

What is right and wrong with Kudumbashree: the field Experiences

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ABSTRACT: *Microfinance has been accepted as a strategic tool for poverty eradication in many of the developing countries. Kudumbashree is such poverty eradication mission sponsored by the government of the state of Kerala based on micro credit, women empowerment and self help grouping. As the name “Kudumbashree” meaning prosperity of the family, the mission approaches the problem of poverty from the grass root level. It organizes the poor women together as grass root unity against poverty enhancing their socio-economic spheres through micro enterprises, micro credits and women empowerment initiatives. The poverty eradication mission in the name of “Kudumbashree” initiated by the government of Kerala has proved that women empowerment is the best strategy for poverty eradication. But much remains to be done as large portion of the women still continues out of the purview of the programme. Further many studies concern about the sustainability of the project on account of the faulty practices.*

Keywords: *Microfinance, Women empowerment, poverty .Kudumbashree, Community development*

INTRODUCTION

Inaugurated on 17 May 1998, by the then Prime Minister of India, Shri. Atal Bihari Vajpayee in Malappuram, 'Kudumbashree' Meaning Prosperity of the family, is the state poverty eradication mission initiated by the Government of Kerala for de rooting the absolute poverty from the state. It is a holistic, participatory, women oriented innovative poverty reduction approach implemented through Local Self Governments. The Mission follows a process approach rather than a project approach. 'Kudumbashree' envisages prosperity of the poor families in the state with multiple programmes that will provide them information, create awareness, build up their capability and capacity, enhance their confidence and show them opportunity for better social security and empower them physically, socially, economically and politically. Thus it works for eradicating the poverty by enhancing the capabilities and entitlements of the poor people.

SECTION A

What is right- the right approach

Let us start with what is right with the Kudumbashree – the poverty eradication mission of the government of Kerala. First of all the Kudumbashree as the poverty eradication mission approaches the evil of poverty in a holistic way. And more importantly it believes that the poverty eradication is only possible by making the powerless their own masters and making them capable making choices and autonomous. Hence women empowerment is the part and parcel of the poverty eradication mission in Kerala.

A.I – The Holistic Approach

The Mission Statement

The mission statement itself is the manifestation of the holistic approach to the poverty eradication from the soil of Kerala. The mission of the programme is thus stated as *“To eradicate absolute poverty in ten years through concerted community action under the leadership of Local Governments, by facilitating organisation of poor for combining self help with demand led convergence of available services and resources to tackle the multiple dimensions and manifestation of poverty holistically”*

Perception of poverty

Secondly it perceive poverty as a multi dimensional problem and hence the ill of the poverty to be treated multi dimensionally recognizing the root and depth. Hence it approaches the poverty as a state of multiple deprivations. *“Poverty is hunger. Poverty is lack of shelter. Poverty is being sick and not being able to see a doctor. Poverty is not being able to go to school and not knowing how to read. Poverty is not having a job, is fear for the future, living one day at a time. Poverty is losing a child to illness brought about by unclean water. Poverty is powerlessness, lack of representation and freedom”*

Unlike the conventional poverty theories and practices, the monetary factors are not the only contributory to poverty but it is due to the deprivation of basic needs, basic facilities and basic rights. To eradication of absolute poverty means restoration of the denied or deprived basic needs, basic facilities and basic rights. Thus the out- liars of the recent development paradigms like tribal, traditional fishermen, SCs and those employed in traditional declining industries like coir, cashews, handloom, stone crushing etc...are given special attention

Innovation in Identifying Poor and Estimating Poverty

In conventional anti poverty programmes the poor are identified using income as the sole parameter. This too is done through a household survey conducted by the Officials. In Kudumbashree to identify the poor instead of the income criteria, nine point non-monetary risk indicators have been designed and developed. The 'nine point risk indicators' are very simple, transparent, easily understood by the community includes various manifestations of poverty. Unlike in the conventional anti poverty programmes it enables to identify the poor by themselves, provides large possible combinations of Poverty. 382 different Combinations (Table-1) of finding a poor family and provides the opportunity to have a rational grading and to find out corrective steps. To identify the poor the intervention of the official is removed and the task is entrusted with the community themselves.

Table: 1.The Nine Point index - possible combinations

<i>No. of Risk factors</i>	<i>Combinations</i>
4 Risk Factors	126
5 Risk Factors	126
6 Risk Factors	84
7 Risk Factors	36
8 Risk Factors	9
9 Risk Factors	1
Total	382

Source: Kudumbashree

Risk Index

The risk index as an effective tool to identify poor was first developed in the early stages of community development system, tried and experimented at 7 wards of Alappuzha Municipality. This index was subsequently modified to suite the current day requirements. The original index and modified versions are given below:

Table: 2. Modified risk index now in use

Rural	Urban
<ol style="list-style-type: none"> 1. Living in a substandard house or hut 2. No Land 3. No access to sanitary latrines 4. No access to safe drinking water (150 Mts) 5. Getting only 2 meals a day or less 6. Women headed house hold/ Presence of a widow, divorcee / abandoned lady / unwed mother 7.Having no or only one earning member 8.Belonging to socially disadvantaged groups 9. Having an illiterate adult member 	<ol style="list-style-type: none"> 1. No Land /Less than 5 cents of Land 2. No house/Dilapidated House 3. No Sanitary Latrine 4.No access to safe drinking water within 150 meters 5. Women headed house hold/ Presence of a widow, divorcee / abandoned lady / unwed mother 6. No regularly employed person in the family 7.sociallydisadvantaged groups(SC/ST) 8.Presence of Mentally or physically challenged person / Chronically ill member in the family 9.Families without colour TV

Source: Kudumbashree.

If four or more of the above risk factors are positive in a family, such a family is treated as a 'risk family'. If all the nine risk indices are in favour of a family that family may be in a most vulnerable situation. Similarly if the risk scores are lowering to 8, 7, 6, 5, 4 and less than four the situation of the family gets improved. In a group of 15 or 20 people when they apply the risk indices, they themselves are enabled to rate the gravity of poverty in each family.

Innovation in organising the poor

Thirdly innovative approach in organizing the poor also makes the programme highly achieving and more inclusive. It starts from the grass root level organization i.e. from the family as Neighborhoods to society. Thus the three tier structures make the 'We' feeling more binding and winning. The three tier structures are;

I - The Neighbour Hood Group (NHG)

To restore the denied or deprived entitlements of the poor the capability of the poor has to improve first. Capability deprivation is the root cause of poverty and to make them aware of their entitlements the first and foremost step adopted by the Mission is to build an organisation structure of the poor. The Community Based Organisation (CBO) of poor set up by the Mission under the leadership of Local self Governments play vital role in eradication of absolute poverty. The organisation of poor built up by the Mission give them an opportunity to realize the causes of poverty, different variables of poverty and the magnitude of poverty. It enables them to identify their entitlements and utilize the common platform to achieve it together.

The Community Based Organisation, which encompasses all sections of poor, is organised in to a three-tier structure. The Neighbourhood Group at grassroots level consists of 15 to 40 members; each member representing a family forms the building block of the organisation. In each Neighbourhood Group from among its members, five Volunteers are elected for undertaking various functional activities. The position of a volunteer is the first stepping-stone towards leadership for a woman from poor family.

(a) **Community Health Volunteer** - She look after the various health related aspects of the group members including children, women and the aged. Convergence of various programmes undertaken by Health and Social Welfare Departments are also carried out under the leadership of the Community Health Volunteer. In each Neighbourhood, the Mission has plans to build a unique health care system for which the health volunteer will have a pivotal role. The new system has already been piloted in select panchayats and it proved to be a success.

(b) **Income generation activities volunteer** - The collection, consolidation and maintenance of books of accounts and registers in connection with thrift mobilisation is looked after by this volunteer. The IGA volunteer infact acts as local Micro Enterprise Consultant (MEC). She persuades and motivate the members of NHGs to take up micro enterprises, livelihood activities using the thrift loan and the linkage banking loans. At present, each Neighbourhood Group has minimum one micro enterprise. The Mission imparts necessary training to these volunteers in enterprise development, accounting etc.

(c) **Infrastructure Volunteer** - Infrastructural backwardness of the group is tackled with the help of various ongoing governmental programmes under the leadership of this volunteer. It is proposed to take micro contracting as an income generating activity by the group after sharpening their functional skills through a series of training programmes. She will guide and promote the micro plan preparation of the NHG and liaison with the local bodies and acts as a catalyst for local development.

(d) **Secretary** - The Secretary records the proceedings of the meeting and necessary follow up including motivation and team building is the responsibility of the Secretary.

(e) **President** - She will preside over the weekly meetings and will impart necessary leadership and guidelines to the group members.

I. AREA DEVELOPMENT SOCIETY (ADS)

The second tier is Area Development Society, which is formed at ward level by federating 8-10 NHGs. The activities and the decision in the ADS is decided by the representatives of the poor elected from various federating NHGs. Area Development Society function through three distinct bodies viz.,

(a) **General Body** - consists of all Presidents and Secretaries of federated NHGs along with representatives of Resource Persons selected from that area.

(b) **Governing Body** - constituted by electing a President, Secretary and five member Committee from among the General Body.

(c) **Monitoring and Advisory Committee** - To streamline their activity with the activities of Local Self Governments, a ward level monitoring and advisory committee is formed under the chairmanship of ward member of the Local Body. The salient feature of this arrangement is the fixation of priorities by the poor; in tune with the policy framework of Local Self Governments.

