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## **A Vision for SHGs in Rajasthan**

*From Social Mobilization to Social Capital  
A Round Table*

*organised during 30-31 July 08, at The Gold Palace & Resorts, Kukas, Amer*

### **Background**

The SHG movement in Rajasthan is at a turning point. Recent figures put the number of SHGs in Rajasthan at almost 2 lakh. The SHG movement in the State has set the ground for a major change process which will be led by women and in the process will empower them – not just through the access and control of credit and finances but also by providing them the space to express themselves, and challenge the socio-economic pressures that they have been suppressed by. Without overburdening the SHG, the introduction of the enterprise development process can effectively address livelihood issues as well. The SHG process is perhaps the only process that can lead to an effective introduction of initiatives that can lead to social and economic empowerment for women.

The DWCD would like to facilitate this process. In the current scenario, where there are over 200,000 SHGs in the state, a structured and focused programme can make a significant impact on women and through them to the entire family. Assuming that each group has an average of 10 members, the programme has the capacity to reach out to almost 20 lakh families of the state.

Experiences of working in the past have shown that there are a variety of ways in which facilitation of these SHGs has happened. Examples from the NGO sector in the state point out to the need for a sustained and continued process of facilitation and capacity building. Examples of organisations like PRADAN, PEDO, IBTADA and the processes which set into motion the creation of Sakhi Samiti in Alwar all point out to the need for a long term active facilitation which is critical for the concept of 'self-help' to establish itself. Each group goes through a variety of experiences which are both positive and negative. Helping groups pass through times of conflict is extremely necessary for the group to gain self confidence as is the facilitation which helps a group learn from its successes.



This facilitation and the evolution of this idea was best seen in the UNDP Social Mobilization Project wherein ARAVALI with its partner organisations facilitated over 350 SHGs formed in the Ajmer area and have taken them to a level where they are now feeling confident, competent and are willing to accept the challenge that leads the change process. A significant and recent development has been the formation of a Women's Producer Company (ALOE Producer Company Limited) for the production, processing and marketing of *Aloe vera* in Jawaja (Ajmer district)

Over the past few years however, there seems to be an impression formed that the SHG process is something that does not require all that much facilitation. Groups can be easily formed and with just a little help in assisting them to get a bank linkage the groups can become viable and can be on their own and will automatically become the agents of change. This is an unfortunate overestimation of the situation which is in many ways leading to sub optimal inputs into the social mobilisation process and the group building and development process.

Emerging development initiatives tend to thus trivialise the issue and apart from the customary bank linkage there is not much more that the groups are expected to do. Often this emerges from the uninformed and inexperienced assumption that since the bank does follow a certain criteria for assessment before it provides the loan, if it does provide the loan the group would be fine and functioning well. While this may be the case before the bank provides the loan, it is processes after the loan that are perhaps more important to understand and facilitate. A well designed facilitation process would take into consideration the need for such accompaniment and sustained facilitation.

Sustained facilitation is an expensive proposition especially since such facilitation of groups requires competent people to provide the accompaniment and hand holding. And people will also require that there is an appropriate institution that they can be placed in, and which can provide the physical and emotional comfort to the groups when they need assistance and support. It is often important for nascent and developing SHGs to be able to identify with a group of people (an institutional mechanism) who they can seek support from.

This institutional system is something that needs to be reoriented in line with the challenge that working with a large number of SHGs actually requires both at the government and the civil society level. From the government the current structure of the ICDS is the institutional structure that is dealing with the SHG programme. But this is still seen as an addition to their role and not the main



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role that they perform. Even within the system, there are no specially allocated roles for working especially on the SHG programme.

Providing the institutional backing and support to a large programme such as this would mean operating at a variety of levels and using a variety of institutional mechanisms. The DWCD and its staff and associates at the village level are the units on which the SHG programme is currently depending on. Where there are NGOs they have been able to provide for (through grant support) the continuity and facilitation that is necessary for a SHG process to operate. The situation currently is that, on the one hand, there is a large group of people available to work but who lack appropriate capacity and on the other hand, the institutions which have capacity to be able to deliver on such programmes are few.

