

Self-help Groups under Mission Convergence



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Abbreviations

SHG	Self Help Group
NCR	National Capital Region
NGO	Non-Governmental Organisation
GRC	Gender Resource Centre
DSSW	Delhi School of Social Work
EC	Extension Centre
The Mission	Mission Convergence
TheKendras	SamajikSuvidhaKendras.
VTC	Vocational Training Course
GNCTD	Government of National Capital Territory of. Delhi

Abstract

There haven't been any significant improvements in terms of credit delivery to the members of self-help Groups under Mission Convergence as the numbers of loans haven't increased much¹. There are signs of weariness in the Mission regarding the same and several meetings have been called to address this unfathomable problem.

This paper addresses the inability of SHGs under the Mission to receive loans. The survey covers 58 women of 9 SHGs from 6 *Kendras* in the North District of Delhi. It was found that there are many who don't know the names of their group. Most do not have knowledge of their savings and about the correct way the SHG is supposed to function as mentioned under the Mission guidelines.

¹Source- Mission Convergence Staff.

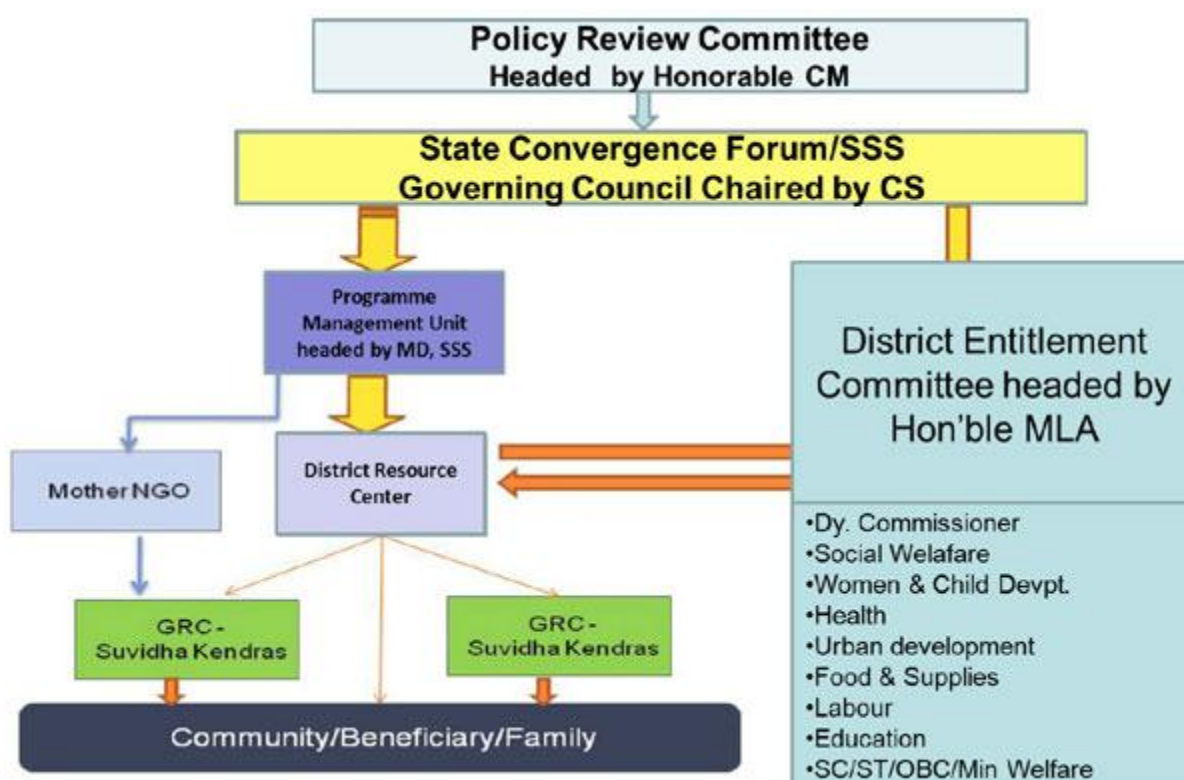
Introduction

Mission Convergence as a scheme of the Delhi government came about in August 2008 because a need was felt to bridge the gap between government departments supplying social welfare schemes and the intended beneficiaries. As a result, an elaborate structure was put in place with an aim of reducing poverty .

