

“REDESIGNING WOMEN SELF HELP GROUP TRAINING PROGRAM FOR SELF EMPLOYMENT”

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Abstract : The paper is an attempt to reset the curriculum for training Self Help Groups (SHGs) and specifically Women SHGs and make financial inclusion through microfinance more rewarding.

Methodology of the paper

Paper is based on desk research based on reports in the sector, journal and related books authored by consultants in the field. It is also based on a field survey of 200 women SHG members in Kalyan, Shahpur and Bhiwandi talukas of the Thane district.

Percentages are used for analysis.

Practical implication of the paper

The paper furnishes a training module based on skill deficiencies found among SHGs in the survey. Further the analysis of SHG conditions is based on field survey making it more close to reality.

Findings

The training programs offered by NABARD have evolved over the period of time and are more customized. The field survey reveals that while savings, repayment rates and default rates are refreshing; the economic activity is at low ebb threatening its long run survival.

Key words: Self help Group, Microfinance, Economic activity, sustainability, SHG member objective, Income Generating Activities, collectivity, entrepreneurship, financial literacy, audit sheet and “Make in Village”

INTRODUCTION

The ‘Make in India’ drive of Prime Minister Narendra Modi offers a way of improving the country’s self reliance in industrial production. The industry and the government need to address skill development in a large way. For a rural development program like the National Rural livelihood mission a Make in Village drive with adequate skill development program for optimum use of local resources and sustainable livelihood is necessary.

1.2 Objective of paper

The paper is an attempt to reset the curriculum for training Self Help Group (SHG) and specifically Women SHGs and make financial inclusion through microfinance more rewarding.

1.3 Why skill development?

- ❖ SHG consists of economically backward members from homogenous background and hence lack basic education. They can be easily exploited by intermediaries in financial disbursement and marketing of their products.
- ❖ India has a large number of women SHGs and they are a more vulnerable section of the poor. Equipping

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them with skill will bring economic freedom.

- ❖ In India traditionally women are responsible for upbringing of children and care taker of old members in family. A more empowered mother would make a difference to the future generation in the hinterland.
- ❖ Whereas the urban poverty in Maharashtra at 9 percent is lower than the national average by 5 percentage points, the rural poverty rate at 24 percent is less than the national average by only 1 percentage point. The poverty rate in Maharashtra is 18 percent which is close to the national average. SHG as a tool for poverty alleviation can make a huge difference.
- ❖ Maharashtra shows a potential of 104.39 lakh households yet to be covered under the SHG bank Linkage program. Further 26 out of the 33 districts show low coverage (50-80percent) of SHGs in Maharashtra.

1.4 What is offered under skill development program currently?

In rural parts of Thane district it is observed that the District Rural development authority and NABARD conduct training sessions to equip these poor women. Generally the sessions impart the following:

DRDA Training program

DRDA as apex body for rural microfinance disbursement and SHG development emphasizes on initiating Income Generation Activities (IGA). It also provides initial training which is vital for formation of SHGs. It guides women on norms of SHG and conduct of day to day activities of SHG. Further it encourages women to save and make productive use of subsidized loan and conduct drives in the village for solving social evils. In short the training program hovers around guidelines for management of SHG, savings mobilization, loan eligibility, rate of interest, penalty to be imposed on nonpayment of dues, bank transactions, books to be maintained and responsibilities of members and office bearers, vocational training and community welfare actions

NABARD

NABARD as the pioneer of SHG bank linkage program has always come up with exemplary skill development programs. A scheme worth mentioning is the Micro Enterprise Development Programme (MEDP) to acquire new skills for increasing IGA. It is conducted in collaboration with banks, NGOs and trusts that have proven track records and are eligible for assistance from NABARD. These 'agents' scout for local skills and resources and accordingly conduct the program. It covers both technical and marketing skills for entrepreneurship management and provides for follow up of vocational activity taken up by the SHG. By 2011-12 it has sanctioned 232 MEDPs in Maharashtra for 6960 members. Economic activities sanctioned include tailoring, beauty parlors, diary, handicraft, goat farming, bamboo craft, vermin compost, bindi making, jewellery making, painting, soft toys, bandhani, jardoshi and paper bag making.

