

Help yourselves through Self Help Groups

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Geeta, Shireen, Rosy and Simran are all neighbours in the slum colony, that has come up in the open ground near the airport. They all are young, married and have children. Their husbands are employed as skilled labourers. All these four women have one thing in common-acute poverty. They all have a collective desire to better their condition and they are ready to work hard. What can they do?

Geeta meets Shireen, Rosy and Simran every day, while dropping the children to the municipal school. They have become good friends and discuss mutual problems. As they lament about their poor condition loudly, a lady in her thirties approaches them. Her name is Madhuri. She is a social worker. Madhuri asks these women to seek other women in their neighbourhood and form a Self Help Group (SHG). Madhuri explains that this group will be for making collective savings and availing small loans for urgent family expenditure. This group will have its own rules and they have to meet every week. One of the Members will be elected as the leader of the group and one of them will have to write accounts. Madhuri tells them that such groups have been formed in several countries for savings and micro credit. The group helps the individual members in times of need.

The women willingly get the support of their friends to form a self help group with nearly 20 members. Madhuri meets them in Geeta's home and introduces the idea of forming a Self Help Group. They all agree to form a group and make rules for their activity. They agree to save at least Rs 100 every month. Thus in a month, they can collect Rs. 2000. Out of this corpus amount, the members can avail of loans not exceeding Rs 2000 for urgent expenditure and pay the amount back in instalments with a small interest of 5 per cent. In case of delay, they will pay a small fine too. If any member fails to repay the amount, the other members will ensure that she would pay the amount by coaxing her or helping her. Madhuri then tells them to deposit their collective savings in a bank deposit, after meeting with their requirement. They deposit Rs. Fifty thousand in a local cooperative bank at the end of 6 months from the date of formation.

This group functions very well for 6 months and all the women are now happy and confident. All the women have become very good friends. Meetings are held in one member's house by rotation. Shireen is very good at keeping the accounts and she has maintained a Book. She also records what happened at each meeting. Madhuri attends their meetings occasionally.

One day, during their weekly meeting, Madhuri asks them what they can all produce which can be sold in the market. Rosy and Simran and four other have hand sewing machines at home. Madhuri asks them whether they can stitch shopping bags made out of fabric, which can be sold in shops. Plastic bags are harmful to the environment, but cloth bags are not. They are also economical as they can be re used any number of times.

When the savings in the bank have grown to Rs 1 lakh, the Group takes a loan of Rs. 20000 from the bank and purchases 4 assembled sewing machines. In addition to the 2 they had, they now have 6 machines.

The women plan the activity. While Rosy and Simran and other 4 women would actually stitch the bags within their homes, the other women will help them in buying fabric and thread and help in other activities like getting orders from shop keepers, delivering the bags, go to bank to repay the instalments and other necessary work. Once the bags are stitched, they will sell them at two different markets.

It is two years, since they have started this activity. They call their SHG, Mahila Swayam Sudharak Sanstha. The group has increased in number to thirty. They are earning a profit of 10per cent on the cost of bags. This profit is being distributed among members. The bank is happy to advance them money as they are prompt in repayment. Their bags are very popular and a boutique has given them bulk order to make exclusive bags for it. Each Member is now confident that her effort is paying rich dividends. Madhuri is happy that this SHG, which she formed has done well.
