

Andhra Pradesh Community Self Help Model

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This working paper examines the Self Help Group movement in Andhra Pradesh and dwells on the present status of various types of SHGs formed under different programmes supported by the Government. It also looks at the impact of Community Based Organisations on livelihood enhancement and in building social capital. The objective of this paper is to highlight the 'Andhra Pradesh Model' for designing, developing and sustaining community based organisations.

1. Introduction

Self Help Groups (SHGs) could be defined as the organised forum of people which is planned, shaped and structured by the people themselves to attain present/pre-identified goals and purposes. These groups are the agents of social change and catalysts for the entire empowerment and development process in a community. It is proved that the most sustainable groups in a society are the grassroots level community organisations which believe in empowerment, decentralisation, and participation. Even though these groups are small in size their advocacy power is high through their federated structure within the locality and also in the region. Many SHGs come together on one platform at local, regional, and district levels, which enables the groups to gather strength not only to influence the legislature but also to mobilise public opinion in favor of gaining adequate space and opportunities for the community members to respond to various complex issues concerning their livelihoods. SHGs are identified as socially viable community organisations having democratic values, relevant developmental orientation and oriented towards attaining individuals'/groups' own sustainability. In the current development scenario the effective functioning of these grassroots organisations become almost inevitable and rather challenging too.

Community-based self help institutions are being promoted at the village level to take responsibilities for a variety of development activities, which include management of natural resources, employment generation, and human resource development. Most government programmes emphasise adoption of participatory approaches envisaging participation of village communities through these institutions. Non-Government Organisations (NGOs) involved in rural development activities are also largely operating through Self Help Groups (SHGs). In some instances, SHGs have emerged without direct assistance from government or non-government organisations and have taken responsibility of the overall development in the area.

Functions of SHGs:

SHGs being the facilitators of social development, they have undertaken multidimensional activities including:

- Development of perspectives at local level;
- Identification and organisation of developmental activities;
- Ensuring effective participation in the development activities;
- Documentation and dissemination of success and failure in development;
- Engaging in networking/collaboration and linkage with developmental institutes;
- Promoting people's organisations; not only as a 'project' but also as a process
- Capacity building;
- Leadership development, participatory research and analysis;
- Participatory monitoring and evaluation;
- Access to information;
- Improving livelihood;
- Advocacy.

This paper initially tracks the evolution of policies on the SHG model with reference to Andhra Pradesh. It then discusses the linkages between management and livelihood issues that predicate the SHG Model. The paper then goes on to focus on the extent to which the SHGs formed by the Government or government promoted development organisations emerge on their own, i.e., exhibit characteristics that distinguish them as institutions as against a collection of individuals. SHGs are increasingly seen as contributors to poverty alleviation programmes in developing countries and this is a preliminary exploration of the linkages between participation in community organisations by providing opportunities for the poor to engage in productive activities and access to community assets. The number of SHGs in Andhra Pradesh had increased significantly over the years which in turn has helped in reducing rural poverty from 26.53% in 1983 to 11.05% in 1999-2000.

Table 1: Rural Population of Andhra Pradesh Below Poverty Line

	1983	1993-94	1999-00
No. of Persons (in Lakhs)	114.34	79.49	58.13
% of Persons under BPL	26.53	15.92	11.05
Poverty line (Rs.)	72.66	163.03	262.94

Source: Planning Commission, Government of India.

One major form of SHG that is popular in India is the savings and credit group model. SHGs of this kind engage in collective saving and thrift activities for the purpose of securing credit.