1.5 Gap in imparting skills and applying skills

A field survey of 200 members and office bearers belonging to SHGs in Kalyan, Shahpur and Bhiwandi talukas of the Thane district reveals a slow growth rate of SHGs. These members have undergone training with DRDA, NGOs and banks. While savings, repayment rates and default rates are refreshing, the economic activity is at low ebb threatening its long run survival.

1.5.1 Type of economic activity

The survey attempted to list economic activity of SHG and classifies them into trading, financial and order based activities as shown below:

Table 1.5.1
Economic activity performed by SHG members

Sr. No.	Type of activity	Number of SHG members
1.	Trading	85 (42.50)
2.	Financial	22 (11.00)
3.	Order based	28 (14.00)
4.	Laborers	25 (12.50)
5.	None	40 (20.00)
	Total	200

Source: Compiled from field survey Note: Figures in bracket indicate percentages

The table brings to light the fact that 32.50 members are not engaged in any form of entrepreneurial activities. This brings to light the need for a more IGA oriented training. Further the table also indicates the spirit of the 42.50 percent members in pursuing trading, while 14 percent have played it safe by opting for order based undertakings. This again indicates skill deficiency in taking risk. The survey reveals 11 percent of the 200 women interviewed have an appetite for service rather than goods trading. The 11 percent women provide financial services largely to relatives and persons known to the member which is done to guarantee repayment. This strategy indicates the need for helping these women in understanding and analyzing customer mind-set to expand activities.

1.5.2 Economic activity and fulfillment of member objectives

Another angle that proves need for entrepreneurial activities is indicated by satisfaction levels in fulfillment of objectives by SHG members. Members join SHG for fulfilling objectives like supplement family income, pursue livelihood activities, avail financial services and collectivity. SHG needs to fulfill these objectives to keep the moment march forward. The following table compares satisfaction levels in objective achievement based on entrepreneurial and non entrepreneurial activities.

Table 1.5.2
Economic activity and fulfillment of objective

Sr. No.	Fulfillment of objective	Entrepreneurial activities	Service
1.	Yes	113 (83.70)	11 (44.00)
2.	No	22 (16.30)	14 (56.00)
	Total	135	25

Source: Compiled from field survey Note: Figures in bracket indicate percentages

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The table clearly suggests that 56 percent of those engaged in service are unhappy with SHG membership and 16.30 percent of members engaged in entrepreneurial activities are yet to achieve their objectives. Further 83.70 percent of members engaged in entrepreneurship are satisfied with membership in SHG. Thus skill development activities have to boost up for sustainability of SHG activities.

1.6 Suggestions

1.6.1. Group leader focus

The skill development programs need to focus more on the torch bearer of the SHG. The members have a blind faith on the leader in a large majority of the SHGs surveyed. This would also reduce cost and efforts of training by facilitators of SHG program. This savings could be used in designing a customized program for skill development.

1.6.2. Hand holding spirit

NGOs, banks and Micro Finance Institutions have to be motivated to work for the cause of providing meaningful livelihood rather than running behind targets. Motivating the staff to work with perseverance is important. The work involved is time consuming and SHG members require hand holding which implies the need for imparting sensitivity to problems of the poor.

1.6.3. Follow up

The skill development program for the poor needs to be different as follow up plays a more significant role than imparting skills due to the inherent nature and economic background of the trainees. Follow up with due recognition and reward for both SHG and facilitators will reinforce IGA.

1.6.4. Holistic approach

The SHG training programs are more focused on managements of SHGs and vocational training. However an equal emphasis has to be placed on all round personality development. For example attending monthly meetings and being passive is a futile exercise in making meetings fertile ground for discussions and individual involvement in SHG growth. Further as large number of SHGs have women as members there should be a repeated focus on nutrition, legal knowledge, education to children and right to complaint, basic amenities entitlement through Panchayat, reproductive and family planning, domestic violence and institutions where such representations could be made. In the survey it was found that most of the women did not opt for IGA as house hold responsibilities deterred them from giving time to SHG activities. Thus it is necessary to help them in making representations in the event of lack of decent living standards.