Even though NCR registers the highest per capita income in India and has a literacy rate better than most of India, poverty is still a persistent problem².

This scheme is alternately known as *SamajikSuidhaSangam*.

Following is the structure³ of the scheme –



Under the mission, civil society organizations have collaborated with the government of National Capital Region to deliver as Gender Resource Centre's or field NGO.

ROLE OF GRCs⁴

² Source: *SamajikSuidhaSangam, Mission Convergence – Documentation of Best Practice* by One World Foundation, India.

³ Source: <http://www.missionconvergence.org> – last accessed on 19/7/2012: 22 hrs.

⁴ Source: *Concept Note, GRC's – Mission Convergence*

A particular GRC is a focal point of all activity in a region. NCR is divided into 9 districts, which have 104 GRC's and 30 extension centres in all. Extension centres are formed in regions where government assistance is required but a whole *Kendra* or GRC cannot possibly be constructed.

The responsibilities at the *SuvidhaKendra* are as follows-

1. The main role of a GRC is to spread awareness among the targeted population. For the same, GRC also carries out a detailed survey on a house to house basis to identify the vulnerable population. It then relies on this database for all purposes of delivery of services.
2. Prior to June 2010, the GRC's not only informed people regarding social welfare schemes of the 9 departments it covers but also filled forms for them and submitted it to respective departments.

This inverted the then existing system of beneficiaries having to go to departments separately to avail their rights. However, now the GRC's have become more of an informative and assistance medium.

3. GRC have to carry out 2 nutritional camp, 6 legal sessions and 1 health camp in a month. They also have vocational training courses under the Mission. These courses are the Non formal education programme, beautician course, cutting and tailoring course and Computer course.

The aim of these courses is to reach out to as many people as possible and give them basic tools to help them make and sustain a livelihood.

4. GRC's also, through their SHG mobilisers, bring together women in the locality to form self-help groups, to improve the availability of credit and increase linkages to banks.

PROGRAMMES UNDER THE GRCs

1. Women's empowerment –

The woman empowerment component of the Mission Convergence is being implemented through the Gender Resource Centres that function in the community and are the operational arms of the Mission. The family focused interventions are simultaneously being implemented through the *SuvidhaKendras* that were appended to the GRCs as a part of the restructuring

process under the Mission Convergence Programme. The Women Empowerment Component is aimed at holistic development of the marginalized vulnerable women through interventions in the areas including Literacy, Health, Livelihood. Following are the activities being undertaken by the GRCs under the women empowerment focus:

- a. Vocational Training
- b. Microfinance Activities/Livelihood (SHG formation)
- c. Legal Awareness Generation – Under this 6 sessions are held in a month to solve legal issues and provide legal assistance.
- d. Health Camps & Health Clinic.
- e. Non- formal education—Under this 3 types of courses are conducted to provide non-school classes to all age groups.
- f. Nutrition Awareness

2. Service Component of GRC's –

This has a special emphasis on the most vulnerable people like the homeless, women headed families, and children, rag pickers, sex workers, construction site workers etc. The activities being undertaken by the Kendra under the object of assisting government's other schemes are-

- a. Information desk
- b. Awareness Creation of Schemes

Self Help Groups⁵

Under Mission Convergence, one of the objectives of the GRC's is to mobilize the women of the neighborhood into self help groups to "instill virtues of thrift and micro credit"⁶. These women have to be necessarily from the same economic background. The SHGs play a much wider role ranging from that of community peer groups to that of pressure groups by improving their bargaining power to get loans. Each group has 12- 20 members. For this, each GRC appoints a separate SHG mobiliser whose aim is to spread awareness regarding SHGs and to manage existing ones. Getting an account opened is also the responsibility of the mobiliser. She also organizes the meetings. Two meetings are held every month, of which one is regarding saving and loaning while the other is regarding general information of SHGs.

⁵Background Information – *Self Help Group Manual*, Mission Convergence (under print).

⁶ Source: <http://www.missionconvergence.org> – last accessed on 19/7/2012: 22 hrs.