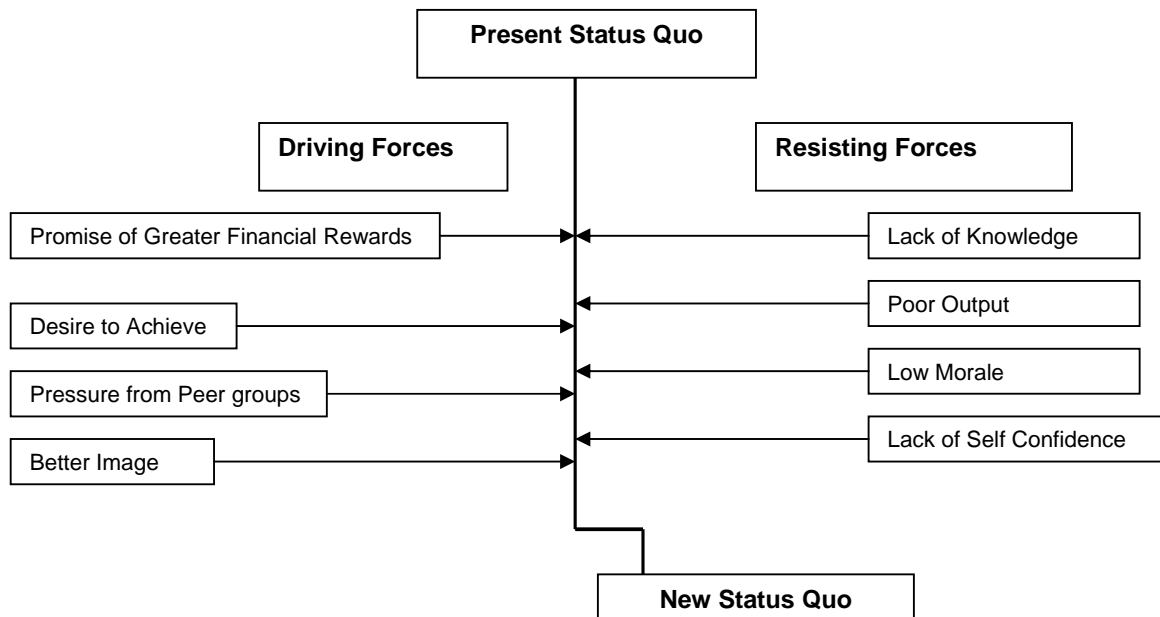
2. Need for SHG Formation

Reports indicate that self help programmes often in the form of savings and credit or micro credit schemes have succeeded in changing the lives of poor women in enhancing their incomes and increasing their self esteem. Therefore, it is appropriate and necessary to promote such empowered groups in the present situation. The various grounds for SHG formation are:

- As women are an important part of the community, it is necessary to build and enhance their capabilities to manage community projects;
- SHGs have been instrumental in empowering women by enabling them to work together as a collective agency;
- The participation of women in such groups is serving as an incubator for community leadership;
- SHGs have played valuable roles in reducing the vulnerability of the poor through asset creation, income and consumption smoothing, provision of emergency assistance, and empowering and emboldening women by giving them more control over assets and increasing their self esteem and knowledge. (Zaman, 2001)

Above all, individually, a person tends to be insecure but group membership reduces the insecurity, makes him/her a more reliable borrower and provides access to community assets. Thus, the formation of a group would ensure best participation and the approach towards poverty alleviation should be 'self help'. This brings out the need for organising them into groups by which they get the benefit of collective perception, collective decision making and collective implementation of programmes for common benefit. This collective effort results from the balance between the driving forces that push for change and restraining forces that act against change. In order to make change happen, the balance of these forces must be altered so that the equilibrium moves. There either has to be an increase in the driving forces, or a decrease in the resistant forces as depicted in Chart 1.

Chart 1: The strength of forces



SHGs act as appropriate people's institutions that provide the poor with the space and support necessary to take effective steps towards greater control of their lives in private and in society. These community based groups are not static institutions but grow on the resources and management skills of its members and their increasing confidence to get involved in issues and programmes that require their involvement in the public and private spheres.

3. The Environmental and Political Context of the Approach

Andhra Pradesh is the largest maritime state in India. AP comprises of three distinct regions—Costal Andhra, Rayalaseema and Telangana. The poor natural resources base of the inland areas contributes to the area's poverty: poor soil, low and erratic rainfall, limited infrastructure and irrigation, often declining groundwater and little support to agricultural enterprise. Rain fed agricultural land is the primary livelihood resource for most farmers. Landholding distribution varies between villages, and there is widespread incidence of inequality in land distribution. Most cultivators are either small or marginal farmers and since a holding of at least two hectares is required for a household to derive subsistence, most of them are at risk.

The 73rd Constitutional Amendment Act strengthened the position and role of the Panchayati Raj Institutions (the rural local bodies) as institutions of self governance responsible for planning and managing nearly all aspects of rural development. AP passed a conformity legislation to acknowledge acceptance of the principles laid down in the Amendment Act, and also conducted elections for the Panchayati Raj Institutions (PRIs) according to the Act, but it has made slow progress with respect to devolving powers and functions to PRIs. The functions of the Panchayats have been suggested in the eleventh schedule to the constitution, which includes agriculture, soil conservation, watershed development, social forestry and farm forestry, fuel and fodder and maintenance of community assets. Thus there is the legal framework available to the Panchayats to work on natural resource management such as watersheds. The recent Government Order on functional committees had given power to the community based organisations promoted at the village level for active involvement of Panchayat bodies and in legalising the existing community based institutions. Politically it helped the government in a way that its presence is felt everywhere. The new arrangement is considered as 'a step ahead' in decentralisation. However, the new development has received different reactions from different corners and it is being commended that the implementation

guidelines will result in creation of parallel institutions. However, it is too early to comment on the political influence of these parallel institutional structures, for evidence suggests that the life of these institutions is coterminous with the project life. As a result, the long-term sustainability of the programme may be endangered.

4. Genealogy of Policy and Emergence of Self Help Approach

The premise is that poverty can be effectively tackled with the help of thrift and micro credit programmes. It was partly because of the perceived success of the Grameen Bank, that many development practitioners and development agencies started to see micro credit as a powerful tool to address poverty. Micro credit facilities, it was thought, would help poor people to overcome financial crises without the help of moneylenders. The bank or the financing agency would give much cheaper loans than the local moneylenders. Collateral is often not required, but there is a group which takes the responsibility for repayment, and which assesses the creditworthiness of the person who takes out the loan. There is a lot of faith in the ‘thrift-cum-micro-credit-through-women’s-groups’ model of development. Many NGOs, international development agencies, as well as the World Bank and the International Monetary Fund are great supporters and promoters of the model. In 1997, an international Micro Credit Summit was held in Washington, which attracted participants from all over the world, and included a number of prominent participants. For many, micro credit, especially if organised through women’s self-help groups, if not a panacea, seems to hold a great promise.

