

ADB

Evaluation Working Paper

INDIA: PROMOTING URBAN SOCIAL DEVELOPMENT THROUGH SELF HELP GROUPS IN KARNATAKA

A Report to the Operations Evaluation Department
for the Project Performance Evaluation Report of Karnataka
Urban Infrastructure Development Project in India



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CURRENCY EQUIVALENTS

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ABBREVIATIONS

ADB	Asian Development Bank
BPL	Below Poverty Line
CDP	Community Development Program
KUIDFC	Karnataka Urban Infrastructure Development and Finance Corporation
KUIDP	Karnataka Urban Infrastructure Development Project
NGO	nongovernment organization
ODP	The Organization for the Development of People
RLHP	Rural Literacy and Health Program
SHG	Self Help Group
SJSRY	Swarna Jayanthi Shahari Rozgar Yojana
TLF	Town Level Federation
WLARS	Women Liberation and Rehabilitation Society

NOTE

In this report, "\$" refers to US dollars.

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Summary

The Karnataka Urban Infrastructure Development Project (the Project) was implemented from 1996 to 2004, supported by two loans and technical support from the Asian Development Bank.¹ The Project combined infrastructural and poverty alleviation components while promoting socioeconomic development away from the rapidly expanding city of Bangalore. It recognized that poor, vulnerable groups residing in low-income settlements lack capacity to absorb the benefits of rapid urbanization. The Project covered water supply, sanitation, road improvements, slum improvement, and poverty alleviation. The latter components emphasized community development activities, of which the establishment of Self Help Groups was an important one. The project was implemented in the towns of Mysore, Maddur, Mandya, Tumkur, Channapatna and Ramanagaram, south and northwest of Bangalore at distances between 70 kilometers and 140 kilometers.

This case study evaluates the Self Help Groups and their Federations, as facilitated under the Project. The study is based on field visits to the project towns in Karnataka during August and September 2005, and was updated during May 2007. It integrates secondary sources of information.

The Self Help Group concept has been in existence over the last two decades in India, but was predominantly applied in its rural areas. Initiatives by nongovernment organizations (NGOs), policy decisions of the government, attention from donor agencies, support by the National Agricultural Bank for Rural Development—all of these helped the Self Help Group movement take off. This study assesses that the credit for introducing the concept in urban slums of Karnataka goes to the Project. The Project started helping the formation of Self Help Groups in the period October 1999—December 2000, and greatly expanded its efforts in a second phase started in July 2002. Unfortunately, the second phase lasted only 18 months, as the project closed by mid 2004. Nevertheless, within these two short periods, 722 Self Help Groups were initiated and supported by the Project. The number had risen to 836 by end June 2005, when this case study started. This was a considerable achievement given the short time that the Project had pursued the formation of Self Help Groups. KUIDP estimated that the total number of groups had risen by another 10% by mid 2007.

The Self Help Group program covered 23,324 families living below the poverty line. This constituted 40% of all families below the poverty line in the urban areas. Establishment of the groups was envisaged under the women development and empowerment component of the Project's Community Development Program. This would be the instrument to provide women with collective access to services of different governmental programs and schemes that were hitherto usually denied them as individuals. Although Self Help Groups were originally viewed as a minor component of the Community Development Program, they gained so much momentum that they were eventually used to launch many of the awareness and skill training programs under Community Development Program. The groups presented forums that were highly effective in reaching the overall communities. They were, however, unfortunately not involved in the slum improvement program. This was because of certain limitations within the Project structure. Integrating community development activities with infrastructure provision effectively proved difficult.

The Self Help Groups were given an option of availing credit through (i) internal lending from within the groups; (ii) the formal banking system; and (iii) financial agencies other than banks (NGOs,

¹ ADB. 1995. *Report and Recommendation of the President to the Board of Directors on Two Proposed Loans and Technical Assistance to the Republic of India and the Housing Development Finance Corporation Limited for the Karnataka Urban Infrastructure Development Project*. Manila (Loans 1415 and 1416-IND, for \$85,000 and \$20,000, approved 14 December 1995).

Federations, or microfinance agencies set up by the NGO). Fifty percent of the groups formed under the Project obtained loans from banks. An indication of the quantity of collective funds being transacted is that a well functioning Self Help Group with 15 women members would have a sum of Rs50,000 at its disposal within a period of 3 years. NGOs often played the role of the bank by providing credit to the women. Some of the NGOs “handed over” the groups to lending agencies after some time. This study, however, does not consider this as beneficial. In the long run, it may disadvantage poor women and lead to disempowerment of the groups. Many banks—outside of the program initiatives that are run by different individuals and NGOs—were luring Self Help Groups with easy money for a variety of purposes, which, however, had the effect of breaking up some of the groups formed under the Project.

Membership of the Self Help Groups has contributed to significant changes in the lives of women in the six towns. The most important has been the escape from the reliance on moneylenders who were charging exorbitant rates of interest. The interests on loans have reduced from 120% per annum to 24%. Due to exposure to programs of entrepreneurial development and availability of credit facilities, many of the women and their families have now ventured into pursuing income generation activities. This has allowed for an increase in the household income which has resulted in changing the consumption pattern, thereby improving the quality of life. The family is able to address their basic needs better than before.

The participation in the Self Help Group movement itself has been an empowering and liberating experience for many of the poor women. The strongest impact has been in terms of self esteem and increased social mobility as many women of urban slums had never been involved in such a program before. Interactions with other women have resulted in building congenial relationships and have reduced conflicts. It also had the effect of spreading the Self Help Group movement. Since women are exposed to more programs, such as health programs, their level of awareness has increased. Changes in decision-making patterns are setting in, although the program is not a panacea: most women continue to be excluded from many major decisions that concern the households and their lives.

The common belief was that participation in a Self Help Group would build leadership qualities among women, thereby building their capacities to participate in the larger political bodies such as the local governments. Severe constraints to poor women’s participation in local bodies, however, persist, such as lack of family support. There were exceptions: one NGO in Mysore fielded many successful candidates to the local body elections. The reason for their success may lie in the NGO’s long term intervention in urban slums and emphasis on advocacy.

Even though the Self Help Groups are not operating in the political arena, many create pressure on the urban local bodies, for instance, to ensure drinking water supply, clean roads and drainage systems, installation of community taps, and the removal of liquor shops located in the slums.

With the completion of the Project, a few Self Help Groups have disintegrated. There have been no comprehensive evaluations of the Self Help Groups (this case study only met a selection of the groups). Attempts by the NGOs and Karnataka Urban Infrastructure Development and Finance Corporation looked only at the financial status of the groups. The criteria used have varied and data recording and presentation have not been systematic.

Federation of Self Help Groups

Most of the Self Help Groups were only recently created when the Karnataka Urban Infrastructure Development and Finance Corporation decided to federate the various groups in March 2004, in order to increase their chances of survival in the long run. A three-tiered structure of Federations was envisaged with 15–20 groups of an area forming the Cluster Level Federation, and these, in turn, form a Town Level Federation. NGO representatives contacted for the evaluation are of the opinion that the time given for Self Help Groups to mature before federating them has been

insufficient. The NGOs feel that the federation concept was not fully appropriate. They would have preferred to draw on their own experiences and processes.

The results of the federation of the Self Help Groups have been mixed across the six towns. The problem seems to be one of internalizing the concept which is new, and of mobilizing resources. A few of the experiments have resulted in disintegration as groups resented handing over a revolving fund of Rs5,000 to the kitty of the federation.

The question is whether the Self Help Groups will survive the absence of support by the Project in the longer run. The Project has attempted to hand over the responsibility for the groups to the Directorate of Municipal Administration, as the operational cost of maintaining groups, in order to monitor and track the Self Help Groups functioning and sustain them, was high. But the local authorities claimed they were not equipped to take charge of the groups. The Karnataka Urban Infrastructure Development and Finance Corporation, in practice, covered all the families below the poverty line, even those who were not listed in the survey conducted by the Directorate of Municipal Administration. The Directorate may not agree to extend support to groups with families that are not on the list.

Although local governments and various departments of the State of Karnataka implement programs for the urban poor and assist the existing Self Help Groups in various ways, there are several constraints to the progress of these programs. Inputs for group solidarity, group affinity and the like have been very limited. Urban poverty alleviation programs such as the Urban Stree Sakthi and the Swarna Jayanthi Shahari Rozgar Yojana emphasize women development and empowerment by forming Self Help Groups, but suffer from delays, slow release of funds, and slow pace of work. Furthermore, they form such groups only with the aim of addressing the needs specified by the schemes and not with the concept of sustaining the groups or strengthening the community. With the spurt of Urban Stree Sakthi groups, a few of the groups formed under the Project have disintegrated due to frictions within the small community of a slum. This is unfortunate: there should have been convergence between the different Self Help Groups instead of conflicting interests. Lastly, the role of elected representatives has been mixed. They may help NGOs in establishing rapport with the community. However, their focus has been on getting political mileage from being “visible” during the functions and meetings of the groups. There have even been some instances where the local administration has obstructed Self Help Groups.

Impact

The Project looked at Self Help Groups as a tool which would achieve the twin objectives of poverty alleviation and women empowerment. Unfortunately, the post project evaluation efforts did not conduct a survey to establish whether the women of the groups and their families have moved out of poverty. Neither did the project performance evaluation report for which this case study was conducted. Whether poor women can exit poverty only by participating in microfinance programs is debatable. Undoubtedly, Self Help Groups have not enabled many poor women and families to move out of poverty, especially in an urban area where all daily commodities need to be purchased and the effects of inflation are felt more acutely.

It was found that access to microfinance did not always lead to women's control over the funds obtained. Women member of Self Help Groups often availed loans to invest in family business run by the male member of the family. This fits the Indian ethos of family being the main social unit. In future programs, gender concepts should be imbibed so that women are not overtly burdened. A few cases were heard where the male member of the family had a tendency to withdraw his contribution to the household owing to an increase in the woman's income. Slowly, credit facilities of Self Help Groups seem to have become a source of borrowing for men. The amounts are invested in businesses by men who do not always share the information on profits and losses with the women. A change in attitude needs to be fostered; otherwise, women would have less opportunity to learn.

One way of reducing the excessive burden of women inside and outside the household would be to start Self Help Groups for men. But the practice so far is to avoid forming Self Help Groups for men. Their non-cohesiveness, and difference in work timings, are put forth to explain this. However, as part of an experiment conducted by the Project, the NGO at Maddur facilitated the formation of three groups for men. This had increased to ten by the time of the case study. The Self Help Groups of men even became a part of the (female dominated) Federation at Maddur.

With the closure of the project in 2004, the NGOs and the Self Help Groups have suffered a setback. The groups started during the second phase of the project were barely 2 years old. A few of the NGOs continue to support the groups, but in a minimal way, in order to ensure that their earlier efforts are not lost. In effect, the federations of Self Help Groups should have performed these roles, but the federations did not take off in all the towns.

The Self Help Group movement has brought certain changes in the lives of the women. It has allowed poor women to move from their earlier position of silence to one of gaining voice, reduced their fatalism, improved their living standards, and increased their collective bargaining powers. However, Self Help Groups cannot be taken as the answer to solve all the problems related to poverty alleviation.

Self Help Groups provide women with abilities to survive in the worst situations. Whether they can become sustainable institutions depends not only on their ability to survive, but also the ability to grow with the changing context. An increase in income without any subsequent increase in access and control of resources, status and quality of life would restrict the process of empowerment of women. Although microfinance often targets women and although women use microfinance, there has been nothing specific that is designed which addresses gender specific aspects of the use of financial services. There are no concrete ways devised which can meet the distinct demands of poor women for savings services. Nevertheless, for the 12,000 women in the slums, this development has been a boon.



Woman in slum in Mandya.

I. BACKGROUND

1. The process of urbanization in developing countries often leads to variable levels of spatial, social and economic marginalization of the poorer sections of their urban populations. This is due to such factors as uneven coverage of urban economies by public and private enterprise, uneven distribution of benefits of investment in the absence of social safety networks, deficient urban governance, and political biases against the poor. In India, poverty in urban areas is growing with the liberalization of the economy, and the forces of globalization. In the decade or so since India adopted its economic liberalization policies, its reforms have yet to deliver significant benefits in terms of poverty reduction and employment generation in the slums of cities.¹

2. Supported by a loan of the Asian Development Bank (ADB), the Karnataka Urban Infrastructure Development Project (KUIDP)² included a small component which was aimed at spatial, economic and social uplift of the urban poor through support to community development in selected towns around Bangalore. The Project, implemented in six towns outside Bangalore between 1996 and 2004, operationalized this through support for the formation of Self Help Groups (SHGs) of women and creating federations of these.