Elections are to be conducted in the SHG on an annual basis for the post of *Adhyaksh*, *Sachiv* and *Koshadhyaksh*. All disputes are to be solved by consultation with all members. Clearing a loan also requires the approval of all members in most cases. It also requires any 2 members to become guarantors for the person asking for a loan. This guarantee is not a form of liability but an assurance as to the existence of the afore said person.

The elected representatives have to maintain data regarding bank account, loans made and progress of installment payment of all borrowers. A bi-annual ,third party audit is mandated by the Mission for transparent functioning of the system. The time limit mentioned in the *SHG Manual* for a SHG to become independent is 1 year. However, it also says that most SHGs are unable to do so. Finally, the Manual mentions formation of rules by the SHG members to be followed by them to ensure self-sufficiency.

Existing Issues

Under this 3 year old scheme of the government numerous SHGs have been constructed. Every GRC has at least 5 SHGs. There are over 1000 SHGs in the NCR with at least 12 members in them, implying that coverage of the scheme is widespread.

However, recently it has been noticed that these SHGs haven't received any substantial loans and there hasn't been any significant improvement in terms of the goal set for the SHGs as mentioned in the previous section. It was expected to empower the women and get them cheap credit⁷. 1 year was the set time limit for an SHG to become independent.

The Mission is baffled by this shortcoming and is unable to point to any reason. There have been several meetings of the Mission staff, GRC coordinators, and training sessions of GRC mobilisers for the same. This paper addresses this current issue by studying the information available with the members about their SHGs.

The aim of this study is to analyse the reason as to why SHG's are unable to work under their respective *Kendras*'.

Methodology

The study is based on a survey conducted in 6 SHGs in North Delhi. Following are the GRC's covered under the survey –

1. Navlok, Sant Nagar

⁷ Source - Mission Convergence staff.

2. Navlok, ChandniChowk
3. EktaSheekshaSansthan
4. Srijan Foundation
5. Delhi School of Social Work
6. Prayas

These GRCs are responsible for 135 SHGs of which a random sample of 9 was taken for the survey. Before that, a pilot survey was conducted at the Extension Centre of Navlok, SantNagar. The main survey was conducted over a span of two weeks from end June - July 2012. The questionnaire was formed in consultation with the Mission Convergence staff and refined after incorporating lessons of the pilot survey.

The survey covers 58 women. The questionnaire tests members' knowledge of their own SHG, their ability and willingness to get loans and their understanding of the technical aspects of a SHG. (Refer Questionnaire- Appendix I)

Personal interviews of GRC staff and Mission Convergence were also conducted.

Findings

Only 39% of the population were immigrants from as far as Bihar, Haryana and Uttar Pradesh. Remarkably, none of them were from East India. 41 were housewives while the remaining women worked as tailors, beautician, house-maids and even tutors. 6 worked as teddy bear makers at *Shakti at the Srijan Foundation* GRC which is dealt with in the Case study below. The principal bread earners in most women's households were employed as workers in electronics, plumbing and grocery shops, farmers and servants with private businessmen. Only 2 women had no active bread earner in their house.

When quizzed on their knowledge of their own group, 19 % of the members did not know the name of the group and had to refer to others for the answer. Only 67% people knew the name of the bank they had an account in and less than 50% had an accurate knowledge of their savings with the bank.

In context of loan activities, only 56.25% people had received loans through the SHGs and none had gotten more than Rs.10,000. At the same time, there were no women who had applied for a loan and not received it, though they sometimes received it with a delay. The average time for receiving a loan after applying for it was 8.9 days.

Only 20% of these women had the survey slip given out by the *Samajik Suvidha Sangam* under The Vulnerable Population survey it carries out as mentioned earlier. Even fewer women knew whether they were part of the vulnerable population.

There were contradictory answers to the question "did you have elections in your SHG" despite the mandatory requirement of holding annual elections under the Mission guidelines. According to these, 64.58% of the SHGs had elections while others chose the representatives by consensus among few members.

When asked about what they thought to be the purpose of SHGs, for 43.75% women, SHGs were a medium of buffer savings they could use for their daughter's marriages and other such emergency expenses. And even though for 35% women the SHGs are a medium to start their own business, there is no remarkable increase in the number of businesses started by women who are part of SHGs. All those who have received loans have used them for as emergency funds for illness, marriages, trips to their home village. No one utilized the money for entrepreneurial activities.