Both these situations need to change. The NGOs and the government need to be working together to address these capacity and facilitation issues if we are to achieve the challenge of the targets that we set for change through the SHG programme.

To facilitate thinking on contemporary issues related to social mobilization and microfinance through SHGs in Rajasthan and to chalk out a plan for several stakeholders in the State to work together towards a vision for SHGs in Rajasthan, ARAVALI– under the UNDP-MoRD Social Mobilisation Project, and in collaboration with the Department of Rural Development, Government of Rajasthan, organised a Round Table on ***A Vision for SHGs in Rajasthan – From Social Mobilization to Social Capital***, during 30-31 July 2008, near Jaipur (**Annexure I**). Thirty six delegates from 26 different organisations (21 participants from NGOs, 4 from the State and Central Governments, 3 from donors, two from NABARD, 5 from resource and technical agencies, and one from the private sector) participated in the two days' deliberations (**Annexure II**).



The entire set of presentations and proceedings of the event are being compiled in the form of a CD, the content of which will also be soon available online. This report highlights the key points made and issues raised by various speakers and participants during the Round Table.

## Comments from Participants before & during the Lead Presentations

- ✚ Why does the momentum of SHG programme cease post-project? How can the society continue owning the programme even post-funding?
- ✚ Are the NGOs only for implementing programmes? Why can they not work to sustain programme impacts in the long term?
- ✚ Community mobilisation through SHG formation seems to have become the accepted strategy in nearly all projects; has anything been done to cut-out the overlaps and create synergies?
- ✚ Are all the SHGs on ground truly capable of and committed to self-help? Are our SHGs contributing to social capital?
- ✚ Will the SHG-PRI differences merge after SHG-based mobilisation leads to increased representation of the poor in PRIs?
- ✚ The GoR is presently investing about Rs. 200 crore/District; how to use this investment for developing strong community based institutions?
- ✚ In what ways should the groups be homogeneous?
- ✚ Why should an SHG address the social mobilisation requirements of only one project/programme?
- ✚ Social mobilisation did not start with the SHG programme; it was there long before as a programme strategy.
- ✚ We should look at business models similar to *jugaad* that can work in our villages.
- ✚ A sustainable SHG movement needs to be financially as well as socially viable. Graduation of an SHG programme to a movement will require investment.
- ✚ We should search for the commonality in our visions and agendas, and look for ways for NGOs, NABARD, and Government to do differently.



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## Key Issues raised during the Lead Presentations

### **Presentation 1: Social Mobilisation Project: Key Learning** **Presenter: Bharati Joshi for ARAVALI, Jaipur**

This presentation was based on ARAVALI's learning from implementation of the Social mobilisation around natural resource Management Project (SMP) with UNDP's fund support in 139 villages of Ajmer District in Rajasthan. Six NGOs were part of project design and implementation. The key points made by the presenter were as follows:

- ✚ Six elements formed core of ARAVALI's SHG strengthening strategy under SMP:
  - (i) Financial asset building
  - (ii) Institution building
  - (iii) Human development
  - (iv) Physical and natural asset building
  - (v) Facilitating entitlements and schematic support
  - (vi) Establishing the collaborative polygon
- ✚ Greater focus on social mobilisation of the community and SHG strengthening has contributed to sustainable gains from the project.
- ✚ Strengthening NGOs' community mobilisation and project implementation capacities (together with the 350 quality SHGs organised in the project area) helped create a social base on which future development interventions can be launched in the area. This is already being done as ARAVALI continues working with the SMP partners under other projects and programmes in Ajmer, since these NGOs and SHGs are now ready for higher order goals.
- ✚ Working on entitlements and ensuring schematic support to the SHG members' households has prevented duplication of efforts and ensured multi-pronged inputs to the poor.
- ✚ Investment in SHGs seems to be essential; around Rs. 3000 was invested in organising and strengthening each group, over a period of 4 years, apart from creating a revolving fund worth over a crore for the SHGs.
- ✚ The revolving fund approach is different from the subsidy-driven programme implementation that often weakens community's stakes in the programme.