II. COMMUNITY DEVELOPMENT SOCIETY (CDS)

At the Panchayat level a Community Development Society (CDS), a registered body under the Charitable Societies Act is formed by federating various ADSs. The CDS has three distinct bodies viz.,

(a) **General Body** - It consist of all ADS Chairpersons and ADS Governing Body members along with representatives of Resource Persons, Officers of the Local Body who are involved in implementing various Poverty Alleviation and Women Empowerment Programmes.

(b) **Governing Body** - The Governing Body consists of President, Member Secretary and five selected Committee Members. The President will be elected whereas the Member Secretary is the Project Officer of UPA Programmes. Other Government Officials and representatives of Resources Persons will be nominated to the Governing Body.

(c) **Monitoring & Advisory Committee** - Municipal Chairperson/President of the Panchayat will be the Chairman of the Monitoring & Advisory Committee which is convened by Municipal Secretary/Panchayat Secretary as Convener. In urban areas the Urban Poverty Alleviation (UPA) Project Officer will be the Joint Convener.

The advantage of this system is that it is managed wholly by the representatives of the poor and has the leverage of a non governmental organisation which helps in channeling additional resources from various sources both internal and external. The CDS at local body level facilitate both autonomy and effective linkage with Local Self Governments

A. II- Women Empowerment – the Kudumbashree Model

Empowerment of poor women is a process that enables individuals and groups to realize their full identity and powers in all spheres of their life. This process provides opportunities for greater access to knowledge, skills and resources Gender equality and empowerment of women is accepted universally as an important aspect of development. It is obvious that there is a high gender gap in literacy, high dropout rate in girl students, high incidence of crime against women, high negligence in economic freedom, low involvement in decision making and very low recognition for their efforts and contribution in agriculture and allied sectors in India.

The State Poverty Eradication Mission, which aims at eradicating absolute poverty within a definite time frame, opted to achieve the goal through empowerment of women. *The working slogan of the Mission is to reach out the family through women and reach out the community through family.* The process of empowerment is by following sequential steps right from organizing them in to Community Based Organisation.

Neighbourhood groups (NHG) being the basic unit of our women folk where they are free to ventilate their feelings, discuss their problems, share their joy, learn many new things and make joint effort to find solutions to their grievances. This is a platform, where, they discover themselves - their strengths, weaknesses and possibilities - to improve their present status of poverty. Hence, the first step of empowerment that is self-discovery of the poor women takes place in the weekly meetings of the Neighbourhood Groups.

The NHGs are strengthened by nurturing it with facilitation trainings, education and strong support system of the Government, especially the support of Local Self Government. These support system strongly motivate them to come up with their dreams and Action Plans, which is the second step of their empowerment process. Then they start acting on the dream plans and on the process, they feel highly confident and empowered which results in the improvement in their poverty status. The processes include Political, Social, Educational and Economic aspects.

Political Empowerment

The women identified from poor families using 9 non-economic parameters are first admitted in the NHGs and from there; they were given the opportunity to move towards the leadership of the NHG. Each NHG has a five-member leadership team and these five member volunteer team constitute the general body of the Area Development Society (ADS). A seven-member team is further elected from the general body and again the elected members of all wards in a local body further constitute the general body of the Community Development Society at local body level. A nine-member committee with a Chairperson and vice Chairperson is elected and positioned at local body level. Being a member of the federation each women hailing from poor families gets an opportunity to rise to the leadership from the NHG to CDS. In every Village Panchayat, a slow and steady political process of elevating women to different tiers of leadership is visible.

Social Empowerment

The women especially of poor families once confined to the limited circle of their household is now enabled to actively participate in the NHGs, discuss the issues affecting their family and society at large. They are now organised to fight against the evils of the society such as illicit brewery, atrocities against women, illiteracy etc. They mobilize human resource and agitate against the social evils

Educational Empowerment

The self learning process they undergo through practical experience by mobilizing thrift, disbursement of loans, operating bank accounts, approaching banks for loans and undertaking small livelihood activities enables them to excel in their life and it is an educational experience that no formal school can offer. They are also facilitated to inquire in to the educational developments of their offspring to prevent intergenerational transmission of poverty.

Economic Empowerment

To eradicate poverty it is essential to bring in prosperity by actively involving in livelihood activities. The members of NHGs are facilitated to undertake small livelihood activities to improve their living conditions. The starter point is the thrift and credit operation through which they learn the basic lessons of economic development. In Kudumbashree the cumulative thrift collected by the 151406 NHGs amounts to Rs 1041 crores and the loan generated among its members are Rs 4591 crores(as on Nove 2011). Involvement in the micro enterprises not only enables them to get rid of the poverty situation by improving the living conditions but they learn new lessons that could lead them to develop their personality, inculcate a sense of activism, to take up an active role in their family life and ability in decision making and beyond everything they thrive across the gender barriers.

