meals a day or less
5. Having children below 5 years of age
6. Having no or only one earning member
7. Belonging to socially disadvantaged groups
8. Having an illiterate adult member
9. Having alcoholics or drug addicts

Modified risk index now in use

Rural	Urban
1. Living in a substandard house or hut	1. No Land /Less than 5 cents of Land
2. No Land	2. No house/Dilapidated House
3. No access to sanitary latrines	3. No Sanitary Latrine
4. No access to safe drinking water (150 Mts)	4. No access to safe drinking water within 150 meters
5. Getting only 2 meals a day or less	5. Women headed house hold/ Presence of a widow, divorcee / abandoned lady / unwed mother
6. Women headed house hold/ Presence of a widow, divorcee / abandoned lady / unwed mother	6. No regularly employed person in the family
7. Having no or only one earning member	7. Socially disadvantaged groups (SC/ST)
8. Belonging to socially disadvantaged groups	8. Presence of Mentally or physically challenged person / Chronically ill member in the family
9. Having an illiterate adult member	9. Families without colour TV

Innovation in Organising the Poor

To restore the denied or deprived entitlements of the poor the capability of the poor has to improve first. Capability deprivation is the root cause of poverty and to make them aware of their entitlements the first and foremost step adopted by the Mission is to build an organisation structure of the poor. The Community-Based Organisation, which encompasses all sections of poor, is organised in to a three-tier structure. The Neighbourhood Group at grassroots level consists of 15 to 40 members; each member representing a family forms the building block of the organisation. In each Neighbourhood Group from among its members, five Volunteers are elected for undertaking various functional activities. The position of a volunteer is the first stepping-stone towards leadership for a woman from poor family.

Neighbourhood Group (NHG)

The origin of Kudumbashree takes us to the Community Development Society (CDS) innovated in Alappuzha Municipality in 1993 while implementing UNICEF assisted Urban Basic Services for the Poor (UBSP) and Community-Based Nutrition Programme (CBNP). The poverty index on the basis of simple exclusion criteria was evolved to identify the poor through a participatory process. The grass root level poor women are organised through Neighbourhood groups (NHGs) consisting of

20-40 women with five functional volunteers- Community Health Volunteer, Income Generation Volunteer, Infrastructure Volunteer, Secretary and President. These groups are coordinated at the ward level through Area Development Society (ADS), by federating 8-10 NHGs. The coordinating apex body at panchayat level is the Community Development Society (CDS), which is a registered body under Charitable Societies Registration Act. The NHG is the grass root level structure of the Kudumbashree CBOs. An NHG is an association of 20-40 adjoining poor families (identified by using the 'poverty index), each represented by one woman. NHG meets every week and discusses problems faced by the members. The most significant aspect of the NHG is that it also acts as thrift & credit societies (T&CS). In the weekly meeting, members bring in their thrift, which is collected and used for internal lending. In each NHG, five Volunteers are identified for undertaking various activities.

For effective convergence of the programme, a three-tier CBO is the key institution in every Village Panchayat, Municipality and Corporation. The lowest tier constitutes the Neighbourhood group consisting of 20-40 women members representing the families below poverty line at the local level. Meetings are convened on a weekly basis in the houses of NHG members. In the meetings, various problems faced by the Group Members are discussed along with suggestions for improving the situation. Government officials are also invited to the meeting for explaining the schemes implemented by them. In the weekly meetings all members bring their thrift, which is collected and recycled, in the system by way of sanctioning loans. Micro plans are also prepared after taking stock of the situation. In each Neighbourhood Group from among the poor women, five Volunteers are selected for undertaking various functional responsibilities.

Community Health Volunteer: She is to look after the various health-related aspects of the group members including children, women and the aged. Convergence of various programmes undertaken by Health and Social Welfare Departments are also facilitated under the leadership of the Community Health Volunteer.

Income Generation Activities Volunteer: The collection, consolidation and maintenance of books of accounts and registers in connection with thrift mobilisation is looked after by this volunteer. Necessary training is imparted by NABARD for increasing their capability.

Infrastructure Volunteer : Infrastructural backwardness of the group is tackled with the help of various ongoing governmental programmes under the leadership of this volunteer. It is proposed to take micro contracting as an income generating activity by the group after sharpening their functional skills through a series of training programmes. She liaises with the local bodies and acts as a catalyst for local development.

Secretary: The proceedings of the meeting are recorded by the Secretary and necessary follow-up including motivation and team building is the responsibilities of the Secretary.

President: She presides over the weekly meetings and imparts necessary leadership and guidelines to the group members.

Area Development Society (ADS)

The second tier is Area Development Society, which is formed at the local government ward level by federating 8-10 NHGs. The activities of the ADS are decided by the representatives of the poor elected from various federated NHGs.

Community Development Society

At the Local Government level Community Development Society (CDS), a registered body under the Charitable Societies Act, is formed by federating various ADSs. The advantage of this system is that it is managed wholly by the representatives of the poor and has the flexibility of a non-governmental organisation which helps in channelling additional resources from various sources both internal and external. The CDS at local body level facilitates effective linkage with Local Governments. The ADS are federated into a Community Development Society (CDS) at the LSG level; the CDS is a registered body under the Charitable Societies Act. There is only one CDS for each of the 991 Gram Panchyats and 57 urban local bodies; Cochin Corporation is the only exception having two CDS. The General Body of the CDS consists of all the ADS Chairpersons and Vice Chairpersons. The Governing Body consists of CDS president, CDS Vice President and seven committee members. The Project Officer or the Charge Officer acts as the Member-Secretary of the CDS.

Functions of CBOs

The aspirations of the poor as per their demands voiced and prioritised in the NHG meetings form the "micro-plans", which are scrutinised, and prioritised and integrated to form a mini-plan at the level of ADS. After consolidating the mini-plans at the level of CDS, the "CDS Plan" is formed which is also the "anti-poverty sub-plan" of the Local Government. Thus, the poor participate in the planning process as the major stakeholder. The local government monitors the implementation of the plan. CBOs are the flesh and blood of Kudumbashree. The NHG members meet once a week in one of the member's house. In the weekly meetings, they open up their minds. Women who were confined to their own families ventilate their feelings, discuss their problems and make joint effort to find solutions to their grievances with the support of the functional volunteers. The local body monitors the implementation of the plan and thereby proper linkage, coupled with autonomy is ensured in the CDS system. The participation of CBOs in the planning process makes people feel that they are recognised as the decision makers in fulfilling the dream of reducing their own status of poverty.

Basic Minimum Infrastructure Development

The CBOs of poor also address the basic minimum needs of the member families. Kudumbashree is also the State Urban Development Agency (SUDA) in Kerala. It is

the State Level Nodal Agency for the implementation of Centrally sponsored programmes for urban poverty alleviation such as Swarna Jayanthi Shahari Rozgar Yojana (SJSRY), National Slum Development Programme (NSDP) and Valmiki Ambedkar Awas Yojana (VAMBAY). The NSDP and VAMBAY programmes are targeted at improving the basic amenities for the poor in urban areas, and these programmes are implemented by the Kudumbashree CBOs. The infrastructure volunteer of the NHG takes the lead in preparing micro plan at NHG level after assessing the needs of the members. The micro plans are integrated as mini plans at ADS level and the mini plans are integrated as CDS plan at Municipality/Corporation level. The CDS plans becomes the antipoverty Sub-plan of the local body for which about one-third of the development resources of the local body are earmarked.

In the post-independence era in fact there is no dearth of programmes and projects to tackle the poverty situation prevailing in the country. But all the programmes are designed and developed at the whims and fancies of the bureaucrats and followed a top down approach. These programmes were supply-driven and not need-based and demand-driven. The magnitude of poverty, causes of poverty, variables of poverty were not taken in to account. The perception of poverty itself was ambiguous and vague. The estimation of poverty was inaccurate, insufficient and directionless. The only factor for determining poverty was income. That too based on the purchasing capacity of the family to procure food. The aspirations of the poor, the basic needs of the poor, the levels of deprivations of the poor were not considered and someone else took decision on his entitlement.

Linkage of the CDS System with the Local Body

Departmentalism in the GOK bureaucracy resulted in vertical programmes, duplication, and wasted resources. Kudumbashree was formed with officials from 19 departments, enabling multisectoral work and convergence of various programmes at the CDS level. Kudumbashree is an interdepartmental initiative, making it more conducive for various government departments to collaborate with one another and address the multiple causes and consequences of poverty in a coherent fashion.

To establish a proper and fruitful linkage with the local body, Advisory Committees are functioning at ADS and CDS levels. Advisory Committees functioning at ADS level co-ordinate and monitor the activities of the ADSs. Municipal Councillors of the concerned wards are the Chairmen of the Advisory Committees of the ADSs. ADS Chairperson plays the role of the Convenor of the Committee. The other members of the Committee are the Community Organiser, all RCVs of the ward, Anganwadi workers of the ward, Junior Public Health Nurse/Junior Health Inspector, not more than three co-opted persons from among literacy workers/social activists/representative of NGOs/Voluntary Organisations etc. and five eminent persons having aptitude and involvement in CDS activities. At CDS level, there is an Advisory Committee called Town Co-ordination and Monitoring Committee, chaired by the Municipal

Chairman. Municipal secretary is the Convenor of the Committee and the Joint Convenor is the Secretary of the CDS. Vice Chairman of the Municipality, CDS President and Vice President, Municipal Engineer, Chairmen of all Standing Committees of the Municipality, Officer in charge of Municipal health section, all lady councillors, Superintendent of taluk hospital/district hospital/DLO, Asst. Educational Officer/DEO, Asst. Executive Engineer/Executive Engineer, KSEB, CDPO (ICDC), Officer in-charge of Krishi Bhavan, nominees of District Industries General Manager, Lead Bank Manager and the Managers of the banks which extend financial assistance to the CDS, not more than three representatives of NGOs or Literacy Workers or Social Activists co-opted, Officer in-charge of SC and ST Development programmes and the Officer in-charge of the Literacy Programme in the town are the members of the Committee.



Main Functions and Activities (other than SHG and micro-enterprises)

Lease Land Farming

When paddy cultivation became a non-lucrative affair, farmers of the state deserted paddy fields. Kudumbashree found this as an opportunity. Neighbourhood Groups of the mission were given encouragement to start paddy cultivation. Many groups have identified the immense potential of lease land farming. Lease land farming is beneficial both to the landless poor women of Kudumbashree Neighbourhood

Groups and the land lords who are not interested in paddy cultivation. Last year lease land farming was done in 3466.65 hectares of paddy fields and 33501 families, hailing from 3703 NHGs got benefited.

Ashraya

The destitute are poorest of the poor. The anti-poverty programmes of the country were originally designed with the concept to reach them first following the Antyodaya approach. But since the socio economic and political situations so warranted or because of the improved capabilities of the little better poor, the development administrators vitiated the Antyodaya concept and the poorest of the poor left out of all poverty reduction measures of Government. The Ashraya programme is designed to rehabilitate the destitute families and attempt to integrate them with the mainstream. The destitute families are identified using transparent risk indices and a participatory need assessment is made to assess the needs of each family. A comprehensive project to address the various deprivations faced by the destitutes such as lack of food, health problems including chronic illness, treatment for deadly diseases, pension, educational facilities to children, land for home, shelter and shelter upgradation, drinking water, safe sanitation facilities, skill development, employment opportunities is prepared. The local body is responsible for converging various services and resources available and mobilising the funds for implementing the project. The funds are augmented by the Rs.10 lakh Challenge fund provided by the mission. Projects are implemented with utmost public participation. Community based monitoring system with the participation of Community- Based Organisations and Web-enabled monitoring system are the other remarkable features of the project.

Human Resource Development

It is stated that when an organisation builds capacity, it percolates knowledge and skill within the community and induces attitudinal changes. The capacity of each and every individual can be improved if they are properly trained. To achieve this goal, Kudumbashree provides a variety of training for capacity building of CBOs functionaries. This includes general training for CBO functionaries, training for newly elected CBO members, skill development and entrepreneurial training for enterprise development, basic training to new members of LSGI and Performance Improvement Training for entrepreneurs.

Balasabha - Children's NHG

Balasabhas are grass roots level groups of the children of BPL families. The mission organises the children of the poor families of the State into Balasabhas as a part of its holistic approach to wipe out poverty. *Catch them young and nip poverty in the bud* is the guiding slogan behind the Balasabha movement initiated by the Mission. Balasabhas are grass root level groups of the children of BPL families. They work as subset of Neighbourhood Groups of Kudumbashree. The mission organises

the children of the poor families of the State into Balasabhas as a part of it's holistic approach to wipe out poverty. Catch them young and nip poverty in the bud is the guiding principle behind the Balasabha movement initiated by the Mission. All that are required to ensure the overall development of the children of the BPL families are matters of great concern and keen interest to Kudumbashree. Capacity building, cultivation of creative potentials, ensuring of opportunities to express, learn and develop, offering opportunity to identify and nurture innate talents – Balasabhas leave no stone unturned to boost the healthy growth and development of children. Balasabhas provide an ideal atmosphere for informal learning. They also supplement services required for the proper development of children. Under Kudumbashree 25870 Balasabhas with 463716 children have been formed. Each Balasabha provides a new rhythm and harmony to children and enlightens their lives. The ultimate aim is to emancipate the young generation of the BPL families from the vicious circle of poverty.



Every year, there is an annual meet of Children from Balasabhas at regional level during Christmas vacation. In this meet, 600 children from various districts meet together at regional level, 300 will be the host children and the remaining 300 will be delegates from various districts. The guest children stay with their little hosts till the end of the meet. A string of interesting activities and programmes are there in the meet including, activity-oriented learning sessions, special sessions in science and in

mathematics, work experience sessions in a variety of fields, training for making toys and learning equipments, opportunity to express talents in dance, music, drama etc. There were also opportunities to interact with renowned persons including scientists, social activists, cultural doyens and eminent writers.

Community Health

In spite of the remarkable achievements of the state in the health sector, the extent to which these achievements have percolated to the poor families is a cause of concern. The living conditions of the poor make them more susceptible to a large number of diseases, especially the water-borne diseases like diarrhoea, dengue fever, jaundice, and typhoid. Most of these disease can be controlled to a great extend by awareness campaigns and preventive health care. Kudumbashree CBOs has a strong network of 1.60 lakh health volunteers, acting as barefoot doctors. The Health Volunteers have a database about the health-related aspects of all the members of the NHG members. This helps in proper targeting of various health campaigns conducted of the government, lot of success for achievements like 100% immunisation in the State can be attributed to the role by the health volunteers.