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- ✚ For Rajasthan, where over two lakh SHGs have already been constituted (as on record) the challenge is to vision together, holistically, and for the long term, and scoping and sourcing funds to translate this vision into a reality.

## **Presentation 2: Empowerment, Poverty Alleviation & Education within SHGs**

**Presenter: Jaya Sharma for Nirantar, Delhi**

This presentation was based on a qualitative research study of 2,750 SHGs in 16 Indian States, conducted by Nirantar – A Centre for Gender and Education in New Delhi. The key points made by the presenter were as follows:

- ✚ Financial efficiency receives overwhelming focus in the State-sponsored SHGs; social issues go ignored.
- ✚ At the household level, SHGs do not ensure entitlements for their members; rather there is an increased and add-on burden of savings and loan repayment on women.
- ✚ The State-sponsored SHGs seldom received education or capacity building inputs or feeds on gender or livelihoods.
- ✚ More often than not, there is a concentration of power in these SHGs with the literates benefiting from position and larger loans.
- ✚ The instrumentalist use of labour and time of poor women is evident in these SHGs, and it may be denounced.
- ✚ There is a pressing need to clearly define the terms empowerment, collective, and social issues.
- ✚ Quality aspects of SHGs, literacy goals, and social focus of community mobilisation efforts need to be stressed.
- ✚ Social indicators need to be mandatorily included in SHG (programme) quality assessment parameters.
- ✚ Quality SHGs and realisation of women empowerment goals will need investment in SHG capacity building and trained staff to support them.



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**Presentation 3: Self Help Groups Programme in Rajasthan**  
**Presenter: Dr. Veena Pradhan for DWCD, Rajasthan**

Dr. Veena Pradhan made this presentation in her capacity as the Additional Director of the Department of Women and Child Development (DWCD), Government of Rajasthan (GoR). She shared updated data on the status of SHG programme in the State, efforts being made by the DWCD to manage the SHG programme on meagre resources, and what is needed to achieve the originally conceived women empowerment and livelihoods enhancement goals through this programme. The key points made by the presenter were as follows:

- ✚ Around 2.3 lakh groups have been constituted in the State so far, of which 1,43,382 groups have been credit linked, and a total loan amount of Rs. 380 crores has been disbursed to them.
- ✚ The strategy of SHG promotion followed by the DWCD includes elements of SHG capacity building, enterprise development, and market linkage facilitation as well.
- ✚ Recently, the Department of Women Empowerment has been established by the GoR to bring into focus women empowerment goals of the SHG programme. Resource Centres and a Women SHG Institute have also been established. Efforts at convergence have also been made.
- ✚ However, field level problems remain, whether they be in convincing bankers to open bank accounts for SHGs, verifying and preparing a database of actual SHGs on the ground, sourcing funds for investing in SHG capacity building, scouting for trained facilitators for the SHGs, or garnering resources to address the many facets of women empowerment.
- ✚ Apart from rationalisation of loan interest rates and working on bankers, the presenter made a call for the following:
  - Creation (and equipping) of a dedicated fund for group promotion, and strengthening of SHGs as well as the facilitating staff;
  - Meeting insurance needs of the community;
  - Stressing on livelihoods promotion in the interventions.