The 1990s saw a proliferation of women SHGs across India, particularly in the southern states. These groups were designed not only as a strategy for poverty alleviation, but also to increase women’s access to resources and their power in household decision-making. Savings and credit groups are poor women’s substitute for formal banking, and a potential distribution channel for banking services. However, women’s savings groups themselves are micro-enterprises and like any other business their survival depends on their ability to satisfy the needs of the customers. Lending services in the SHGs offer fast, convenient and informal service, repayments are flexible and they are willing to lend for consumption and productive purposes.

The Government of Andhra Pradesh has taken up the theme of women’s empowerment as one of the strategies to tackle socio-economic poverty. Self Help through savings has been taken up as a mass movement by women – a path chosen by them to shape their destiny. The development agenda of the State in the last few years, of placing the people, especially women, in the forefront has enabled the formation of a large number of Self Help Groups (SHGs) throughout the State. The majority of the women in these SHGS save one rupee a day, which is a significant percentage of their meagre incomes.

The State government is consciously making an effort to assist SHGs by providing Revolving Funds/Matching Grants under various programmes. In 1999, all the separate programmes were clustered together in the Swarna Jayanti Gram Swarozgar Yojana (SGSY), but DWCRA (Development of Women and Children in Rural Areas) as a term and as a separate programme does still exist, in Andhra Pradesh. DWCRA differs from the other IRDP type of programmes in two important ways. First, the main unit of development in DWCRA is not an individual or household, but a group of women. Groups usually consist of 10-20 women (this group approach is now also used in the SGSY programme). Second, the emphasis is not only on economic activities, but also on social issues such as family welfare, child care and literacy.

Initially, DWCRA started in a few districts in Andhra Pradesh only, but gradually more districts were added. However, it is only in the last seven years or so that DWCRA has really started to capture the imagination in AP and that the number of groups started to rise dramatically. It is claimed that at present there are approximately 450,000 DWCRA groups in Andhra Pradesh. This would mean that there are around 6 million women who are members of DWCRA groups. Assuming that around 70% of the women live in rural areas, this would

mean that approximately 20% of them are involved in DWCRA, a figure that more or less corresponds with the proportion of poor people. Apart from DWCRA groups, there are several other women's SHGs. Many NGOs have set up self-help groups. Recently the District Poverty Initiative Programme (DPIP, funded by the World Bank) has also started to set up women's SHGs. These SHGs are also thrift and credit groups. Andhra Pradesh is very much in the forefront in India, and indeed, in the world with regard to women's self-help groups. More than 40% of the SHGs that exist in India are in Andhra Pradesh and about 20% of all the women's SHGs that exist in the world belong to Andhra Pradesh.

Each month the whole group saves a particular amount. This money is deposited in a bank account and can be used for giving loans to group members. After some time, if the groups function well, additional loans can be given. These can be organised through the DRDA (District Rural Development Agency) in the case of DWCRA, through NABARD in the case of NGO supported SHGs, or through the Community Investment Fund in the case of DPIP groups. In recent years, commercial banks have also become involved. In principle, this borrowing is only possible when the group has performed well in its saving activities. The reason to focus particularly on women in these thrift and micro credit activities is the observation and/or assumption:

- that women are more concerned with the needs of the various household members;
- that they are better at repaying loans than men;
- that the credit and savings activities can help them become more active participants in social life (they have to learn how to maintain an accounts book; they have to deal with bank managers, etc.); and
- that these women's groups can be an entry point for various other activities.

5. Self Help Approach in Andhra Pradesh

Women run SHGs go by various names, including mothers' committees, DWCRA groups, and thrift groups. While most groups function to mobilise household savings, a few have attempted to deliver services previously rendered by government agencies. The massive growth of female-dominated SHGs illustrates a shift in the development paradigm in Andhra Pradesh. Community empowerment and reducing the role of the government to a facilitator are elements of the state government's new paradigm. Around 70% of the population of Andhra Pradesh relies on agriculture and renewable natural resources for a large part of their livelihoods. The members of a savings and credit group (SCGs) are usually neighbours, friends and fellow workers. Women in these groups may not be from the same caste/community but they have the same socio-economic background. These groups also provide an opportunity for social interaction. The regular obligation to save brings the group together and holds it together providing a base for other important activities. In some groups, opportunities for profitable investment are limited due to lack of skills, markets and opportunities. The SHGs are widely viewed as being better managers of money, more transparent, and accountable than most other community groups. Unlike most other parts of the country where NGOs have played a major role in organising people around community based organisations, in Andhra Pradesh the state machinery got actively involved. There was a clear and strong political support, with very senior leaders including the Chief Minister making public commitments to the programme. The policy not only gave the mandate to this movement, it also got the bureaucracy involved in the effort in an active manner and gave it the necessary freedom.

There are about 4.57 lakh women SHGs in Andhra Pradesh covering nearly 61.10 lakh poor women (See Table 1). Andhra Pradesh alone has about half of SHGs organised in the country. The SHGs are also popularly called DWCRA Groups, and this name became popular after the DWCRA programme through which women's groups were assisted initially. The SHGs are not only resorting to thrift but also are taking small loans out of the corpus

available with the group. The group corpus consists of savings, government assistance and also bank loans. Members use the loan out of group corpus initially for their personal needs. However, in the long run such loans are utilised for income generation activities. Since inception, an amount of Rs.1507.89 crores has been mobilised as corpus by these groups. The Micro Credit Summit held in Washington in 1997 resolved to reach 100 million poor women by 2005 all over the world. In Andhra Pradesh alone, 5.6 million (56 lakhs) women were covered under micro credit with a saving of a rupee per day and the financial institutions extending loans upto 4 times to the amount of group savings. From the year 1997 to January 2003, banks extended loans to the tune of Rs.900 crores to SHGs and the recovery of loans is more than 95%. Recently, commercial banks have reduced interest rate on the loans extended to SHGs from 12% to 9.5%.