Surprisingly, none knew about whether they had an annual audit of their SHG by a third party as mandated by the Mission guidelines. On asking the mobiliser of each SHG, it was found that 5

of these SHGs haven't had any audit even after 3 years of working. The reason given in most cases was the inability to hire a Chartered Accountant due to lack of funds, which is surprising, considering the importance being given to SHGs under the mission.

Lastly, as far as working of the Kendrais concerned, about 57% women got information about SHGs from their respective mobilisers while 29% learnt from their neighbors. A handful learnt about it from the VTC they took at their GRC. Almost 100% agree that their mobiliser works extremely hard for their benefit and attends all meetings. They also indicated to their mobiliser worked more than required in areas like organizing meetings, maintaining of records etc.

Figure 1 TIME SPENT IN RECEIVING A LOAN (IN DAYS)

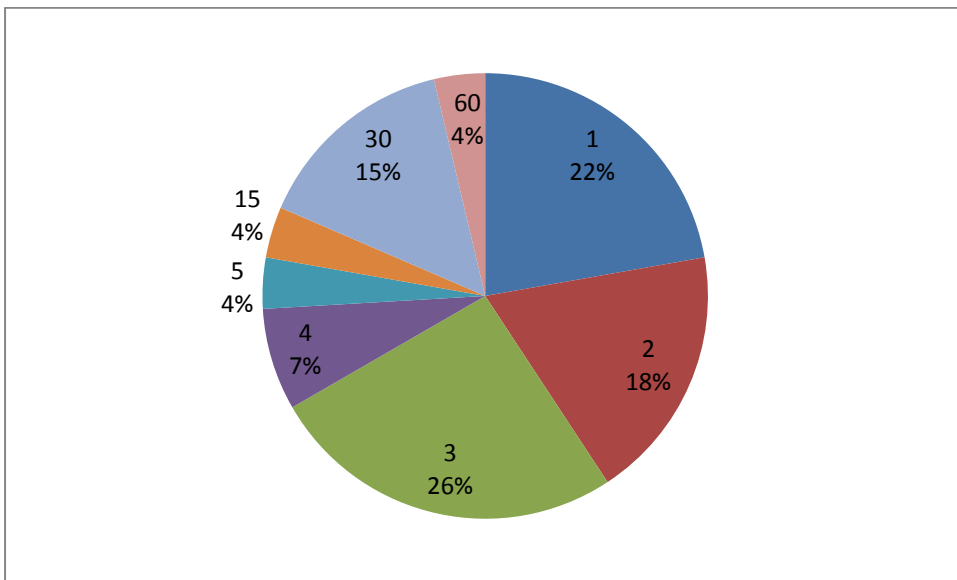


Figure 2 PURPOSE OF SHGS ACCORDING TO MEMBERS(In terms of number or people)