A.III- The activities- the right tools for poverty eradication Microfinance

Microfinance is conceived as the best strategy to tackle poverty all over the world especially after Prof: Mohammed Yunus experiment with the Grameen Bank in Bangladesh, even though it invited some criticism recently. The Kudumbashree model of microfinance largely different from the Bangladesh model. 'To reach out to families through women and to reach out community through the family' is the working slogan of the Mission. When Kudumbashree reaches the family through its members, there we feel the presence of children, aged, adolescent girls, youth, etc with specific problems of the category. Besides, the multiple deprivations faced by the family in respect of the basic minimum needs, the problems faced by each individual in the family increases its vulnerability. This situation has prompted the Mission to chalk out a set of programmes to address the varying need of the members of the family.

(a) Thrift & Credit

Kudumbashree promotes Thrift mobilization by setting up Thrift & Credit Societies at NHG level to facilitate the poor to save and to provide them cost effective and easy credit. Thrift and credit Societies facilitate easy and timely credit to the un-reached. A member can avail loan up to a maximum of four times of his savings. The amount of loan and the priority of disbursement are decided by the NHG. The repayment is collected weekly during the routine NHG meetings. The income towards interest from thrift is generally used for re-lending. The most important aspect of the thrift and credit societies is the prompt repayment of loans. Thrift and credit societies organised by the Kudumbashree are fastly growing as Informal Banks of the poor women at their doorsteps. Most of the thrift societies are now capable of providing assistance even to income generating activities.

(b) Bank Linkage Programme

Efficiency and effectiveness of NHGs are to be verified on the basis of some objectively verifiable and easily identifiable parameters. NABARD has developed a 15-point index for rating NHGs on the basis of which they will be allowed to link with various banks under the Linkage Banking Scheme. Once the groups are linked, they will be eligible to receive finance in the ratio ranging from 1:1 to 1:9. The assistance so received can be utilised by the groups for internal lending and taking up of Micro Enterprises. Under the leadership of Kudumbashree District Mission Team, efforts are being taken to verify the performance of NHGs through out the State.

Micro Enterprises

Kudumbashree views Micro Enterprise Development as an opportunity for providing gainful employment to the people below poverty line and thereby improving their income and living standard. In the experience of Kudumbashree micro enterprise development is an emerging process which will start with low

capital low risk and low profit at the initial stage which will gain momentum and later switch on to low to medium capital and then to low to medium risk. In an advanced stage, it may even reach medium capital medium risk and medium profit with appropriate technology, emerging technology or even with low technology.

Micro Housing

Micro housing is an innovative housing programme designed by Kudumbashree to cater the housing need of the poor families in Kerala. Kudumbashree implementing this programme with the active support of Nationalized, Scheduled Commercial and Private Sector banks in Kerala. Under this programme poor families, who are in dire need of constructing new houses are able to avail loans from banks and the repayment of which is ensured by tri-party agreement between the beneficiaries, the Community Development Societies and the Financial institutions/Banks.

Lease Land Farming

In spite of the fact that Kerala is a thickly populated state and there is shortage of land, large areas of cultivable land is kept idle in the State due to the waning interest in agriculture. On the other hand, thousands and thousands of poor families who are ready to do anything for a livelihood do not have land to venture into agriculture sector. When paddy cultivation became a non-lucrative affair, farmers of the state deserted paddy fields. Kudumbashree found this as an opportunity. Neighbourhood Groups of the mission were given encouragement to start paddy cultivation. Many groups have identified the immense potential of lease land farming. Lease land farming is beneficial both to the landless poor women of Kudumbashree and the landowners who are not interested in paddy cultivation.

Ashraya - Destitute Identification Rehabilitation and Monitoring Project

While implementing the poverty alleviation programmes it has been observed that the programmes implemented by the Government and other agencies never reach to the rock bottom poor who live in utter distress and despair who are very small in number- not more than 2% of the total population. Even if anything reach to them that tantamount to doles of charity and that too never helped them to cross the borders of poverty. They are destitutes. They are the poorest of the poor. They are outliers of the development scenario in the negative extreme. They live at the margins of the economy, society and polity. They do not have a “voice” or the power of “choice”. The destitute families were identified using transparent risk indices framed by the Mission and a participatory need assessment was made to assess the needs of each family.

Balasabha

The children from poor families are organized to develop their intellectual faculties by performing cultural activities from time to time. Termed as “Balasabhas” in local language it functions as a platform of the children to help develop their overall capabilities that combines education, entertainment and empowerment.

Solid waste management

Solid waste is serious menace for all the urban and semi urban areas of Kerala Now *Kudumbashree* mission try to tackle this problem by setting up ‘Clean Kerala Business’ units in an organized and planned manner entrusting to women entrepreneur groups to segregate, collect and transport solid waste from the households, commercial establishments, hotels, etc..

Special employment programme for educated youth

A special employment programme for the educated youth has been initiated and 50,000 educated youth were assigned with the task of “Kudumbashree” such as identification process, setting up of innovative micro enterprises, etc.

Special School – the Buds

Special Schools, called ‘Buds’, are set up aiming at providing for the developmental, social and emotional needs of the disabled children. These children are being provided with the necessary medical attention, physical and mental therapy, mobility equipment, hearing aids and vocational and educational training.