Table 2: Status of DWCRA/SHG

Total Groups	4,57,526
Women Covered (Members)	61.10
Savings (Rs. In crores)	847.06
Govt. Assistance (Rs. in crores)	660.83
Total Corpus (Rs. in crores)	1507.89
Loan mobilised from banks under SHG linkage programme (Rs. in crores)	1160.71
Average Savings per groups (Rs.)	18514
Average Credit per group (Rs.)	32975
Average Corpus per group (Rs.)	32957

Source: Women Empowerment and Self Employment Department, 2003, AP

NABARD, commercial banks and Regional Rural Banks are providing direct assistance to SHGs under the "Self-Help Linking Scheme" of NABARD. Cumulatively, till 31st March 2003, NABARD had linked 7.17 lakh SHGs and were provided with bank loans, out of which 2.18 lakh (30.4%) SHGs are from Andhra Pradesh. More than 90% of the SHGs linked to banks are exclusive women SHGs (See Table 2).

Table 3: SHGs linked as on 31st March 2003

Southern States	No. of SHGs credit linked	SHGs refinance linked	Bank loan (Million Rs.)	Refinance (Million Rs.)
Andhra Pradesh	281,338	193,959	9,753.87	6,839.57
Karnataka	62,178	39,719	1,440.14	940.16
Kerala	21,012	11,156	644.87	273.77
Tamil Nadu	98,410	86,532	4,255.16	3,864.77

Source: NABARD (www.nabard.org)

6. Types of Self Help Groups/Community Based Organisations

The community based organisations try to involve all the people in various exercises. The Government fosters mobilisation and organisation of the poor and empowers them to address various issues concerning poverty. The ongoing efforts are in facilitating the formation and development of the Self Help Groups of the poor, especially DWCRA groups in the rural areas, DWCUA groups in the urban areas, Mothers Committees, School Education Committees, Watershed Committees, Vanasamrakshan Samithis and CMEY groups. Through these Self Help Groups, the poor are able to harness their potential, prioritise their needs, and design and implement developmental initiatives. The government would pursue policies to support the SHG movement and their participation in the programmes is critical to poverty eradication.

There are several constraints to the proper identification of affinity groups and several programmes in operation which describe the functional units at the field level as "groups" are not SHGs in most cases. However, social mobilisation enables the poor to build their organisations (SHGs) at grassroots level, in which they participate fully and directly and take decisions on all issues concerning poverty. The means used by the interveners to identify these affinity groups are several, a few popular ones include:

SHGs organised for development of natural resources:

- Water Users' Associations (WUA)
- Watershed Development Committees (WDC)
- Vana Samrakshana Samithis (VSS)

SHGs organised for employment generation:

- Women and Children in Rural Areas (DWCRA)
- Development of Women and Children in Urban Areas (DWCUA)
- Chief Minister's Empowerment of Youth (CMEY)

SHGs organised for human resources development

- Mothers' Committees
- School Education Committees

In addition there are a number of small groups which can be considered as Self Help Groups. These include Mahila Samakhyas, Milk Societies, etc.

Table 4: Dominance of Peoples Organisations in AP – 2003

Organisation Name	Estimated no. of Groups Formed	Remarks
Government Organisations		
Women Empowerment and Self Employment	457,526	Under DWCRA programme
Rural Development Department	7,857	Under watershed committees as part of Water Conservation Mission (Neeru - Meeru)
Youth Services Department	13,475	CMEY Programme
Forest Department	7,090	Vana Samrakshana Samathies Under JFM Programme
Irrigation and Command area Development	10,294	Water Users Association
District Primary education Programme	81,000 (approx.)	School Education Committees
ICDS	52,933	Mothers Committees
Society for Elimination of Rural Poverty		SHG/ Village Organisations/ Mandal Smakhyas
Non Governmental Agencies		
CARE, Andhra Pradesh	6,337	Under CASHE Project

6.1 SHGs organised for development of natural resources

The capacity for collective action is crucial for the successful management of common property natural resources, as the communities are required to regulate the use of natural resources and adopt appropriate management practices to improve or maintain productivity. A variety of actions are required on the part of communities. The effectiveness of these actions would depend on the processes within the communities. This would include

mechanisms of deciding regulations and steps required for their implementation. Since conflicts could emerge as restrictions are imposed on the use of resources, the process of conflict resolution has to be functional in the community. Thus, it is the community actions and processes that become important for the success of collective action in Self Help Groups.

In a vast state like Andhra Pradesh various goods and services must be provided by a form of collective action rather than by the state. "The impact of participation throughout is significantly greater than it was during any single stage. Local social capital can help to improve effectiveness, efficiency, empowerment, and equity." Recognising the potential benefits of community participation in conserving, managing and accessing community resources as opportunities for local participation will enable the overall development of the community.