## **Presentation 4: Swarnjayanti Gram Swarojgar Yojana (SGSY)**

**Presenter: Zakir Hussain for the Department of Rural Development, GoR**

Mr. Zakir Hussain made this presentation in his capacity as the Project Director cum Deputy Secretary-SGSY in the GoR. Besides sharing the key features of the centrally sponsored SGSY which aims to establish a large number of microenterprises in rural areas by assisting individuals as well as SHGs of BPL households, he raised the following issues for perusal by the House:

- ✚ There has been a tremendous increase in the percentage of credit channelised through SHGs as against individuals, since the scheme was first launched in 1999-2000.
- ✚ The State is able to spend only 10% of its total allocation for training (mainly business orientation and skill development) SGSY beneficiaries. This amount can be accessed by other SHPIs, including the DWCD, in case their groups are made predominantly of BPL members.
- ✚ Substantial investments have been made in developing marketing infrastructure for supporting SGSY beneficiaries in the State.
- ✚ Though there are 41 lakh BPL households in the State, annual SGSY targets are always pegged at around 20,000 – 30,000 beneficiaries; this means that it will take several years before all the BPL households of Rajasthan benefit from the scheme.

## **Presentation 5: Empowerment of Women and Livelihoods Promotion: UNDP's Experience**

**Presenter: Prema Gera for UNDP, Delhi**

Through her presentation, Ms. Prema shared their learning from SMP implementation with 17 partner organisations across the country. The main points emerging there-from are as follows:

- ✚ Targets for credit are often determined and passed on in a top-down manner in SHG programmes. Addressing vulnerabilities and multiple livelihood promotion interventions have to be focussed upon instead.



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- ✚ The poor are often marginalized not just economically, but also socially and politically. Thus, all three kinds of marginalization of the poor have to be addressed through programmes aimed at women's empowerment.
- ✚ The SMP tried to strengthen social and livelihood base of the community and diversify / expand livelihood opportunities for the poor. However, insufficient linkages were forged between project and Government institutions. Also, many NGOs could not look or plan beyond their areas and communities.
- ✚ Food security issues cannot be ignored in women empowerment programmes as access to savings and credit do not automatically ensure nutrition and food security for this vulnerable section of the society. The same holds true for social security needs of the households.
- ✚ While SHGs, clusters, federations, and co-operatives / producer groups / microenterprise represent an institutional continuum (in terms of size and scale), each has its own characteristics, strengths, and limitations. Apex institutions cannot be strengthened without ensuring a strong base; at the same time, there should be no push to turn federations also into economic entities. The State of Andhra Pradesh is an exception where the latter could be achieved, there was a strong infrastructural support ensured by the Government.
- ✚ Money may not be the key requirement of women empowerment initiatives; small inputs and simple technology may also work wonders.
- ✚ Advocacy / rights based approaches and institutions may need to be supported where the extent of community marginalisation and exploitation demands innovative approaches and alternative institutions.
- ✚ NGOs need to be increasingly readied to perform facilitation roles, and existing institutions and service providers strengthened rather than creating parallel capacities that demand constant fund inputs. Existing funds available with the public and other bodies need to be leveraged to access more funds.
- ✚ The SHGs, at the same time, should not be pushed to become vehicles of Government schemes and programmes.



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## **Presentation 6: A Vision for SHGs in Rajasthan – Issues and Opportunities**

**Presenter: Jaipal Singh for Centre for microFinance, Jaipur**

Through his presentation, Mr. Jaipal Singh shared underlying issues and emerging opportunities for the SHG programme in Rajasthan, as follows:

### Issues

- The actual number of SHGs on the ground is not available.
  - Not all SHGs have been able to access bank loans. Banks also seem to prefer on-lending to NGOs and MFIs.
  - SHG-based credit and savings are not being able to meet the financial needs of their members; consequently MFIs are spreading their wings in the State.
  - Limited efforts have been made so far to ensure sustainability of SHG movement in the State.
  - It is time to assess the requirement of and accordingly develop the human resource required to support the SHG movement.
-  District-wise mapping of SHG density in the State reveals that there are several Districts (like Jaisalmer, Barmer, Jalore, Karauli, Kota, Baran, and Jhalawar) where less than 4000 SHGs have been organised so far. Coincidentally, these Districts are also the ones that fare poorly on the Human Development Index (HDI) rankings. Any renewed efforts to organise new SHGs should be made in these un-reached areas.
-  Similarly, specific thrust areas should be identified for intensive action and follow-up over the next 3-4 years, otherwise nothing will change for the better.
-  Access to bank credit should be increased by taking various simple operational decisions and steps like standardising the set of documents to be furnished by an SHG for opening its bank account or for accessing credit.