3. The purpose of this study is to evaluate the SHGs and their federations. The study discusses the formation and development and evaluates the role of the municipal and state government agencies in the lives of the women. A focus has been to discuss the importance of the groups as a means to poverty alleviation and development. Specific attention has been paid to the effects of providing microfinance to SHGs.

4. The study is based on secondary sources of information and visits to the project towns in Karnataka during August and September 2005. Further interactions with nongovernment organizations (NGOs) and some heads of the Federations took place in May 2007, to take note of possible changes since 2005. The visits included field work in the six towns of Mysore, Mandya, Maddur, Channapatna, Ramanagaram and Tumkur. The main research instruments included interactions with the women members of SHGs, one to one interviews, group interactions—sometimes large groups and sometimes small—and attending the meetings of the SHGs and the Federations. In all, 39 SHGs and 6 Cluster Level Federations were visited in the six towns, covering more than four hundred women. In addition, one of the NGOs in Mysore organized a meeting which was attended by 200 women of 23 SHGs. The Directors of the three Town Level Federations (Tumkur) and at the Resource Center (Maddur) were also met. Interactions were held with a few women who are pursuing income generating activities. Various field functionaries of the partner NGOs and the concerned staff of Karnataka Urban Infrastructure Development and Finance Corporation (KUIDFC) were interviewed. The reports from KUIDFC and from the NGOs have been used as reference materials. Other related material, experiments with SHGs in Karnataka and from other states was also utilized for the purpose of this study.

¹ (i) Many studies discuss the effects of globalization on the poor, albeit often indirectly—by looking at employment status, consumption patterns and other aspects (Veerabhadrappe, B.P. 2003. *Impact of Globalization on Poverty of Karnataka in Globalisation: Dimension and Impact*. Edited by C.K. Renukaryya and K. M. Veeraiah. JSS College for Arts, Science, Commerce and Business Management. Mysore; Aurora, G.S. (Ed). 2004. *Poverty and Economic Reforms, The Social Concerns, Academic Foundation*. New Delhi); (ii) Datt, Ruddar. 2004. *Globalisation, the WTO and its Impact on India: A Developing Country Perspective in Economic Globalisation: Social Conflicts, Labour and Environmental Issues*. Edited by Clem Tisdell and Raj Kumar Sen, Edward Elgar. Publishing Limited, U.K.

² ADB. 1995. Report and Recommendation of the President to the Board of Directors on *Two Proposed Loans and Technical Assistance to the Republic of India and the Housing Development Finance Corporation Limited for the Karnataka Urban Infrastructure Development Project*. Manila (Loans 1415 and 1416-IND, for \$85,000 and \$20,000, approved 14 December 1995).

5. The report is organized as follows: In Section 2, the rationale behind the KUIDP is explained, followed by a brief discussion of the various initiatives in India that have used the SHG concept. The section also highlights KUIDFC's approach in organizing the SHGs. Section 3 looks at the interrelation between the Community Development Programs (CDP) and SHGs and the role of the groups in the slum improvement program. Section 4 discusses the microfinance management systems that relate to this project. Section 5 discusses impacts of the processes on the economic, social, and political status of the women, and includes some observations about the effects of the groups on the community. Section 6 summarizes the attempts by KUIDFC and the NGOs in evaluating the SHGs. Section 7 discusses KUIDFC's attempt in imbibing the concept of sustainability of the groups. Section 8 highlights the role of the state and the local government in the lives of the women in the groups. Section 9 raises the question whether participation in the SHG movement allows for poverty alleviation, and women empowerment. In Section 10, the effects of the closure of the project on the community and on the NGOs are discussed. The last section summarizes the study.

II. THE SETTING

A. Rationale behind Karnataka Urban Infrastructure Development Project

6. As per United Nations projections, the population in Bangalore was expected to grow from 4.2 million in 2001 to 7 million by 2010. The state government took up the KUIDP in order to upgrade infrastructure and services in the towns of Mysore, Tumkur, Ramanagaram and Channapatna (1998) and in Mandya and Maddur (2002) and thereby promote decentralization of economic growth away from Bangalore.

7. The primary components of KUIDP included (i) environmental sanitation (water supply, solid waste management, sewerage systems and storm water drainage); (ii) road improvements (roads, bridges, trunk terminals and bus stands); (iii) poverty alleviation (slum upgrading, low income sanitation, residential sites and services, and cultural and women's training centers); (iv) industrial sites and services; and (v) implementation assistance and institutional strengthening.



Water supply in Mandya slum area.



Maddur, hand pump facility.

8. The project recognized that the poor, vulnerable groups residing in low income settlements lack the capacity to absorb the benefits of rapid process of urbanization and are disproportionately exposed to its costs. The urban poor lack the wherewithal to access health and education facilities, suffer from poor sanitation, and lack skills. KUIDP integrated the infrastructure program with an institutional strengthening program. The latter included a poverty alleviation program which emphasized community awareness and participation, attempting to make communities self sufficient in managing the facilities provided and carry out future development activities on their own. The poverty alleviation component of the project was initially conceptualized in a study by a consultant in the Project Management Cell.³

9. Implementation of the CDP required collaboration between the Government and the NGOs, together with the active participation of the communities. The NGOs, by virtue of being small in size, flexible, innovative and participatory, were considered to be more successful in reaching the poor, and in poverty alleviation.⁴ KUIDFC's criteria in selecting NGOs specified that these should be locally based, and have experience in working with the slum dwellers, if not, with the communities of low income groups. Those with experience in working on issues like health, education, thrift and credit and income generating programs were given preference.⁵ The CDP Component of the project was handled through the project implementation units, coordinated by the nodal agency (KUIDFC), located in Bangalore. The various infrastructural components of the Project were implemented by the different stakeholders like the urban local bodies and the Karnataka Slum Clearance Board.

10. The infrastructure component of KUIDP started implementation in 1998. The first phase of the CDP began in September 1999. The second phase, which began in July 2002, was wound up in June 2004.⁶ The basic difference between the two phases was the re-focusing of the project on CDP activities in order to "make a significant reduction in poverty levels in the project town limits."⁷ This meant that community development activities were to cover all the families living below the poverty line (BPL families) in the project towns. The earlier focus was on slums chosen by the project for infrastructure development.

11. Learning from the shortcomings of the first phase, a comprehensive development plan was prepared by KUIDFC prior to implementing the second phase. The problems of slow flow of funds, rigid rules and regulations that were followed earlier were remedied, and this was said to have facilitated a better working environment for the NGOs. As a result, they could achieve much of the desired results within a short span of project time.⁸ By the end of the second phase, 72 slums and 44 poor localities

³ Cardinalli, Robert. 1997. *Strategy Paper for Community Development and Slum Upgradation*. Louis Berger International, Inc.

⁴ Burfield, John. 1997. *Urban Government Manual, Procurement and Disbursement Manual for Projects with Community Participation*. Louis Berger International Inc.

⁵ Three reports, brought out at three different points of time, explain the nongovernment organization (NGO) selection. Burfield's report (footnote 4) explained the criteria to be used while selecting the NGOs. This was prior to the take-off of the project. Another report (Sitaram, Shashikala. 2001. *Facilitating Capacity Building and Participatory Activities*. Submitted to the Asian Development Bank, India Resident Mission. New Delhi) critically examined the norms used by the Karnataka Urban Infrastructure Development and Finance Corporation (KUIDFC) while selecting the NGOs. This was for a mid term appraisal of the first phase of the project. The Community Development Package of KUIDFC (2004) explained the details of the selection process during the second phase.

⁶ This implies the winding up of the Community Development Program activities in all the six towns. However, the Community Development wing continues to operate from KUIDFC with minimal staff.

⁷ KUIDFC. 2001. *Community Development Package under KUIDFC*. Prepared by the project Community Development Program team. Bangalore.

⁸ The initial problems that were faced while implementing the community development activities are explained in detail in the study on Facilitating Capacity Building and Participatory Processes (see footnote 5). This study was an ADB initiative to understand the problems in implementing the Community Development Program and to suggest changes.

were covered.⁹ In total, as per KUIDFC's report of 2001, 23,324 BPL families were covered in the six towns under the poverty alleviation component. This covers 40% of the total number of BPL families, i.e., 59,233 that were listed for the six towns by the Swarna Jayanthi Shahari Rozgar Yojana (SJSRY) survey.

12. Selected for the second phase were nine NGOs: Sumana, Rural Literacy and Health Program (RLHP), The Organization for the Development of People (ODP) (Mysore), Shantha Jeeva Jyothi, Sakthi, Mamatha Makkala Mandira (Ramanagaram), Parinati (Channapatna) and Bapuji Integrated Rural Development Society, Society for the Betterment of Human Resources, and Women Liberation and Rehabilitation Society (WLARS) of Tumkur. Appendix 1 includes a brief profile of these NGOs. The majority can be categorized as grass roots or operational NGOs. As social action groups focusing on mobilizing marginalized sections of the population, the NGOs take up a host of social service functions including savings and credit programs, health and education programs and ensure food security for the poor.¹⁰



Channapatna, slum residents cleaning the drains.

13. The NGOs were involved in implementing the community development package of KUIDP which included: (i) awareness raising in health and sanitation (health check up and health and sanitation awareness campaigns), education (awareness campaigns, tutorial classes to school going children, school drop outs and working children), and nutrition, legal mediation and gender awareness; and (ii) providing skills for increased income (entrepreneurship development program and other programs like beautician course, tailoring, light motor vehicle driving, etc.) and thrift and credit activities (formation of SHGs, providing revolving fund). The thrift and credit activities—formation of SHGs and the Federations—are categorized

under the women development and empowerment program. Appendix 2 lists the stated strategies and objectives of CDP.

B. What are Self Help Groups?

14. The term Self Help Group is used to describe a small group of 10 to 20 poor women who come together on voluntary basis to accumulate savings through thrift and self management, in order to prove their credit worthiness to financial institutions. The concept builds on mutual trust and help, shared ownership, peer pressure, emphasizing group solidarity and togetherness. It was first introduced in India during the mid 1980s by MYRADA, an NGO of repute.¹¹ MYRADA's concept was that the poor are credit worthy and that credit management groups consisting of poor people could manage their affairs efficiently. All that was needed was transfer of lessons in professional credit management, to encourage

⁹ Seventy-two slums being those selected for Karnataka Urban Infrastructure Development Project's Slum Improvement Program and an additional 44 poor localities.

¹⁰ Rajasekhar, D. 2000. *Non Governmental Organisations in India: Opportunities and Challenges*. Working Paper, Institute for Social and Economic Change.

¹¹ MYRADA drew its inspiration from the experiment at Bangladesh but set up a model of its own, for a discussion on MYRADA's Indian model (Fernandez, Aloysius Prakash. 2001. *Putting Institutions First Even in Micro Finance. The Myrada Experience*. Bangalore).

poor people to engage in networking in order to become agents of change and thereby to empower themselves in a sustainable way. The credit management groups were called Self Help Groups in 1991.¹²

15. MYRADA was instrumental in sensitizing the banks to implement policies which would make it more responsive to the requirements of SHGs. The Reserve Bank of India Directives requested commercial banks to convert from lending to individuals to SHGs, i.e. grass root institutions of the poor, from needing to know the purpose of each loan in advance to needing to be informed of it after the groups had lent to their members, and so on. The Reserve Bank of India had studied the experiments of MYRADA in Dharmapuri district of Tamil Nadu and acknowledged that SHGs were credit worthy. This helped in accelerating the momentum of group formation. The move of the National Agricultural Bank for Rural Development's to extend loans to the SHGs, through nationalized banks under refinancing program, was primarily responsible for the gearing up of the movement.¹³ The Central and State governments measures of including promotion of SHG of the poor women in their policies has helped in accelerating the momentum.

16. The shift in government policy from individual beneficiary programs to the group as a unit in the early 1990s is said to have contributed to the gearing up of the SHG movement. The failure of programs that relied on targeting individuals, such as the Integrated Rural Development Program, shifted the government towards putting its trust more in SHGs as management units. By restructuring self employment programs, the Government merged the earlier poverty alleviation schemes to bring in a package covering all aspects of self employment such as organization of poor into self help groups, training, credit, technology and infrastructure and marketing under one program. This Swarnajayanthi Grama Swaraozgar Yogana program¹⁴ focused on self employment opportunities for SHGs of women and the disabled in rural India, those who were supposed to be at BPL.