Micro Housing Project for the Poor

Housing sector is very dynamic in the State. Several agencies and departments including financial institutions have floated many schemes for providing credit for house construction. This sector is capable of creating employment and growth. It has a large potential for investment. Despite the positive trend now set on, a close analysis show that the poor and marginalised segments in the society are very often denied the privilege of getting assistance, for construction of houses. Though the poor managed to get assistance, the project often fails due to a variety of reasons. To overcome the given situation Kudumbashree intends to introduce a subsidy-free housing scheme for the poor. This scheme is primarily aimed at providing micro finance to the people living Below Poverty Line for construction of houses. The Micro Housing Scheme seeks to replace the Kutcha houses (huts) and to assist the poor to acquire a good shelter of their own by availing loan and repaying the loan amount through their own savings and without any patronage. Here the beneficiaries will be having a feeling of self-esteem, self respect, develop thrift behaviour and enable him to lay his head under a strong roof.

Solid Waste Management/Clean Kerala

Solid waste is serious menace for all the urban and semi urban areas of Kerala. Kudumbashree mission tries to tackle this problem by setting up 'Clean Kerala Business' units in an organised and planned manner entrusting to women entrepreneur groups

the duty of segregating, collecting and transporting solid waste from the households, commercial establishments, hotels, etc; 75 Clean Kerala Business units have been formed in the state so far.

Special Employment Programme for Educated Youth

A special employment programme for the educated youth has been initiated and 50,000 educated youth were assigned with the task of Kudumbashree such as identification process, setting up of innovative micro enterprises, etc.; 211 group and 170 individual enterprises have been formed under this programme, thus benefiting 1307 people.

Special School for the Disabled Children /Buds

Special Schools, called 'Buds', aiming at meeting for the developmental, social, and emotional needs of the disabled children have been set up. These children are being provided with the necessary medical attention, physical and mental therapy, mobility equipments, hearing aids, and vocational and educational training.



Nutrimix- The Baby Food Products Production Project



The Nutrimix Baby Food Production Project is an ambitious project recently launched by the Kudumbashree mission. The Project envisages to start 500 babyfood production units in different parts of Kerala. Twenty-one Nutrimix production units have already been started. It is estimated that 2500 women can find gainful employment through the programme, which targets the massive baby food market dominated by big brands. Its expected turnover is Rs.200 crore per annum.

New Areas of Intervention

- *Arogya Swayam Sahaya Sangham (health self-help groups)*. Currently in the pilot phase, Kudumbashree is focusing on capacity building among NHGs to

manage minor ailments as well as chronic diseases such as diabetes mellitus and to promote health by changing risky behaviors. Kudumbashree is training NHG health volunteers to this end.

- *Destitute identification and rehabilitation* : Kudumbashree learned from its monitoring system, that destitute families are being left out of NHGs. The Kudumbashree CBOs often failed to enroll the poorest of the poor in their vicinity. According to the Kudumbashree staff, this was perhaps because destitute families find it hard to exercise thrift, set up and run profitable micro-enterprises, or to express their needs. Destitute rehabilitation is going to be one of the thrust areas of Kudumbashree in years to come. Elected representatives at the state, regional, gram panchayat, and CDS levels have already been trained in related areas.

Kudumbashree addresses the multifaceted deprivations of the poor families, which lack food, health care, education, basic amenities such as shelter, drinking water, safe latrines and employment. It is felt that any sincere poverty reduction efforts would foster economic development. So, sustainability of economic development assumes greater importance in the process of attacking poverty. So much so, Kudumbashree has evolved a project to build a model in select panchayats on the concept of comprehensive development. The project focuses on self sufficiency, self reliance and sustainability (3S) of the village panchayats. The project envisages to address the problems of Child Development, Geriatric care, Mentally and Physically Challenged, Education, Adolescent care, Women Empowerment, Enterprise Development, Unemployment of the Educated Youth, Agriculture/Animal husbandry/Dairy Development, Revamping the traditional sectors, Basic minimum Needs and Destitute Identification and Rehabilitation.

Scaling-up Kudumbashree Summary

Institutional arrangements

- An interdepartmental government initiative.
- Partnership with UNICEF was critical in the initial stages.
- Strong partnerships with LGBs, various line departments, the Central government, NABARD and other commercial banks.
- Uneasy relationship with the NGOs.

Capacity elements	<ul style="list-style-type: none"> • The nature of the initiative (cutting across departmental lines) enabled multisectoral action. • Training at various levels (Kudumbashree staff, LGB leaders, CDS/ADS/NHG) critical. • Financial sustainability through convergence, WCP.
Triggers	<ul style="list-style-type: none"> • Alleppey and Malappuram CNBP were triggers.
Facilitating factors	<ul style="list-style-type: none"> • Decentralisation and fiscal devolution were the catalysts insetting the pace. • Leadership of a few motivated government officials. • TCS and microenterprises.
Limiting factors	<ul style="list-style-type: none"> • Inadequate training at the LGB and CDS/ADS/NHG levels to build ownership due to the rapid and mandatory pace of scaling-up. • Political interference and bureaucracy of the CBOs themselves.
Quantitative scaling-up	<ul style="list-style-type: none"> • CDS/ADS/NHG structures replicated in the entire state.
Functional scaling-up	<ul style="list-style-type: none"> • A multisectoral initiative with an increasing emphasis on reaching the destitute and children. From primarily a nutrition initiative, it scaled up to include microenterprises, • But scaling-up to other activities has reduced the focus on maternal and child health
Political scaling-up	<ul style="list-style-type: none"> • CDS/ADS/NHG structures are considered as a further step to decentralization. • CDS are considered to be the —“wings” of the LGB.
Organizational scaling-up	<ul style="list-style-type: none"> • Kudumbashree was begun in 1998 with the explicit function of undertaking the programme to alleviate poverty in Kerala.

The details of credit and thrift (SHG) and micro-enterprise which are the main activities of Kudumbashree will be discussed in following chapters.

CHAPTER 3

THRIFT AND CREDIT OPERATION

Significance of Micro-finance

Credit is vital to the poor for overcoming the inevitable and frequent mismatch between the income and expenditure and also for investment in their marginal farms or small-scale non-farm self-employment ventures. However their access to formal banking linking channels is limited due to their own low resource base and the nature of the formal credit institutions. The popularity of the micro-finance SHGs stems from widespread recognition that formal banking channels are largely ineffective in catering to the credit needs of the poor. The traditional poverty alleviation programme and targeted lending have failed to achieve their objectives. Apart from the problematic design and bureaucratic implementation, the failure to adopt a holistic view of poverty, the absence of democratic decentralised planning, and agrarian relations are largely responsible for the failure in poverty alleviation.

The transaction costs of the formal lending institutions in lending to the poor are high due to difficulties in screening the creditworthiness of the borrowers, monitoring the utilization of funds and enforcing repayment. Therefore the tiny savings and loans are an unattractive business proposition to the banks. For risk aversion, they demand collateral security that the micro-borrower does not possess. Further, they insist on procedures of formal banking that are too time-consuming and complicated for the illiterate poor. Even in the implementation of direct lending programmes formal institutions find it difficult to overcome the problem. It has been experienced that the rich and powerful typically manage to corner the scarce loan able funds. As the formal banking channels remain largely inaccessible to the poor, the poor continue to be dependent on informal sector lending, paying exorbitant rates or underselling the product and their labour power to the creditors. It was in response to this situation that micro-credit mechanisms were innovated.

Assumptions about micro-finance to solve the two problems of poverty and gender inequity rests upon two premises: (a) that pushing up the independent earnings of poor women through making available enough credit to engage in gainful occupations will help them gain greater bargaining power in furthering their interests within individual households; and (b) bringing together women in groups will not only help strengthen their earning capacities, but also create the institutional space from which to articulate their interests. Women's access to micro-credit is found to lead to well-being for families resulting in greater bargaining power for women within the household, which leads to their greater empowerment in the public.

The most popular form of modern micro-finance organisations is women SHGs, consisting of a loose group of members who live in close proximity to each other and meet at regular intervals (often weekly). The primary focus of women SHGs is on savings and loans; the groups collect regular thrift, the amount of which is collectively pre-agreed upon, from the members and provide loans from the thrift fund to members. The groups may also access loanable funds from financial intermediaries, including commercial banks, cooperatives, special government agencies, or non-governmental organisations. The Kudumbashree promotes thrift mobilisation by setting up Thrift & Credit Societies at NHG level to facilitate the poor to save and to provide them cost effective and easy credit. Thrift and Credit Societies facilitate easy and timely credit to the un-reached. A member can avail loan up to a maximum of four times of her savings. The amount of loan and the priority of disbursement are decided by the NHG. The repayment is collected weekly during the routine NHG meetings. The income towards interest from thrift is generally used for re-lending. The most important aspect of the thrift and credit societies is the prompt repayment of loans. Thrift and credit societies organised by the Kudumbashree are fast growing as Informal Banks of the poor women at their doorsteps. Most of the thrift societies are now capable of providing assistance even to income generating activities. The challenge is to link the micro-credit programme with the structural changes in the rural areas, the linking up to emerging Panchayat Raj Institutions, and participatory local level planning. SHGs are not a substitute for, but a complimentary part of other poverty alleviation and social security programme. The Kudumbashree Neighbourhood groups (NHGs) introduced during the late 1990s was a conscious attempt to develop such links and deepen the democratic potential in these programmes.

At present there are 45,405 SHGs under Kudumbashree catering to the needs of about 10 lakh poor families. Total thrift collection has been Rs. 38.7 crore and thrift loan given through these SHGs amounted to 30.08 crore. Kudumbashree gives great importance to micro enterprises both individual and collective. There are about 11,042 individual micro enterprises and 711 group micro enterprises functioning under Kudumbashree. Bank loan utilised for these enterprises was Rs.6.06 crore was the subsidy amount Rs.5.71 crore.

Bank Linkage Programme

The credit needs of the poor are sudden and frequent. This leads the poor households to the moneylenders who become permanently indebted. To facilitate timely credit, the thrift and credit societies, the informal banks of the poor are linked with other financial institutions. This facilitates easy credit to the poor for consumption and income generating, self-employment activities. Thrift and Credit Society (NHG) arranges loans to the members. In other words, the NHGs act as bridge between the poor and the financial institutions. A member can avail upto a maximum of four times of their thrift. The amount of loan is decided by the NHG by assessing the actual purpose and the repayment capacity of the member. The repayment is collected weekly during their routine meeting and remitted to the bank on the next day.

Advantages

- Easy to avail
- Facilitates timely and adequate credit
- Low transaction cost
- Weekly repayment
- Transparency in operation
- Loan at any time/at the convenience of the poor
- Peer pressure
- Need-based; Community knows the actual needs and repayment capacity of the members
- No collateral security - community is responsible
- Time saving
- Democratic functioning

Efficiency and effectiveness of NHGs are to be verified on the basis of some objectively verifiable and easily identifiable parameters. NABARD has developed a 15-point index for rating NHGs on the basis of which they will be allowed to link with various banks under the Linkage Banking Scheme. Once the groups are linked, they will be eligible to receive finance in the ratio ranging from 1:1 to 1:9. The assistance so received can be utilised by the groups for internal lending and taking up of Micro Enterprises. Under the leadership of Kudumbashree District Mission Team, efforts are being taken to verify the performance of NHGs through out the State. As of date, 44325 NHGs have been linked with NABARD under the linkage-banking scheme and Rs.153.689 crore is mobilised as loan from banks. This shows that NHGs are well competent to channel resources to the local bodies from banks.

The 15-point index rating criteria for the linkage-banking programme for the evaluation of the NHGs consist of:

1. Composition
2. Age of the group
3. Weekly group meetings
4. Attendance
5. Minutes
6. Participation in group discussion
7. Savings (frequency)
8. Savings and loan recovery
9. Style of functioning & group decisions
10. Sanction and disbursement in of loans

11. Interest on loans
12. Utilisation of savings on loaning
13. Recovery of loans
14. Books of accounts
15. Bye laws/group rules.
 - Kudumbashree model of Micro Finance
 - Start with Thrift
 - Sanction of credit
 - Repayment and monitoring of credit
 - Grading of NHGs- system regularisation & perfection
 - Linking with banks
 - Development of Micro Enterprise by availing loan from NHG
 - Training
 - Market development
 - Generation of income and repayment of loan to NHG
 - Repayment of Bank loan by NHG

The Thrift & Credit Societies at NHG level motivate and facilitate the poor women to save and provide them with cost effective and easy credit. The poor women bring in small sums according to their capability, pool them together, form a corpus and take back loans to meet their immediate needs without depending on the whims and fancies of money lenders, formal or informal. It's their money and it's their decision to invest and withdraw.

Functioning of SHGs in Kudambashree

For majority of the respondents the motivating agents to join in SHG were the officials of Kudumbashree and animators of NGOs. In this case there was a significant difference between NGOs and Kudumbashree. The animators of the SHGs have motivated more of the respondents to join the SHGs. However, for majority of the respondents the motivating factor for joining the SHGs was economic which included inculcating savings-habit and getting easy loan at a reduced rate of interest. The social motives like interaction with other women in their area; cooperation among members, acquiring new knowledge, skills and a desire to work for the development of the community etc. influenced of the respondents. Economic empowerment of women was considered as one of the main reasons for joining the SHGs.

The poor women of the Neighbourhood group meet once a week. Like all other routine expenses, the poor women put a small amount for thrift from their daily expenditures. Each woman brings their thrift savings during the weekly meeting. Although there is no compulsion, a minimum of rupees five is fixed. One volunteer

collects the thrift and she is responsible for thrift operation. She acts as the Community Finance Manager. Each member is provided with a thrift passbook and the amount collected is entered in this passbook. This passbook is kept with the member. Thrift collected is also recorded in the Thrift Register maintained by the Thrift and Credit Society. Amount collected is remitted to the bank in the next working day itself. These activities develop the capacity of the poor to manage and account money properly.



As for the transparency in the functioning of the SHGs a great majority of the respondents affirmed that proper documents like account books, registers, reports were maintained properly and were available to members on demand. This indicates that a large majority of the members were aware of the functioning of the SHG and were particular about keeping transparency in all dealings. The weekly thrift savings was found between Rs. 5 and Rs. 50 in the SHGs. Decision to fix up the amount was left to the concerned SHG. Majority of the SHGs were linked to Banks/financial institutions. As far as the satisfaction of members over the functioning of the SHGs and the federations were concerned, it was found that all the respondents from Kudumbashree were satisfied.

As reported earlier, there was a visible change that has occurred in the level of participation of women in the decision making process within the family. As far as matters like education of children, deciding on menu for the day's meals and health care, etc. are few examples. The availability of loan through the membership of women in SHG and its utilisation for the family has brought a change in the attitude of men towards their women within the family. It was reflected in the increasing participation of women in the decision-making process within their family. It has also helped women to go out for the activities of SHG, get involved in self-employment schemes and to supplement the income of the family. Her monetary contribution to the family impressed the other family members to recognise her work and decisions.