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- ✚ Multiple agencies in the State are implementing SHG programmes with different objectives and approaches; this garbles the message that reaches the ground. This goes against the holistic support and collaboration requirements of SHGs and SHG programmes. For co-ordination among different SHPIs, a separate unit / Department with a holistic perspective can be thought of taking this role, so that it is not implementing any sectoral scheme and can adopt a macro view. In the present circumstances, the DWCD and DoRD cannot be expected to collaborate or work together, without any other, external agency playing a nodal role.
- ✚ Investment is necessary to promote quality SHGs and their federations. According to CmF's estimates, a sum of Rs. 40 crores is required to strengthen the existing 2.4 lakh SHGs in the State. Further, Rs. 40 crores will be required to organise 50,000 good quality SHGs annually in the State. Only vibrant SHGs can fulfil the goals of the SHG programme; just adding numbers will not help. Any money spent in the SHG programme should be looked at as an investment in building social capital for the poor in the State, and not as a subsidy. An SHG Promotion Fund can be set up with clear institutional framework for its management in Rajasthan.



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## Key Issues raised during the Group Presentations

### Group 1: SHG as a Village-level Multi-Purpose Organisation

- ✚ What is the SHG; what are its characteristics?
- ✚ What are essential minimum quality parameters (including social ones) of a good/mature SHG?
- ✚ What roles can an SHG take up and why? What is its main role (if any one role, like women's empowerment, can be assigned/taken up by the SHG)?
- ✚ Gender related issues

This presentation was made by Mr. Arjun Yadav (Samarthak Samiti, Udaipur) for his group. The key points made by the presenter were as follows:

- ✚ स्वयं सहायता समूह दलित, वंचित या शोषित व्यक्तियों, विशेषकर महिलाओं का एक ऐसा समूह है जो लोकतांत्रिक माध्यम से सामाजिक, आर्थिक एवं पारिवारिक क्षेत्र में सशक्तिकरण के प्रयास करे।
- ✚ In group formation, homogeneity in economic status should be given weightage.
- ✚ Continuity in the perusal of social causes and issues, group processes, and other social parameters should be considered while fixing determinants of group quality.
- ✚ Any policy or Government decision that affects the livelihoods of SHG members and their households should automatically form part of the group's agenda.
- ✚ Working towards women's empowerment and gender sensitisation at all levels in the society are important areas for SHG consideration and intervention.



## Group 2: SHG Strengthening

- ✚ Strengthening the existing ~ 2,40,000 SHGs in the State with focus on self management – who will do it and how will it be done? What can be the role of existing support frameworks, agencies (e.g., Women SHG Institute and its Resource Centres, ARAVALI, etc.)?
- ✚ What will be the content of the strengthening process?
- ✚ Who will monitor quality and how?

This presentation was made by Mr. D. N. Parashar (HEADS, Udaipur) for his group. The key points made by the presenter were as follows:

- ✚ Strengthening of SHGs is an integral part of the SHG formation process that requires both planning and funds.
- ✚ Quality of SHGs should be stressed upon more than their numbers (i.e., quantity). Quality parameters would include not just financial and physical performance of the group, but also parameters to assess economic and livelihood goal achievement, social status improvement and entitlement access facilitation.
- ✚ A State level, high powered body (like a Mission) may take up the mantle of SHG-based empowerment in the State. This body may have representatives from the DWCD, State Department for Rural Development, other line Departments, NGOs, Bankers, and NABARD, to assist movement towards a shared vision and synergy among different stakeholders.
- ✚ The Board of the Women SHG Institute may be revamped to include experts from the social sector, on gender and livelihoods, and representatives from the DWCD, State Department for Rural Development, NGOs, and NABARD. *District level Resource Groups* are needed to facilitate and provide resource support to the Departments and NGO-SHPIs.
- ✚ The maximum investments in SHG strengthening should be done at the cutting edge level, where grassroots facilitators have to be trained and well-equipped to ensure that quality inputs reach the SHGs. *Block level Resource Groups* may also be thought of.