17. The importance accorded to women's equality and empowerment in the Seventh Five Year Plan (1985–1990) and the Eighth Five Year Plan (1992–1997), gave further impetus to programs and plans addressing women specifically. The Ninth Plan states that the early 1990s made an attempt to ensure that women would become economically independent and self reliant.¹⁵ The national policies backed by international agencies have been complemented by state policies and plans for women. All of this has helped focus on women's development and empowerment.

18. At the same time, there was evidence that the record on the repayment of loans by women was often better than that of men, and that women were also more likely to use the income earned on their families, leading to improved health and nutrition of the poor population for improving the quality of life. The wisdom of making available credit to men as heads of households also changed with the realization that women's participation in economic production had been greatly underestimated, as women were engaged in small scale activities in the informal sector which were difficult to capture statistically.¹⁶

¹² With the increase in the popularity in the concept, the danger has been one of calling all types of groups as Self Help Groups (SHGs). In Andhra Pradesh, various types of user groups: Mothers Committees, School Education Committees, and Water User's Associations, are all called SHGs. (Sitaram, Shashikala. 2002. *Interface of Panchayati Raj Institutions and Community Based Organisations in Andhra Pradesh Rural Poverty Reduction Project*. Submitted to Society for Elimination of Rural Poverty. Andhra Pradesh). MYRADA prefers to call its groups as Self Help Affinity groups in order to make a distinction between the groups that have asked for capacity building support and the others.

¹³ The Bank's figures show that in Karnataka, there are 236,866 SHGs (rural and urban), the bank linkages have been availed by 163,198 SHGs. (SHG Bank Linkage Program, Karnataka, 2004-05, published by the National Agricultural Bank for Rural Development).

¹⁴ Swarna = golden, jayanthi = celebrations, grama = village, swaraozgar = self employment, yogana = program.

¹⁵ For an account on women empowerment and development from the first to the ninth five year plan, see Rajasekhar, D. 2004. *Micro-Finance, Poverty Alleviation and Empowerment of Women: A Study of Two NGOS from Andhra Pradesh and Karnataka*. Institute for Social and Economic Change. Bangalore, Social and Economic Monographs.

¹⁶ Leach, Fiona. 1999. *The Impact of Training on Women's Micro Enterprise Development*. University of Sussex.

Women in many households contribute to household income with activities that generate so little profit that men would not consider doing them. Micro credit to women came to be seen as an important route to poverty alleviation strengthening social mobility of women, the first step for their empowerment.

19. Microfinance oriented credit and savings schemes attracted significant levels of funding by the major donor agencies and development banks. The World Bank and the International Fund for Agricultural Development supported Tamil Nadu Women Development Corporation in the mid 1990s for initiating and supporting women SHGs, which was to be done in collaboration with the NGOs. The Government-NGO collaboration was found to be effective—the Government with its wide area of coverage, resources, legitimacy and accessibility, and the NGO with its flexibility and mobilization capacity can complement each other, create strengths in their effort in reaching the poor. Many of the programs that followed promoted this as a concept. The first of this was the World Bank project—Swashakthi.

20. Swashakthi Projects were initiated in Karnataka, Gujarat, Uttar Pradesh, Bihar, Harayana and Madhya Pradesh, in the late 1990s–1998.¹⁷ The states of Jharkand and Uttaranchal were added in 2002. The projects intended to improve the women's economic and social status within 5 years, and this underlined the need for women to organize themselves. The projects were praised for building up women's capacities, establishing support mechanisms for income generating activities managed by women, establishing mechanism to access social programs and leverage funds for community assets creation and providing effective project management systems.¹⁸ However, the sustainability of the program was much debated and remained unsure when the project ended. A possible solution discussed was the institutionalization of SHGs by creating vertically linked federations, at different levels, for their self-management including accessing resources and influencing policies.

21. Another World Bank initiative was in Andhra Pradesh, where it supported the Government's Rural Poverty Reduction Program in 2000 to empower the rural poor by improving opportunities to meet their social and economic needs. When launched, the project had a coverage of 180 *Mandals* (rural administrative units) providing direct benefits to 620,000 poor families. The focus of this project was to develop self-reliant and self-managed community-based organizations by giving priority in forming common interest groups and SHGs. The program similarly noted the success of the thrift and credit based groups of women, and labeled it the most important social innovation of recent times.

22. A recent intervention is the Karnataka Government's *Stree Shakthi* (women power) program launched in 2000. The Government of Karnataka realized that, despite implementing many programs which aimed at social, economic and overall development of rural women, it could not empower women or build up their confidence. The Stree Shakthi program led to the formation of 100,000 SHGs, covering 2 million women.¹⁹

23. However, all of this was achieved in the rural areas. The focus of most of the NGOs and other organizations had been on rural women. Urban women were left out on account of three main reasons: (i) urban poverty was not considered as acute as rural poverty;²⁰ (ii) there was an apprehension that making the thrift and credit concept a success in urban slums which usually have a significant floating/migrating population, could cause further in-migration;²¹ and (iii) thrift and credit activities were

¹⁷ Swashakthi report has noted that most SHGs have been promoted by the NGOs with more progress being made in the south of India than the north.

¹⁸ Details in Rural Women's Development and Empowerment Project, Project Agreement document.

¹⁹ Urban Stree Shakthi program came in much later in 2003.

²⁰ Urban poverty is considered to be less than rural poverty. The 55th round of National Sample Survey show a poverty ratio of 27.1 (rural) and 23.6 (urban) (Datta, K.L. *On Measurement of Rural Poverty in India*. Occasional Paper published by State Institute of Panchayats and Rural Development. West Bengal).

²¹ Intra and inter slum migrations are common. People migrate from other areas—both rural and other urban areas due to drought, poverty, marriage and also because of caste affinities. The migration between slums is also

deemed difficult to organize in slums given that there are so many internal population movements. There are many instances where slum dwellers sell their dwellings/huts for a high price and rent a hut in other places, or move from corner to corner.²² Multi-religious, multi-caste, multi-lingual, and multi-livelihood patterns of urban settlements limit the forming and sustaining of cohesive groups.

24. KUIDP was the first project that facilitated the formation of the SHGs in urban slums of Karnataka.²³ For many of the NGO partners, this was a new experience, a first time of association with the urban poor. As the survey bore out, these NGOs are now fully aware that urban poverty also needs specific interventions.²⁴ The NGOs which worked with KUIDFC have subsequently found that it is easier to “empower” urban women than rural women. Urban poor women may be more exposed to the happenings around them. Urban women are more open to participating in new programs, are more focused, and want social recognition and mainstreaming. However, intrusions by NGOs which are not genuine, and exploitation by money lenders, are alleged to have made urban women more skeptical of SHGs. Since most urban women earn their livelihood and do not have assets like land, it is more difficult for them to save. Their attitude has been one of “live today.” Unlike rural women who trust each other, urban women prefer written statements. Urban women lack the support of the joint family system which makes their mobility more difficult. Urban poor women have to bear the ill effects of social conflicts and suspicions which appear to be more frequent in urban areas.

25. During the initial phase of KUIDP, the SJSRY, as an urban counterpart of Swarnajayanthi Grama Swaraozgar Yogana, was monitored by KUIDFC and this could have been a contributing factor which allowed looking at “groups” as entities to work with.²⁵ The concept of community-based organizations mentioned in the project document prepared by the consultant mentioned earlier (footnote 3) also emphasized the formation of community development societies.



Ramanagaram, self help group.

26. The first phase of KUIDP (September/October 1999 to December 2000) enabled the formation of 54 SHGs, and was considered to be one of the best-implemented activities of CDP. A mid-project assessment funded by ADB, referred to earlier, has noted that the SHGs were successful in inculcating the habits of savings, and increasing the mobility and participation of women. It also noted that the success rate varied between towns and the NGOs. There was a noticeable demand expressed by the women to enable them to start “more” SHGs (footnote 5).

27. Under the second phase of CDP, from July 2002 to December 2003, 722 SHGs were formed in the six project towns by the end of the project

possible; those living in a slum migrate to other areas in search of better amenities. Rao, K. Ranga and MSA Rao. 1984. *Cities and Slums: A Study of Squatters' Settlements in the city of Vijayawada*. Concept Publishing Company.

²² Desai, A. R. and S.D. Pillai. 1972. *A Profile of an Indian Slum*. University of Bombay.

²³ Slums (low income settlements) constitute the most important and persistent problem of urban life and face problems such as poverty, poor housing, access to basic services, illiteracy, problems associated with health and malnutrition, increased burden of debt and poor savings and lack of skills.

²⁴ Except Rural Literacy and Health Program, Shantha Jeeva Jyothi and Parinithi, for the other NGOs this has been a first time in dealing with urban programs of this magnitude.

²⁵ From September 1997 to May 1999, Swarna Jayanthi Shahari Rojagar Yogana (SJSRY) was monitored by KUIDFC but implemented by Directorate of Municipal Administration. SJSRY was later shifted to the Directorate, the reason given for this is that the same organization should monitor and implement the program for better results.

period—Mysore (171), Ramanagaram (165), Channapatna (107), Tumkur (145), Mandya (85) and Maddur (49). KUIDP's target of 678 was exceeded by 44.²⁶ The increase in number was due to the interest in creating and joining SHGs as shown by the women. The benefits of savings, credit and linkages with the financial institutions were so obvious that more and more women wanted to avail of these. Unlike the earlier phase, the NGOs did not have to spend much time in convincing poor women on the usefulness of joining SHGs.

28. This field investigation, more than a year after the closing of the component, confirms that the total number of SHGs in existence reached 836 by June 2005. In addition to the reasons mentioned above, the number increase has been on account of the working of the Federations of the SHGs in the six towns. One of the main objectives of the Federations has been to bring more groups/women into their purview.²⁷

C. Karnataka Urban Infrastructure Development and Finance Corporation's Guidelines in Organizing Self Help Groups

29. The women development and empowerment component of CDP envisaged the role of SHGs as one of empowering women in order to achieve social, economic and political strengths which would enable women to access the hitherto denied services of different governmental programs and schemes (CDP Package of KUIDFC).²⁸

30. The concept of SHGs that KUIDP promoted was based on broad guidelines and structures generally followed by projects emphasizing women empowerment and development. The key concept was that an SHG is an informal association built on trust and good will. However, the SHG adheres to certain rules and regulations. Main rules and regulations are that the group should have up to 20 members, hold weekly meetings, selects/elects two representatives, rotates leadership yearly, asks for members' participation in preparing bylaws, opens an account in the local bank in the name of the SHG and is to be jointly operated by representatives, and demands weekly savings from its members with a minimum of Rs10 and a maximum not exceeding Rs100. Most NGOs conduct an internal audit of the accounts of all the groups in their purview. In order to strengthen the SHGs, the community development wing of KUIDP enabled a large number of trainings to SHG members (a total of 977 in all the six towns) specific to the formation and functioning of the SHG—on concept of organizing groups, savings and credit management, on book keeping, leadership, gender, role of representatives and members of SHG (footnote 7).

31. KUIDP had supported 662 SHGs with revolving funds of Rs5,000 each, supplied after the first 6 months of their existence. The total amount of revolving fund distributed by the KUIDFC has been a modest Rs3,310,000.²⁹ The revolving funds were essential in accelerating the activities of the groups.

²⁶ The NGOs Vikasa and Vikasana could not reach the specified targets due to constraints of time. They were from the new towns of Mandya and Maddur—the towns which were included in the program much later and had only a year's time at their disposal.

²⁷ There has been an increase in the number of SHGs after June 2005 varying from three (Sumana, Mysore) to 40 (Vikasana, Mandya). The increase is attributed to the NGOs' continued interest in supporting the groups, the expanded NGO activities including the area of NGO operation (increase in the number of slums) and more so because of the demonstration effect that the well-functioning SHGs have had. The increase, in some ways, reflects the "need" for more SHGs. The Project target was 30 SHGs for Shanta Jeeva Jyothi, the number in May, 2007 is 60; similarly, for Parinati, the numbers are 50 and 140 and for Mamata Makkala Mandira 75 and 240.

²⁸ Literature on women empowerment is vast. For the present purposes empowerment women empowerment could be taken to mean the increase in the women's questioning capacities on the existing strengths and resources, gaining control over them to increase the bargaining power.

²⁹ During the first phase, amounts of Rs20,000 were given to 35 groups. This was reduced to Rs5,000 during the second phase of the project since the number of groups increased.

32. Some of the methods used prior to forming the thrift and credit groups are household surveys and mass contact programs that explain the interests of the organization and invite participation of the needy and the interested. In any of the methods followed by the NGOs, local political and religious leaders are taken into confidence. In one of the slums in which ODP works in Mysore (Gandhi Nagar), the NGO animators had to talk to the priests of the area and there was one on every road attached to a temple. In communities where the religion defines the way of life, confidence building and approval by religious leaders was necessary.