As for as the general decisions on day today functioning of the SHGs, majority of the respondents reported that the decisions were taken on consensus after due discussions during the meeting, rather than voting. According to majority of the respondents, conflicts within their groups were resolved by the members themselves. In few cases the respondents reported the involvement of leaders in resolving conflicts and in very few incidents they expressed the involvement of higher authorities in solving conflicts.

Thrift collected is initially utilised for lending to community members for urgent needs such as treatment, delivery, death, and education of children and of other such kinds. Thus thrift and credit society acts as a self-help system, which delivers common fund for the needs of the Community. A member can avail loan up to a maximum of five times of the savings. The amount of loan to a member is decided by the community democratically, transparently, and is priority based. As the loan is from common fund, the community also assesses the repayment capacity of the member. In due course, Kudumbashree envisages the linkage of these informal banks of the poor with other financial institutions to facilitate adequate and easy credit to the poor.

This micro-finance model involves different stages: thrift mobilisation, sanctioning credit, repayment and monitoring of credit, grading of NHGs, linking with banks, developing micro-enterprises availing loan from NHG, training women to develop accounting practices and market development. Thrift and credit societies facilitate easy and timely credit. A member can avail loan up to a maximum of four times her savings. The amount of loan and the priority of disbursement are decided by the NHG. The repayment is collected weekly during the routine NHG meetings. Loans are promptly repaid, with a hundred per cent recovery rate.

Exclusion of Above Poverty Line (APL) Women

The women above the poverty line are not included in SHGs. It seems that class, rather than gender is a pre-condition for availing the SHG facility. One view sees women SHGs as an instrument for the implementation of governmental programme, while the other sees them also as part of a larger social and democratic process. A poverty line in terms of income level or deprivation, howsoever defined, cannot be the basis of social classification. In other words, the dividing line between families below the poverty line and those above the poverty line is vague. A more nuance understanding would recognise that most of the families probably belong to social classes of marginal farmers, artisans or wagedworkers.

Some argue that the presence of APL families will render women NHGs too heterogeneous, while others counter this with the argument that gender and neighbourhoodness render adequate cohesion. An additional fear raised was that upper and middle class families would dominate the groups, which again was largely found to be an exaggerated claim as women from such social strata are normally not interested in micro-savings and credit. Furthermore, the strict enforcement of rotating

the weekly meetings among every household proved a sufficient deterrent against such elite strata. It is the poor families, those below and just above the poverty line, who are eager to participate in women SHGs.

A compelling reason to include women from the APL families in the women groups is that it is precisely from these lower-middle class strata that the grassroots-level leadership in Kerala hails. Depriving the SHGs of this leadership is likely to exacerbate any tendencies toward bureaucratic and patronage control as well as the control by men. Furthermore, excluding women from APL families reduces the potential of women SHGs acting as general community fora. An alternate suggestion on having separate SHGs for BPL and APL families can be socially divisive.

There were two primary arguments in favour of excluding women from the APL families. First, composite groups may undermine the objective of targeting the poor as some funds were specifically earmarked for BPL families. If women from APL families were included, the exclusive focus on poverty eradication would be diluted. Second, the presence of APL families could undermine opportunities of the BPL, which ultimately could adversely affect the social sustainability of the group. The different arguments for and against including APL families stems from the different understanding of the role of women SHGs. One view sees women SHGs as an instrument for the implementation of governmental programme, while the other sees them also as part of a larger social and democratic process.

Key Activities & Strategy

- Organising poor women into groups of 15-20 and giving them an opportunity to experience and share their economic position and the nature and causes of exploitation - Social Mobilisation;
- Mobilising of own resources and managing them for their own benefit through regular savings and management of credit;
- Regular interactions, exchanges and exposures;
- Linking the women groups with formal financial institutions. The credit management is by women groups and the transaction with bank as clients and not as beneficiaries;
- Training and building leadership qualities through transferring the roles and responsibilities to manage their own groups and activities;
- Skill building and training in specialised business activities.
- Formation of women managed financial institutions at village, cluster and block level for gaining collective strength and power.

Strengths of the micro finance programme

- A distinction is made between men and women-headed households in the target group, allowing for the design of gender specific strategies during the implementation phase.
- Project formulation takes place after looking into best practices and incorporating gender issues, especially in case of new age micro finance programmes.
- The very fact that the majority of the clients in the programme are women highlights the importance given to challenging the basic concern of inequality at household level.
- Recent developments related to inclusion of tools to measure gender sensitivity within organizations and availability of gender disaggregated data provide the project teams with an entry point for formulating better Monitoring & Evaluation systems.

Weaknesses of the micro finance programme

- There is no provision for gender-specific strategies at the design stage to address the different needs and constraints on men and women. Kudumbashree focus only on women below poverty line.
- In most cases, the staff delivering the services does not have the skills to handle participatory methods and tools for identifying gender issues at community level. There is often no provision for gender training or special funds for this.
- Organisations do not have gender experts who are responsible for mainstreaming gender in various components of the programme. As a result of this, there is no way to make the beneficiaries / members aware about gender issues.
- Projects lack adequate monitoring & evaluation indicators to verify major changes in self-esteem, opportunities for personal development, girls' education, women's health and other qualitative changes in the living conditions of men and women.
- The basic misconception about gender being synonymous with women means organisations assume that they are addressing the inequality between men and women by recruiting only women members. This hampers the facilitation of equal participation of men in the development process.

The effect of SHG on women empowerment will be discussed in separate chapter.

CHAPTER 4

Micro Enterprise Development

Kudumbashree views micro-enterprise development as an opportunity for providing gainful employment to the women below poverty line and thereby improving their income and living standard. Micro-enterprise development is an emerging process which starts with low capital low risk and low profit at the initial stage. Micro enterprise development fosters the economic status of women as a powerful tool for poverty eradication. Both individual and group initiatives, which generate income to meet their livelihood needs, are promoted. Constant and continuous training are given to the entrepreneurs for making them sustainable and effective. When the entrepreneurial ventures by women were being planned in 1999, the perception about enterprises of the poor was rather discouraging. The various stakeholders involved in Kudumbashree programmes including the banks and women were skeptical about the idea. The previous experience of failures in group enterprises under various government programmes, perceived lack of entrepreneurial abilities of poor and apathy of banks in associating with ventures of the poor were the prime reasons for this unfavorable environment. But the most crucial factor concerning the various stakeholders associated with poverty reduction initiatives was the lack of any successful enterprises model worth emulating.

The Kudumbashree definition of Micro Enterprise includes, any enterprise that has investment ranging from Rs 5000 to Rs 2.5 lakhs. with potential to generate a net income of at least Rs 1,500 per member. The turnover range is from over of Rs 1 lakh to Rs 10 lakhs. Further, it has to be fully owned, managed and operated by members themselves. There are certain common features in the funding of the various enterprise programmes. All Kudumbashree enterprises are bank-linked and a minimum of 50% of the project cost has to be through bank loans. The subsidy component is limited to 50% of the total project cost and the entrepreneurs' share is to the tune of 5% of the total project cost.

The emphasis in the Kudumbashree enterprise programme was on encouraging innovative business ideas. A simple and practical way for identifying enterprises was devised; any idea that could solve a problem existing in the society, fill the gap that existed or cater to new opportunity was converted into an enterprise. The fact that most of the entrepreneurs were first generation entrepreneurs from their families was kept in mind while implementing micro enterprise.

Kudumbashree plan to promote Entrepreneurship can be stated as follows:

- Entrepreneurship instincts are identified through micro plan at NHG level.
- Entrepreneurs are selected by the Community after considering their skill and exposure.
- Selected entrepreneurs are given training on various aspects of Micro Enterprises Development.
- Suitable projects are prepared with the help of experts at community level.
- Timely and adequate finance is arranged with the help of Neighbourhood Groups (NHG) promoted by Kudumbashree and linked with NABARD.
- Monitoring is done by Community through trained Income Generation Activity Volunteer.
- Kudumbashree ensures involvement of Community Resident Management experts (CRM) through proper linking with Management Institutes/Management Development Agencies.
- Kudumbashree ensures formation of business counselling centres at district level by incorporating experts in the respective fields to tackle the various problems faced by women entrepreneurs.

The task for Kudumbashree was simple and challenging - to create a model for enterprise development. The first Kudumbashree unit formed under the centrally sponsored SJSRY (Swarna Jayanthi Shahri Yojana) programme was an I.T Unit (Data Processing) at Thiruvananthapuram. Ten educated women from BPL families set-up the unit with a total outlay of Rs 2.50 lakh, Rs 1.25 lakh being the loan component. It was a bold move to get into the competitive I.T sector. It was a foray into a market crowded with private and professional enterprises boasting of "qualified" employees. IT unit has been replicated in various other sectors across the state. Today there are 18,969 enterprises across the state covering urban and rural areas, ranging from "traditional" enterprises like Goat rearing and Dairy, Catering units, Multi Purpose job clubs, Health care enterprises in the service sector, Computer hardware and data entry units in the IT sector, innovative enterprises like Clean Kerala Business in solid waste collection are a testimony to the resolve of women to succeed in enterprises. Today Kudumbashree enterprises have been setup in 178 different activities across the state. Although there are different programmes for enterprises development under Kudumbashree, there are some common features across all the programmes. The Group and Individual enterprises can be established. All programmes have a compulsory loan component, which can vary from 45% or more of the total project cost. The subsidy component is limited to 50% with a maximum limit of Rs 12,5000. The beneficiary has to contribute a minimum of 5% of the total project cost.

Employment Creation through Micro Enterprise

To generate additional employment opportunities and to bring down the incidence of poverty, micro enterprise is the best tool and the Kudumbashree has acquired vast experience in this field over the last five years. The micro enterprises set up by Kudumbashree in urban and rural areas of the State by individuals and groups are performing well. Kudumbashree has gained experience in venturing into innovative micro enterprises such as IT school programme, Paper bag and cloth bag units, solid waste management, Vanilla Nurseries, Agro-Horti-herbal nurseries, Kerashree coconut oil production, ornamental fish culture etc. implemented in the rural areas itself is a proof of innovation. Similarly, Kudumbashree would like to concentrate on other developing areas such Precision agriculture, Food processing, Multi-Purpose Job Clubs, Business Process Outsourcing (BPO) etc.

Agro - and Fishery Processing Units

The other group of products with their backward linkages is the most dynamic component of the three. These agro-/fishery-products are marketed outside the region and therefore have high quality. The major product lines under the other groups are the following:

- *Fish*: pickles, readymade curries (2-3 days shelf-life), dry fish, cut-and-cleaned ready-to-cook fish to be sold through cold storages.
- *Mussels*: pickles, cleaned and ready to cook mussels to be sold through cold storages.
- *Vegetables*: pickles, vegetables-in-bran, marinated and dried vegetables, soup powders.
- *Tubers*: fries and powders.
- *Fruits*: jams, squashes, fruits-in-syrup, cashew apple juice.
- *Coconut products*: Cream, Oil, Vinegar, Chutney and shell powder and charcoal;
- Curry powder, rice flour etc.
- Dairy products
- Catering units specialising in traditional preparations
- Fresh vegetable stalls selling organic vegetables in the neighbouring.

The other product group may be divided into two such as 1) the coir related products from the exporting firms in the region itself, and 2) a large spectrum of modern electronic and mechanical products, garment stitching and embroidery, and office accessories that may be sub-contracted from modern units in the Cochin industrial

belt. Two data entry and software centres are to be set up near the block panchayat offices with assured fibre optical connectivity.

Goat Rearing

Goat is a multi functional animal and plays a significant role in the economy and nutrition of landless, small and marginal farmers in the country. Goat rearing is an enterprise, which has been practiced by a large number of people in rural areas. In pastoral and agricultural subsistence societies in India, goats are kept as a source of additional income and as an insurance against disaster. The advantages of goat rearing are:

- The initial investment needed for Goat farming is low.
- Due to small body size and docile nature, housing requirements and managerial problems with goats are less.
- Goats are prolific breeders and achieve sexual maturity at the age of 7-12 months; gestation period in goats is 5 months and it starts giving milk at the age of 13-17 months.
- Goats are ideal for mixed species grazing. The animal can thrive well on wide variety of thorny bushes, weeds, crop residues, and agricultural by-products unsuitable for human consumption.
- There is good market for goat meat.
- Goat milk has a good market. The goat milk enjoys a premium price in ayurvedic products market. Moreover it can be milked number of times in a day.

Rabbit Rearing

Rabbit farming is another livestock activity with great scope as it is relatively easy, rewarding and takes little space compared to other livestock activities. Rabbits are mainly raised for their fur, which is known for its quality. Rabbit farming can also provide a very valuable additional source of income in the rural areas. Along with the fur, in Kerala, there is a growing demand for rabbit meat in many areas.

The advantages of rabbit farming

- Rabbits are highly prolific in nature.
- High growth rate reaching market weight of 2 kg in 8 weeks.
- Consume a large amount of forages from diverse origins and so can be reared on small amounts of costly concentrates.
- They can be reared in the kitchen garden/backyard of farmer's house.

- Initial investment is low.
- Quick returns i.e. six months after the establishment of farm.
- Income generation at quarterly interval makes the repayment easy.

Potentialities of the Project

The activities like Goat rearing and Rabbit rearing have been generally done at individual level so far and this has helped in enhancing the income of women from poor families. The Mission has helped thousands of women in setting up similar enterprises and augmenting their incomes. The experience with these enterprises has been encouraging.

The marketing of these produce does not present a serious problem in a state like Kerala where 90 percent of the population are non-vegetarian. Moreover, 65 percent of the meat consumed is from animals brought from other states. This would indicate that marketing of quail and goat for meat is taken care in the local markets. The demand for quail eggs is the local market in always ahead of the supply and there would be a ready market for the production. Rabbit is mainly used for the fur and at present the rabbit units are acting as the source of raw material for the processing units in Tamil Nadu. This marketing setup could be used for the new ones.

The technical inputs required for rearing the combination of Goat-Rabbit-Quail are rather very few as all the three species are very easy to rear. As with all Kudumbashree programmes, a detailed and comprehensive training programme has been prepared. The seven-day training programme will ensure the necessary inputs for personality development, financial aspects and the technical inputs. The training module has already been prepared.

The Animal husbandry department ensures that the veterinary services are available round the clock. The proximity to veterinary dispensary, goat-breeding centre and livestock markets would ensure the availability of timely services. This activity can easily be carried out by a family, which has less than 10 cents of land. Additional space and infrastructure is required only for the quail rearing; the use of multi tier cages will ensure the optimum utilisation of the space. The availability of green/dry fodder, concentrate feed, medicines is not a cause of concern in most of the rural areas of Kerala.