The S3 Programme

“Kudumbashree” addresses the multifaceted deprivations of the poor families, which lack food, health care, education, basic amenities such as shelter, drinking water, safe latrines and employment. It is felt that poverty reduction would foster economic development if it sustains the secured gains. So, sustainability economic development assumes greater importance in the process of attacking poverty. So much so, “Kudumbashree” has evolved a project to build a model in select panchayats on the concept of comprehensive development. The projects focus on self sufficiency, self reliance and sustainability (S3) of the village panchayats. The project envisages to addressing the problems of child development, geriatric care,

mentally and physically challenged, education, adolescent care, women empowerment, enterprise development, unemployment of the educated youth, agriculture/animal husbandry/ dairy development, revamping the traditional sectors basic minimum needs and destitute identification and rehabilitation.

GRQ (Goat-Rabbit-Quail) project

The Goat-Rabbit-Quail Project is a unique micro enterprises project for rearing the three species together to earn a steady income to the family entrepreneurs. The predominantly non-vegetarian population of Kerala necessarily ensures the potential market for the produce.

The GRQ project aims at utilizing the inherent advantage of the homestead farming practiced by number of families. Quail rearing as an activity can ensure a weekly cash flow and that combined with the quarterly and half yearly cash flow of rabbit and goat would ensure a source of steady income to the family.

SECTION B

What went wrong – The research experiences

After chalking out the right ways and approaches of Kudumbashree programme in Kerala, Now let us examine the wrong practices which found by various researchers and the press persons. These wrong practices pull back the project from reaching to its potential achievements

A recent survey of the performance of Kudumbashree units in a few selected panchayat, which is reported in SIDNET research briefing no 4, has brought out certain factors, which have come in the way of realizing the objectives of the mission The government's decision to limit the activities to women belonging to below the poverty line (BPL) has made its reach very small in relation to the total population and overall credit needs. The educated and middle class women, as a result, withdraw from the scheme. Lack of management expertise, non-availability of raw materials, faulty planning, lack of coordination between panchayats and Kudumbashree units, and poor marketing were other observed deficiencies. The report of the Kerala Sastra Sahitya Parishad which reportedly conducted the study has recommended broad-basing of the programme to include all those who want to participate, decentralisation of the mission to facilitate local orientation, imparting leadership training and entrepreneurship skills to women and improving the marketing network for the Kudumbashree products.

Kudumbashree, the poverty eradication mission of kerala, aims to enhance women's economic development and enable women to become 'active citizens'. No doubt the programme has been largely achieving in respect of the numbers of women involved, their levels of engagement with the local governments, and their increased ability to save money and access subsidised credit. However the field experience arises some questions regarding the sustainability of the mission as a result of local political cultures and sustained patterns of social exclusion, some of the poorest and most marginalized and backward women find it difficult to access the programme, many of the women who are involved still lack decision-making power and autonomy and the empowerment is suspected to be polarized to certain 'insiders' and making a lion share of the members the 'outsiders' and find it particularly difficult to achieve leadership roles within Kudumbashree groups. And more over the increasing concern about the sustainability of the income generating activities and the micro enterprises also creates doubts about the achievement of the objectives of the Kudumbashree programme and even it leads to further indebtedness and worsening their economic conditions. The important defects found by various researchers and field experiences are shown below;

1. Struggle for power

The Kudumbashree units have become powerful in mobilizing people and in accessing funds. The functionaries of CDS at panchayat level and of ADS at ward level have developed a spirit of competition with elected members of panchayat in several cases. It is a fact that conflicts exist at the local level between CDS/ADS and PRIs, especially in controlling Kudumbashree units. According to a study of Jacob John around 60 percent of the respondents reported in the field survey by Jacob John that these conflicts and lack of coordination between CDS and local government occurs when the leadership of the two is from different political groups. According to 40 percent respondents, such situation arises mainly due to personal reasons such as ego clash and urge for using and asserting power.

According to SIDNET Research Briefing No. 4, women's roles within the NHGs were still mediated by local gender norms, and by the actions of existing power holders. For example, some women were unable to choose for themselves whether or not to participate in Kudumbashree groups. The local political context also had an effect on women's participation, and on the autonomy of the groups. For example, one of the panchayats in the study was completely dominated by a single political party, and it was clear that its Ward members were directly overseeing the actions of the Kudumbashree groups on a day-to-day basis. This meant that the scope for independent action by Kudumbashree women was limited, and that they were effectively excluded from the arenas where real decision-making was taking place. It is a fact that some local government leaders view

Kudumbashree functionaries as alternative 'power centers' The increasing financial strength and autonomy of Kudumbashree and its potential to become the political training ground for women have started giving concern to many local government leaders.