Water Users' Associations (WUA): It was observed that in many irrigation projects, the tail end reaches of the distributaries and outlets remain un-irrigated because of undependable flows and inequitable distribution of water in different areas of the command. A bureaucratic approach and the limited capacity for government to intervene at the field level compounded the problem. In many cases, repair and maintenance work was suffering because of lack of funds and as the farmers received little gains, they were refusing to pay as well. Considering the circumstances, many of the state governments decided to hand over the management of state irrigation canal network to its beneficiaries.

According to G.O. No. 101 of I & CAD (Irrigation and Command Area development) Department dated 19.7.1995, irrigation system up to a minor or group of minors covering a command area of 750 ha or more (a hydraulic unit) will be placed under the management of a Water Users' Association and the Water Users' Association will be autonomous bodies which will function on democratic lines. The change in management of irrigation systems through Farmers' Organisations resulted in the formation of Water Users' Associations (WUA) at the primary level, Distributory Committees (DCs) at the distributory level and Project Committees (PCs) at the project level. All minor irrigation schemes have only one tier, i.e., the Water Users' Association (WUA), while the medium irrigation schemes have a two tier structure (WUAs and the PC) and the major irrigation projects have a three tier structure (WUAs, DCs and the PC). WUA helps in ensuring active participation of farmers in irrigation management. Some of the salient features of this are:

- Transfer of power to manage community assets;
- Creation of new autonomous institutions as formal/informal entities;
- Areas defined on a hydraulic basis;
- Provision for social audit and financial audits;
- Facilitate fixation and collection of operation and maintenance charges from water users.

Watershed Development Committees (WDC): Members of the community, who are directly or indirectly dependent on the watershed area, will be organised into a Watershed Association. The Watershed Association will meet to evolve/improve the watershed development plan, monitor and review its progress, approve the statement of accounts, formation of user groups, resolve differences of disputes between different user groups or amongst members of the user groups/self help groups, approve the arrangements for the collection of public/voluntary donations and contributions from the community and individual members, lay down procedures for the operation and maintenance of assets created, and approve the activities that can be taken up with money available in the Watershed Development Fund. Subject to the overall supervision and control of the Watershed Association, a Watershed Committee shall carry out the day-to-day activities of the Watershed Development Project.

Vana Samrakshana Samithis: Vana Samrakshana Samithis (VSS) are constituted for protection and development of degraded forests through Joint Forest Management (JFM). The major focus is to secure the participation of the local people who depend on the forests, for the purpose of protection and development of forests. Under JFM, the village community gets a greater access to a number of Non-Timber Forest Products (NTFPs) and a share in timber revenue in return for increased responsibility for its protection from fire, grazing and illicit harvesting. The sharing of responsibilities and revenue vary from state to state as per its own JFM resolution/rules.

In Andhra Pradesh, every household living in the hamlets/villages/cluster of villages, particularly those depending on forest for the daily needs, would have the option of becoming a member of Samithi. However, all Scheduled Caste/Scheduled Tribe members of the hamlets/villages/cluster of villages would become members of Samithi automatically.

The Members of VSS, individually and collectively shall be responsible for:

- Ensuring protection of forest against encroachment, grazing, fires and thefts of forest produce;
- Carrying out development of forests in accordance with the approved Joint Forest Management Plan; and
- Creating awareness among other villagers on the importance of forests.

Members of VSS shall have the power to apprehend forest offenders and hand them over to the authorities concerned to take action under the provisions of the relevant Forest Acts and Rules. The members are entitled to 25% of the "Compounding fees" collected from such offenders where the offence was committed outside their JFM area as an incentive for the good work done by VSS.

Degraded forest areas are brought under JFM and land development is done by taking regeneration works, including soil and moisture conservation and gap planting. Along with trees for fuel, fodder and timber, the village communities are permitted to plant such fruit trees as would fit with the overall scheme of afforestation, such as Amla, Imli, Mohua, as well as shrubs, fodder legumes and grasses which would meet local needs, help soil and water conservation and enrich the degraded soil/land. Even local medicinal plants may be grown according to the requirements and preference of beneficiaries

6.2. SHGs organised for employment generation

As poverty is a complex phenomenon and manifests itself in a myriad ways, the poor not only suffer from low incomes and high unemployment but also low levels of literacy and poor health. Several poor women and youth had taken advantage of the SHG movement to set up viable self-employment ventures, to earn additional income.

Women and Children in the Rural Areas (DWCRA): The Development Agenda of the state in the last few years to place people, especially women, in the forefront, has enabled the formation of a large number of SHGs throughout the length and breadth of the State. There are more than 20 lakh women from poor families who have become members of these groups. The majority of them save one rupee a day. The State Government is consciously making an effort to assist these SHGs by providing Revolving Fund under DWCRA.

The DWCRA scheme has helped women earn additional monthly incomes, in addition to the economic betterment of their families. These women have taken initiatives in improving their socio-economic status by participating in Governmental Programmes of family welfare, promoting their nutritional and educational status, awareness on environment, public health through sanitation and clean drinking water.