Initiatives in the IT Field

The data entry micro-enterprise was set up as part of the Kudumbashree initiative. Members of various self-help groups with basic skills were selected to form the first ever women's group enterprise in data entry in Kerala State, aided with a series of training programmes in data entry, software integration, marketing and accounting. The initiative budget raised through a bank loan, members' contributions and a small

subsidy. The initial client was the Employee Provident Fund Department for the digitisation of personnel records. For the initial 18 months of operation, the unit functioned in the corporation office before moving to a rented building. The unit repaid all its initial loans after three years of operation.



After carefully studying the progress of the first IT Unit, Kudumbashree has decided to start more units in the Urban areas. By March 2000, 48 such units were started in 34 Municipalities. Gradually the number has increased and by December 2004 there are 78 Kudumbashree Computer Units functioning in 54 Urban Local bodies and 8 Grama Panchayats. Most of the units have 10 to 20 computers and other accessories. At present 780 women are members of Kudumbashree IT Units. They are also providing employment to another 642 women on contract. Forty-four units have completed their loan repayment. On an average, the unit members are getting Rs.2000/- to 3500/- p.m. In the meantime Kudumbashree has established the brand names "Technoworld", "Technoshree", and "Technoinfos" in the data processing field.

Kudumbashree IT units are capable of doing any type of data processing works in English, Malayalam and Tamil. There is no other single organisation in Kerala having the capacity of doing bulk data entry work in a distributed manner covering all the 14 districts. Execution of the work in a distributed manner will help the speedy completion of the work as well as cost effective to the customers.

Vidyashree IT @ School Units

Kudumbashree has facilitated to start 151 Computer Education units at Government and Private Secondary Schools under IT @ School project of Education

Department, Government of Kerala for imparting computer education for High School students. The group size is from 5 to 10 members depending upon the number of students in each school; 910 women got employment under this project.

Computer Hardware Units

There was a growing demand from Kudumbashree data processing units and IT @ School education units for computers and computer-related services. This has given birth to Kudumbashree Computer Hardware Assembling units. At present 5 computer hardware units are functioning in 4 different locations. They are selling computers under the brand name, Kudumbashree Computer Links (KCL).

Kudumbashree has a well-qualified software team at Head Office. In some cases the Kudumbashree software team is developing data entry software as per requirements of the customers. These will help to canvass more data entry works to Kudumbashree IT Units. The service of this team is also used for trouble shooting on Software and Hardware-related problems in Kudumbashree IT units free of cost.

Coir Industry

The coir industry today is organised in small scale weaving units who subcontract orders from exporters through middlemen. Reorganisation of the coir weaving industry is a separate component of the overall Poverty Alleviation Programme. Kudumbashree does not intend to add to the existing excess capacity in the weaving industry through establishing micro-enterprises to make traditional coir products. However, there is a scope for upgrading the hand spinning of coir yarn to modern motorised wheel spinning. For this purpose, micro-production units of two to three spinning wheels are set up and linked to specific small-scale weaving units. These cluster units are supported by co-ordinating and resource supply facilities called Cluster Centres. The Cluster Centres provide coir fibre at a reasonable price to the spinners and act as an intermediary for the products of the manufacturing units. The Cluster Centres have the facilities for the storage of raw materials and finished goods, dyeing and bleaching facilities, finishing facilities, quality inspection facilities, design supply and prototype development facilities, and training facilities by master craftsmen.

The food products that constitute the bulk of the proposed micro-enterprises were traditionally produced within the household. However, to ensure uniform quality and hygiene, these production units are organised in special work-sheds. There is a proposal to have a cluster of work-sheds – micro industrial estates of up to a maximum of 20 sheds with road access, water and electricity supply, drainage system, and other necessary common facilities. The micro industrial estates will be owned by the Gram panchayat and given on lease to the NHGs. Besides the micro industrial estates, work-sheds may also be set up on land owned by one of the members.

Micro Enterprises Volunteer (MEV)

To provide effective handholding and escort services to the entrepreneurs Kudumbashree has tried out a best practice to develop Micro Enterprise Volunteers (MEVs). The MEV will help the CDS to identify the right entrepreneur and to develop potential product idea. They also provide support to the entrepreneurs for linking their projects with financial institutions. The MEVs are graduates or post graduates belonging to below poverty line families and hail from Neighbourhood groups. Under the present project a provision is given by Kudumbashree to support the MEV @ Rs.500/- per enterprise group having an investment of Rs.2 lakh or more. The volunteer will also get a promotional assistance @ Rs.100/- per month from each micro enterprise for one year towards the hand holding support he/she provides to the groups.

Training of Entrepreneurs

General Awareness Training: The first step towards the development of micro enterprise is to create the awareness of the potential of an enterprise to alleviate poverty. The prospective entrepreneurs are taught about the ways to identify business opportunities, analyse the possibilities and risks of each opportunity based on the external environment, assessing the existing skill set, identifying the need for training, preliminary steps to prepare project proposals and awareness of different programmes under which enterprises can be formed. There are also opportunities to interact with successful entrepreneurs. The general awareness programme tries to develop the entrepreneurial abilities in each person and provides an opportunity to shortlist some economic activities suitable to her capabilities, aptitude and taste.

Entrepreneurship Development Programme (EDP)

The general awareness programmes helps in creating a list of entrepreneurs and probable list of economic activities. The next step is to train the probable entrepreneurs through an Entrepreneurship Development Programme (EDP). In this programme, the entrepreneurs are trained on various aspects of establishing and running an enterprise. The topics are generally categorized in to two broad sectors - Personality development and technical subjects related to enterprise development. Personality development is a key area in the EDPs conducted by Kudumbashree. At least 40 percent of the time is set aside for sessions on developing leadership quality, communication and facilitation skills, public relations skills and public speaking. These qualities are absolutely necessary to build confidence in running the enterprises. The topics like project identification, business plan preparation, personnel management, maintenance of registers and accounts, statutory tax requirements, packaging and labelling, SSI registration and pricing are covered under the entrepreneur skill development programmes. Production management, Inventory management, Finance management and Marketing management are also covered under this training. The duration of the programme is 6 days.

Skill Development Programme (EDP)

Skill development training is a must before starting any enterprise activity. As a Strategy, only those entrepreneurs who have completed the Skill development programme can avail the subsidy and start the enterprise. The Skill development programme looks at equipping the entrepreneur with all the technical skills in order to start the enterprise. The programmes may vary from 5 days in the case of a catering training or Solid waste collection unit training to even 3 months as in the case of Multi purpose job clubs. Kudumbashree has developed number of training modules for some activities like direct marketing, Clean Kerala Business (Solid Waste Collection), Catering, Food product etc. A team of trained personnel has been developed over the years for conducting some components of the trainings. Experts are hired for some special functional areas.



Performance Improvement Programme (PIP)

PIP is another innovative programme in the enterprise development initiative to provide handholding support to newly set-up enterprises. All enterprise groups who have completed six months of operation are called for the PIP, groups involved in a similar activity are called for the training. It provides a perfect forum for the members to share the experiences of running the enterprises. The various issues like profitability, backward and forward linkages, technology up gradation, working capital

management, group cohesiveness, diversification plans, new product development, business development plan are discussed in detail. This programme helps the entrepreneurs to analyse the performance of their business and draw up a future action plan. EDI Ahmadabad, one of the leading organisations in enterprise development has been entrusted with the task of carrying out the PIPs. So far 46 PIPs have been conducted to fine-tune the skills of 2990 entrepreneurs Micro Enterprises.

Training in the functional areas of management like production, inventory, finance, marketing, personal and project are to be imparted to the selected entrepreneurs. With this objective a series of training programmes have been conducted and also a specific module for training potential Micro Entrepreneurs has been developed. Kudumbashree plans to utilise the existing potential of resource persons available in and around the State for prompting entrepreneurship.

MARKETING

Earlier experiences revealed that the marketing of products developed through micro enterprises is a gigantic job due to the following reasons:

- Absence of marketing net work and marketing capability of the poor
- Establishment of marketing outlet by individual entrepreneur is of high cost
- No assured market
- Space crunch: Very difficult to the poor micro entrepreneurs to get a space in existing market place.
- Competition with premium products of established companies/organisations.

To overcome these obstacles, Kudumbashree is planning to develop an informal marketing network by connecting 60,200 NHGs. For an easy opportunity walk to the micro entrepreneurs Kudumbashree aims at:

- Informal marketing network connecting 60,200 NHGs all over the state.
- To set up cost effective market outlets maintained by the community.
- Organising Trade fairs - to popularize the products developed through microenterprises and to improve marketing / sales.

The salient features of the poverty eradication strategy that Kudumbashree are proposes are as under:

- The prime movers in the sustainable development process are the micro-enterprises that cater to the local demand or process the local agricultural and fisheries products for sale outside the region. Skill based micro-enterprises would also be formed in electronic and light engineering sectors under sub-contractual relationship with large firms.

- These micro-enterprises are set up by the Kudumbashree Women Self Help Groups (SHGs) in which a woman member represents each household in a neighbourhood. All the families below poverty line are mandatory members of the SHGs. The SHGs also provide a community forum for popular participation in planning and decision-making processes.
- While relying on the strength and cohesiveness of decentralised small groups for achieving efficiency of production, the strategy involves setting up of an umbrella marketing organisation fully on commercial lines for marketing of the products.
- The demand generated by micro-enterprises for agricultural and fisheries raw material is to be met by a systematic expansion of vegetable, fruits and tubers production and pisciculture. For this effective backward linkage, a variety of groups farming organisations, innovative technologies and institutional support systems has to be arranged.
- The programme seeks the convergence of other poverty alleviation programmes of the Central government, small-scale industries and agricultural programmes of the State government and development programmes of the local self-governments. The poverty alleviation programme shall constitute a sub-plan of the plans of the Local Self-Governments Institutions (LSGIs).

Consumption Goods for Local Markets

The first group of products consist of toiletries like soap and detergents, school accessories like notebooks, school bags, tiffin boxes, uniforms, umbrellas, etc., and food materials like curry powder, flour, food mixes, etc. The advantage of these products is that they have an assured market as long as the products can be competitive in quality and price. The sales advantage of the existing products, primarily based on advertising, can be overcome through local-level environment creation in favour of the micro-enterprises. As such, this product group could provide a very effective launch pad for the micro-enterprise programme. The success of micro-enterprises in the local markets can provide the necessary confidence for the larger programme and also the environment creation campaign could be utilised to explain the overall programme to the population.

Future Marketing Plan

A novel feature of the Micro-enterprise Programme is the formation of a marketing company. The marketing company provides comprehensive support to the micro-enterprises in accessing external markets through a package of services that could include technology assistance, credit arrangement, raw material supply, standardisation, certification, quality control, packaging, branding, customer feedback, and marketing and distribution. The marketing organisation will be run on commercial



lines of making profits, which is possible only when it makes a success of marketing the products of the micro-enterprises.

The members of the SHGs will hold the majority shares in the company. A capital of about Rs. 2 crores will be provided to attract the required talent. Besides the SHGs, we may seek financial assistance from institutions like NABARD, other co-operative institutions in the area, aid agencies, and private individuals to contribute capital to the company. Preference would be given to sourcing funds from organisations that would give maximum freedom of action.

The proposed marketing group shall be the nerve centre of all the professional operations of the micro enterprise network and shall focus on:

- Reading market trends and marketing studies
- Developing innovative business ideas
- Conducting feasibility studies
- Gaining access to capital for start-up and growth
- Assisting business start-ups

- Understanding and dealing with regulations
- Managing business finance
- Creating an effective working environment

The experts for the marketing group, would be drawn mostly from the corporate sector. They would form a joint working group with the local technology groups and local experts to collectively evolve appropriate support systems for managing and developing small and micro enterprises. They will also conduct effective advisory and promotion of small business activities, consolidate their own knowledge and skills in project cycle management applying it in the new context, understand marketing strategies specific for small businesses and understand finance and credit management skills as they apply to small and micro businesses. A large part of the production of these units has to be sold within a short transport lead, particularly the ready-to-eat fish products. It, therefore, propose to open sales outlets in Alappuzha and Shertalai to effectively support the marketing effort. The emporia near Alappuzha and Shertalai towns have also been linked to restaurants serving traditional foods prepared by the SHGs. Situated along the busy national highway, if properly serviced, these catering units can be eminently viable. The two restaurant-emporiums and a tourist backwater restaurant, of 2000 sq. ft. each are also planned.

Repayment Information System (RIS)

The RIS tracks the status of the business proposals in the banks. Kudumbashree has always maintained that only bankable projects need to be supported by the financial institutions; there is no pressure to clear all the projects submitted to the banks. In fact the strategy has been to offer the banks a range of projects and leave it to the banks to choose the best ones. Though the CDS submits only bankable projects, there are chances that some of the proposals may be rejected. The project proposals are submitted to different banks and their branches, there has to be a mechanism to track the status of the proposals in the banks. The RIS helps in this by bringing out a consolidated report giving the bank wise and branch wise status of projects. The structured reports are analysed during the monthly meetings, the reasons for rejections are analysed. In certain cases, the reasons for rejections are taken up with banks. All the details in this module are updated from the banks every month. Besides helping the Project staff in tracking the project proposals, it also puts pressure on the bankers to process the loan applications at much faster rate. In case of major delays by the banks, the issues could be raised in the District Level Bankers Committee (DLBC) meetings.

The status of loan repayment is the most important part of the RIS. As the repayment schedule of all the loans are recorded in the database, as soon as the repayment falls due, the matter is communicated to the concerned NHG. The concerned ADS and the Community Organisers (C.Os) are also informed about the status. The repayment

details of all the enterprise groups are collected from the various bank branches every month. In case of defaults in repayment, it is taken up in the monthly review meetings. In case of defaults in repayment, the ADS meet the concerned entrepreneurs at their workplace. The problems for the defaults are analysed, and corrective measures are also suggested. In case the ADS members feel that the support of the DMT and the Project officer is required, the matter is taken up at a higher level.

Functioning of RIS

RIS is being implemented across all the urban local bodies with the help of the Kudumbashree I.T units. The I.T Units are present in all the major ULB of the state. The trained RIS volunteers in each ULB are entrusted with the responsibility of collecting the data from the banks, NHG, ADS and the CDS. The volunteers selected from the members of the Kudumbashree CBOs are graduates with computer knowledge. They are paid an honorarium of Rs 600 per month by the ULB. The Kudumbashree software team has designed the software for the RIS, which has also undergone some changes based on the feedback of the various stakeholders. The data is compiled and processed at the IT centres. The reports are sent to the Project Officer, ULB, the DMT and Kudumbashree head office for further analysis.