2. Politicalization – the emergence of 'Janashree'

According to the Jacob John's study misuse of Kudumbashree for vested interests are reported during the field survey by Jacob John. About 35 percent of respondents reported that members of NHGs are compelled to carry out work for political parties and instructed to attend meetings and rallies of political party which is in power of the concerned local government. It is reported that those who fail to attend meetings and rallies of political party have to pay a penalty of a small amount of Rs.50- Rs.100. About 23 percent respondents reported that NHG units dominated by the members or supporters of political party in power in local government received preferential treatment in receiving incentives and benefits. Congress (I) the major constituent of UDF has launched "*Janshree*" programme recently replicating the model of Kudumbashree programme due to the impression among the UDF that LDF especially its major constituent, CPI (M) has been using the Kudumbashree programme for meeting the interest of their party by utilizing their majority in the local self governments.

3. Social exclusion

Although overall participation in Kudumbashree was high, non-participation reinforced existing patterns of social exclusion. For example, due to constraints on money and time, women from some of the poorest households found it difficult to play leadership roles, and some were unable to join the groups at all. In addition, socially excluded groups such as the Nayadi community, a formerly 'untouchable' group, had much lower rates of participation. Group membership – let alone leadership – thus remained difficult for some of the poorest and most marginalised women. Some group-based exclusion was voluntary, for example some women chose not to join the programme as they wanted to remain politically independent and felt that joining the programme was tantamount to pledging support to the Communist Party of India (Marxist).

4. Overloading

Increasing workload assigned to the functionaries of the Kudumbashree make the members averted to the voluntarism. According to Jacob John's study about 36 percent of NHG respondents and 42 percent of ADS respondents felt that their work load exceeded the reasonable level. Office bearers of NHGs and ADSs are bound to perform many tasks and duties, especially in the context of assigning more and more roles to Kudumbashree in the execution of development programmes. Considering the fact that most of Kudumbashree members are housewives having family obligations, continuous multiplication of task could be counterproductive in terms of efficiency in delivery. Over 23 percent respondents from ADS category expressed unhappiness for not being paid for their work as office bearers of CDS are being paid honorarium for similar work. If the Kudumbashree were not overloaded with work and care is taken not to use the project as a party-based organization, there is great hope for better women's agency in the state.

5. Delayed services

About 24 percent respondents in the field study of Jacob John reported the cases of deliberately delaying the release of funds to Kudumbashree by the local governments and even diversion or non-release of funds meant for the programme. This situation occurs when the relationships between CDS and panchayat get strained due to political or non political reasons.

6. Lack Economic Empowerment.

Economic empowerment is considered an important measure of poverty eradication and empowerment. According to MA Oommen's study The perceptions of the members about themselves are indeed important. Our study shows that economic empowerment was the least impressive impact of Kudumbashree. It is distressing to note that as high as 75.6 per cent reported no improvement in assets and 59.4 per cent no improvement in income. And moreover 41.01% still believe getting bank loan is the toughest task. Only less than 2 per cent said that their conditions have 'greatly improved'. Nearly 91 per cent ST households and 82 per cent of SC households have not reported any increase in income or assets.

Table: 3. Level of Empowerment among Kudumbashree Members

Empowerment	Not Improved %	Fairly Improved %	Greatly Improved %	Total %
Organisational Empowerment				
Ability to collectively bargain for a common cause	12.90	68.25	18.85	100.00
Social position among family members and relatives	21.57	56.68	21.75	100.00
Social position among neighbours and other people in the community	17.29	58.62	24.09	100.00
Skill / ability to plan projects	9.31	62.57	28.12	100.00
Ability to organise group activity	11.51	56.09	32.40	100.00
Economic Empowerment				
Income	59.44	39.01	1.55	100.00
Asset holdings	75.64	23.26	1.10	100.00
Savings	14.34	81.54	4.12	100.00
Chance of getting bank loan	41.01	50.53	8.46	100.00
Leadership Empowerment				
Address a group	16.64	62.16	21.20	100.00
Feeling of self confidence	10.32	55.29	34.38	100.00
Overall capabilities	7.13	62.43	30.44	100.00
Knowledge Empowerment				
Awareness of Women's Empowerment	18.64	52.95	28.41	100.00
Awareness of Women's rights	18.62	46.17	35.21	100.00
Awareness on gender discrimination	21.08	49.36	29.55	100.00

Source: MA Oommen.

7. Cross borrowing and indebtedness

The success stories of Kudumbashree often highlight its high repayment rate but the reality of the repayment revealed by recent studies is eye opening. MA. Oommen in his working paper entitled "Microfinance and poverty alleviation: the case of Kerala poses an issue of raising indebtedness among Kudumbashree members by cross borrowing. According to his study " the indebtedness of Kudumbashree families is of a very high order (Rs.19235) and is equal to the average indebtedness of rural household (Rs.19666) as reported in the NSS 59th round.