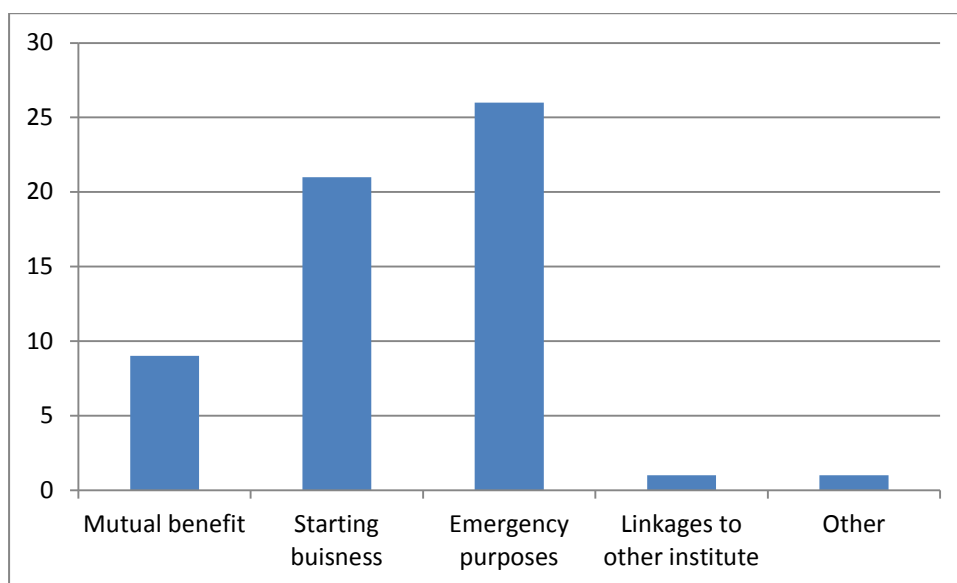
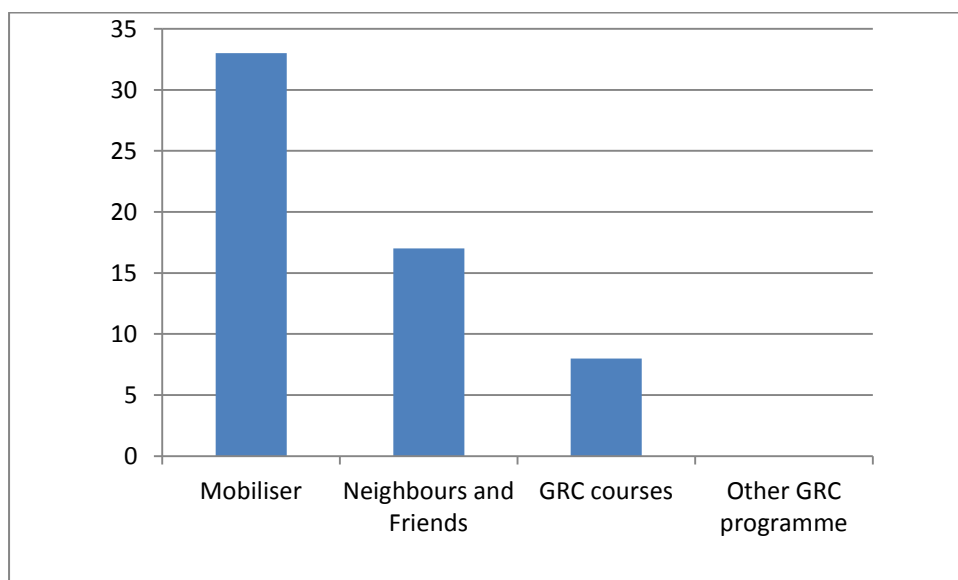


Figure 3 SOURCE OF INFORMATION REGARDING SHGs (in terms of number or people)



Policy Implementation Issues

The major issues that emerged in the survey are as following –

1. Low level of basic information among members :

The fact that 19% members do not know the name of their group implies a fundamental inefficiency in the system. The problem lies in the basic incentive for making the SHG. It is because of the effort of the SHG mobiliser that women, previously unknown to each other, but from the same community come together to form the Group. There is no self- incentive on the part of the member. First the group is made and then the members get to know each other. In SHGs as old as 3 years, there were women who did not know all their fellow members, The onus of functioning of the group lies on the GRC mobiliser. She has to inform them about meetings in most cases, fill in the register for them and ask them to take a loan⁸. The functioning of SHGs is moving at a slow pace due to the huge role of the mobiliser and his/her inability to work for all SHGs under her.

2. Low willingness to take loans –

Throughout the survey, the fact that most women do not want loans kept coming up. In DSSW-Extension Centre, banks were calling up these mobilisers to ask members to apply for loans⁹. It is the members who do not understand the importance these loans can play in their lives. In many areas, socio- cultural factors come into play as the community consists of believers in “loaning at interest rate” being a sin. While in other areas, economic factors play a role. As there is no clear account of actual vulnerable population covered under these groups, a lot of well-to-do families are part of the group but do not require loans. Of the GRC’s covered, in DSSW- EC no population has been conducted so far while in others, most members are unaware of their status under the vulnerability survey¹⁰. Another issue is that there is a requirement of 8- 10 members at least approving the loan of 1 member which requires a mutual understanding and knowledge of the system. Most groups lacked this knowledge. Also, clearance of a loan requires the person to mention the name of 2 guarantors. People are reluctant to be the guarantor because of the fear of being held liable for the person.

3. Low or no self-employment generation –

⁸ Source - From field visit to SHG meetings, Prayas on 9/7/2012.

⁹ Source – Did not want to be quoted, GRC staff, From field visit to SHG DSSW-EC on 5/7/2012.