Development of Women and Children in Urban Areas (DWCUA): The purpose of DWCUA, a component of Swarna Jayanthi Shahari Rojgar Yojana (SJSRY) is to encourage women below poverty line to set up group economic support activities themselves. Under this programme, groups of women devise a project plan. A successful plan will receive a subsidy from the government and a loan from an area Bank branch. The loan is 45% of the project cost (maximum) and the subsidy is 50% (maximum). The other 5% is borne by the group. The maximum project size supported is for Rs.250,000.

Chief Minister's Empowerment of Youth (CMEY): The objective of the movement is to empower youth to participate effectively in the development of rural youth, by providing opportunities for employment and creating a sense of accomplishment in them. The entire movement is based on the principles of diligence, self-help, cooperation and a sense of patriotism. This programme emphasises the promotion of sound morals, self-sacrifice and the establishment of firm social order through healthy discipline. This ultimately should result in the improvement of quality of life of the youth.

This programme is based on "Group Strategy". A group of 15 or more young people between the age of 18 and 35 years may form a 'Youth Association' to take up economic activities suited to their educational background, skills, aptitude, local resources and needs. The programme has been extended throughout the state so as to cover all habitations including urban areas. The family income of the youth association members shall not exceed Rs.11,000 per annum.

- Group formation (with 15 members or more aged between 18-35 years in each Yuvashakthi Sangha);
- Imparting of six modules of Training Programmes on Health Awareness and AIDS Control, Environmental Awareness on Clean and Green, Education for all, Functioning of Schools, Social Reconstruction through Janmabhoomi, Leadership, Personality Development and Skill Development;
- Generation of thrift – A total minimum thrift amount of Rs.5000/- accumulated over 6 months in regular intervals collected from all the group members during the weekly meetings and deposited in the Group Savings Bank account. Common monthly minimum effective thrift (COMMET) of the Youth Association is calculated by taking the least amount saved and rotated in a month in the given six-month period. This amount shall be taken into consideration only if it is rotated by Youth Association members among themselves;
- Group behaviour - spread over a period of six months to be evaluated on a Marks System;
- Release of financial assistance for taking up self-employment with the following pattern: Revolving fund - 100 times of the (COMMET) or Rs.1.00 lakh, whichever is minimum; Government of A. P. Grant – Margin Money - 50 times of COMMET or Rs.0.50 lakh.

Activities through CMEY Programme:

- Participation of all Group members of newly formed Yuvashakthi Sanghas in training, social and economic activities;
- Entrepreneurial and managerial skills upgradation to the CMEY asset holders at TTDCs;
- Training in simplified accounting procedure for SHGs – (less number of records);
- Revitalisation of non-performing units, through skill training and marketing;
- Margin Money Recovery/Prompt repayment of loan availed by beneficiaries;
- Raising the income-level of SHGs.

6.3 SHGs organised for human resources development

Mothers' Committees: As part of the community mobilisation exercise, Mothers' Associations have been formed in villages with mothers of children enrolled in anganwadis/ Early Childhood Care and Education (ECCE) Centres as members. These associations actively participate in the developmental activities of the school. They conduct periodic meetings to discuss the activities of ECCE Centres and take necessary steps for girls' enrolment and retention in primary school.

Village Education Committees: Village Education Committees were visualised as part of the decentralised management structures envisaged under DPEP. Their role is to establish a link between the school and the community. In addition, they are also expected to take up the task of management for ensuring community participation. Village Education Committees are formed with a view to facilitating and ensuring participation and involvement of local community in the educational process at village level. The role of Village Education Committees has been predominantly in areas related to accessibility and participation of children, particularly girls.

SHG Ensures Fair Deal to Farmers

Despite a good red gram crop, farmers of Kosigi village, Mahbubnagar District are an unhappy lot for they never got the price they expected. Transportation takes away the major chunk as the market yard is 40 km away in Tandur. In the yard the system of quality grading and weighing are heavily loaded in favor of the trader.

In an innovative marketing intervention by the Kosigi Mandal Samakhya, a federation of women's Self Help Groups formed under Velugu, the World Bank aided poverty eradication project, and the local group commenced procurement of agriculture and Non-Timber Forest Products directly bypassing the intermediaries. The SHG also took quotations, quality grading, weighing and price fixation ensuring that the farmers get a better deal.

"All this meant savings ranging from Rs.90 to Rs.150 per quintal. The intervention has been working well for the second crop season. With no middlemen involved the element of exploitation and the hardships faced by the farmers have gone," Kistamma of the Mahila Samakhya said. Investing Rs.31 lakhs obtained from the Community Investment fund of the Velugu project, the Samakhya earned over Rs.1 lakh profit this year.

7. Key Policy Issues and Relationship with Livelihoods

Lack of access to sustainable financial services and accessibility to community owned assets are major development obstacles for poor and low-income households. People have responded to this situation by establishing informal SHGs that offer basic thrift and loan services and provide economic opportunities to its members, but operate outside the formal banking/organisational structure. SHGs are an important element of an effective poverty alleviation strategy which through improved access to and efficient provision of savings, credit and insurance facilities enable the poor to better adjust their household cash flows with consumption and investment needs, manage their risks better, build their assets gradually, develop their enterprises and enhance their income earning capacity. The advantages that SHGs offer to the poor can be enumerated as follows:

- Paves their access to financial services without physical collateral;
- Enables them to expand their micro enterprises;
- Enables them to take advantages of profitable investment opportunities;
- Helps them diversify their economic activities;

- Helps them adopt better technologies;
- Enhances their ability to absorb external shocks;
- Strengthens their self-confidence as bank customers; and
- Empowers women as entrepreneurs.