Impact of RIS

The ULBs and DMT have found this as a very effective tool in the monitoring of the programme. As the funds for the SJSRY have been increasing over the years, the number of enterprises set-up have also increased. Today there are 1345 Group and 15382 Individual enterprises under SJSRY, and a number of ULBs that have more than 100 enterprises. It would not be possible to monitor the programme without the RIS. Moreover as the loans are given for terms that vary from 3 years to 6 years, the time span over which an enterprise has to be monitored is also large. RIS has been an effective system to track each one of the enterprises in a cost effective and efficient way.

The Kudumbashree head office is able to keep a record of all the enterprises formed under SJSRY. The enterprises are spread across 53 Municipalities and 5 Corporations and RIS is a solution to monitor such a programme. The proper monitoring of the scheme has helped in maintaining the repayment rates at more than 95%. This creates a lot of confidence in the banking community to be associated with any Kudumbashree venture. The RIS also creates a sense of transparency as far as the beneficiary is concerned. She gets to know the status of the proposals submitted to the CDS and the banks, the reasons for rejection of proposals are also clearly informed. Since the RIS provides an effective mechanism for monitoring, there are few chances of wilful defaulting of loan repayment. The spread of the Kudumbashree enterprises programmes across the state, there are more than 20000 group and 20000 individual enterprises giving employment to more that 2.5 lakh families has to be attributed to the effective monitoring of the enterprises. It has also indicated in the belief that

enterprises is an effective tool for poverty reduction. The RIS has made a significant contribution in towards this.

Impact of Micro-enterprises

There are four pathways through which women experience change through micro-enterprises, as follows:

- Material change in access to and control over material resources, in level of income, and in satisfaction of basic needs;
- Cognitive changes in level of knowledge, skills, and awareness of wider environment;
- Perceptual change in individual's perception of own individuality, interests, and value; and in the perceptions by others of individual's contributions and worth; and
- Relational changes in contractual agreements, in bargaining power, and in ability to resist exploitation.

Initially, if they receive training as well as financial services, women experience increased access to material resources and increased knowledge as well as awareness of their environment. gradually, their perceptions of their own individuality, interests, and value - in effect, their self-esteem. Eventually, they begin to bargain effectively for more equal or less exploitative relationships within, first, their family and community and, then, their wider environment.

There are six general areas or domains in which subordination of women is traditionally played out, and in which empowerment of women is believed to be taking place:

1. Sense of self and vision of a future;
2. Mobility and visibility;
3. Economic security;
4. Status and decision-making within the household;
5. Ability to interact effectively in the public sphere; and
6. Participation in non-family groups.

During group discussion most women entrepreneur were agree that micro-enterprise increased employment opportunities; increased income and income security; improved nutrition; increased access to health services; provided access to child-care; improved housing plus water and sanitation facilities; increased household assets; strong women's organisations; helped in making of; created strong women leaders.

Increases in control can be measured in terms of an increased role and/or increased bargaining power in decisions regarding the allocation of physical, financial, and human resources; use of micro-enterprise services (notably, loans, savings, and interest); and management of enterprises or income-generating activities.

Participation in micro-enterprise services leads to increased

- self-esteem and self-confidence and, in turn;
- mobility and interactions at the household and community levels;
- increased sense of own contributions and own abilities;
- participation in activities outside the home.

Thus, women begin to receive and use income to make a positive contribution to the household and the community.

Decision-making: increase in number of women who report an enhanced role in decision-making regarding — expenditures: e.g. on food, education, health care.

Buying and selling: raw materials, goods, major assets saving, borrowing, and

Investing production: e.g. what to grow, produce, consume, sell.

Bargaining power: increase in number of women who report — increased bargaining power: e.g. within household and in economic transactions reduced domination or harassment by others: e.g. spouse, in-laws, children.

Reduced violence by others: e.g. spouse, in-laws, kin, local elite, employers

Self-reliance: increase in number of women who report — reduced dependence on intermediation by others for access to property, resources, markets, and public institutions.

Increased mobility: e.g. in activities outside the home; in market place increased interactions with: e.g. outsiders, especially in economic transactions.

CHAPTER 5

EMPOWERMENT OF WOMEN THROUGH KUDUMBASHREE

Empowerment Concept

The empowerment of poor women is a process of changing the existing power relations in favour of the poor and the marginalised women and requires changes in knowledge, attitude and behaviour of not only women, but also of men and the society at large. Empowerment of women in general and poor women in particular, is the thrust area of development initiatives in India today. Empowerment is a process of awareness and capacity building leading to greater participation to greater decision-making power and control, and to transformative action. Prior to the use of the term *empowerment*, experts used to talk about gaining control over resources and participating in decision making that affects their lives. Empowerment occurs both at individual as well as collective levels. At individual level, a new confidence and sense of self-efficacy emerges as the person redefines him or herself as a more capable and worthy individual. Closely connected to the psychological redefinition of self is the actual increase of individual knowledge, competency, skills, resources, and opportunities, which enable more effective action and interpersonal relations. There is a positive interactive effect between the development of self-confidence and the strengthening of personal ability.

Hence, empowerment of women can be visualised as process, a continuum of several inter-related and mutually reinforcing components, as follows.

1. Awareness building about women's situation, discrimination, right and opportunities as step towards gender equity. Collective awareness building provides a sense of group identity and the power of working as a group.
2. Capacity building and skills development, especially the ability to plan, take decisions, organise, manage and carry out activities to deal with people and institution around them.
3. Participation, greater control over decision making power at home and community.
4. Action to bring about greater equality between men and women.

Most popular version of empowerment often shared by the NGOs and action groups, envisages awareness building, capacity creation and participation that leads to transformation of unequal relationships, increased decision making at home and community and greater participation in politics. This approach has the advantage of providing a space for challenging the existing social, political and economic structures, with a view to create more equitable and participatory structures in which women can gain control over their lives. According to this approach, empowerment of women must increase their self reliance, provide independent right to make their decisions and challenge their subordination and enable a multi-faceted process of development involving the pooling of resources to achieve collective strength and countervailing power and enhance the capacity of women.

It is generally agreed that empowerment is a process of bottom up, rather than something that can be formulated as a top down strategy. Hence, any strategy gearing towards empowerment must therefore enable women themselves to critically assess their own situation and shape a transformation in society. In other words, the strategy for women empowerment must provide women the necessary space for acting themselves as agents of transformation in gender relations. In summary, empowerment is process of awareness creation and capacity building leading to greater participation, to greater decision making power and control and to transformative action. Empowerment is a process; it is conscious and continuous enhancement of capacity building for greater confidence and meaningful participation in decision making. Empowerment enables one to participate in development as democratic process. It is a process that emancipates women from their subordination and enables them to gain the vital capabilities for decision making and participation in democratic process.

Analysing empowerment of women, will involve seeking answers to question such as:

- How have women's views about gender changed?
- How have their feelings about themselves changed (self-confidence, self-worth, potential etc.)
- What can women do now that they wanted to do but could not do before?
- Do women believe that it will be easier for their daughters to do these things now?
- What new or existing resources (broadly defined) were used to achieve this?
- How have women worked with each other to achieve this?
- What actions did women take, individually or collectively to challenge constraints to action?
- How did women support each other and learn from each others actions?

- How did women resist such constraints either overtly or covertly?
- What opposition did women encounter?
- How secure do women think their newly expanded freedoms of action are?
- What action, if any, do they intend to take to defend their improved position?

Engendering Impact

In any development programme gender perspective encompasses two dimensions: the material and the ideological. The material dimension refers to an instrumental approach that seeks to correct the manifestations of gender inequities, whereas the ideological dimension refers to a transformative approach that attempts to tackle the root causes of inequities. All projects aiming to change people's living conditions in a substantial way should address both. The overall hypothesis of micro-credit is that it contributes to women's empowerment. The practitioners also believe that micro finance has played an important role as an instrument of improving the economic conditions of the poor as well as reducing their vulnerability through supporting asset building and increasing their negotiating abilities in dealing with the economic well-being of their families. But there are also concerns about lack of gender mainstreaming strategies at project formulation stage in the absence of which the impact assessment of micro finance services cannot be as gender-oriented as it ought to be.

To understand the implications of micro finance and small enterprise for women, we also need to examine the impact of women's earnings on household income distribution and decision making. In other words, we need to analyse whether earning a wage or money empowers women within the household, and increases their autonomy and ability to resist oppression. It is also important to see whether choosing the 'enterprise' is actually a 'woman's choice' or whether this activity is increasing/decreasing her choice in other areas of life.

Economic Empowerment - Role of SHG/NHG

A combination of women's increased economic activity and control over income resulting from access to microfinance with improved women's skills, mobility, and access to knowledge and support networks enhance status within the community. Microfinance, then, would figure as a starting point for women's empowerment within a framework that acknowledges a complex connection between economic, social and political structures. Women are central to this framework too besides being the agents of change in the family. This framework would combine programmes for gender awareness and social, political mobilisation with micro-credit, and identify gender equality and women's rights as equal citizens as major goals. In other words, it would stress a composite strategy of bringing in-depth change in the larger development agenda, explicitly encouraging women to challenge gender power at the local level.

There is explicit recognition that the issues of improving women's contribution to household income and well-being, and of reversing patriarchal power relations need to be tackled with equal seriousness. Women's empowerment would then be defined as acquiring the capability to transform the newly created opportunities and spaces so that the very limits of existing institutions, public and domestic, are challenged. Kudumbashree interventionist strategy would place considerable weight on lining the self-sustaining participatory women into the micro-credit groups to the largest women's movement against patriarchy.

The investment in women's economic activities will improve employment opportunities for women and thus have a 'trickle down' effect. In the poverty alleviation paradigm, the emphasis is more on increasing incomes at the household level and the use of loans for consumption. Micro-credit is now-a-days accepted as an effective tool for empowering women. However, provision of credit at favourable terms is not a lacuna for the question of empowerment, as it is not automatically empowering women. Male control over the loans and repayment is the danger involved in it and there is the possibility of worsening women's position. Thus it is argued that improving women's access to credit is a positive step towards empowerment, but it cannot be considered as the means of empowering women. Apart from the danger of male involvement, provision of credit and subsequent micro enterprises for the purpose of empowerment of women will definitely add to the burden she has to shoulder in terms of labour contribution towards such activities.

Further, credit programmes promote the narrow individualistic definition of empowerment of women and ignore its collective dimension. By offering credit, it attempts to tackle the problem without taking care of the deep structural transformations. Credit and income generating programmes, for desired impact over women, need to move from the framework in which women are passive recipient of a service. The scope of credit programmes has to be increased from individual self reliance to broader empowerment goals. Awareness campaigns, para-legal training, non-formal education, education in family and health care, training to provide awareness and capacity to overcome gender-specific constraints to assertive confidence and power within households have to be the part of the programmes. One important approach towards supporting empowerment programmes is the promotion of the participation of women in political life, alongside the support for good governance and democratisation, as well as supporting the women organisations and movements.

Kudumbashree had organised SHGs in Kerala for the empowerment of women particularly for economic independence and freedom from moneylenders. Majority of the respondents earlier did not have savings account in the bank. Since most of these poor women had no savings of their own, they had to depend on other sources for loan to meet their emergent needs. These sources were: moneylenders, friends, neighbours and relatives, landlords, traders and at times formal financial institutions. Sometimes they had to mortgage the little gold or the land or the house as surety.

Increased well-being: During the group discussion it was observed that access to savings and credit facilities, women's decision about what is being done with savings and credit strengthens women's say in economic decisions of the household has increased. This enables women to increase expenditure on the well-being themselves and their children. Women's control over decision-making is also seen as benefiting men through preventing leakage of household income to unproductive and harmful activities. The micro-finance has positive impact on nutrition, health and literacy campaigns which decreases vulnerability and improves women's skills and well-being.

It was observed that group formations enable women to participate in thrift, credit, loan availing. Income generating activities often have a multi-faceted impact on her life and family. First, of all it provides her with a source of easy and cheap credit for the requirements of the family. Second, it provides her with a chance to engage in income generating activities and earn a supporting income, perhaps the main, to win the bread for her family. Third, it provides her a chance to interact with her neighbours in a different perspective. Fourth, it will enhance her capabilities in a multitude of ways. Five, such activities will improve her condition in her family and society. The impact assessment will be made with reference to the aspects like:

- Awareness
- Participation
- Income
- Individual empowerment variables

Awareness

The awareness of the women and the sources of awareness are examined to understand the impact of group formation. Awareness is one of the critical determinants of women's participation and empowerment. Unless they are well informed about the programmes and projects on going for their welfare, it is not possible for them to participate in it and contribute towards the designing, planning and implementation as well as monitoring of the projects. Two aspects of awareness are examined here. Level of Awareness and Source of Awareness.

Level of awareness was categorised into three aspects i.e., aware, partly aware and not aware, depending on the answer to the questions they are able to answer. Group formation activities are one major source of awareness for the members. They understand several things from participating and associating with the group formation and group activities. Most of the informants in the group discussion sessions revealed that they were bold enough to go to the bank premises only after they joined the group and began thrift activities. Thus, group activities also contribute towards the enhancement of capacities of the poor women. Apart from other sources of awareness,

group formation activities have become a major source of awareness to the members. As far as participation in development programmes is concerned, group activity has a predominant influence. The group activity has enhanced the household decision making power of informants.



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

Impact on Income

The very basic objective of the women empowerment programmes are to increase the income of the poor women so that it will be used for the whole benefit of the

family and certain advantages to the individual poor women, the family and the community as a whole. Kerala, a highly literate State with a more advanced outlook by women and men towards the rights of women, permission from the husbands or in-laws not deter women's participation in development activities, according to the group discussion sessions. Though time constraint appears to be one of the most disturbing factors, permission from husbands or in laws hardly appears as the deterring factor, even in the NHG meeting sessions.

The informants were asked to identify the benefits they obtain from the association with the groups and invariably one of such benefit is income. Linking this information with the purpose of loans taken from the groups highlights the fact that loans are mostly taken for consumption purposes and partly they contributive towards increasing income. Most of those who have taken loans for productive purposes like agriculture and income generating micro enterprises have declared income as one of their benefits of group activity. Even those who have taken loans for small petty shops also have declared income as one of their important benefits.

Access to credit, unsurprisingly, is one of the main rewards of participating in an SHG. While there are cases where husbands assume loans secured by their wives, in general the women find themselves in a new economic position. Women not only gained experience with financial affairs, but they also claimed that their status within the household was raised, as they were seen to be contributing to the welfare of the family. Their opinions became more valuable and their household decision-making powers increased. Greater decision-making powers of women within a household does not only improve gender justice by creating a more equal dispersion of power in a household.