According to another study by D Ajit, most of the households (around 50 percent) were found to have multiple memberships in other micro-credit organizations. This enables them to double dip and to smoothen the timing of the repayment. Thus, the availability of funds from other micro-credit organizations raises questions about whether micro-credit reduces the vulnerability of the poor. It is suffice to say that the availability of micro-credit widens the borrowing possibilities of the poor. In the absence of positive returns from micro-enterprises (as in the case of many non-agricultural activities), it could lead to more indebtedness among borrowers. Households were also found to borrow outside the micro-credit set up from informal sector (like moneylenders, local chit funds, etc.

8. Unsustainable micro enterprises

The results of the field survey by Jacob John reveals that about 80 percent SHG members who are running micro enterprises lack entrepreneurial skills. Above 60 percent enterprises are found to be unsustainable but continue to operate to avail the subsidy and other facilities from government. Over 38 percent of the respondents complained that they have been facing stiff competition from enterprises of neighboring Kudumbashree. They have felt that the competition between such units is by and large unhealthy. The same experience is reported by MA Oommen through his study in 393 micro enterprises spread over the districts of Thiruvananthapuram, Kollam, Malappuram, palakkad and Wynad which shows that 35% don't break even.

Table: 4. Working and Non Working Enterprises by Type

Type of Enterprise	Working	Non-Working	No. of Member		SC/ST Members	
			At the beginning	At the time of inquiry	At the beginning	At the time of inquiry
1. Agriculture						
i. Herbal & General Nursery	-	1	10	-	-	-
ii. Goat Rearing	4	-	38	35	-	-
iii. Rabbit Rearing	1	-	10	5	10	5
iv. Dairy units	4	-	46	45	1	1
Total	9	1	104	85	11	6
2. Industries						
i. Paper Bag	1	-	13	7	7	4
ii. Ready Made Garments	1	-	10	8	2	2
iii. Handloom	2	-	20	20	-	-
iv. Nutrimix	2	-	10	9	5	4
v. Kerasree	-	2	20	-	10	-
vi. Craft Units	-	2	20	1	14	1
vii. Paper Cup	-	1	10	10	10	10
viii. Detergent unit	-	1	1	-	1	-
Total	6	6	104	55	49	21
3. Services						
i. I.T. Unit	1	-	10	6	4	2
ii. Provision	2	-	15	9	4	1
iii. Catering	2	-	15	12	3	2
iv. Clinical Lab	1	-	1	1	1	1
v. Hire service	-	1	10	-	-	-
vi. Canteen	-	1	10	-	-	-
Total	6	2	61	28	12	6
Grand Total	21	9	269	168	72	33

Source: MA Oommen

From the table it is observed that out of total 30 enterprises only 21 units are now working and out of the initial 269 members in microenterprise only 168 remaining in the enterprises and more over out 72 SC/ST members only 33 continues in the enterprises. The case studies of 31 group ventures under Attingal Municipality, Thiruvanthapuram district during 1997-2007 by Jacob John have raised certain basic problems of micro enterprises supported by Kudumbashree. Interviews with these enterprises reveal that most of these units, especially non- trading and non service, are not remunerative. Even so, they prefer to continue the operation to avail the benefit of subsidy of the loan, the patronage of the state government. It should be noted that the total cost of the project is financed through loan from bank and its 50 percent is subsidy from the government. However, this subsidy part of the loan will be given only after the repayment of the first 50 percent. This provision has been compelling some of these unviable units to continue the operation and it is almost certain that they will be forced to close down after the closure of the loan by adjusting against the subsidy portion. As shown in table 4.16, out of 31 units 11 are income generating units against 13 loss-making while 7 are closed. In these group ventures, an average of eight persons is with the income generating units against 4 for the loss making units. It should also be noted that average monthly income per head for the income generating units is in the range of Rs.500- Rs.4000.

9. Group Ventures

The case study of 31 group ventures in Attingal municipality by Jacob John reveals that about 36 percent units are generating income while about 42 percent are loss making. The remaining 22 percent are already closed down. It may be noted that some of the loss making units are on the way of closure. It is found that loss making enterprises remain in operation just to avail the benefit of subsidy offered by the government.

Table: 5. Status of Self employment group ventures

	Operational income generating Units	Operational loss making Units	Closed	Total
Number	11	13	7	31
Percent	35.48	41.94	22.58	100
Members per unit average (Nos)	8	4	NA	
Average monthly income per head range(Rs)	500 - 4000	(-)300 - 0	NA	NA
Repayment	Regular and Timely	Irregular and Delayed	No repayment after the closure & Arrears adjusted with subsidy	

Source: Jacob John

These subsidies are in the form of non repayable portion of loan, office space free of rent or at nominal rate, etc. In view of economic liberalization and globalized economy industrial scenario and consumption pattern has been changing fast in India, in general, and Kerala, in particular. It is found that 63 percent of micro enterprises under survey do not have the vision, strategy and strength to compete with the business rivals. They are quite keen to continue the operation availing the patronage of state government.