33. In many of the areas, NGOs interventions, particularly those related to women development and empowerment, were opposed by the religious heads of the Muslim community (e.g., in the Fakir Palya Slum in Tumkur). They also felt that it was against their religion to use interest gained on savings and lending.

34. In some of the households, men did not want "fights at home" after the women gained knowledge and therefore opposed their spouse/s joining the group. At the initial stages of forming the Sanghas, RLHP regarded it necessary to explain the necessity of forming women Sanghas to the men. It was found that imbibing gender concepts with men facilitates the formation of women groups.

III. SELF HELP GROUPS AND COMMUNITY DEVELOPMENT PROGRAM



Tumkur: trainees in the Women's Training Center.

35. As stated earlier, the KUIDP covered a wide range of CDPs, one of which was women development and empowerment.³⁰ The concepts of thrift and credit were part of the broader community development package. The SHG program gained so much momentum that they were used also to launch many of the awareness and skill training programs.

36. The forums of SHGs and the Federations quickly became effective ways to reach the communities. The awareness level and the learning capacities of the women had increased. The partner NGOs now consider community development concepts, as designed by KUIDP, a must in future interventions, even in those which would focus only on the SHGs.

³⁰ The total amounts spent on all of the above including the women development and empowerment program by KUIDFC has been Rs113.53 lakhs and the total amounts on skill training have been Rs13.04 lakhs (Karnataka Urban Infrastructure and Development Program [KUIDP]. 2004. *Physical and Financial Progress Report of Community Development Programs under KUIDP*. Karnataka).

37. SHGs, in most cases, chose the beneficiaries for the skill training programs.³¹ Trainings on tailoring, embroidery, computer, home nursing, auto driving, screen printing, beautician, typing, candle making, home food products were some of the main skill training programs that were taken up. Entrepreneurship development programs were also prepared, as an important component of skill training program which facilitated the establishment of micro-enterprise.

38. Some of the trainings (e.g., medical attendant, beautician's course, entrepreneurship development program) have been much appreciated, as the beneficiaries have found remunerative employment and have set up micro-enterprises.³² Some training was less useful as it did not give the trainees practical experience.

39. One of the best programs, according to the field investigations, was the special coaching class for the school going children and the school drop outs. A total of 200 centers were established in the slums. KUIDFC spent Rs 2,137,750 on this. This helped poor children whose parents were illiterate and could not tutor them, and who could not afford fees charged by private tutors. More importantly, the households did not have either the space or the environment that encouraged studies. The tuitions held in the evenings also helped the children not to while away their time in learning bad habits, a fact that relieved the working women who could not keep an eye on the children. The program also motivated the women to send their children to school.

40. SHGs coordinated the tuition classes. They arranged the place to conduct the tuition (generally the community hall) and kept vigil on the teacher who was hired (the honorarium was paid for by KUIDP). At the time of the field work, many of the women expressed the need to continue this program which was wound up with KUIDP. The SHGs, even those where the money transactions were more successful, have not been able to continue this program, as not all members wished to subscribe to paying the teachers. Vikasa has attempted to solve this by forming Child Forums which bring together children of two to three SHG members. The children, 25 in each Forum, meet once a week—they learn new things from an activist of the SHG and save a minimum of 50 paise taken from their pocket money, usually given by parents to buy biscuits/savories/eatables (eating chocolate is a rarity for poor children). The saved amount was given to the child at the beginning of the academic year so that it helped in the purchase of books, pens, etc. There were eight such Forums facilitated by the Town Level Federation (TLF) (there were nine by May 2007).

41. A positive aspect of the CDP approach was that it was offered programs to both men and women. Men could then get acclimatized to the programs and become more open to women joining SHGs. Some of the skill training programs like computer training and livelihood advancement trainings provided opportunities for the youth of the BPL families.³³

³¹ The skills training program in the first phase was implemented through NGOs specialized in this area: Jana Shikshana Samasthe in Mysore and Society for the Betterment of Human Resources in Tumkur. In the second phase of KUIDP, all the training programs, other than computer training, were conducted by the grass root NGOs which implemented the programs.

³² One hundred six skill training programs, covering 2,600 beneficiaries, have been conducted. The result has been employment to 225 trainees and establishment of 300 micro-enterprises (KUIDP. 2004. *Consolidated Community Development Report of KUIDFC and Project Completion presentation of KUIDFC*. Karnataka).

³³ Two Livelihood Advancement Business Schools were set up one in Tumkur and the other in Mysore which have trained 485 beneficiaries of which 304 have found placements (according to a progress report submitted by Livelihood Advancement Business Schools to KUIDFC in 2005).

A. Role of Self Help Groups in Slum Improvement

42. Did SHGs performance contribute to the success of the infrastructural programs? Many of the slum development components, like roads, drains, water supply, and community centers, offered opportunities for involvement of SHGs. The groups could have played a role by their involvement in motivational campaigns and in collecting beneficiary contributions, if any were required.³⁴ But the community development activities were preceded by infrastructural works. The NGOs are of the opinion that the Low Cost Sanitation component, which subsidized construction of private latrines outside of houses on plots, and which was one of the most successful of the slum improvement programs, could have been more easily implemented with prior involvement of the SHGs.



Drainage and latrines in Channapatna.

43. SHGs could also have been involved in the maintenance of some of the infrastructural facilities developed.³⁵ However, KUIDP or local governments did not consider this. In fact, in many of the slums, women had to fight to get permission to use the community halls (part of the slum improvement program) for SHG meetings, training, and tuition programs.

44. The execution and maintenance of the structures involved different stakeholders than the SHGs (community halls were constructed by the Karnataka Slum Clearance Board and maintained by the concerned urban local bodies. SHGs have stated that the Karnataka Slum Clearance Board and many other engineering departments and wings were indifferent to the CDP activities. Even a minimum relationship between the stakeholders was not maintained.³⁶ Overall, KUIDP was not very geared to integrating the slum improvement component with the community development component, and a good opportunity for use of the SHGs was lost.

³⁴ Sixteen thousand two hundred sixty-one low cost sanitation units have been built in the six towns as a part of this program. The low cost sanitation required a beneficiary contribution of 25% of the total cost of construction.

³⁵ As per the Inception Report, the community-based organizations were expected to play this role. Whether the SHGs can be equated with community-based organizations which are broader institutions than the SHGs is debatable. For the present, we are looking at SHGs as professional grass roots institutions of the poor who could perform some of the functions of maintenance of the infrastructure. Some would argue that this may overburden women and that poor women would have to accept all this in the name of their empowerment (Guerin, Isabelle and Jane Palier. 2005. *Microfinance Challenges: Empowerment or Disempowerment of Poor?* Institute Francais De Pondicherry, Collection Sciences Sociales n 10, French Institute of Pondicherry).

³⁶ The indifference to the soft component of the Community Development Program by the engineering wing at various stages in this project is highlighted in the report cited earlier (footnote 5). That this is a general trend in most projects was noted at a workshop supported by ADB (Training of Trainers Workshop on Social Development and Resettlement, Institute for Social and Economic Change Bangalore with ADB and Sheladia Associates, Inc. held in April 23–27, 2001).

IV. MICROFINANCE MANAGEMENT SYSTEMS

45. The women and/or the groups are eligible for borrowing generally after they have proved that they save regularly every week over a period of at least 6 months. The credit could be availed through (i) internal lending; (ii) formal banking system; and (iii) financial agencies other than banks (this could be an NGO, a Federation or microfinance agencies set up by the NGO). Generally, a set pattern is followed. Initially, women access the internal lending provided by the group. When more funds are needed, the SHGs can decide to access bank linkages and, if national banks are unwilling, they could opt to look at other financial agencies. NGO facilitation in this process was viewed as very important. Getting too many loans at an early stage, at higher rates of interest than the nationalized bank, and from credit institutions at too generous a scale without a check on the actual needs, all affect survival of the SHG.

46. The internal lending within each group is decided by the members of the group: who should borrow, when should the loan be paid back, when should interest be levied, etc. It is mandatory to show progress in the lending within the group before other types of credits are accepted.

47. It is of interest to estimate the kind of funds that are being transacted in the SHGs. A woman's saving of Rs20 per week saves Rs80 in a month. In an SHG with 15 members this adds up to Rs1,200 per month and Rs14,400 annually. The groups have been functioning over the last 3 years, thereby possessing Rs43,000 in principle. If interests on this and other fees like the fines on late repayment are added, this can be rounded to Rs50,000. This is the amount of funds that is being rotated in the SHGs.

48. The study estimates that around 50% of the total number of SHG formed in the six towns have accessed bank loans.³⁷ The groups need to go through a process of evaluation— the records which pertain to the regular savings, regular transaction with the bank are scrutinized. The groups should preferably be functioning for 6 to 9 months and internal lending should be practiced for a period of 6 months. A 1:2 ratio of saving to lending is generally practiced by banks when these are approached for the first time.³⁸

49. Although the formal banking system is no longer unfriendly to SHGs (i.e., to groups of poor women who do not have assets), some of the officials are not pro-poor. The list of defaulters with the bank adds strength to their argument. The procedures with the banks continue to be cumbersome. However, accessibility of the groups to the banks depends on the credibility and rapport of the NGOs with the banks. The NGOs take on the role of social intermediary between the bank and the borrowers. For the banks, the transaction costs and risks are reduced. An example highlights the quantum of transactions in the banks. In Channapatna, the total savings in the bank by 78 SHGs is Rs19,266,509, interest on loan adds up to Rs248,241, and from other income is Rs12,805. The loan amount availed equals Rs3,292,217 and the repayment has been Rs2,282,582.³⁹ Such is the strength of microfinance.⁴⁰

50. Such transactions are creating an impetus for the NGOs and the federations to become micro credit organizations. Sadhana Resource Centre of Maddur is in the process of saving the interest amount

³⁷ As communicated by a KUIDFC Social Development Officer, almost all groups have gained access to bank loans, over time (May 2007).

³⁸ A minimum of Rs2 lakh is the demand placed by the groups now, unlike before. The internal lending has also increased to Rs1 lakh for most SHGs.

³⁹ Details given by the NGO- Parinati.

⁴⁰ NGOs state that there has been an overall increase of 20%–25% in financial transactions over the last 2 years. The increase in the number of SHGs has also been responsible for this.

of Rs18,000 that is being accrued at the bank and using this for lending purposes.(May 2007). This way, the resources of the centre can be increased as well.

51. The closure of KUIDP has had the effect of changing the roles of some of the NGOs. This has affected the SHGs started by them.

- (i) The NGOs have begun to assist the banks in identifying SHGs those which are sustained and viable. For this, the NGOs are paid Rs5,000 (e.g., Mamata Makalla Mandira of Ramanagaram.) The groups which are not strong on the concepts would be misled.
- (ii) The NGOs have become microfinance institutions.⁴¹ Two examples highlight this trend. One is that of Sumana, which has established a Community Banking System in order that the women get timely help and are not harassed by the procedures of the bank. The Community Banking System was established in 2000 and extended to KUIDP groups in recent times. The other example is that of WLARS, which offers Rs5,000 to the women on an interest of 2%. This has had the effect of attracting very poor households who borrow and spend for consumption purposes as seen in one of the slums at Tumkur.
- (iii) The NGOs have facilitated the linkages of SHGs with Sangamitra which is a microfinance institution promoted by MYRADA.⁴² There are allegations against weak NGOs which are considered to be "handing over" the SHGs to other institutions. The NGOs should monitor the quantum of loan availed by groups from different sources, till the groups are sustained. Availing loans at frequent intervals is not considered healthy. Poor women are not equipped to handle huge amounts at this stage. In the long run, it may weaken the process of empowering women.⁴³
- (iv) The more harmful and glaring trend seems to be that of "other" NGOs which are entering the slums and luring women with money. Such NGOs (e.g., Bharath Samyuktha Sangha and Grammena Kuta) which have turned to be microfinance institutions are not laced with any social concern but are lending as they are attracted by the profits.⁴⁴ They have been responsible for breaking some of the KUIDP groups. This has been apparent in Channapatna. The weak or non-existing NGO (KUIDP) has made this possible.⁴⁵



Ramanagaram: self help group accounts.

⁴¹ There is more emphasis on microfinance. The NGOs consider this to be necessary to fulfill the financial needs, of the SHGs (May 2007).

⁴² Sangamitra was set up exclusively to support SHGs by providing finance as MYRADA felt that the Banking System could not cope up with the rapidly expanding number of SHGs. The quantum of group financial assistance packages varies from a minimum of Rs10,000 to a maximum of Rs125,000 per group. The repayment periods vary from a year to a maximum of 3 years. Capacity building exercises, evaluation of the SHGs, are regular features of Sangamitra. The NGOs are paid an amount of Rs250 for linking a group to them (to Sangamitra).