Overwhelming number of women said that they spend much of their income on household well-being, including daughter's education and their own health. Even where women do not directly control incomes, perceptions of their contribution to the household have changed. Increased confidence through interaction with programme staff and groups has improved their role in decision-making within the household. Some programmes with an explicit empowerment focus on gender awareness and organisation have also effectively supported women's micro-finance groups to challenge unequal property rights, domestic violence, alcoholism and dowry demands. Some women are able to turn opportunities offered by micro-finance to their advantage and bring about change. In order to transform micro-finance into a genuine gender strategy, women's empowerment needs to be understood as more than a marginal increase in access to income and/or consultation in limited areas of household decision-making or occasional meetings with a small group of other women. As reported by women during group discussion that their mobility has increased outside the boundary of the home and interaction with outside people improves self-confidence among women.

The programme has provided the space and opportunities for the poor women. The saving by poor women facilitated greater control over financial resources and access to cash in need. This has enabled the women feel more secured during emergencies. Women take pride in owning the assets in their name like land and house through loans. Access to productive assets like land lease and tree lease through credit utilisation is available to women for undertaking business activities. Women do take the consent of men for obtaining the loan and for the purpose for which it is to be utilised. Most of the time self-employment activities become the collective activity for men and women though there are examples of women taking up the activity solely.

Participation in the Family Decision Making Process

Women's participation in family decision making process indicates their level of social development. The economic independence of women and their share of contribution to the family fund are considered major factors, which influence the participation of women in family decision making process. The case study reveals that there are other social factors that influence the participation of women in family decision making. Women under the Kudumbashree program participated more than other women in the family decision making process as told in focused group discussion. Generally, women were confined to their households, due to societal norms, and because it is perceived as unnecessary for them to leave their homes. In order to participate in NHG/ SHG meetings and activities, the women were required to exit their homes, thus opening opportunities to gain social autonomy. Many women now claim that they have acquired freedom not only to attend meetings and NHG/SHG functions, but also can travel for other purposes. This increases their potential to travel independently to health care facilities for themselves or their children, without the accompaniment of male relatives. New information leads to changes in behaviours which are more empowering.

NHG/SHG brings together groups of neighbourhood women, thereby expanding their social networks outside of the family. This may lead to social support as well as enlarging their range of coping strategies. Women share their problems within group meetings, which are often related to family problems they are unable to discuss within the home. They may also approach members outside of meetings, as they have established various levels of rapport and trust with members. A network of women opens up new possibilities, which are accessible to women. The NHG/ SHG create potential solidarity among women, and is also the main route for decreasing male control and patriarchal attitudes in society. Self-help groups have been instrumental in empowerment by enabling women to work together in collective action. Women's networks do not usually obtain business or political favours as they command few economic resources and frequently rely on time and non-monetised labour exchange. However, SHGs, when combined with savings and credit, have enabled

women to benefit economically by monetising their contributions and in the process have empowered them to become agents of change.

Impact of micro finance at household and community levels impact on following gender indicators:

- Savings by women in their own names
- Women's contribution to household savings and income
- Women have accessed investment loans
- Generation of self employment and family employment
- Improved self respect and self confidence
- Recognition at home of the economic contribution by women
- Reducing dependence through savings
- Mobility and skills
- Ownership of assets
- Decision making in the family
- Collective strength

In this study the individual empowerment was looked into from level of access to information and knowledge gained through active participation in awareness building and capacity building programmes organised by the SHGs, on gender issues, rights of women and children, government schemes etc. In order to assess the level of knowledge of the respondents, they were asked whether they knew about the statements and if they did from where they received the information, SHGs or from outside. At the individual level, when she acquires sufficient knowledge and skills, there could be an attitudinal change within herself and towards realities around her. The present study probes into her attitude towards some of the gender issues and social customs prevalent in our society, to assess whether change has occurred in her attitude after she has become a member of the SHG.

At Individual Level

The savings components in the programmes have created an opportunity for women to have savings in their names but there is no information on how these savings are used and whether women really can decide how they want to spend that money. There is no cash earning unless women are involved in some income generating activities. It is also difficult to find out about who made the choice of activity and how it affects the gender roles. In some cases women's workload increases manifold due to the chosen activity. Women have reported an increase in self-worth and self-

esteem as a result of their involvement in money matters. Empowerment has taken place but only in the case of group leaders and office bearers whose mobility and skills are enhanced due to their roles and the capacity building training programmes.

Kudumbashree have built up the capacities of poor women through Self-Help Groups, enabling them to graduate from powerlessness to becoming powerful. Empowerment occurs at two levels, namely at individual and collective levels. At individual level, there is increase in individual knowledge, competency, skills, resources, and opportunities, which enable more effective action and interpersonal relations. The individual who has become more empowered becomes more human in the fullest sense of the word. The impact of individual empowerment should reflect within self, the SHG and the community at large. Community-based activist groups can bring about sustainable development and find feasible solutions to social issues relating especially to women and children.

At Household Level

As reported during group discussion, there is no difference in the ownership pattern of assets within the family. Micro credit and micro enterprise has not made men change their minds about sharing the properties—whether acquired or inherited. Gender roles continue to be the same. Women do most of the reproductive, community work and contribute actively to the productive work; yet their contribution remains largely unrecognised by family members. Money taken for enterprise does not mean that the activity will be managed by women; nor do women have much control over the earnings made through the enterprise. Women continue to depend on men for support ranging from loan repayment to spending their savings.

At Community Level

Members of the NHG are definitely better placed as compared to their earlier position. There are examples of group solidarity where women have socially become very active socially and act as role models in the village. Political participation by women members has increased as compared to the others but it is not significant nor it can be attributed to their being members of NHG group. There are numerous examples of women earning a substantial income out of the enterprises, women being local leaders, women heading households and having a major say in the family matters. The objective in this paper was to look at the gaps in the issues directly related to the well being of women and their family members.

Remarkable change has occurred regarding mobility of women, including women going out for attending meeting or classes, training programme, and various other functions related to investment and credit utilization of the SHG. Most of the respondents had taken different types of loans from SHGs for consumption needs, income generation and other reasons. The women especially from poor families once confined to the limited circle of their household, now actively participate in the NHGs, discuss the

issues affecting their family and society at large. They are now organised to fight against the evils of the society such as illicit brewery, atrocities against women, illiteracy etc.

Women also reported that violence has diminished as men come to realise and appreciate the importance and value of the economic contributions to the household. Two aspects pertaining to gender relations are worthy of note. The first is increased respect for women. The second is the utilisation of the self-help groups as coalitions to protect, and seek redress for, women subjected to gender-based violence. A change in approach towards women is distinctly visible at all levels. A positive change in terms of attitude and practices of mainstream financial institutions, government departments, weakening caste and religious barriers is notably conspicuous. There has been substantial reduction in turnover of local moneylenders. In fact this is one of the major achievements of Kudumbashree programme.

Political Empowerment

Besides social and economic empowerment, political aspects were also looked into by the present study. Some of the indicators for the political empowerment looked into were their membership in other organisations, participation in Gram Sabha, contesting elections to Local Self Governments and holding responsible positions in various committees at the three-tier Panchayat system and urban local bodies. As for the programme for the development of women, they offer a lot of avenues for the participation of women at various stages like planning, mobilising resources, implementing and monitoring of the works.

Women are conspicuously getting ready to participate in Panchayat election to create their own space and strength in negotiating with the government. A promising example is the federating of self-help groups where all such groups in one village form an apex body consisting of selected representatives of each group. Women leaders in federated bodies have gained prestige and recognition, which has paved their path to elected office in local government. Many CBO chairpersons have been elected in Panchyats and Municipalities. Another area of political empowerment probed into was contesting of elections to Gram Panchayat. A very impressive increase in general skills was noticed in majority of respondents. Highest increase was seen in communication skills. A great majority of the respondents showed the increase in free and frank expression of their views in SHG meetings, in teaching or training others and speaking in public meetings. The increase in self-esteem, self-confidence and fearlessness were seen in the response for going to government offices and police station and talking to the officials and policemen. These women were earlier afraid of these offices and gained confidence only after coming into contact with the SHG. This was a sign of their social empowerment.

The women from poor families were given the opportunity to move towards the leadership of the NHG. Each NHG has a five-member leadership team and such five member-volunteer teams constitute the general body of the Area Development Society (ADS). A seven-member team is further elected from the general body and again the elected members of all wards in a local body further constitute the general body of the Community Development Society at local body level. A nine-member committee with a Chairperson and Vice Chairperson is elected and positioned at local body level. Being a member of the federation each woman hailing from poor families gets an opportunity to rise to the leadership from the NHG to CDS.



Social Empowerment

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

Change in socio-political environment is evolving itself more as a power emerging within the women. Notably, more female-headed households derive the economic and social benefits of group membership. More widows and abandoned women enjoy greater security and confidence in the society. Moreover the nature of social mobilisation and the capacity building taking place during group formation is very important in influencing extent of women's empowerment issues. Linkages with bank have enhanced enormous confidence of women. Breaking of class and caste barriers and sitting together over a period of time is the most significant achievement. The

resistance of early days has evaporated. Increased visibility and recognition is noticed as Gram Sabha's are inviting the NHG/ SHGs to the meeting. Attitude of local administration has changed towards women.

According to one member, "earlier women were confined inside the house, looking after children, looking after husband..., shy and never used to come out and, meet people. Even if she was invited for other people's marriage she took the permission of her husband and other family members. But now we are not shy, can go and help others, if I want to help her I can help her". Another Member, said, we don't call for anyone's help! We can help ourselves! We have the ability to act on our own, that for us is a greater achievement and greater ability. We are aware why a person is standing for election % e.g. the recent panchayat elections and they knew very well whom to vote for and to select the right person who can air our grievances. That's well understood by our women." Another member, "Just like a mother's children we get along very well". Another member, "No one knew about the bank! We can meet other people from outside. We can answer the questions and ask our questions because we are aware of our rights and what's happening around us!" Another member, "Earlier we used to think that because we were illiterate it's better that we confined ourselves to the house itself, kept quite and listened to others...life was moving on! But now I can go to the bank, go out to other places etc." "we can look after the family and run business." "Earlier there was difficulty in meeting people, but now we are brave enough to meet people." "We go out in group and get strength." "We can go alone without the permission of the husband."

Educational Empowerment through Building Capabilities

The self learning process they undergo through practical experience by mobilising thrift, disbursement of loans, operating bank accounts, approaching banks for loans and undertaking small livelihood activities enables them to excel in their life and it is an educational experience that no formal school can offer. They are also facilitated to inquire into the educational developments of their offspring to prevent intergenerational transmission of poverty. Education is yet another important area Kudumbashree focus upon. Poverty denies opportunity for education, both general and higher education. The socio-economic analysis of students who failed in the examination shows that majority of them who failed are from BPL families. Therefore, Kudumbashree has facilitated the CBOs to set up remedial education centres, organise vacation classes for the high school children and ensure participation of the parents in PTA/Mother PTA meetings. Special programmes to improve employability of youth and 'Finishing schools' are also set up.

Capacity Building of the Members

Kudumbashree perceives capability deprivation as one of the root causes of poverty. It was clear that any poverty reduction programme has to address this issue in order to be sustainable in the long run. Kudumbashree views capacity building as

a gradual process through which the poor reach a state where they are able to make decisions for themselves. Kudumbashree has initiated series of activities to build capability of poor from the beginning. This includes general awareness programmes for the community, human resource development programmes for the members of CBO, skill development, entrepreneurial training programmes, skill upgradation and performance improvement programme (PIP) for the entrepreneurs.

Training of Community Volunteers

The community volunteers are the key players in the implementation of the programme; the spread of the programme has to be attributed to their work in the field. As on date there are 160712 NHGs in the Kudumbashree network and together they account for 8 lakh volunteers. These volunteers are elected for a period of 2 years with a provision to continue for a second term. The volunteers need to develop a good understanding about the various facets about the programme including the purpose, mission, structure, various programmes, bye-laws etc. in order to be in a position to disseminate the message to the NHGs. Hence all the volunteers have to undergo a specially designed training programme comprising of 3 modules. The first module covers the information about the programmes, identification of poor using the poverty indicators, importance of thrift & credit operations etc. This will provide the necessary information to create the awareness in the NHGs about the programme. The Volunteers get 6 months to put into practise the various things that they have learnt in the training programmes. The second module concentrates on honing the leadership skills of the volunteers, hence training on issues like conflict management, decision-making etc. are imparted. The third module caters to enterprise development and the related management aspects like personnel management, production management, marketing management etc. The volunteers are trained as soon as they are elected as the office bearers of the NHGs. Considering the mammoth task of training 8 lakh volunteers, cascading type trainings are used. Key resource persons are identified and trained at state-level workshops. These resource persons are, in turn, used for training the volunteers at the district, block and the village levels.

Training for Elected Members of Local Self Governments

The Kudumbashree CBOs work under the leadership and guidance of Local Self Government Institutions (LSGIs). It was noticed that wherever the LSGIs and CBOs have worked together, the implementation of Kudumbashree programmes has been effective. An atmosphere of mutual trust and belief has to be created between the two bodies. This atmosphere can be created if the elected representatives understand the philosophy and the programmes of Kudumbashree. Capacity building enhances the ability and skills at the individual level to realise her full potential and live a more happy and meaningful life. This is an enabling and empowering process to work as a group and play different roles, necessary for development and maintenance of the group. It is important from the point of view of empowerment that women are not

only capable of functioning as a group, but also are able to effectively participate in the process of economic activity undertaken by the group of women. Capacity building of women in the areas of planning, executing, and monitoring all aspects of the economic activity is equally desired in this context.



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

In this study, capacity building was looked into from general skills required to function as an effective group member and management of SHG, and skill development training programmes for initiating income-generating activities. The general skills studied were communication skills, leadership qualities, self esteem and confidence, and other skills required for effective management of SHGs like maintenance of accounts, writing of reports, handling bank transactions etc.

Kudumbashree had organised various awareness generation skill development programmes. Primary importance was given to topics related to management of SHGs, like how to conduct meetings, write minutes and reports, keep different account books and other registers etc. And also they had conducted skill development training

programme in leadership, communication, conflict management, legal rights relating to women etc. Another area of capacity building training was in self-employment programmes. The important areas of trainings were on goat rearing, animal husbandry, soap making, candle making, lotion making, detergent powder making, jam and squash making, tailoring, bio-farming, vermin composting etc. The topic of rainwater harvesting techniques was also taken up by some of them.