## Group 3: Financing SHG Strengthening and Promotion

- ✚ What is the cost of new SHG promotion?
- ✚ Locational concerns in promoting new SHGs
- ✚ What is the cost of SHG strengthening – size of a unit; appropriate number of staff; type of staff required?
- ✚ What will be the source of funds (existing as well as potential) for financing SHG promotion and strengthening?
- ✚ What is the envisioned role of Banks in financing SHG formation and strengthening?

This presentation was made by Mr. Rajesh Singhi (Ibtada, Alwar) for his group. The key points made by the presenter were as follows:

- ✚ An SHG is said to be *formed* when, following all initial group processes, its bank account is opened.
- ✚ A viable SHG programme should aim at forming 200-250 SHGs. It will be a 5-7 year plan.
- ✚ Over the initial 3 year period, every SHG requires an investment of Rs. 12000-15000, to emerge as a vibrant social institution. This amount will vary depending on the vision/nature of the SHPI, location and socio-economic background of the community, and the project approach. For example, in under-served and remote areas, there may be 10-15% appreciation in the required investment.
- ✚ Staff requirements to support the SHG programme cannot be ignored. At least one Project Co-ordinator (per 400-500 SHGs) and a Field Co-ordinator (per 50 SHGs) are required.
- ✚ After the initial 3 years, Rs. 5000 is required per SHG, for the next two years for performing SHG maintenance functions and to capacitate the group members to take on new roles. Any livelihood promotion or income generating activity needs to be budgeted separately and may come from separate projects.



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- ✚ There are several institutional sources for funding various stages of the SHG programme, viz. formation, basic strengthening, and thematic support. Some sources are still untried, like the Non resident Rajasthanis under the Rajasthan Foundation banner. The Rs. 80 crore outlay of SGSY for Rajasthan in 2008-09 should also be looked at.
- ✚ Dialogues and engagement with banks has to be intensive and lead banks should be encouraged to take on a major role in supporting SHGs in their Districts, like the Bank of Baroda has done for Dungarpur under its Centenary project.
- ✚ Overall, strengthening of existing 1 lakh SHGs (@ Rs. 5000/SHG/year, for 3 years) and forming 1.5 lakh new ones (or reviving the defunct ones, @ Rs. 15,000/SHG/year, for 5-7 years) will need an investment of **Rs. 275 crores** in Rajasthan. A well-designed long-term project can be submitted to a large donor to meet this need.

## **Comments from the Panellists and Participants in the Last Session**

Dr. Sarita Singh (Director, Women Empowerment and Welfare, GoR)

- ✚ A high-powered Committee has already been constituted under the Chairpersonship of the Chief Minister (CM) in the State; now this Committee is being activated and the DWCD is also coming forward to work towards strengthening the SHG movement in Rajasthan.
- ✚ Will a common SHG strengthening strategy and content be acceptable to all SHPIs in the State? This has to be explored and not forced.
- ✚ The CM's 5-point programme seeks to encourage (through incentives like 2% interest subsidy, free mobile phone for the SHG, etc.) timely repayment by groups.

## **Jaipal Singh (CmF, Jaipur)**

- ✚ We need to work together to evolve SHPI's quality standards and SHG performance criteria.
- ✚ We also need to consider the urban poor in our SHG-based community mobilisation dialogue.