10. Micro enterprises: problems reported by members

A wide range of problems encountered by micro enterprises under Kudumbashree programme are reported during the field survey by Jacob John. As is evident from table 5.2 prominent among them are tough competition from other business rivals (45%), inadequate support from KUDUMBASHREE mission (48%), poor marketing skills & lack of marketing strategies (29%), poor quality of the product (23%), lack of advertisement (31%) and lack of team work in the case of group ventures (22%). It is interesting to note that many units (38%) have been struggling from the competition from other Kudumbashree units

Table: 6. Problems reported by Kudumbashree enterprises

Descriptions of problems	%of respondents
Poor quality of the product	23
Poor marketing skills & lack of marketing strategies	29
Poor management skill	16
High cost of production	21
Shortage of working capital	19
Scarcity/Unavailability of raw material	18
Tough Competition	45
Competition from other Kudumbashree NHGs	38
Lack of advertisement	31
Lack of team work	22
Low ability to bear risk	15
Family responsibility	23
Inadequate support from Kudumbashree mission	48
Inadequate training	52

Source: Jacob John

11. Housing programme and high interest rate

The results of field study by Jacob John reveal that the recent increase in the interest rate has dampened the spirit of many poor families in availing the benefit of the scheme. It is reported that the interest rate has increased from the level of around 7.5 percent to 11.5 – 12.5 percent. Around 5 percent of beneficiaries of *Bhavanshree* programme reported that their house construction is left unfinished due to the shortage of funds.

12. Measuring poverty

Some of Kudumbashree members are already identified officially under APL category and have not been availing benefits meant for BPL. It is a matter of concern that over 14 percent of BPL members do not appear as belonging to poor families. The field investigation by Jacob John found that 9- point criteria for

measuring poverty is not followed while forming NHGs. As a result a considerable number of families belonging to APL are covered under the programme. The feedback from respondents shows that undeserved families managed to avail benefits of BPL families due to the political patronage. Moreover, BPL families continue to avail benefits even after they move out of BPL. A recent study has also revealed this fundamental problem and drew two major conclusions. "One, the identification of the poor, based on the 4/9 criteria has not been strictly followed. Our discussions as well as interactions with members have convinced us that several external factors notably the ward members influence the choice of the NHG members. Rational and criteria – based formation is rendered difficult in such a context. It may also be because the mission authorities are indifferent or not strict in following the criteria. Two, there is no programme to escort out those who graduate from the BPL situation" (Oommen 2007).

13. BPL List and Selection of Beneficiaries

During our field survey by Jacob John, many households who have been living in well- constructed houses with modern household appliances are found to be included in the existing BPL list availing the benefit of government schemes under Kudumbashree. Some of them were found living in even quite expensive houses. It is a fact that the existing BPL list contains several undeserved people mainly due to the interference by the powerful and officials in the preparation of the list. Currently the preparation of new BPL list is underway in Kerala and it is reported that many from high income groups are getting included as needy and deserving poor families are excluded in the draft BPL list just published by the concerned local government institutions.

14. Micro credit: Lack of monitoring

There is no proper follow up or monitoring mechanism to ensure that the loan is used for the declared purpose. The results of the field survey by Jacob John reveals that around 15 percent members who take loan from Thrift and Credit Society as well as from banks through bank linkage programme do not use the fund for the purpose for which the loan is availed. For example, in the district of Alapuzha, some NHGs, who availed the loan from the bank but could not undertake a viable project, re lend the money at the interest rate of Rs.5 per Rs 100 for one month. According to him "In Kudumbashree there is no monitoring of the utilization of loan availed by the members. There are several cases of using the loan for the purposes other than what the members indicate. In micro credit programme run by the catholic church regular follow up and monitoring is built up to avoid such situation. This will ensure the proper utilization of loan. Those who take loan for purchasing cattle for their livelihood cannot divert the loan for any other purpose".

CONCLUSION

Kudumbashree, the poverty eradication mission has evolved as a strategic tool for poverty eradication and women empowerment. Women have started identifying their strength as a result of joining in the Kudumbashree programme. No doubt it has contributed to the socio economic development of the women folks both in rural and urban areas. All these are the bright outer face of the Kudumbashree. Despite the remarkable achievements, there are clouded and hidden deficiencies, which will work against the established goals of the mission affecting the sustainability and other serious problems in future. The over politicalisation, the loss making micro enterprises, the cross borrowing practices, the misutilisation of funds etc darkens the shining image of the project. The high interest rates especially in housing programmes is a trap against the beneficiaries and making such programmes interest free will make it really empowering. It is high time to think about tackling these defects, otherwise it will lead to a vulnerable end of this programme acting against women and poverty eradication mission. Now the approaches are going the right ways but practices are in conflict with the approaches and hence go in wrong direction. Hence the "Kudumbashree" practices need an urgent treatment; otherwise it will remain as another platform for exploitation of women and extravagance of state resources.

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