



A Case Study

Role of SHGs in micro-enterprise as a poverty reduction strategy of Kudumbashree project in Kerala

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ABSTRACT : Kudumbashree project has now emerged as one of the important tools for rural development and combating hunger and unemployment. It attempts to bridge the gap between the rich and poor in the country. As the women got involved in micro enterprises, the workload of the women increased as they were still in charge of household related work. Even though the earnings from micro enterprise activities were rather limited, partly due to the repaying of the loan and partly due to problems of finding a space of agency in the margins of the market, the possibility of becoming an earning member and the ability to contribute economically resulted in a modification in attitudes within some families. Majority of the units were engaged in the activity of manufacturing the product and 50 per cent of units were concentrating on the processing and trading of food products. The study results reveals that, 40 per cent units were engaged in trading, 20 per cent units were engaged in producing food products and another 20 per cent of units engaged in handicrafts production. Remaining 10 per cent of the units were engaged in furniture and 10 per cent in other activities. The study also discloses that, 60 per cent of the respondents have got training in running micro enterprise activities. Another important observation was that 80 per cent of the respondents were bank account holders and 70 per cent of the units have taken loans for running activities. It has been observed that 50 per cent of the units are earning profits and another 30 per cent of the units were in the position of no loss and no profit. Only 20 per cent of the units were running on loss. The level of employment and income generation of the units has been found out that there was only slight variation in the level of output produced in the last financial year as compared to the year of starting. Food products and trading registered a decrease in the level of output. Whereas furniture and handicrafts and other registered an increase in the output level. Analysis of the level of employment revealed that furniture and handicrafts registered an increase but no major change can be observed in trading and others. Hence, self-help groups should have lined the way to bring the rural women in the mainstream of social-economic performance of micro enterprises undertaken by poor women under Kudumbashree.

KEY WORDS : Self-help group, Micro-enterprise, Poverty reduction

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INTRODUCTION

“Kudumbashree” is an innovative poverty reduction programme implemented exclusively for women with the support of State Government and agencies like NABARD, Welfare Boards, Financial Institutions and other autonomous agencies since 1st April 1999. The organisation functions throughout the state with the help of approximately 1,83,741 neighbourhood groups. The activities are solid waste collection, power laundry, bio fertilizer units, tissue culture labs,

direct marketing, small manufacturing units, canteen/catering units, food product units etc. A special feature of Kudumbashree has been that it has reached out to primitive tribal groups in Kasargod, Wayanad, Malappuram, Trissur and Palakkad districts. The focus of Kudumbashree so far has been in areas like housing, safe drinking water, sanitation and entrepreneurship development. Kudumbashree has also gained reputation in the Management of thrift and credit despite the weak accounting system making auditing a difficult process. There are also issues in marketing access to support mechanism