A better understanding of ground level realities, has led to more efficient and sustainable development programmes. But as the number of community based institutions and their members and portfolios increases, it is clear that there is a need for an enabling policy environment to be put in place at the local and state levels. Such 'formal' policies need to be directed at the overall development, plus the improvement in the reach of CBOs.

The Poverty Reduction Action Plan of Andhra Pradesh is closely built around the interventions made in forming and strengthening various community based organisations across various sectors and social groups. One of the most remarkable aspects of GoAP's development policy has been the State's role in facilitating the growth of social networks with the specific aims of social and economic inclusion.

Table 5: Social Networks in Andhra Pradesh

Social Networks	Department	Characteristics Of Networks	Expected Outcomes	Achievement
Women's Self Help Groups (SHGs)	Women Empowerment and Self Employment	Membership exclusively for women with savings and credit as main activity	Women Empowerment—better economic opportunities	Better access to credit, greater social mobilisation, empowerment
Water Users' Associations	Major & Minor Irrigation	Better water management Community management	Treatment of water bodies	Community management of local resources
Vana Samrakshana Samithies	Forest	Community forest management	Forest based livelihoods	Better resource management, forest based livelihoods
Mothers' Committees	Women Development & Child Welfare (ICDS)	Child care Women's health	Nutrition, childcare and Health	Enhanced MMR, IMR
Parents' Committees	Education	School Education	Quality of School Education	Better enrolment and retention rates
Watershed Associations	Commissioner Rural Development	Better water management Community management	Self reliance of community watershed resource management	Community management of local resources
Youth Groups	Youth welfare	Membership exclusively youth	Livelihoods Improved access to information	Better livelihood opportunities

Institutional Capacity Building

Capacity building of the SHGs and their federations need to be given adequate attention. The Government and NGOs should develop state level, district and mandal level training capabilities so that the capacity building of the members of the organisation is taken up

depending on the need and the demand of the groups. An effective mechanism to regularly carry out the rating of the groups should also be undertaken so that developmental inputs can be targeted in a more transparent manner. The organisations of the poor, being participatory bodies, will forge harmonious partnerships with representative bodies such as Gram Panchayats, Mandal Parishads and Municipal bodies.

Outcomes and Impacts for Livelihoods

The poor people can be helped out of poverty traps through empowerment, skill upgradation and by creating new economic opportunities. Women's SHGs have made much progress in bypassing male control in economic and political decision making. But attention needs to be paid to imparting them with better skills and improving their sustainability so that they can graduate beyond being thrift and credit societies to a social force that shapes village development. This includes improving the access of the poor to information and several experiments are in progress to provide the poor with easy access to the Internet and official data.

SHGs have been adopted as the appropriate people's institution which provides the poor with the space and support necessary to take effective steps towards greater control of their lives in private and in society. These small groups later link up together in smaller and larger associations depending on the objectives and on the roles with which the SHGs invest these apex associations. The self help group is not a static institution; it grows on the resources and management skills of its members and their increasing confidence to get involved in issues and programmes that require their involvement in the public and private spheres. Studies indicate that SHGs have several positive features which are listed briefly below:

Cost effective credit delivery system: They provide a cost effective credit delivery system, as the transaction costs of lending decrease sharply both to the banks and the borrowers; Banks which have advanced lines of credit report that the repayment rates are high, ranging above 95%.

Collective learning: They provide a forum for collective learning which rural people find more "friendly" and which is consequently more effective than the individual or classroom approach that is commonly adopted. The intervenor must realise and make use of this potential.

Democratic culture: They promote a genuine democratic culture where rights and responsibilities are equally valued and internalised; and where sanctions are imposed and accepted.

Imbibe norms of behavior: They provide the members with opportunities to imbibe norms of behavior that are based on mutual respect and which can be recognised by the society.

Entrepreneurial: They foster an entrepreneurial culture where members realise that while they need the support of the group to achieve personal objectives, their personal interests cannot be promoted at the expense of the group.

Stable base for dialogue: They provide a firm and stable base for dialogue and cooperation in programmes with other institutions like government departments, cooperatives, financial and Panchayat Raj institutions; if the groups are functioning well, they have the credibility and the power to ensure their participation in identifying, planning, budgeting, and implementing Panchayat Raj programmes for the empowerment of the poor.

Management capacity: They help to assess the individual member's management capacity which may fall short of what a "viable" investment package requires for optimum returns, as prescribed under regular IRDP norms, but which is manageable by a particular member.

The strategy therefore revolves around (i) the potential of the SHG to provide space and support so that each of its members can identify and use opportunities for her/his empowerment both in private and public life, and (ii) the capacity of the SHG to relate effectively with other institutions. It is, therefore, necessary that SHGs are promoted in a way that facilitates the development of a participatory and empowering culture. This, in turn, makes it crucial for all intervenors to empathise and be familiar with participatory management practices in their own organisations before using participatory methods to identify and form SHGs.

