

# 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**

	<b>1983</b>	<b>1993-94</b>	<b>1999-00</b>
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.

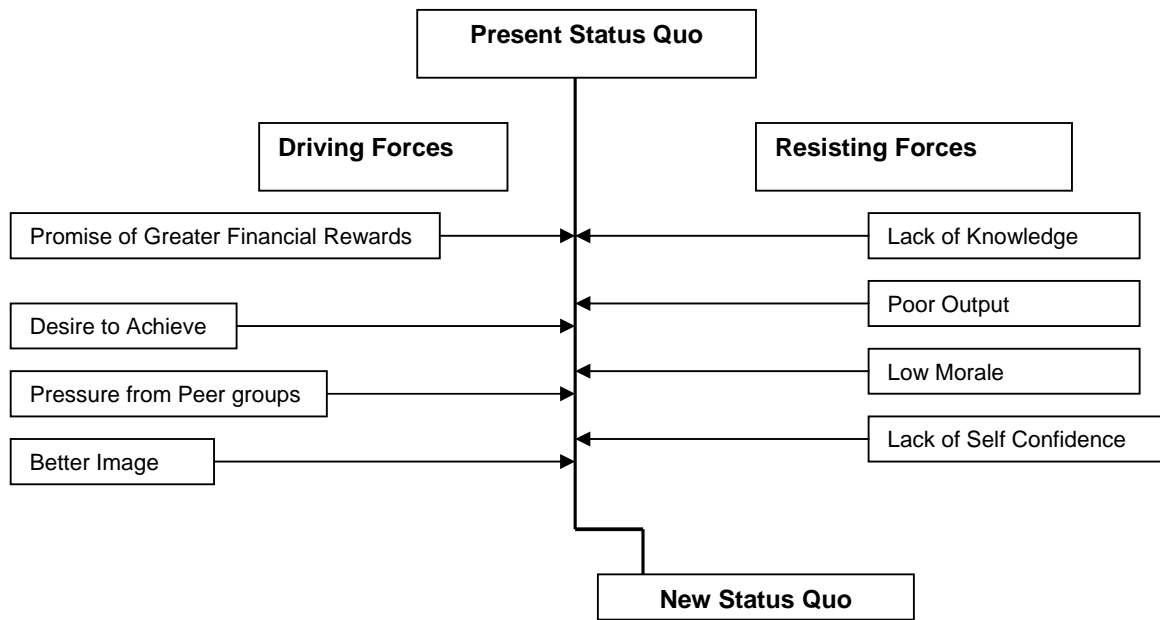
## **2. Need for SHG Formation**

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



