⁴³ Other studies have pointed out that credits if provided in amounts that cannot be absorbed by people's institutions tends to weaken the degree of ownership by the members of the group, in turn undermine the process of institution building and the potential of empowering the poor (footnote 10).

⁴⁴ This trend continues with more organizations creeping-in (e.g., Ujivan in Ramanagaram) (May 2007).

⁴⁵ Goutam Nagar Welfare Association worked in partnership with KUIDP in the town of Channapatna from July 2002 to December 2003 but disappeared from the scene without a trace. For practical purposes the NGO is nonexistent. The other NGO working in this town, Parinati, was requested by KUIDFC to follow some of the programs up.

52. Studies and experiments elsewhere have pointed out that the potential of credit as an empowering tool is reduced if the credit management process of savings, lending and repayment is not developed by the group and controlled by it. One study concludes: "the availability of credit does not empower but it is the management of the credit and the quality of governance of the institutions set up by people to manage credit that empowers" (footnote 10).

V. IMPACT OF SELF HELP GROUP MOVEMENT ON WOMEN'S SOCIAL AND ECONOMIC STATUS

53. The membership to a SHG has contributed to significant changes in the lives of women. This was revealed by focus group interactions and field visits in the six towns undertaken for this study. Most of the groups visited could be assessed as successful in social and economic terms. Less than 5% of the SHGs formed under the program can be said to be defunct. Forty percent of the urban poor were covered by KUIDP's SHGs in the short period that the project was active. The impacts can be looked at as those bringing in economic changes, impact on the social status and political impacts, and the impacts of SHGs on the community.

A. Impact on Economic Status

54. **Increased entrepreneurial skills.** KUIDP convened a number of Entrepreneurship Development Programs for SHG members which facilitated the learning of generic skills such as bookkeeping. This has allowed women to change from being wage workers to being self employed. Women also have gained the option to pursue two or three petty businesses, change from one type of business to another, combine wage employment with small business.⁴⁶

55. **Increased access to credit.** The micro credit facility of the SHG has encouraged women to save. They are at ease in their minds as they can avail monies when they need, without having to pay any collateral. The most important effect has been the escape from the clutches of the money lenders. Pledging on jewelry has also reduced. The interest on loans has reduced from 120% per annum to 24%. They can request for adjustment in the duration of repayment.

56. **Establishment of businesses.** At least half of the members (15–18 generally) have taken a loan



Mysore, women in shop.

⁴⁶ In reality, the businesses are income generating activities, i.e., they may or may not be micro-enterprises which are a more permanent form of economic activity. The income generating activities could be a casual activity (e.g., selling flowers, selling food grains) where women can move in and out as time and need dictate, most often supplementing male household income.

from their SHG to set up a micro-enterprise managed either by the women or by their families. There is an endless list of businesses established in this way, based on small credits of Rs500 to sell flowers, vegetables and fruits, up to Rs5,000 to establish petty shops and hotels, food grains, manufacture and sale of processed food products would need investments amounts varying between Rs500 to Rs5,000. Many women see advantages in owning a petty enterprise as it allows flexibility in working hours and helps balance house keeping and child rearing along with earning for the family.

57. While visiting SHGs, the study found many examples that showed that the women who invested in businesses through their SHGs are better off. One woman visited, Lakshmi, a member of Siddapaji SHG at Ram Rahim Nagar in Maddur had a *saree* (traditional fabric worn by Indian women) business. At every purchase, she invested Rs5,000, on which she made a profit of Rs1,300. The advantage in this is her tie up with the traders of Bangalore who were willing to take back the unsold fabric, if any.⁴⁷

58. Women now also have the opportunity to change from one income generating activity to another—Suguna of Srirama SHG at Mandya began with the sale of flowers but changed to selling of clothes which she found more remunerative. Many women have benefited from the skill training programs and the Entrepreneurship Development Program that followed. Five beauty parlors⁴⁸ (one each in Maddur, Ramanagaram and Tumkur and two in Mysore) and two screen printing units (one in Mysore and one in Tumkur) have been set up by the women. This has ensured a substantial change in the incomes, as these are micro-enterprises in the true sense of the word.

59. The increase in income has allowed poor women to be able to prioritize their requirements and fulfill these.⁴⁹ The general trend is to invest in business only after these have been fulfilled. A first priority is to educate the children.⁵⁰ Women furthermore spent monies for health purposes, for house repairs and to purchase kitchen utensils. Some also cleared earlier loans that they otherwise would have to take with high interest rates. Many shifted from a rented house to a house on lease. It is only later that women also invest in purchase of consumption goods like televisions, telephones, and house sites.

60. **Changes in consumption patterns.** Food items were purchased once a week or once a month, as and when wages were received was done. This saved not only the time spent but also saved on amounts as bulk/wholesale purchases are priced lower than retail purchases and ensure better quality. There is a noticeable change in the consumption pattern and better household nutrition. The financial mobility due to participation in the SHG has led to an improvement in the quality of life, according to some of the successful groups. Overall, many families were able to address their basic needs better than before.

B. Impact on Social Status

61. This study found that the participation in the movement by itself has been an empowering and liberating experience for many of the poor women. The strongest impact has been in terms of self esteem and increased social mobility as many women of urban slums had never attended such a program before. The impacts can be summarized as follows:⁵¹

- (i) **Increased mobility.** This means a lot to poor women and to those who have been restricted by religious taboo. The visit to the SHG has made women more bold and

⁴⁷ For more success stories, see Nair, Omana. 2002. *Taking Charge*. ADB Review, September–October 2002. Manila.

⁴⁸ Full-fledged parlors cost an investment of Rs50,000 and more. Five such parlors have been established.

⁴⁹ The women currently show more interest in investing in income generating activities, since some of their consumption needs have been met (Discussions with NGOs, 2007).

⁵⁰ Reduction in child labor and higher enrolment at schools could prove this.

⁵¹ Decision-making within the household, control over income, involvement in major decisions, literacy rates, and perception on importance of education and marriage age for girls are some of the social indicators against which the impact of SHGs are usually judged (footnote 13).

confident. Earlier, women were more confined to the four walls of the kitchen and some to the work place. They were now found to be able to meet each other, and discuss problems.

- (ii) **Increased exposure.** This comes from more interactions with other women. Women stated that they are more enthusiastic and positive about their lives. They understand each other's viewpoints and problems. Interaction with other women has resulted in building congenial relationships and have ensured fewer conflicts. It has also had the multiplier effect of spreading the SHG movement.
- (iii) **Increased awareness.** Awareness on health related issues—personal hygiene, communicable diseases, effects of malnutrition and sanitation—have increased as a result of training programs. More importantly, awareness of the rights of women—as prescribed by the Constitution and as prescribed by the religious doctrines—has also increased. The membership in the SHGs has allowed many women to come out of boundaries defined by their male companions or relatives. There are now cases submitted for legal mediation by Muslim women, something never heard of before.
- (iv) **Changes in decision-making.** Women have stated that they are more involved in decisions that affect their lives and that of their family/household. They have more freedom to decide which of the meetings to attend and how much time they could spend without having to seek permission from the men and worry about the conflicts that might ensue at home as a consequence. Women also felt they have more say in the education of the children, such as which school children were to be sent to. Men involved women in decision-making processes which were purely in the male domain before, such as house repairs and the purchase of a site, non inclusion of women in some major decisions that concern the household, have however continued.
- (v) **Increase in social security.** Some of the SHGs have been successful in availing facilities like widow pensions, old age pensions, health and life insurance for its members. This has resulted in the women feeling more secure about themselves and their future. Women abuse is said to have reduced and deserted wives have witnessed the husband return home. There are instances where SHGs have pressured men to put an end to violence/beatings. This was revealed by the Focus Group Discussions held for this study. Physical violence has reduced in a few cases due to the collective pressure created by the SHGs. The unequal power relations between men and women, with the increasing economic power and social mobility of women, is changing. However, many more changes are to be achieved, like achieving the rights of women to property, the reproductive rights and many more.

62. Many SHGs have helped in resolving family disputes. At Mandya, the incidence of harassment of a member of a SHG was resolved by joint efforts of women of three groups. A member was abused by the husband and the mother-in-law who poured kerosene on her and threw her out of the house in the middle of the night on January 4, 2005. Women members of three of the SHGs of the area went to her rescue and provided her with shelter and requested help of the NGO Vikasana. The NGO workers of Women Help Line Program which Vikasana runs counseled the family members and have ensured that the mental and physical torture of women has stopped.

63. There are a number of less obvious benefits, in the area of soft skills, which are important in the context of women's empowerment.⁵² These are highlighted below.

64. The skills of time management: women have come to value time more. For instance, cooking skills have become better time managed. Housework which was finished at leisure is completed within a

⁵² As corroborated by Sakthi in May 2007, women of the SHGs have become well-versed in financial management, accessing information, and resolving conflicts

short span of time. (Gender division of labor at the household restricts women; men do not contribute to the household work of cooking, washing vessels, etc.)

65. Women have learnt to conduct meetings efficiently, both at the SHG and Federation level. A few women in a group have also gained proficiency in maintaining documents and recording meetings. More importantly they have learned the skills of arithmetic which helps in the maintenance of books of accounts. By attending the meetings and training programs, women have improved their participatory and management discipline.

66. One of the mandatory programs of all SHGs, irrespective of who initiates, is the effort made to teach illiterates how to read and write. Having learnt and practiced this skill, many women feel more confident and less embarrassed when they are asked to sign their names.

67. Some women have learnt to speak new languages. The urban conglomeration is a mixture of different cultural groups speaking different languages, and the interaction between the women has facilitated the learning of new languages. In Ramanagaram, the Urdu speaking Muslim women have learnt to speak in the local language.

68. The skills of managing cultural events—organizing cultural programs and participating in cultural activities have been learnt and practiced.

69. The skills mastered by NGOs—that of forming SHGs has been picked up by many poor women. Women have facilitated formation of more groups in both urban and rural areas.

C. Impact on Political Status

70. At times of elections for local bodies, the SHGs become a potential vote bank because of their large numbers. There were many instances where the NGO coordinator or the animator was offered a bribe to ensure that the women voted for them. However, this did not mean that a woman would stand for elections, even given the support of huge numbers of other members. Invariably, family support for the women to enter the political arena would not be forthcoming. Political representation would call for interaction with men and also being away from home for long periods of time. This was not viewed as a realistic goal for women. More importantly, elections to the local bodies have traditionally been fought on political party lines which in the past did not generally support the fielding of women candidates.⁵³

71. The case of the RLHP in Mysore stands in contrast to this. RLHP successfully fielded many of the Mahila Sangha members at the urban local bodies' elections. This was possible because of RLHPs continued interventions in the urban slums. For the other NGOs, working in urban areas has been recent. WLARS has fielded and won many seats in the Grama Panchayat (rural local bodies)

rural elections. Most of the NGOs are not keen on gearing women towards political movement, other than the ones which emphasize on advocacy (Shanta Jeeva Jyothi, RLHP and WLARS).



Improved road and drainage in Mysore.

⁵³ One third of the seats in local bodies have been reserved for women as per the 74th Amendment to the Constitution. The Amendment has brought administration to the doors of the people and has ensured that people participate in urban governance. This has also given additional opportunities for women.

72. Nevertheless, leadership qualities of the SHG members have improved and, given the right impetus and opportunities, these may lead to their political integration in the urban local bodies. At present, many women are being recognized by committees that work in the slums. For example, many of the School Development and Monitoring Committees constituted at the schools in Maddur have invited SHG members to be members. Each committee should have seven members who are selected/elected; and half of the seats are reserved for women.

D. Impact on the Community

73. Advocacy to remove liquor shops located in the slums, pressures on urban local bodies to ensure drinking water supply, clean roads and drainage systems, and getting community taps installed are some of the collective actions that many groups have successfully taken up. Such actions also point to the newfound freedom to participate and voice their concern pertaining to social issues.

74. There are many examples from across all the six towns which can highlight this. In Tumkur, the SHGs of Shanthinagar struggled and succeeded in 2004 in closing down the liquor shops. At the Handijogi Palya slum in the same town during 2005, the process of eviction of slum dwellers was stalled by the SHGs; those evicted were resettled at the same place. At Mariyamma Nagar, the SHGs litigate against the urban local bodies along with other community-based organizations regarding land acquisition decisions.⁵⁴

75. There are instances where groups of women have been able to fight and get possession of the community hall as done by Bharathi and Manasa SHGs at Kythamaranahalli, Mysore. The women groups have been responsible for changing the entire topography and the environment of slums as could be seen at Kythamaranahalli. This slum is now called a locality because of the efforts of the SHG members who had to fight to get every basic amenity as they started out from zero level. The women groups have ensured drinking water facility, street and house lights and an *anganwadi* (government pre-school) center.