Table: Curriculum for the Training Programme

Sl. No.	Type of Participants	Number of persons	Skills to be imparted
1.	Elected Representatives (ERs)	150	Self-reliant development— rules and regulations of LSGIs— decentralised planning— gender and development— poverty— micro-credit— overview of the micro-enterprise programme.
2.	Key Resource Persons (KRPs)	150	Self-reliant development— rules and regulations of LSGIs— decentralised planning— gender and development— poverty— micro-credit— overview of the micro-enterprise programme.
3.	Office bearers of SHGs	3000	Self-reliant development –Role of LSGIs— local-level planning and micro-credit— poverty— group dynamics— accounting and management skills— gender and development.
4.	Managers of micro-enterprises	1000	Self-reliant development –Role of LSGIs— local-level planning and micro-enterprises— poverty—group dynamics— accounting and management skills— gender and development— technical skills.
5.	Workers of micro enterprises	4000	Big picture and motivation— overview of micro-enterprise development programme—production skills.
6.	Members of SHGs	35000	Big picture and motivation— overview of micro-credit and enterprise programme— decentralisation and participation— gender and development.

CHAPTER 6

MAIN OBSERVATIONS AND RECOMMENDATIONS

Main Observation

1. The achievements of Kudumbashree have been impressive, women display self-confidence and a sense of self-worth. Indeed, there are historical reasons behind the success story of Kudumbashree and the specific shape it now has. Kerala had a massive modern education system for women at all levels, favourable gender/human development indices, and good utilisation of services and awareness leading to multiplier effect of Kudumbashree.
2. The opportunities for saving and credit available through Kudumbashree and now its linkage to the panchayats (which means that women are directly linked to the state machinery at that level) accounts for the fact that Kudumbashree has proved to be quite popular and more enduring than any other poverty alleviation programme that targetted women. The NGOs who had formed SHGs much earlier have resisted this move, accusing the state of taking control of and restricting the growth of civil social initiatives.
3. Kudumbashree draws on self-help groups, heavy dependence on NHGs and its state-oriented conception of civil society. The instruments of change are the SHGs, which are groups in which each member seeks to better her (family) interest through joint efforts of income generation. The agents hail from the poorest section, which probably have benefited the least from the earlier regime, and are, strikingly, female. Women are still agents of development, but with added earning capacities, and the expectation is that they will continue to play a central role in producing social development, with innovative and flexible bureaucratic support.
4. A declining spirit of volunteerism is already evident. As the programme expanded to the entire state, the Kudumbashree CBOs see this as a government programme and, therefore, feel entitled to remuneration. Many volunteers complained about the work and lack of monetary compensation. Interestingly, they were not willing to give up their position after a two-year term.
5. Other observers of civil social affairs in Kerala, are also pointing to the potential danger of bureaucratisation of NHGs. This, however, is hardly surprising, given

that these community-based organisations are part of the state-created civil society, and in that sense instruments of the state, and not the oppositional civil society that marks a critical distance from the state and strives to create alternate forms of organisation and mobilisation.

6. While the past 10 years have seen an almost continuous confrontation between the women activist movement and political society in Kerala, it is worth noting that women activists have been involved more positively, as both individuals and groups, in efforts at mainstreaming gender in the new institutions of local self government and development. Recently, many women activists have claimed that they have achieved fruitful collaborations with jagrata samitis ('vigilance committees' against gender oppression) which were recently made mandatory in local bodies.
7. At present in Kerala women's SHGs here are formed by state initiative and under the guidance of the agents of the state, for the specific purpose of eradicating poverty within their families and women's emancipation. In contrast, the activist stresses persistent struggle against multiple forms of patriarchy in all social domains. The question of how to transform these groups into collectives against patriarchy is one that needs to be explored with utmost seriousness today. The SHGs should focus on gender equality, transforming the women NHGs into genuine instruments of women empowerment and challenge to design and implement a gender awareness programme for women and men that is linked to their daily life experience.
8. The formation of self-help groups as a basis for the social and economic empowerment of deprived and disadvantaged women have been found to be successful mechanism for the organisation, mobilisation and self-development of women. Women who have participated in self-help or neighbourhood groups have developed strong sense of self worth and faith in their ability to interact with power structures and increase in their contribution to the household.
9. Kudumbashree has been welcomed all over Kerala as the space to widen the participation of women in local governance, to ensure the active presence of women in politics. It has focused on woman as a unit of the family and sought to improve the family situation through her increased capacity for income generation, and access to knowledge, especially about government programmes and schemes.
10. The group dynamics developed by the urban CDS model is being used for joining-up various developmental activities resulting in a demand-led convergence of resources and services meant for poverty reduction, strong enough to break the ratchet effect of poverty-inducing factors. The urban CDS structure of Kerala teaches the planners that the poor women are capable of shaping their own development if they are given sufficient and necessary support.

11. Panchayati Raj Institutions work very effectively in the State. The overall impact of the inputs of the project in the panchayat has contributed to the effective organisation of the self-help groups, better functioning of the *gram sabhas*, and effective mobilisation of people in the preparation and implementation of the planning process.
12. Kudumbashree has developed a culture of learning by doing and reflection. The staff is encouraged to be flexible and innovative. Performance-based reviews and monitoring, motivate and challenge the staff members. Regular plan review meetings provide adequate staff interaction, sharing information, and learning from each other. Both formal and informal trainings were critical in strengthening Kudumbashree.
13. Kudumbashree is recognised as a further step to decentralisation of the *gram panchayats*. While this potential key factor for sustainability of the Kudumbashree CBOs, it brings with it certain threats. The CBOs may be as weak or as strong as the LGB itself. The CDS structures are vulnerable to political interference. The NHG volunteers perceive themselves as working for the government and expect remuneration. Finally, the NHG/ADS/CDSs themselves may become bureaucratic, signs of which are already evident.
14. The Kudumbashree staff and NHG members said that often groups form (or some members join NHGs) with the expectation of short-term gains, because they lack a clear understanding of the Kudumbashree mission, objectives, and long-term vision. Frequently, many NHG members attend meetings only to know if they have been selected for programmes rather than to participate in a genuine planning exercise.
15. Group activities have led to greater cohesion, serving as a social safety net in times of crisis, reducing the feeling of vulnerability, e.g., women contribute to the treatment of sick members of NHG households and help each other at the time of crises.
16. Women not only gained experience with financial affairs, but they also claimed that their status within the household was raised, as they were seen to be contributing to the welfare of the family. Their opinions became more valuable and their household decision-making powers increased. Greater decision-making powers of women within a household does not only improve gender justice by creating a more equal dispersion of power in a household.
17. The programme has provided the space and opportunities for the poor women. The saving by poor women facilitated greater control over financial resources and access to cash in need. This has enabled the women feel more secured during emergencies. Women take pride in owning assets in their name like land and house through loans.

18. A network of women opens up new possibilities, which are accessible to women. The NHGs/ SHGs are exclusively for women which create solidarity among women, and serve as the main routes towards decreasing male control and patriarchal attitudes in society. Self-help groups have been instrumental in empowerment by enabling women to work together in collective action.
19. Women also reported that violence has diminished as men come to realize and appreciate the importance and value of the economic contributions to the household. Two aspects pertaining to gender relations are worthy of note. The first could be postulated as increased respect for women. The second is the utilisation of the self-help groups as coalitions to protect, and seek redress for, women subjected to gender-based violence.
20. Women are conspicuously getting ready to participate in Panchayat election to create their own space and strength in negotiating with the government. A promising example is the federating of self-help groups, where all such groups in one village form an apex body consisting of selected representatives of each group. Women leaders in federated bodies have gained prestige and recognition, which has paved their path to elected office in local government. Many CBO chairpersons have been elected in Panchyats and Municipalities.
21. Change in socio-political environment is evolving itself more as a power emerging within the women. Notably more female-headed households derive the economic and social benefits of group membership. More widows and abandoned women enjoy greater security and confidence in the society. Moreover the nature of social mobilisation and the capacity building taking place during group formation is very important in influencing extent of women's empowerment issues. Linkages with banks have enhanced enormous confidence of women. Breaking of class and caste barriers and sitting together over a period of time is the most significant achievement.
22. In all the areas visited, women are aware of child care services and do send the children to Anganwadi centres and also avail the facility of supplemental nutrition for lactating mothers. The women were aware of family planning. Significant awareness about public services like Primary Health Centres (PHC), Integrated Child Development Services (ICDS), Public Distribution System (PDS) has taken place.
23. Social mobilisation has enhanced considerable control over physical mobility of women. Mobility within and outside village, reduced men's resistance, acceptance of mobility of women in family and community at large has resulted in breaking up geographical isolation and creating social network.
24. While discussing the positive impact of SHG formation on the members' lives, one must not ignore that there may be negative impacts too. Often, one of the factors, which weakens the position of the woman in the household and limits

her social activities, is the burden of household work imposed on her (in terms of the *time* it takes as well as the *intensity* of work). To this, if we add the burden of attending to the SHG work, she is left with even less time and a negative – and rather unintended influence – may be that she may lose the support of her family members as she cannot devote time and attention to them.

25. Most of the micro-enterprises are based on raw material derived from agriculture and forest produce. About percent micro-enterprises belong to agriculture sector about 25 percent belong to industrial sector and remaining 15 percent are service-based.
26. Many SHG members expressed their willingness to start their own micro-enterprise and expecting Kudumbashree to help them in this venture. There is strong will to start their own business by these women. Many women, yet to start their own business because they are not aware about viable economic activities which have suitable market; they also lack finance and other facilities.
27. Women asked reasons for starting the micro-enterprises it was stated that the main reason to earn the money and became self-dependent for livelihood earning.
28. Kudumbashree, Banks and Gram Panchayats are the main source of funds for starting the micro-enterprises. Besides women also mobilise their own matching funds from various sources.
29. Most of the micro-enterprises are owned by the individuals and about one-third is group enterprises. Some time there are problems of income distribution in the group enterprises. Many a time the group leader resolved the problem amicably.
30. While asked about the problems faced by women entrepreneurs it was stated that competition, packing, branding, lack of capital, lack of market knowledge are main problems faced by them.
31. Women do most of the reproductive, community work and contribute actively to the productive work; yet their contribution remains largely recognised by family members. The products and services do not adequately address the strategic interests of women clients though their practical needs are taken care of to a certain extent. Gender roles continue to be the same.
32. The savings component in the programmes have created an opportunity for women to have savings in their names but there is no information on how these savings are used and whether women really can decide how they want to spend that money. Women continue to depend on men for support ranging from loan repayment to spending their savings.
33. Women have reported an increase in self-worth and self-esteem as a result of their involvement in money matters but this is not a universal feature because there is no evidence of an increase in the negotiating power by all members.

Empowerment has taken place but only in the case of group leaders and office bearers whose mobility and skills are enhanced due to their roles and the capacity building training programmes.

34. Empowerment strategies should be built with focus on women's competencies and their competitive edge. Because gender focuses on unequal power relations between men and women, the approach to dealing with the problem calls for involvement of men and avoidance of male exclusion.
35. Political parties and their leaders are aware of the vast potential of the NHGs to mobilise people. It was told that there were many incidents where political parties tried to push their agenda through their NHGs. The party that spearheaded the Peoples Plan Campaign, the Kudumbashree, and the political parties have shown keen interest in having these groups packed with persons owing allegiance to their ideology.

Recommendations

1. There are no explicit exit strategies, since this was envisaged that by 2008 all BPL families will be lifted to above poverty line. There seems to be an implicit assumption that once Kudumbashree facilitates the capacity building of CDS structures, the CDSs will be ready to take over. Kudumbashree should start analysing the feasibility of such a handover and start making clear plans.
2. The Kudumbashree staff spends most of its energy to micro-enterprise activities. In their regular meetings, Kudumbashree staff report the number of NHGs formed and on the thrift and credit operations; other activities are hardly mentioned. The preoccupation with thrift, credit, and micro-enterprise is more obvious in more recent NHGs, indicating that Kudumbashree is relying more and more on this strategy for mobilising and organising women's groups. While there is inherently nothing wrong with such an approach, there is also a danger that other activities may be neglected. There is need to work on holistic basis.
3. There have been instances where the NHGs have shown the potential for public action against social and economic injustice, e.g., women took action against illicit liquor brewing and domestic violence. If implemented consistently, CDS has great potential to enlarge freedoms and capabilities of poor women.
4. As an overall development objective, gender equality should be extended well beyond the provision of loan and savings. This fact should not become a pretext for micro finance institutions not to act on it. Kudumbashree have to give a serious commitment to gender equity if they want to achieve considerable economic and empowerment progress.
5. As a basis for gender mainstreaming activity in the micro finance programme, it is necessary to mainstream gender in the target population. Since gender is culture-specific, this analysis justifies and introduces the gender equity goals in

the Kudumbashree, and general and specific objectives, expected results and activities. Sensitisation of staff in gender issues and developing gender-specific strategies, participatory methods and tools are one of the essential factors that determine project success.

6. There is a greater need to develop gender-sensitive monitoring and evaluation tools to measure the progress in reduction of gender inequalities. Kudumbashree should have services equally accessible and attractive to women. It helps to design training and support systems according to their capacities. A gender mainstreaming strategy also helps in avoiding marginal activities for women and gets them involved in more profitable activities.
7. Empowerment strategies should be built with focus on women's competencies and their competitive edge. Because gender focuses on unequal power relations between men and women, the approach to dealing with the problem calls for involvement of men and avoidance of male exclusion.
8. As an overall development objective, gender equality extends well beyond the provision of loan and savings. Organisations have to give a serious commitment to gender equity if they want to achieve considerable economic and empowerment progress.
9. Developing localised institutions and impacting the empowering processes for marginalised and disadvantaged women is the focus of Kudumbashree. Organising the unorganised poor women and linking them to mainstream of the society has contributed substantially in empowering processes. The focus therefore is on linking with mainstream and enabling for self-reliance and mutuality. This has enabled to reinforce the focus beyond microfinance issues towards human development aspect.
10. There is lack of entrepreneurial skills among many women who run individual as well as group micro-enterprises. There is need to upgrade the technical, managerial and marketing skills of these women.
11. It was stated by many women entrepreneur that by Labelling its products, Kudumbashree may find out more marketing avenues and tie-up with different agencies for distributions marketing its products. Some efforts have already been made in this direction for certain products e.g. coconut oil under brand name Kerashree.
12. In order to improve the business of poor women, the Kudumbashree may make the arrangements of quality control of the products. Private sector partnership may be explored to strengthen the micro-enterprises.
13. There is need to explore export market for some of the products produced by the women. The coir products/items produced by coir are of good quality and may find the market at national as well as international level. Presently, most of the products produced by the women are sold in local market.