¹⁰Source – Personal Interview, Miss PoonamRana, SHG mobiliser, DSSW 5/7/2012.

The ultimate goal of SHG formation is to empower the women from lower section of the society and make them self-reliant. But, as was found, no one actually started their own business by taking loans from the SHG. They use these funds as buffer savings which demeans the essence of a SHG. Even though helping the members is a goal of the SHGs, the priority is given to economic independence of women¹¹. This order of priority is lost in implementation. In most SHGs, there are no activities done to encourage women to take up work.

At the same time, the GRC's are doing their job well given the constraints they work under. One GRC had as many as 30 SHGs like in Navlok, Sant Nagar. But they have only 1 GRC mobiliser to look after all these groups, causing a delayed improvement in the working of SHGs.

CASE STUDY – Shakti group, Srijan Foundation¹²

At Srijan Foundation in Kamlanagar, New Delhi a SHG, the *Shakti* group has its members working together due to the efforts of the GRC mobiliser. A 14 month old SHG, its members already knew the art of making teddy bears. Ms. Anjali, the mobiliser here organized them together into a unit. Now, the *Adhyaksh* of the SHG, Ms. Sona Devi procures raw material from a private company in Bhajan Pura, Nand Nagri. She brings it to the group, of which 6 members make the teddy bears and then the completed material is returned.

At the same time, there is a possibility for their business to expand into a self-owned manufacturing unit. Ms. Sona Devi says they would like to do so, given that they accumulate enough money through the current system to buy materials. The GRC is ready to help them get a loan. But, even after this, in the past 1 year, all the loans taken in the group have been for personal reasons and not for their business. When asked why they haven't expanded their work, most said they hadn't thought of it and would do so in future.

This shows an existing potential in these women that can be captured. The mobiliser needs to identify local patterns and characteristics. Or else, after training them in the VCT programmes of the GRC, the GRC can get them projects from local manufacturers. This empty void of an employment agency needs to be filled with the established GRC contacts.

¹¹Source – Self Help Group Manual, Mission Convergence.

¹²Source – a. Personal Interview, Mr. Khalid, Project Officer, Srijan Foundation.
b. Personal interview, Ms. Sona Devi, Srijan Foundation.

Policy Recommendations

Public-Private partnership is the best that can be done to ensure better delivery of schemes. But as is visible here, the scheme suffers from numerous implementation issues. The focus of the existing policy needs to shift towards working on existing SHGs rather than forming new ones.

For the same, there is a need to recruit another SHG- mobiliser like staff at the GRC level. She should also preferably be from the same locality and have the basic knowledge of the social relations in that area. Frequency of the meetings has to increase. There should be an informal meeting each month for the members to get to know each other. This need not be supervised by the mobiliser. This is especially important as only if members know each other, will trust follow.

Also, the two meetings held under the current system need to be conducted in a more thorough manner and as prescribed under the Mission guidelines. These meetings are held in an extremely informal fashion to the extent that at times only attendance is taken. There has to be a better record of issues dealt with and things learnt in a particular meeting. Periodic checks by 3rd party visitors in the meetings to assess attendance and understanding of the members will go a long way in solving this issue. After receiving training from the GRC under the vocational training programme, the GRC should try providing these women an opportunity to use these skills. It can act as a small placement agency, getting them petty jobs in the neighbourhood.

GRC mobilisers need to play a more active role in getting the loans cleared. For this, the members have to be told of the importance of their other group member's getting a loan. Specially so that there is no hesitance on their part in approving the loan as has been recently noticed. And, most importantly, this paper proposes that the women be informed periodically of the growing importance of taking loans, not just for emergency purposes but also entrepreneurial activities. This can be done by arranging trips to factories, shops and other informative locations. More importance needs to be given to the process of choosing the representatives of a particular group and informing them of their responsibility. There should be a mandated time period by which the mobiliser should ensure that the group is working independently. Also, as far as transparency in the dealings of the SHG goes, the audits of the SHG should be mandatorily conducted and reviewed by the Mother NGO without delay. It is only when women trust each other and realise the possible gains from the linkages formed under SHGs that they'll work well.

Appendix - I

प्रश्नावली

नाम-

स्वसहायता समूह का नाम -

जी आर सी का नाम -

a. आपके एस एच जी में कितने सदस्य हैं?