76. Internal SHG discussions have also allowed the women to be able to tackle common problems such as the marital age for girls. The trend earlier was that 90% of the girls were forced into marriage before 15 years of age. By educating mothers, this percentage has reduced considerably. In the long run, this would work towards eliminating existing injustice and gender inequalities.

77. One more case to be highlighted is that of the Federations at Maddur which demanded the conduct of ward meetings. The reasoning was that the holding of such meetings ensured fair process of beneficiary selection and would bring in one of the main ingredients of good governance: accountability.⁵⁵

⁵⁴ The NGOs are finding it easier to mobilize the support of women to fight for social causes.

⁵⁵ This is thought of and requested by the people as in effect, the Grama Sabhas (rural local bodies) i.e., the general assembly of the village panchayat is a feature of the Panchayati Raj Act, brought in as a result of the 73rd Amendment, which is said to ensure accountable and transparent ways of selecting beneficiaries. The 74th Amendment relating to urban governance specifies for the formation of ward committees for municipalities having a population of three lakhs or more (Section 243 of the 74th Amendment Act, 1992). Both the 73rd and the 74th Amendment were passed at the same time in the early 1990s.

VI. EVALUATION OF SELF HELP GROUPS BY OTHERS

78. Some of the NGOs with which KUIDP worked in partnership, have evaluated SHGs. The three NGOs of Tumkur, ODP and RLHP of Mysore have evaluated their SHGs. Unfortunately, the results cannot be used for the present purposes because (i) the evaluation does not pertain only to the KUIDP SHGs but also covers other initiatives; (ii) data recording and presentation has not been systematic; and (iii) the evaluation has been more of a financial assessment to gauge the financial status of the SHG, while other aspects have been overlooked.

79. Each of the NGOs devised its own set of evaluation questions. But certain criteria were common, e.g., those regarding regular savings and credit operations, details of bank linkages, loan repayments, day and time of the meeting, record maintenance, etc.

80. The SHGs were graded based on the results of the evaluation. Of the total of 1,512 women SHGs of ODP, (it had also facilitated 100 SHGs for men, rural and urban SHGs have been evaluated together) 86 were graded "A," that is scoring above 76 marks. Whether ODPs scoring pattern would be appreciated by other NGOs is debatable as most NGOs and other agencies place importance on weekly meetings of the groups but the women of the SHG started by ODP meet once in a month. Shantha Jeeva Jyothi, in turn, considered more than 90% of the SHGs that were started by it as falling in the A category, but again, the question is whether the other institutions would agree. Rotation of leadership at frequent and regular intervals was marked high but a change in leadership was a very rare phenomenon as seen at the time of the fieldwork in all the towns except in Maddur.

81. The KUIDFC also initiated a process of evaluation. A team of five (two from KUIDFC and three representatives from partner NGOs) evaluated the SHGs during 2004. This was done to assess the functioning of the SHGs, prior to providing the revolving funds for the SHGs formed during the second phase of the program.⁵⁶ However, the evaluation did not help in fine-tuning the project.

82. As mentioned, this study noted that the number of groups that have become defunct over the last few years has been minimal. To cite a few examples, the NGO Bapuji Integrated Rural Development Society noted that three of their groups had disintegrated; the numbers for WLARS and Society for the Betterment of Human Resources were 3 and 2. This is not alarming and is more than balanced by the birth of "more" SHGs.⁵⁷ The disintegration of the groups is due to the lack of support by the NGOs which have withdrawn from the project with its closure. Dominant leaders' interventions and opening up of "membership" to other types of SHGs (discussed later) have added to this.

⁵⁶ For details of KUIDFC findings, criteria used and the results see: A Report on Evaluation and Audit of Self Help Groups brought out separately for (i) Mysore, Mandya and Maddur, and (ii) Tumkur, Ramanagaram and Channapatna.

⁵⁷ This seems to be the trend even in 2007 when the study went back to some of the groups contacted in 2005. The disintegration of the groups was minimal. Inadequate capacity building, failure of leadership, mishandling of money, mismanagement, the advent of NGOs that are only into micro credit continue to be cited as reasons. Some have pointed out that there is no disintegration but reformation of the groups. Shift in residence of women, a common phenomenon in urban slums, occasionally necessitates groups to be disbanded, but they re-form later.

VII. SUSTAINABILITY OF SELF HELP GROUPS

83. The concepts of thrift and credit and fellowship are endearing aspects in a poor woman's life and the common answer given by the women interviewed is that they would like the practices to continue for as long as they live. But the questions that have hounded the activists and the voluntary sector are whether the groups need to remain active on their own, whether there should be some other mechanism by which they can become sustainable, whether they should move on to achieve more things, and for how long should they depend on the NGOs to support them. There have been attempts by many of the NGOs to federate the SHGs.⁵⁸

84. KUIDFC decided to federate the various SHGs from March 2004 onwards. A three-tiered structure of Federations was envisaged with 15-20 SHGs of an area forming a Cluster Level Federation and these in turn forming the TLF.⁵⁹

85. The Cluster Level Federations (i) provided a forum for the meeting of the SHGs; (ii) helped in discussing and deciding on a number of issues, such as selecting the SHGs which need bank linkages, and facilitating training programs; (ii) helped in selecting the beneficiaries for programs, and (iii) helped resolve disputes that arise between the SHGs and also the conflicts between the members within the groups. They also monitor the SHG. TLF performs the larger function of evaluating and grading the SHGs for Bank linkages, liaisons with the other programs of the state departments and the local government and facilitates the formation of new groups. Many of the linkages between groups have been made possible because of the Federations.

86. **The outcome.** Have the SHGs become sustainable because of this? The majority of the NGO representatives are of the opinion that the time given for the SHGs to mature before federating them was insufficient. The second phase of the community development component was in operation for less than 2 years. For some (Parinti, Vikasa and Vikasana), it was 14 months. The NGOs would have preferred to develop a concept of Federation drawing by their own experiences and processes rather than accepting something being "thrust" on them.

87. The results of KUIDP and its partner NGOs experiments in federating across the six towns have been mixed:

- (i) The majority of the NGOs are struggling with the experiment of federating the SHGs. They have been able to facilitate the formation of Cluster Level Federations which are structurally placed and are performing the minimum functions assigned to them. The problem seems to one of internalizing the concept of federation which is new and one of mobilizing the resources. Nevertheless, there is an attempt, however weak, to sustain

⁵⁸ The pioneering effort to federate the SHGs was made by MYRADA little more than a decade ago.

⁵⁹ Convergence with government programs, linkages with banks and other financial institutions, recognition of SHG members in SJSRY are considered as some of the other methods of sustenance (Strategy Paper on Sustenance of Self Help Groups formed under KUIDP and Karnataka Urban Development and Coastal Environmental Management Project).

- the SHGs (Sakthi, Parinati, Sumana). The TLFs are yet to take shape.⁶⁰ The sustainability of the federations is still a question mark for NGOs like Sumana (May 2007).⁶¹
- (ii) A few of the experiments have resulted in negative effects on the process of sustenance. NGOs like Sumana and Shantha Jeeva Jyothi have promoted that the revolving fund of Rs5,000 given to each of the SHGs was diverted to the Federation. The rationale behind this was that large amounts of money (e.g., Rs5,000 of 40 SHGs initiated by Sumana with KUIDP would total to Rs2 lakhs) could then be lent to other groups. But the women resented this and the SHGs were beginning to disintegrate. This was vociferously expressed during the discussions with the members of Sarswathi and Sanjana SHGs started by Sumana in Mysore.
 - (iii) A successful experiment has been that of Vikasa at the project town of Maddur which has enabled the formation of a Resource Center run by the women in place of the TLF. The Center had a full fledged office, well defined organizational structure, and clarity and specifications of functions. This enabled the women to access credit facilities extended by the bank and other services, to monitor the financial transactions of the SHGs, and the formation of more SHGs. The Center was financially independent; the operational cost of the center was maintained through service charges levied for book maintenance of the SHGs, auditing of the SHGs, and conducting capacity building programs. The Center has replaced the NGO and proved that the women groups can perform the roles of the NGO including socially responsible tasks like conducting medical camps. May 2007 the Center was in the process of starting a school mainly for children of the SHG members.

88. An experiment providing legal identity to the Federations was initiated in Tumkur. The TLFs supported by three of the NGOs—WLARS, Society for the Betterment of Human Resources, and Bapuji Integrated Rural Development Society, have been registered under the Karnataka Souhardha Co-operative Societies Act of 1997, with the SHG members as shareholders. The highlight of this experiment is that the Federations, as they are registered bodies, can perform all functions of a bank: pygmee collections (small savings), collection of deposits, loans to share holders and borrowings from any nationalized or cooperative bank extending up to ten times the working capital. In addition, the Federation also helps its members to start income generating activities and support the marketing of the products prepared by the SHG members. Such an experiment has also been initiated in Mandya by Vikasana. A cooperative society, with both rural and urban SHGs, was registered in October 2006. One hundred SHG members have purchased land by availing of a loan. The land was registered in May 2007. The society plans to get the land alienated and convert it into sites so that these could be made available for the members at a subsidized price. Possessing permanent residence is of priority to slum dwellers.

89. The experiment in Tumkur continues to face blockages, such as for instance the higher rate of interest offered to the SHGs by the Cooperative Bank, compared to other nationalized banks. The Cooperative Bank generally lends at 14% per annum, compared to the other banks' 12%. The SHGs do not prosper under co-operatives, as re-lending to the members of an SHG would become a costly affair. But the cooperatives are continuing to function, even two years after their formation.

90. It could be argued that too little time has been spent by the NGOs in strengthening the Federations. KUIDP was wound up during June 2004 and the Federations were to be formed between February to May 2004. The comment by the NGOs is that this was looked at more as an extension activity done on an impulse at the closure of the project. However, lessons can be drawn from the Maddur experiment which has been effective in forming successful Federations due to (i) clear

⁶⁰ This situation continues in 2007 for the above mentioned NGOs, the interest to form TLFs has reduced considerably.

⁶¹ Instead of the TLFs, ODP's emphasis on forming central committees in which one or two representatives from each SHG finds favor with the people. The Central Committees are closer to the people, enable resolving common problems and are easier to manage. ODP has tried out the concept in rural areas.

understanding of the concept by the field functionaries; (ii) choosing local volunteers to work for the project instead of importing the workers from elsewhere, as usually done by the NGOs; (iii) effective trainings and capacity building exercises to the field staff; (iv) committed leadership exercised by the project coordinator; (v) support by the local leaders of the community; and, more importantly, (vi) well functioning, mature SHGs. Interventions elsewhere can replicate this.

VIII. THE ROLE OF STATE AND LOCAL GOVERNMENTS IN THE LIVES OF WOMEN

91. The women of the SHGs (and also the poor women) are in principle to be helped by the state line departments. The administrative machinery of the state government- the various line departments devises programs for the SHGs. The departments of Social Welfare and Women and Child conduct training programs for SHG women. Training programs such as tailoring help women learn new skills and also aid in increasing their incomes. The department of Social Welfare helps SHG women entrepreneurs in showcasing their products at various exhibitions. The departments of health and education conduct health awareness programs and adult literacy programs for the women of the SHGs. But such assistance is limited to a few programs.⁶²

92. At the level of the slums, the municipality plays an important role. The municipality provides general services like water, sanitation and infrastructure and other basic amenities to the slums. The women of the SHGs and the Federations of KUIDP have become well versed with the functioning of municipal administration and the services it offers. There are many instances noted in the six towns wherein the SHG women have pressurized the agencies to provide various services. For example, the SHG members of Dibbur slum (Tumkur) pressured the City Municipal Council to install taps for drinking water in 2003. In other areas, the SHGs gave written petitions to ensure the services such as streetlights, water supply and good drainage facilities. The usage of community halls for SHG meetings, trainings and tuition classes has also been ensured by SHGs approaching various stakeholders like the City Municipal Council and the Karnataka Slum Clearance Board. Increasing access to services is considered an important element of the SHG movement and this has largely been achieved.



Clogged drain in slum of Mandya.

