

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.

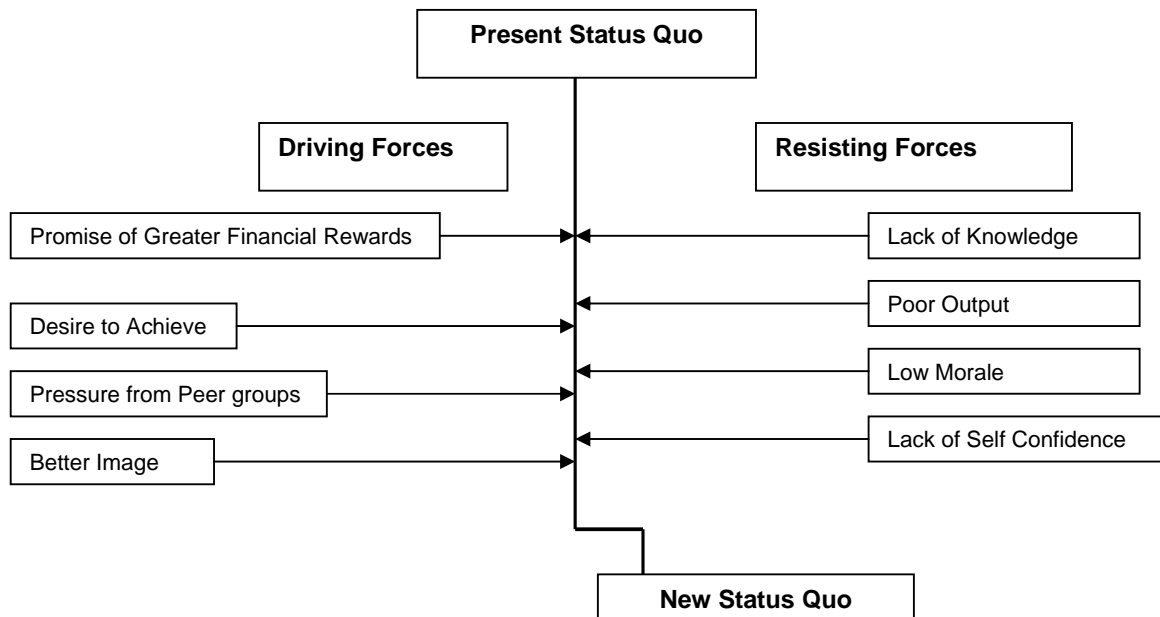
2. Need for SHG Formation

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.