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- ✚ There is a need to make the Banks see the business point-of-view to ensure their higher levels of engagement in the strengthening of the SHG movement.
- ✚ If the Banks cannot directly invest money in the community, what other Special Purpose Vehicles (SPVs) and processes can they contribute?

## **Rajendra Bhanawat (Secretary-Rural Development, GoR)**

- ✚ Quality of SHGs and the SHG programme should always be prioritised over quantity.
- ✚ Relationship between the SHG promoting institution and the SHGs should be life-long.
- ✚ SHG strengthening efforts should not cease after the first linkage, as is generally seen; hand-holding should be an ongoing affair.
- ✚ We may need a co-ordination committee for SHG programme, that meets more often.

## **Other comments**

- ✚ There is a provision for priority sector lending in Banks. But we may also need to see if this priority sector lending is also being directed to serve the *priority population* within this sector.
- ✚ Instead of using financial gains as a carrot, why cannot the Banks be attracted with social gains?
- ✚ For the next couple of years, we should focus on strengthening the existing groups, instead of forming new groups.



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## Emerging Ideas and Inputs for SHG Vision & Strategy for Rajasthan

1. The deliberations led to the **definition of SHG** as स्वयं सहायता समूह दलित, वंचित या शोषित व्यक्तियों, विशेषकर महिलाओं का एक ऐसा समूह है जो लोकतांत्रिक माध्यम से सामाजिक, आर्थिक एवं पारिवारिक क्षेत्र में सशक्तिकरण के प्रयास करे।
2. SHGs offer the best platform for the poorest and marginalized sections of the society (including women) to organise and work for their socioeconomic upliftment and empowerment. **They represent social capital on which further, holistic development and empowerment initiatives can be launched.**
3. **Poverty focus and, thus, targeting in SHG programmes has to be strengthened.** Hence, the goal, objectives, and strategies of SHG programmes should not be restricted to meeting financial ends or only savings-credit activities, but go beyond (to include entitlements and status of women, for example), if the SHG programme has to graduate into an SHG movement. **The SHG Charter prepared by Nirantar, Delhi can serve as a key source of ideas on social aspects that need to be addressed through SHGs.**
4. At present a number of different institutions are working in SHG promotion, but there is no synergy amongst them; in fact sometimes, they seem to be working at cross-purposes. **The need of the hour is to combine the strengths of initiatives having a strong social focus with those having a strong economic and financial focus, to arrive at a balanced programme that takes into account the diverse facets of human existence.**
5. **Substantial financial investments are required for SHG promotion and strengthening in the State.** There may not be a lack of resources with different agencies, particularly GOs and Banks; only these need to be pooled and utilised as per a concrete, long-term Action Plan.
6. While there are some estimates on the kind of investment that has to go into organising vibrant SHGs, **locational issues must be considered while making actual estimates of the investment required.**



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7. SHG promotion should not be side-kick of any development initiative or scheme; it is a programme in its own right and hence, **sufficient long-term planning and monitoring should be done of SHG programmes.**
8. There are many agencies implementing SHG programmes, but they have limited reach and restricted vision. **The institutional framework for SHG promotion in the State has to be strengthened with an overarching mandate, capacities, and funds. A nodal institution is needed in the State to oversee and guide the SHG movement.** The DWCD can be capacitated to perform this role.
9. Similarly, **a network of resource institutions is required to support all levels of the SHG movement.** The existing institutions formed under the aegis of the DWCD (e.g., the Women SHG Institute) can be supported and staffed adequately to achieve SHG strengthening and quality improvement goals.
10. **SHG quality and not quantity should be stressed.** Strengthening the existing groups may be prioritised over developing new ones for the next 3-4 years (except in the case of certain unreached Districts in the State, where new quality SHGs might need to be organised).
11. **Banks need to be called on to play a more active role in SHG promotion and strengthening,** esp. in the Districts for which they serve as the lead Banks. They should be encouraged to make direct investments in the communities they have been benefiting from through re-financing and savings mobilisation.
12. **Parameters for assessing the SHG programme and group quality need to be developed and shared widely. These will necessarily include social criteria** and also areas of caution, e.g., those highlighted in the *Charter for SHGs* shared by Nirantar (**Annexure III**).