.....

b. कितने सदस्यों को आप व्यक्तिगत रूप से जानते हैं?.....

.....

a. आप देशी Delhite हैं? (हाँ /

नहीं).....

b. यदि नहीं, तो आप मूल रूप से कहाँ से हैं?

.....

क्या आप एस एच जी में post holder हैं? यदि हाँ, कृपया पोस्ट बताएं.

.....

.....

क्या आप कमजोर आबादी घर के सदस्य हैं? (हाँ / नहीं)

a. आपका पेशा क्या है?

.....

b. आपके पति/बेटे का पेशा क्या है?

.....

आपको एस एच जी के बारे में जानने को कहाँ से मिला?

जीआरसी स्वयं सेवकों और mobilisers से.

रिश्तेदारों या मित्रों या पड़ोसियों.

जीआरसी में पाठ्यक्रमों को लेने के बाद.

कुछ अन्य जी आर सी प्रोग्राम (कृपया बताएं)

अन्य (कृपया बताएं)

.....

आपके हिसाब से एस एच जी का उद्देश्य क्या है?

समुदाय की समस्याओं को हल करने के लिए एक प्रतिनिधि मंच.

बैंक या अन्य एस एच जी से ऋण के माध्यम से अपने व्यापार शुरू करने के लिए.

बैंकों या अन्य एसएचजी से ऋण के माध्यम से विवाह आदि जैसे व्यक्तिगत परिवार की समस्याओं को हल करने के लिए.

बैंकों और अन्य एसएचजी के साथ संबंध के लिए.

अन्य (कृपया बताएं)

.....

a. आपके एसएचजी की पिछली बैठक में जीआरसी एसएचजी mobiliser मौजूद था? (हाँ / नहीं).....

b. आपके एसएचजी की पिछली बैठक में आप मौजूद था? (हाँ / नहीं)

आप एसएचजी की पिछली बैठक के लिए कहां मिले ?

जीआरसी इमारत में.

एक सदस्य के घर पर.

एक समुदाय क्षेत्र में. (कृपया बताएं)

.....

अन्य (कृपया बताएं)

a. क्या आप के स्वयं सहायता समूहों में चुनाव हुआ था? (हाँ / नहीं).....

b. यदि हाँ, क्या आपने वोट किया?(हाँ / नहीं).....

मई 2012 के लिए आपके एसएचजी की मासिक बचत क्या हैं?

रुपये. 10,000 या उससे कम.

रुपये 10,000 - 20,000 रुपये.

रुपये 20,000 - 35,000 रु.

रुपये 35,000 - 50,000 रु.

अन्य. (कृपया बताएं)

.....

a. क्या आपके एसएचजी का बैंक में खाता है? (हाँ / नहीं).....

b. यदि हाँ, यह खाता कहाँ है? -

देना बैंक.

अन्य सार्वजनिक बैंक.

निजी बैंक.

अन्य वित्तीय संस्थाओं में. (कृपया बताएं)

अन्य (कृपया बताएं)

.....

c. आपके घर से बैंक शाखा आने के लिए कितना समय लिया जाता है?

.....

a. क्या आपको एसएचजी के माध्यम से ऋण प्राप्त होता है? (हां / नहीं)

b. यदि हाँ, आपको यह ऋण कहाँ से मिला?

1. दिल्ली में अन्य एसएचजी.

2. अन्य एसएचजी आपके स्वयं के जिले में.

3. निजी बैंकों. (कृपया बताएं)

4. सार्वजनिक बैंकों. (कृपया बताएं) .

क्या ब्याज दर जिस पर बैंक ऋण दे रही है अन्य एसएचजी की तुलना में अधिक है? (हां / नहीं)

आपको बैंकों से ऋण क्यों मिल रही/ नहीं मिल रही है?

.....

क्या आप एसएचजी के माध्यम से अन्य संस्थानों के साथ पर्याप्त संपर्क बनाने में सक्षम रहे हैं?

.....

a. आपके एसएचजी द्वारा प्राप्त अंतिम ऋण की राशि क्या है?

b. यह ऋण आपने कब प्राप्त किया था?

.....

c. आपको यह ऋण कहाँ से मिला?

.....

d. इसके बाद, ऋण दाता ने ऋण देने के लिए कितना समय लिया था?

.....

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