14. Since Kerala is famous for tourism, some more avenues of starting micro-enterprises which support like backwater tourism, mobile shops, sea food, and sea shore stall etc. should be promoted.
15. It was observed that some of the group micro-enterprises do not have capacity for gainful employment of all the members. In some business, women earn very less amount i.e. Rs.500/- p.m. In order to make these units more viable, such group micro-enterprises should be owned by less number of women who can manage the enterprise more effectively.
16. It was told by the Kudumbashree officials that due to non-viability or bad management, many such units were closed. The reasons cited are: lack of market, raw material problem, lack of working capital, insufficient funding, bad planning etc. There is need for continuous follow-up to make the units sustainable and economically viable.
17. Kudumbashree organises regular training programme for new and old women entrepreneurs. When interviewed, they said that they have not received any training. This was stated more by individual entrepreneur rather than group. Most of the training focused only on technical skill and entrepreneurial skill and less on marketing and accounting skills. A proper module should be prepared and implemented while imparting such training.
18. Many of the SHGs have developed and flourished to become trend setters and peer leaders in Kerala. The time has now come to consider the transformation of those SHGs which have developed considerable capacity and experience to further expand into larger community-based organisations. Such organisations can operate on a bigger scale and therefore take advantage of their economies of scale to bring down costs and become more competitive in the markets. They are also in a position to shift from micro credit to larger credit facilities offered by banking institutions and thus will come into their own as a formidable economic force.
19. Many of the micro enterprise activities undertaken have tended to be unviable. Low levels of credit absorption capacity, low skill base and low asset base have been challenges to the SHG movement, which are yet to be addressed. Moreover, lack of inputs of skills, and technical support services to promote livelihoods and build sustainable interventions among SHG/NHG/ADS/CDS need to be strengthened.
20. The agenda of SHGs most often fails to include social justice and equity issues, although women may take up issues related to violence against women even in the absence of support from NHG/ADS/CDS. With increased awareness, members of SHGs are also making demands from these institutions. They continue to experience invisible barriers to entry in economic and political spheres. Many of the programmes tend to circumvent the Panchayati Raj Institutions from where the SHGs could potentially seek redressal of their grievances.

21. The realities of women's lives are that there is an intertwining of the economic, cultural, social and political realms. Problems and disadvantages experienced by women in different aspects of their lives collectively give rise to a situation of disempowerment. Inputs on social justice and equity issues either do not reach SHGs or if they do it is in a highly diluted manner. The overwhelming focus is on the functional agenda related to group formation and ensuring regular savings and repayment. Issues related to gender when included receive token attention. There is urgent need to incorporate these issues in weekly meeting agenda of NHG.
22. It is becoming increasingly clear that SHGs can contribute to the process addressing gender and socioeconomic inequities but cannot be a substitute for holistic empowerment strategies that enable collective reflection and action to challenge gender subordination. Micro credit therefore is one of the critical inputs required to remove women's subordination and poverty alleviation. However, capacity building and an enabling policy and institutional mechanism that will ensure poor women's interests are at the centre of SHG interventions are required.
23. Micro-credit should be seen as one part of a broader strategy to enhance women's agency on social, political and economic levels. Policies and programmes should simultaneously seek to increase women's confidence, awareness, negotiation ability, literacy, health, as well as women's vocational, entrepreneurial and management skills, to enable micro finance inputs to translate into sustained empowerment. Training needs to be strengthened for both functionaries as well as poor women in community. The costs of enabling that empowerment through extensive training inputs and other strategies need to be considered a necessary and direct cost commitment of all micro credit-based programmes. A core curriculum framework should be developed for training. A strong training of trainers programme should be designed so that expertise can gradually be available at decentralised levels.
24. In order to ensure that issues of gender are adequately addressed, the capacity building inputs need to be strengthened, and provided for longer durations and with a long-term focus. The capacity building inputs should focus on building an understanding on gender issues including violence against women, understanding legal provisions, enabling women to understand how they can access institutions of justice, information on Government schemes, especially those related to women and gender justice.
25. A substantial literacy programme should be included as part of the SHG programmes. All agencies that sponsor SHGs (banks, micro finance institutions and government departments, NGOs, donor agencies etc.) should contribute to a Women's Crisis Fund to be managed by SHGs which will address women's needs.

26. Greater linkages and formal mechanisms between representatives of SHGs and PRI Institutions should be worked out so that the priorities of poor women can inform village-planning processes so that governance systems are responsive to their demands.
27. The vision must be broadened from narrowly defined enterprise development activities (which typically include non-viable income generation activities) to a livelihoods approach. This should be based on a mapping of existing livelihood options. SHGs should not only be conduit for delivery of services but should be strong collective of women. These should be sustainable, and ensure backward linkages with technology and credit and forward linkages with markets so as to generate both farm and non-farm livelihood opportunities.
28. Policies and programmes should design a wide range of financial products and services to meet the needs of poor women. Four broad categories of credit products are recommended: credit for income generating activities, credit for investment in education and health; consumption credit including household needs; and products for social security.
29. There are no livelihood advisors/Business Development Services (BDS) providers or strategies within organisations to help women start their own businesses. Micro financial services can do little in themselves to promote enterprises. Income generating activities for women have remained conventional: sewing, embroidery, papad and pickle production which generate very little income but many perpetuate myths about what is feminine and masculine.
30. Organisations do not have enough gender experts who are responsible for mainstreaming gender in various components of the programme. As a result there is no way to make the beneficiaries / members aware about gender issues. No much effort is made to make the staff gender sensitive. The field staff does not have the skills to understand or analyse women's position, for example regarding power and gender relations at home.
31. Sensitisation of staff in gender issues and developing gender-specific strategies, participatory methods and tools need to be addressed in the DMC staff. There is a greater need to develop gender-sensitive monitoring and evaluation tools to measure the progress in reduction of gender inequalities. This cannot be undertaken on a daily or monthly basis, but has to be done on a continuous basis.

ANNEXURES

List of Group Micro Enterprises in Urban Area

Sl. No.	Name of Project	No. of Units
1	Direct Marketing	87
2	IT unit	63
3	Clean Kerala Business	62
4	Soap making unit	55
5	Catering Service	55
6	Canteen	53
7	Ethnic Delicacies	47
8	Dairy unit	46
9	IT @ School	45
10	Garments/Readymade	45
11	Hotel	41
12	Provision Store	32
13	Super Market	32
14	Tender Coconut selling unit	32
15	Laundry unit	31
16	Kerashree (Coconut processing/Oil extraction unit)	29
17	Mat Weaving/Cover making unit	27
18	Food Products	25
19	Paper Cover & Paper Bag	25
20	Remedial Education Centre	25
21	Curry Powder unit	23
22	Umbrella Manufacturing	21
23	Mobile market (Pick up van)	20
24	Book Binding unit	20
25	Agricultural Nursery	19
26	Bakery/Sweet Products	19
27	KSRTC Canteen	19
28	Sanitation unit	17
29	Tailoring unit	17

Sl. No.	Name of Project	No. of Units
30	Grinding unit	16
31	Solid waste processing unit	16
32	Fish vending unit	15
33	Palm mat unit	14
34	Bag manufacturing	13
35	Pickles making	12
36	Consumer Store/Traders	11
37	Chappel making	11
38	Coconut Products	9
39	Coir Yarn/Prod ucts	8
40	Vanila Nursery	8
41	Bamboo Products	8
42	Cloth Bag unit	7
43	Note Book Manufacturing	7
44	Metal crushing unit	6
45	Neighbours - Support Services to Friends	6
46	Handicrafts	6
47	Beauty parlour	5
48	Bricks/Hollow bricks	5
49	Flowers & Garland	5
50	Toy manufacturing	5
51	Computer Hardware unit	5
52	Hospital Restaurant	5
53	Telephone Repair	5
54	Herbal Nursery	4
55	Hosiery unit	4
56	Prasoothika	4
57	Rice/Rice powder business	4
58	Chicken Stall	4
59	Cooking mate/Gas light/Decoration (Hiring service)	3

Sl. No.	Name of Project	No. of Units
60	Electronic unit	3
61	Fish/Sea shell processing	3
62	Instant Mix manufacturing unit (Palada)	3
63	Paddy Cultivation	3
64	Pappad making unit	3
65	United Services	3
66	Water Meter Repair unit	3
67	Multi Purpose Job Club	3
68	Chips unit	3
69	Vegetable Vending	3
70	Agarbathi/Candle unit	2
71	Atta packing	2
72	Construction work of women	2
73	Courier Service	2
74	Day Care centre	2
75	Documentation/File works unit	2
76	Electronic Choke Assembling unit	2
77	Furniture manufacturing	2
78	Ice Cream Parlour	2
79	Marketing unit	2
80	Ornaments Manufacturing unit	2
81	Painting unit	2
82	Pandhal unit	2
83	Poultry farm	2
84	Printing unit	2
85	Shawl/Pardha Making	2
86	Tarpolin production/Chackuviri	2
87	Women Hostel	2

District wise details of Ashraya is shown below

Ashraya - Expenditure on December 2005

District	No. of Panchayats	No. of families identified	No. of GPs reported	Estimated	Expenditure	Balance	% of Expenditure
Trivandrum	22	2394	17	95963700	18489850	77473850	19.27
Koam	15	1035	8	68965500	24619479	44346021	35.70
Pathanathitta	23	1750	20	93612560	18008000	75604560	19.24
Alappuzha	39	2617	29	189526100	16661823	172864277	8.79
Kottayam	40	1973	23	119563640	27442680	92120960	22.95
Idukki	28	1545	18	109800408	58775553	51024855	53.53
Ernakulam	18	1653	15	58465400	10036088	48429312	17.17
Thrissur	21	2237	12	78174515	15192615	62981900	19.43
Palakkad	35	3472	36	140484900	27439559	113045341	19.53
Malappuram	28	2954	27	144013760	44487773	99525987	30.89
Kozhikkode	47	4108		248225080	16287500	231937580	6.56
Wayanad	25	1747		88577455	12825159	75752296	14.48
Kannur	33	1697	18	93293590	41402007	51891583	44.38
Kasaragode	17	1010	14	64101450	23273361	40828089	36.31
Grand Total	391	30192	237	1592768058	354941447	1237826611	22.28

RURAL MICRO-ENTERPRISE GROUP- STATUS (AS ON Jan. 06)

No.	District	No. of Groups	Total No of GP	GP where enterprise exists	No. of Beneficiaries	Total Project Cost(Rs)	Subsidy Amount (Rs)
1	Thiruvananthapuram	157	78	26	1210	26182479	9689269
2	Kollam	100	69	19	523	12165600	4565000
3	Pathanamthitta	50	54	17	264	5214985	1924000
4	Alappuzha	62	73	29	265	8528525	3735000
5	Kottayam	20	74	8	168	4077456	1407500
6	Ernakulam	98	88	34	480	14103680	6446500
7	Idukki	228	51	25	1484	44228181	13932400
8	Thrissur	59	92	17	470	8724800	3810250
9	Palakkad	19	90	11	143	2658000	1169000
10	Kozhikkode	184	77	40	714	26143300	11411000
11	Wayanad	30	25	10	240	5027595	2285000
12	Malapurram	104	100	15	990	20795000	8985000
13	Kannur	31	81	13	175	4592900	1978500
14	Kasargode	69	39	18	181	8601050	3634400
		1211	991	282	7307	191043551	74972819

No. of Individual Enterprises and Subsidy Amount

No.	District	No. of Individual Enterprises	Subsidy Amount	No. of Group Enterprises	Subsidy Amount	Total Subsidy Amount
1	Thiruvananthapuram			81	3483200	3483200
2	Kollam	31	231000	68	2487500	2718500
3	Pathanamthitta			25	665000	665000
4	Alappuzha	2	15000	22	925000	940000
5	Kottayam			4	117500	117500
6	Idduki	41	307500	95	5270400	5577900
7	Ernakulam			53	2730700	2730700
8	Thrissur	3	22500	25	1192750	1215250
10	Malappuram	5	37500	0		37500
11	Kozhikkode	66	495000	59	2508500	3003500
12	Wayanad	1	7500	2	170000	177500
13	Kannur	1	7500	16	840000	847500
14	Kasaragod			13	687000	687000
	Total	150	1123500	382	17594350	18717850

Yuvashree-INDIVIDUAL (Cumulative Status as on Jan 06)

No.	District	No. of Groups	No. of Gram Panchyats	Project Cost	Subsidy
1	Thiruvananthapuram	4	1	135000	30000
2	Kollam	4	3	216200	30000
3	Pathanamthitta				
4	Alappuzha	1	1	30000	7500
5	Kottayam	4	4	140000	30000
6	Idduki	1	1	84000	7500
7	Ernakulam	6	3	280000	45000
8	Thrissur	4	3	126926	30000
9	Palakkad	2	2	76000	15000
10	Malapurram	38	4	1159425	279825
11	Kozhikkode	12	4	467400	975000
12	Wayanad				
13	Kannur	16	5	443275	120000
14	Kasargode	1	1	31000	7500
		93	32	3189226	1577325

50 K-GROUP (Cumulative Status as on Jan 06)

No.	District	No. of Groups	No. of Members	No. of Gram Panchyats	Project Cost	Subsidy
1	Thiruvananthapuram	1	10	1	255000	100000
2	Kollam	13	77	5	1324000	450000
3	Pathanamthitta					
4	Alappuzha	9	45	1	2220000	450000
5	Kottayam	0	0	0	0	0
6	Idduki	6	40	5	932500	400000
7	Ernakulam	17	87	5	1793500	715800
8	Thrissur	3	15	1	406800	130500
9	Palakkad	7	39	3	966842	382500
10	Malappuram	4	20	2	680000	145000
11	Kozhikkode	6	35	3	900000	350000
12	Wayanad	8	52	8	1563370	507500
13	Kannur	7	65	2	1400000	660000
14	Kasargode	5	39	3	840000	390000
		86	524	39	13282012	4681300

Status of Groups under 50K Programme in 05-06

No.	District	No. of Individual Groups	Subsidy for Indvl Group in Rs	No. of Groups Enterprises	No of Members	Subsidy in Rs	Total Subsidy Released
1	Thiruvananthapuram	4	30000	1	10	100000	130000
2	Kollam	4	30000	8	45	170000	200000
3	Pathanamthitta	0		0			
4	Alappuzha	0	0	8	40	400000	400000
5	Kottayam	4	30000	0	0	0	30000
6	Idduki	1	7500	3	15	150000	157500
7	Ernakulam	6	45000	15	75	595800	640800
8	Thrissur	4	30000	3	15	130500	160500
9	Palakkad	2	15000	7	39	382500	397500
10	Malapurram	38	279825	2	10	45000	324825
11	Kozhikkode	12	90000	6	35	350000	440000
12	Wayanad	0		0			
13	Kannur	15	112500	4	40	400000	512500
14	Kasargode	1	7500	5	39	390000	397500
		91	677325	62	363	3113800	3791125