The Round Table outcomes will soon be shared with the relevant stakeholders, esp. the DWCD, to enable focussed planning for SHG-based interventions in the State the future.



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## **ANNEXURE- III** **The Charter<sup>1</sup> for Self Help Groups (SHGs<sup>2</sup>)**

1. Micro credit can only constitute one small input towards women's empowerment and poverty alleviation - particularly for women who are vulnerable and from marginalised communities. The State remains accountable for ensuring basic entitlements such as social security, health, education, employment and food security.
2. The agenda of SHGs will include intra-household equity issues such as those related to control over resources, bodily integrity, including violence against women, and the burden of savings and repayment. Promoting agencies<sup>3</sup> will ensure that poor women are not cutting down on their basic needs in order to save or repay.
3. Promoting agencies must refrain from engaging women in roles that are an extension of the gender stereotypical roles of 'caring' and 'nurturing', and SHGs must not be used as vote banks by politicians. In addition, promotion of SHGs in a program should be as part of a well thought-out plan.
4. All promoting agencies are responsible for the outcome and performance of SHGs. Indicators for rating SHG quality and performance should include social aspects, besides institutional and financial ones.
5. All promoting agencies should make adequate investment in capacity-building in SHGs. Adequate investment will be made in education in order that long-term and substantive inputs are provided to SHG members. The learning opportunities will include literacy, understanding structural inequities and negotiating entitlements vis-à-vis the family, community, State and other institutional players.

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<sup>1</sup> This Charter was developed and finalised by over 200 civil society groups/development practitioners/researchers/policymakers in various meetings and workshops held in Hyderabad (2007), Lucknow (2007), New Delhi (2007), Bhopal (2008) and Nagercoil (2008). This process was facilitated by Nirantar – A Centre for Gender and Education, Delhi ([www.nirantar.net](http://www.nirantar.net)).

<sup>2</sup> In the context of this Charter the term 'SHG' refers to all microcredit based groups and federations of women, common interest groups (CIG), joint liability groups (JLG), mutually aided cooperative societies (MACS), and all other formations of women involved in receiving and giving financial services.

<sup>3</sup> The term 'promoting agency' refers to all State and non-State agencies involved in mobilising and supporting SHGs – also including donor agencies, banks, and microfinance institutions (MFIs).



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6. Promoting agencies will allow sufficient time and resources – financial and human – to SHGs and nurture them in order to enable them to emerge as strong women’s solidarity groups striving for justice, equity and empowerment. The approach should not be target driven because the pressure to form SHGs at a fast pace is detrimental to the needs and interests of women. Promoting agencies will necessarily have a vision for and long term engagement plan for working with the SHGs organized in their area.
7. The State must resist the temptation of using the labour and time of SHG members to meet its programme targets, especially without providing adequate remuneration and compensation for wage loss.
8. Livelihoods interventions will be designed based on a comprehensive mapping of local needs, resources and viability, with a focus on enhancing women’s access to and control over land, water and forest resources. This also means that interventions that seek to or indirectly dilute women’s access to and control over these resources should not be promoted.  
  
Other than the production and marketing of products, options related to natural resources and service delivery will be explored. In this process, institutional and State support must be available to women in SHGs – whether it is with regard to production and marketing of products, provisioning of services, natural resource development or employment generation.
9. There will be a cap on interest rates. The burden of high interest rates, which benefit sponsoring agencies, banks and MFIs, should not be transferred onto poor women – whether in the form of transaction costs or service charges.
10. Banks must contribute a part of their turnover to a common, promotion fund for the capacity enhancement of SHGs and their women members.
11. The State must make available data related to investment and impact of SHG programmes. All promoting agencies and their programmes should be open to review and regulation.