1.6.5. Supporting facilities

Most of the SHGs surveyed expressed erratic demand, misrepresentation and or fraud by distantly located market agents and frustration due to heavy loss. For example an SHG that invested in a flour mill had to spend a lot of money on its repairs and maintenance. The situation is more difficult with voltage fluctuations and mechanic unavailability. Therefore the skill development programs need to arrange field visit to supporting institutions and prospective markets in the vicinity. Hand holding of IGA in initial stages is important as these women have a strong desire to break out of poverty. Members and office bearers display their abilities to save and repay on time which reflects their will to take responsibility and risk. Few successful SHGs in each village is sufficient to spread the skill development program to others.

1.6.6. Basic R's

Skill development makes sense when foundation is made strong by imparting the basic R's. The survey reveals dependence on NGOs and educated family members for book keeping. The larger the amount, more difficult it is to understand the banking entries. Thus the training programs should have parallel sessions for imparting basic R's especially to the office bearers.

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1.6.7. Inter personal behavior

SHG stands on the premise of collectivity. Vocational training with leadership training is vital for healthy inter personal relationship. The women largely draw moral values from their religion and this could be added to the skill development curriculum.

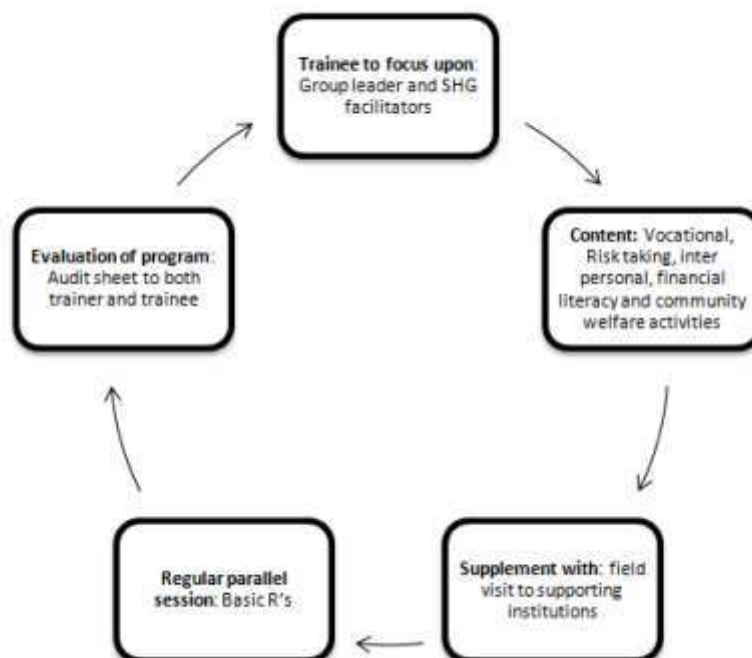
1.6.8. Financial literacy

This is currently well covered in most of the training programs. However, what needs to be emphasized is the need to go beyond saving and internal lending. Most of the SHGs are content with financial services and avoid risk of entrepreneurship. Therefore financial literacy should entail advantages of returns to capital and time lag involved in reaping large returns. For example the training program with trainees should assess the local demands and trainer should give a projected estimate with extent and period of risk involved.

Further the paper also recommends a follow-up based on an audit sheet provided after the skill is imparted and applied both to the trainer and the beneficiary. Gaps could be identified as each taluka differs in their local endowments and inter personal relationship which is vital for availing benefits of collectivity through SHG membership.

1.7 Training format and curriculum

The paper suggests following training module for a meaningful skill development program:



The above training design will ensure a holistic skill development and facilitate cost effectiveness for the trainer and learning-application to the trainee. Further it ensures active involvement of both trainer and trainee with quantitative assessment of the program. Merging the module with indeed “Make in village” drive will uplift poor women and facilitate their efforts to break out of poverty.

1.8 Conclusion

SHG membership has displayed that the poor are bankable and meaningful inclusion require to make them self reliant. Synthesizing SHG program with skillfully designed training program can bequeath entrepreneurial qualities.

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