93. Apart from providing basic services, the urban local bodies also have programs which promote and support the thrift and credit groups for the poor. The SJSRY urban poverty alleviation program of the

⁶² Few groups have been supported by other agencies. Seventeen SHG members residing at Ghousia Nagar were assisted to build houses by Caritas. The houses were damaged by heavy rains in 2006. SHGs in Maddur are receiving training by NGOs such as DEEDS and CREATE. The training concentrates on women's rights and also on The Right to Information Act (2005).

Government of India is one such program that is monitored by the Directorate of Municipal Administration and implemented by the urban local bodies (as mentioned earlier, KUIDFC was the nodal agency for the entire state to monitor the implementation of SJSRY). SJSRY (which is applicable to all the towns in India) seeks to provide gainful employment to the urban unemployed poor women through encouraging and setting up of self-employment ventures or through the provisions of wage employment.⁶³ The SJSRY however suffers from delays, slow release of funds and slow pace of work.

94. The elected representatives who form an important part of local self governance in Karnataka as in the rest of India (the 74th Constitutional Amendment passed in 1994 has ensured that elections are held at below the state-level units, so that administration is close to the people) have helped in the SHG movement in various ways. There are instances where elected representatives have been responsible for motivating slum dwellers to join the SHG movement. In one of the slums of Ramanagaram (Gandhi Nagar), the formation of the SHG was stalled and the NGO was not allowed by vested interests to even enter the area, the councilor was proactive in convincing the people to avail the benefits of the program. The representatives also donate money to the groups to conduct functions such as the celebrations of the annual day. Their focus is however on getting political mileage from being “visible” during the functions and meetings of the SHGs. There are many gaps in the Amendment and the Act in Karnataka which restrict the involvement of the local body/the elected representatives in the lives of the SHG women and in poverty alleviation programs. It is beyond the scope of this study to discuss these gaps in detail.⁶⁴

95. A few instances have also been noted where the local representatives have put in spokes which were detrimental to the groups’ interest. For example, as one of the KUIDP reports notes, there was severe opposition from the side of the elected representatives of the Council to the elegantly built Women’s Training Center budgeted at Rs57.1 lakhs in the premises of the Town Hall at Tumkur during 2001.⁶⁵ There are also instances where the local government is indifferent to the SHGs. The women of the Maddur Resource Center are of the opinion that the elected representatives would think twice to get involved in any of its activity, as the people/community would demand accountability.



Women’s Training Center in Tumkur.

⁶³ The program has three components: (i) self employment where individual subsidized loans are given through the banks; (ii) wage employment which generates employment simultaneously creating basic infrastructure like roads, drains and community centers; and (iii) the Development of Women and Children in Urban Area component which enables women to form small enterprises. Micro-enterprises are initiated by the thrift and credit groups which are supported by revolving funds. The quantum of subsidy for group activities is relatively high (Rs25,000). The program relies on establishing and promoting community organizations—neighborhood groups and committees and community development societies which form the focal point for purposes of identification of beneficiaries and monitoring of recovery and other support. (One of the sustenance strategies of KUIDP that has been specified is the link between the SHGs of KUIDP and the Committees of SJSRY but this has not been forthcoming. Both the NGOs and the Directorate of Municipal Administration want identification with their groups). The Community Development Societies are the nodal agencies as they are a Federation of different community based organizations. (Ministry of Urban Affairs and Employment. *Guidelines to Swarna Jayanthi Shahari Rozgar Yojana*. New Delhi.)

⁶⁴ The inter linkages between the local bodies and the SHGs have been poor in most states other than Kerala. The State Poverty Eradication Mission of the Government is run under the leadership of the local governments which links the organization of the poor through self help with demand led convergence of available resources to tackle the multiple dimensions of poverty. Available: www.kudumbashree.org

⁶⁵ Intervention (India) Pvt .Ltd. 2000. *A Report: Convergence of Poverty Alleviation Programs with the SJSRY*. Case Study in Tumkur City Municipal Council.

96. One of the measures by which the local governments could assist the groups already formed by KUIDFC is by sustaining them.⁶⁶ The Urban Stree Sakthi program (which was initiated by a state department and discussed earlier) has “the handing over” of its group to the Directorate of Municipal Administration as a strategy for sustenance (of its groups). Such a measure was also thought of by KUIDFC authorities as the operational cost of monitoring and maintaining the groups is high. KUIDFC initiated discussions on the modalities, whether it is the SHGs or the Federations or both which are to be handed over. The members of the groups are said to be not keen on being handed over to the Directorate of Municipal Administration, as was found during the fieldwork. The local authorities are deemed not equipped either to take charge of the groups. The other point of relevance is the agreement on who constitutes the poor. KUIDFC has covered all BPL families, even those who were not listed in the survey conducted by the Directorate of Municipal Administration. The Directorate may not agree to this.

97. At the time of fieldwork, more drawbacks than plus points were voiced regarding the Urban Stree Sakthi program.⁶⁷ With the spurt of Urban Stree Sakthi groups a few of the KUIDP groups have disintegrated due to frictions within the small community of a slum. There should have been convergence between the different SHGs instead of conflicting interests which seem to be the order of the day. The discussion now focuses on convergence of programs, advocated to create complementarities.⁶⁸ The premise behind advocating convergence of different programs of similar kind is that overlap and duplication which would lead to wastage and inefficiency can be stopped. However, converging programs which have so many implementation problems with those of KUIDP may not be advisable.

98. The SHGs of the different groups have created duplicate membership.⁶⁹ Rich members, or not very poor members are not uncommon either. Also a few of the KUIDP groups have disintegrated as the lure of “more” revolving fund and other benefits such as free distribution of sites, cooking gas connections waned. Some people were misled by statements that it would be better to be associated with a government program than an NGO as the latter lacks accountability.⁷⁰

⁶⁶ ADB made an effort in this direction during 2006 (TA 3880). A grant of \$10,000 was given to Parinati, to provide support for such things as capacity building of SHG members, skill development, over a period of 10 months.

⁶⁷ The program goes by a fixed target to be reached; the program does not necessarily cover the poor, thus reducing its potentially equalizing impact. Those who initiate the program and implement it are not tuned to the mass mobilization and sensitization processes. As such, the quality of the mass movement is lost; the members of the SHGs meet for the sole purpose of thrift and credit activities. Leadership qualities are not encouraged either and often results in single leader dominance with all its repercussions. The programs have not been backed up by capacity building exercises. Even limited capacity building such as the strengthening of SHG in bookkeeping and account maintenance is not conducted. Also, unlike the NGO supported groups, these groups are deprived of monitoring and guidance.

⁶⁸ A Benefit Monitoring and Evaluation report discusses the convergence of poverty alleviation program of KUIDP with the SJSRY based on a case study in Tumkur City Municipal Council in 2000.

⁶⁹ Sakthi considers this as an inevitable trend given the dynamics of SHG movement.

⁷⁰ The objection of some of the NGOs is that the government continues to give preference to “its own group”- that is the SHGs formed under SJSRY and Urban Stree Sakthi programs, while selecting beneficiaries for government programs.

IX. SOME LESSONS REGARDING POVERTY ALLEVIATION AND WOMEN EMPOWERMENT

99. Microfinance programs are often expected to make a significant contribution to poverty alleviation and empower the members in economic, social and political spheres. KUIDP looked at SHG as a tool which would achieve the twin objectives of poverty alleviation and women empowerment. In the following two sections, an attempt is made to gauge whether the project has been able to achieve these objectives.

A. Poverty Alleviation

100. The debate on whether SHGs can be used as tools to lift the poor out of poverty is ongoing in India. Despite the concept being in existence over the last two decades, there has been no rigorous study which measures the pre and the post scenario of poor women who would be members of a well functioning SHG. Generally the women who chose to be members of a SHG are from the BPL families.⁷¹ However, whether they have moved out of poverty or not has not been measured so far. Most people do not want to be taken out of the BPL list as they would no longer benefit from many of the poverty alleviation programs of the government. However, during interviews for this study, women expressed that they felt distinctly less poor.

101. KUIDP insisted on a household survey by the NGOs at the beginning of program implementation but did not follow up with a post project evaluation.⁷² Lack of comparable data and lack of coordination between different stakeholders has made it difficult to reach quantified conclusions. For example, 1,053 families of the 2,000 surveyed at Kanteer Narasimharaja Pura and 153 of the 250 families surveyed at Giri Bhovi Palya had been identified as those living BPL by Sumana which conducted a household survey in 2002. Forty SHGs in Kanteer Narasimharaja Pura and 10 SHGs in Palya were formed, which was the target specified by KUIDP. However, data is missing as to the outcome of the SHG formation process.

102. The opinions of partner NGOs are divided as to whether the poor women can really get out of their economic conditions by being in the self help movement. Some consider that this is possible. Vikasana thinks it is possible to alleviate poverty provided NGOs facilitate advance planning and resource mobilization. Many of the NGOs agree that the movement has created a greasing effect in the lives of women. Women and their families will no longer experience the acute hunger and poverty that they had faced earlier. They now have something to fall back on and at times of crisis will not go back to the moneylenders as they did earlier. The fact that some money is available to them from the groups even in the middle of the night in cases of emergency is by itself a boon to the women and should not be underrated.

103. Undoubtedly, SHGs have not allowed all poor women and families to move out of poverty, especially in an urban area where the effects of inflation are felt more acutely. The high and escalating cost of living, competition in the market place, the inability to start income generating activities which

⁷¹ Poverty line is taken to be the measure of poverty in an urban area as Rs23,124 as per the SJSRY guidelines; calculations are based on assets and employment status.

⁷² The Benefit Monitoring and Evaluation program was to establish indicators for the performance and socio economic impact of the project as per the Social Action Plan Report. Twenty-five slums in the four program towns (Phase I) were selected for the benefit monitoring and evaluation study. It does not appear that the same slums were selected later to evaluate the results of KUIDP (Final survey in the four KUIDP towns, Jan/March [2003]).

need space, knowledge or exposure, have also made it difficult for women to attain any substantial changes in the economic status.⁷³

104. It is important to see how far BPL women were before they joined the SHGs. The take off point is important. If the family was already in business, doing reasonably well—families which are not very poor—the thrift and credit activity would help. The attention of most NGOs has been for the poor, workers who work on daily wages and who pursue petty businesses. However, a few who were above the poverty line sometimes also got included for various reasons, one of them being the spread effect of the concept of SHG. While it is acceptable to start SHGs for all those who want to be in it, it needs to be debated whether the same group should have members from mixed economic category. NGOs such as Vikasa mix the not-so-poor with the poor members deliberately in order that the poor get helped. The belief is that the poor learn such aspects as cleanliness. The other factor is a geographical one: building neighborhood SHGs for purposes of easy accessibility. The families in one locality may not be from the same economic background.⁷⁴

105. RLHP believes that it is necessary to have a cohesive group—of the same class—to enlist any kind of support and to see the results. The main advantage is one of empowering the lower class of women, who are doubly disadvantaged by being women and by being poor; this would have the right implications for poverty reduction. The other advantage is the convenience in fixing of meeting time and days, amount to be saved, etc.

106. A relevant question is also the time factor: how long does a woman need to be a member of an SHG before it can be expected that her standard of living improves? Opinion is divided on this: while some NGOs consider 15 years to be the required time span (ODP, Society for the Betterment of Human Resources), other NGOs opt for a 5-year period (Sumana, Vikasa). The KUIDP groups were not yet 5 years old at the time of the case study.⁷⁵

107. As has been described in this study, the membership of a well functioning SHG has brought in supplementary income for the women and her family. There has been some addition to income but not sufficient to lift the families over the poverty line. Other changes than the creation and support of SHGs are needed to lift poor people out of the subsistence economy.

108. Development practitioners estimate that the income needed to move out of the poverty line is for a couple with two kids is roughly Rs36,000 per year (still well below \$1 day per capita) Currently, the living standard of very poor families is Rs10,000 to Rs12,000 and less per year. For changes of such magnitude, strategies to scale up do not exist for SHGs. However, there are individual members who have innate entrepreneurial skills, who have shown enhanced income due to their own efforts and not necessarily due to the groups.

B. Women Empowerment

109. As mentioned earlier, the general belief is that the process of microfinance and women's access to it would lead to empowerment. Discussion on what constitutes empowerment and whether

⁷³ A report based on a survey of 2,750 SHGs in 16 states during 2007 even argues that the SHGs perpetuate poverty of women (for more details, see www.nirantar.net). Source: Business Standard, 23 February 2007, Bangalore.

⁷⁴ That the poor are getting more marginalized because of this has been proved by earlier experiments elsewhere and mixed (class) groups have been discarded. The World Bank assisted Rural Poverty Reduction program in Andhra Pradesh started in 2001 initiated a participatory approach by which the rural community would identify the poorest of the poor in every village/cluster of villages. This was devised in order that the poorest of the poor were reached (footnote 11).