Economic Empowerment of SHGs: 60% of the women take up economic activities related to agriculture and allied activities. Land lease for growing agricultural crops is a common practice in Telangana districts. Vegetable and flower cultivation, food crops and pulses, oil seeds cultivation are taken up on leased lands. Similarly, rearing of calves, ram lamb, chicks, pigs and ducks, dairy, value addition to milk and milk products are preferred by women agricultural labourers. Illiterate and unskilled women engage in small business activities. Nearly 20% of the SHG members are artisans and are engaged in making handicrafts and handloom products.

Public-private partnership method is adopted in promoting economic opportunities to SHG members by appointing them as dealers for the sale of products manufactured by companies like Hindustan Lever Limited, TVS, TTK-Prestige, Colgate-Palmolive, Philips, etc. Companies in return train SHGs in finance management, enterprise development, packaging, branding and pricing of products. This partnership is a win-win model.

Increase in awareness levels about the society and community: Voluntary participation in community activities like laying roads, planting trees, conserving environment, construction of water harvesting structures, donations to the victims of natural calamities, helping to reduce crime against girls and women, campaign against eradication of social evils like dowry, child marriages, untouchability, AIDS, rescue and rehabilitation of orphaned children, counselling adolescent girls, and support to widows and destitutes are a few activities worth mentioning.

7.1 Impacts on Livelihoods and Poverty: Through Convergence

Socio-economic survey of such SHGs conducted by District Rural Development Agency (DRDA) in different districts has indicated that the scheme has helped women earn additional monthly incomes ranging from Rs.1500/- to Rs.1800/- depending on the economic activities taken up. In addition, women have taken up initiatives in improving their socio-economic status by participating in governmental programmes such as family welfare, promoting their nutritional and educational status, awareness on environment, public health through sanitation and clean drinking water. A large number of women from SHGs participate in Janmabhoomi (a government programme envisaging overall development of villages) regularly as active partners for the development of their respective villages.

Various services and government programmes are getting converged at the SHG level. Under the Deepam scheme, 12 lakh women SHG members were given LPG connections. In addition to the above, 15 lakh LPG connections are proposed by the Government under the Deepam scheme this year to the members of women SHGs. The Government is giving a subsidy of Rs.1000/- for each connection and the power to select the beneficiaries is given to the groups.

The Rural Permanent Housing Programme of the state government is being entrusted to the SHGs on a pilot basis. Raising of nurseries and management of watersheds are also entrusted to women in some districts. In addition to the above, construction of individual sanitary latrines has been entrusted to women in various places. Women SHGs are actively participating in the literacy programme "Akshara Sankranthi." Women SHGs also had a very

good impact on reducing the influence of moneylenders in rural areas. Similarly, there has been an impressive impact on SHG members of other Government programmes like family welfare, education, girl child education, immunisation of children, etc.

7.2 Institutions as social capital

In terms of social exchange theory, big parts of human culture serve as a device to stabilise behavioral expectations based on reciprocity: If I want to exchange with you, I have to trust you, and you have to trust me. If rules exist which we both accept, and if there is a community around us to enforce these rules (formally or informally), problems of interaction may be overcome and mutual cooperation can be assured. The same method is used by rural women to shape their future destiny through formation and self management of community organisations. Though the groups were started basically with thrift and savings, with the passage of time, these groups have evolved into a force by their numbers, unity and solidarity. Today, they are in the forefront of lobbying and advocating for their justifiable demands throughout the state.

After attaining economic development, women groups have taken up the path of social development and they are marching fast in this direction. A recent study of 1000 SHG groups in three districts of Andhra Pradesh has shown that on the aspects of social development, like sending the girl child to school, providing better nutritious food to the children, reducing family size, frequent interface with the Government officials, self management of the group, etc., there is considerable improvement in women's participation. Similarly, women's participation in local self government and CBOs like Vana Samrakshana Samithi, Water Users' Associations, Village Development Committees, and Village Education Committees has shown an increase over time. In household affairs also, there is an improvement in decision making by women from these Self Help Groups. As a consequence, women are planning for occupational mobility due to their awareness, skills acquired, availability of capital and channels for marketing. In addition, family members of the women belonging to Self Help Groups are also planning for better social mobility.

Abbreviations and Acronyms

AP	Andhra Pradesh
CARE	Cooperative Assistance for Relief Everywhere
CASHE	Credit and Savings for Household Enterprise
CBO	Community Based Organisations
CMEY	Chief Minister's Empowerment of Youth
DC	Distributory Committees
DFID	Department for International Development
DPEP	District Primary Education Programme
DPIP	District Poverty Initiatives Programme
DRDA	Department of Rural Development
DWCRA	Development of Women and Children in Rural Areas
DWCUA	Development of Women and Children in Urban Areas
ECCE	Early Childhood Care and Education
GoAP	Government of Andhra Pradesh
GoI	Government of India
ICDS	Integrated Child Development Services
I & CAD	Irrigation and Command Area development
IRDP	Integrated Rural Development Programme
JFM	Joint Forest Management
NABARD	National Bank for Agriculture and Rural Development
NGO	Non-Government Organisations
NTFP	Non-Timber Forest Produce
PRI	Panchayati Raj Institutions
SCG	Savings and Credit Group
SGSY	Swarna Jayanti Gram Swarozgar Yojana
SHG	Self-Help Groups
VSS	Vana Samrakshana Samithi (Forest Protection Committee)
WDC	Watershed Development Committee
WUA	Water Users Association