⁷⁵ This obviously implies a five-year Project intervention. Even with the passage of time, the NGOs are not able to commit to an improvement in the living standards of women.

empowerment is synonymous with emancipation and such other related issues is vast. To empower women would mean to give her more control over her life or the situation that she is in, as per the definition specified by the Government of India during the year of empowerment (2001).

110. Access to microfinance does not always lead to women's control over its use as seen in the case of Meharunnisa (member of Ghousia SHG in Mysore which has been active over the last 5 years) has borrowed three times amounts of Rs3,000, Rs5,000 and Rs7,000—each of the times to “improve” the business of her son-in-law who runs a bakery. She lives in a joint family with the older daughter and son-in-law and five grandchildren. If the son-in-law does not pay back the amount, she will have to pay from her daily wages. Meharunnisa is compelled to humor her son-in-law as she fears that he may desert her daughter and grandchildren.

111. The compulsions in favor of allowing men to use the amounts are many. In Muslim community where the system of purdah is practiced, the reluctance to participate directly in business is more apparent. The general practice is for women member to avail loans to invest in family business which is usually run by the husband/son/brother/male member of the family. This fits the Indian ethos of family being the main social unit. While there is no doubt that uplifting women would help in uplifting the family, it is important to imbibe gender concepts in future programs so that women are not overtly burdened. At the time of field work, a few cases were heard where the tendency of the male member of the family was to withdraw his contribution to the household owing to an increase in the woman's increase in income. This needs to be tackled to ensure increase in family income.

112. The credit facilities of the SHGs seem to have become a source of borrowing for men, albeit indirectly. The amounts are invested in businesses by men who may not consider it necessary to share the information on profits and losses with the women. They, however, ensure that the interests on loans are given to the women at the right time. The change in the attitude of men would be important, otherwise it would reduce the women's opportunity to learn. Parveen Taj of Gulshan SHG (Mysore) has invested the loan amounts into a food processing business which is run by her husband. Her enrolment into the SHG has helped in getting the house repaired, in celebrating her daughter's marriage and in further expanding the business. However, Parveen Taj does not know anything about the investments or profits.



Self help group convening in Ramanagaram.

113. With the strengthening of the SHG movement, men have started realizing the contribution of the women to the household income. However, it will take time for them to fully accept and appreciate that the better living conditions are because of women.⁷⁶ Greater gender equality is important in the process of empowerment. A way by which the gender burdening (where roles and responsibilities are influenced by gender based divisions and social relations resulting in an unequal burden of work on women both at the household and outside) could be reduced would be to start SHGs for men. The trend so far is to avoid forming SHGs for men. Though there are other types of community organizations in which men are active like the youth groups, the development groups (of RLHP), it is rare to find thrift and credit groups

⁷⁶ NGO Sakthi notes that the women's involvement in financial transactions has improved. With practice, women are more confident of financial transactions and are therefore more confident.

for men. Non cohesiveness between men, difference in work timings, problems arising because of the male ego and other reasons are put forth to explain this.⁷⁷

114. As a part of the experiment of KUIDP with the urban SHGs, the NGO at Maddur facilitated the formation of three groups for men. This increased to ten by end June 2005 and had remained ten in May 2007. This was considered necessary in order to improve the economic status of the family. There were some differences compared to women groups: men earn more and save more. Their emphasis was to improve themselves first, so that people recognized them and only then could they work for the locality.

115. Inspired by the functioning of the women's groups, men are showing interest to be a part of the SHG movement. Many of the Federations of SHGs are also contemplating forming groups for men. Mubina Begam, one of the Directors of Sauharadha (Federation), has been responsible for starting a youth group at Tumkur (September 2005).

116. The SHGs of men are a part of the Federation at Maddur. But mixed gendered SHGs are not preferred as the problems and the issues discussed by the women and those that interest men are viewed as different.

117. This study would be inclined to support the strengthening of SHGs consisting of men, especially considering the trend of gender burdening on women that has taken place. All of the attention has been placed on the women's groups which would, in the long run, overburden women.⁷⁸ Women have not stated during the interviews for this study that they feel overburdened by the SHG activities and would not want men to start groups of their own as men would prevent the women from becoming part of these.

118. To conclude, microfinance programs have not always succeeded in achieving their objectives of sustainable poverty alleviation and empowerment. Other studies have pointed this out as well (footnote 13). Poverty cannot be alleviated by SHGs on their own. Other ingredients are necessary. Exclusion of the very poor would continue unless other programs are also implemented. In this, KUIDP has proved a point by combining other activities of not only skill training and other CDPs but also that of improving infrastructure which has implications for improved health.

119. The other word of caution is to look for a linear link between microfinance and women empowerment. Studies have pointed out that it is complex, it is neither linear nor unequivocal or systematic (footnote 33). The SHGs can only be the starting point which may lead to women's empowerment. Many other inputs in changing gender inequalities would be necessary before considerable results are achieved. KUIDP also included a number of gender sensitization programs but the results are not known. What is more important for future projects is to be aware of the plus points of this movement and to be cautious of the repercussions—creating assets in the names of the women, signing of promissory notes by the male member of the women who would avail SHG loans, are some of the measures that are experimented and could be imbibed.

⁷⁷ ODP admits to this, and is placing less importance on forming more groups for men (May 2007).

⁷⁸ In Andhra Pradesh there would be as many as six to eight groups in a village—School Education, Mother's Committee, Water Shed Committees, etc., and in all of these women have been given representation. Some of the women with leadership qualities are selected; as a result they would have to spend considerable time in participating in the meetings of the various groups. This has to be added to house work and child rearing too (footnote 11).

X. CLOSURE OF THE PROJECT

120. With the closure of the project in 2004, the NGOs and the communities have suffered a set back. The groups started during the second phase of the project were barely two years old. For the NGOs, the operational cost of maintaining the SHGs is high. A few of the NGOs continue to support the SHGs but in a minimal way in order to ensure that their earlier efforts are not lost.⁷⁹ In effect, the federations of SHGs should have performed these roles but the federations are yet to take off in all the towns.

121. The NGOs with women empowerment as their thrust have continued to support the groups (Sakthi) but would have appreciated a withdrawal strategy and support for another 6 months. The well-established NGOs (like ODP and RLHP) have been able to continue the support to the SHGs, but with minimal staff. This has placed a burden on the animators (the NGO staffs who work directly with the groups) who are pushed to manage around 50 SHGs. Vikasana was supporting 84 SHGs with 13 animators and 13 health workers, it now has 5 animators to meet the requirements of the same number of groups. On average, a maximum of 30 SHGs could be supported by an animator. Some of the animators work for half of the salary that they drew earlier but continue supporting the groups (Sumana).

122. The NGOs are keen on sustaining the groups, as the groups have contributed to the NGOs' survival and in some ways their reputation. It is felt that NGOs need more time to keep urban groups together. The urban groups break up easily as the demands are higher.

123. One of the modes by which the NGO—SHG relationship has continued is that the groups pay for the services of the animator. The NGO Shantha Jeeva Jyothi has not had any problem in managing the group as the animators are being paid by the SHGs for their work. This is true in a few other cases. Vikasa has been able to maintain the SHGs and grow due to the self sustaining concepts imbibed in the community.

XI. SUMMING UP

124. The SHG movement which was started due to the KUIDP initiative in the urban slums of the six towns in Karnataka has brought changes in the lives of the women. It has allowed poor women to move from their earlier position of silence to one of gaining voice, has reduced their sense of fatalism, has improved their living standards, and has increased their collective bargaining powers. Of course, SHGs cannot be taken as the answer to solve all the problems related to poverty and gender inequality.

125. Most discussions on SHGs stop at developing mechanisms that guarantee their sustainability. The SHGs need to move forward fast in order to master the finer aspects of financial management. There is limited knowledge and technical know how on viable income generating activities, on what sells, despite so many fairs and exhibitions in which women groups have participated.⁸⁰ This has proved to be a major lacuna in KUIDP where the period of support was generally very short—even though at present most SHGs are still functioning.

⁷⁹ This continues even after 2 years. Most of the NGOs continue supporting the groups, with minimal monies and infrastructure (May 2007).

⁸⁰ A recent experiment (November 2006) is tried out in Mandya by an NGO assisting SHGs to open market outlets in 21 villages. The products of SHG members are replacing products already in the market. It remains a challenge to identify the right kind of product, one that is novel and in great demand.

126. The SHGs provide women with abilities to survive the worst situations. Whether they can become really sustainable institutions depends also on the ability to grow with the changing internal needs and external developments like globalization and competition from aggressive new markets.

127. The SHGs need an enabling environment in order to grow and sustain themselves. The government presently gives conflicting signals, for example the government wants SHG women to oppose the opening of arrack (cheap liquor) shops in the slums, but continues giving licenses for this.

128. It would not be reasonable to expect SHGs to be the vehicle for significant changes in the short run, such as transformed traditional gender relations. But for the 12,000 or so women living in the slums who have been a part of the SHG program, a mass movement of this kind has been a boon.

129. Self help promotion is the best strategy for grass roots level development. SHGs can also help implement development projects at the grass roots. This study regards that projects supporting SHGs should be of at five years duration, and need a clear withdrawal strategy which is defined from the beginning.

BRIEF PROFILE OF NONGOVERNMENT ORGANIZATIONS

A. Mysore

1. **Sumana:** Sanskrit word meaning good will was established in 1989 as a Society for Rural Development to extend an empowering hand—calling on women to awake, organize and educate, especially the poor women of rural areas.
2. **Rural Literacy and Health Program (RLHP):** RLHP has been working in the urban slums with the underprivileged, disadvantaged and deprived section of society since its inception in 1984. To empower the slum dwellers, child laborers, street children and other deprived sections to respond to the challenges of growing poverty and human rights violations, through collective and affirmative action leading to sustainable development, self-reliance and economic independence is the mission statement.
3. **The Organization for the Development of People (ODP):** ODP, registered in 1984, aims at enabling the community based people's groups to become self-managed and self reliant. ODP's concentration has been in the rural area.

B. Ramanagaram

1. **Shantha Jeeva Jyothi:** Eradication of leprosy through health education, rehabilitation of the disabled and community development has been the focus since its establishment in 2002.
2. **Sakthi:** Set up in 1982 to work for the development of socioeconomic disadvantaged women with the focus on issues related to income, access to health and education and training in gender and human resources development.
3. **Mamatha Makala Mandira:** Founded in 1990 with focus on rural development: rural sanitation, de silting and other such programs with the motto of service to all. The urban slums program was taken up with the Karnataka Urban Infrastructure Development Project at Ramanagaram.

C. Channapatna

4. **Parinati:** A community development organization working with marginalized groups in the tribal and the rural areas of Karnataka.

D. Mandya

5. **Vikasana Institute of Rural Development:** A rural development organization working towards self reliance since 1984, Vikasana has a multisectoral and holistic approach. The organization is working towards the all round development of marginalized sections of the society like the Scheduled Caste, Dalits, women and children.

E. Maddur

6. **Vikasa Rural Development Organization:** In order to achieve the long term goal of establishing an alternative social order, Vikasa was established in 1992. The vision is to work progressively to improve the livelihood status of rural and urban poor through both non farm development and farming activities and towards self sustenance through people's participation.

F. Tumkur

7. **Bapuji Integrated Rural Development Society (BIRDS):** BIRDS was started in 1992 with the aim of providing relief to any form of poverty and creating social justice in India.

8. **Society for Betterment of Human Resources (SBHR):** In 1995, the SBHR came into being to provide holistic development of women, children and youth in both urban and rural areas.

9. **Women's Liberation and Rehabilitation Society (WLARS):** WLARS was started in 1985 to work for the social, economic and political empowerment of the rural people.

STRATEGIES AND OBJECTIVES OF COMMUNITY DEVELOPMENT PROGRAM

1. The Strategies of Community Development Program as visualized by Karnataka Urban Infrastructure Development Project were:
 - (i) Organizing urban poor into community based organizations.
 - (ii) Employing community management approach with non-governmental agencies acting as key facilitators of the changed process.
 - (iii) Developing and implementing programs relating to non-formal education, health and hygiene, gender awareness, consciousness building, entrepreneurship development, credit groups, income generation programs.
 - (iv) Empowering community to evaluate and assess the quality of change in physical environment.

2. The objectives of the community development program which follows from above are:
 - (i) Increased awareness among the slum dwellers on issues relating to health, education.
 - (ii) Increased participation of the community in the execution and sustainability of the programs.
 - (iii) Increased opportunities for self- employment through the provision of skill based training.
 - (iv) The provision of financial assistance through formal and informal financial institutions.

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