



## Self Help Group Kudumbashree

**For Prelims:** [Self Help Group](#), [Kudumbashree](#), [Poverty Eradication](#), [NABARD](#), [Local Self Governemtns](#), [Ujjawala Yojna](#).

**For Mains:** Role of Self-Help group in Women Empowerment and Poverty Alleviation.

### Why in News?

Recently, the President of India has inaugurated the **25<sup>th</sup> anniversary** celebrations of **Kudumbashree**, the largest **Self-Help Group (SHG)** network in the country.

- The president also released a handbook called "chuvadu" (meaning footsteps) that outlined ideas for the **future of the movement and highlighted its achievements** so far.

### What is Kudumbashree?

#### ▪ About:

- Kudumbashree was established in 1997 in Kerala, aiming at eradicating poverty and empowering women following the **recommendations of a government-appointed** task force.
  - The mission was launched with the support of the Government of India and **[NABARD \(National Bank for Agriculture and Rural Development\)](#)**.
- Kudumbashree meaning 'prosperity of the family' in the Malayalam language and therefore focuses on poverty alleviation and women empowerment, promoting democratic leadership and provides support structures within the "Kudumbashree family."

- **Operation:** The mission operates through a **Three-Tier structure** consisting of,
  - **Neighbourhood Groups (NHGs)** at the primary level
  - **Area Development Societies (ADS)** at the ward level
  - **Community Development Societies (CDS)** at the local government level.
    - This structure forms **a large network of Self-Help Groups**.

#### ▪ Goal:

- The goal of Kudumbashree is to eliminate absolute poverty within a specific timeframe of 10 years, with the active involvement of local self-governments.
- Through its mission and self-help group approach, Kudumbashree aims to uplift families and empower women to improve their socio-economic status and overall well-being.

#### ▪ Significance:

- It has empowered women, generated employment, alleviated poverty, and initiated various social initiatives.
- It has become **Kerala's biggest social capital, and its members have become elected representatives in local government bodies**.
- During a severe flood that occurred in **Kerala five years ago**, Kudumbashree, the self-help group network, **donated Rs 7 crore to the Chief Minister's distress relief fund**.
- They contributed more money than tech giants like Google and Apple and even surpassed the contribution of the Bill and Melinda Gates Foundation.
- Many of the Kudumbashree workers themselves were **victims of the flood, but they still wanted to help others** by contributing to the relief fund.

## What is a Self-Help Group?

### ▪ About:

- Self-Help Groups (SHGs) are informal associations of people who choose to **come together to find ways to improve their living conditions**.
- It can be defined as a **self-governed**, peer-controlled information group of people with similar socio-economic backgrounds and having a desire to collectively perform a common purpose.
- SHG relies on the notion of “Self Help” to encourage self-employment and poverty alleviation.

### ▪ Objectives:

- To build the **functional capacity of the poor and the marginalized** in the field of employment and income generating activities.
- To resolve conflicts through collective leadership and mutual discussion.
- To provide **collateral free loan** with terms decided by the group at the market driven rates.
- To work as a **collective guarantee system for members who propose** to borrow from organised sources.
  - The poor collect their savings and save it in banks. In return they receive easy access to loans with a small rate of interest to start their micro unit enterprise.

## What is the Role of SHGs in Women Empowerment and Fighting Poverty?

### ▪ Economic Empowerment:

- SHGs provide women in rural areas with an opportunity to create independent sources of income. Women can utilize their skills and talents to start their own businesses and become financially self-reliant.
- Access to capital through SHGs enables **women to invest in their ventures and expand their economic activities**.

### ▪ Overcoming Social Barriers:

- SHGs play a crucial role in **challenging regressive social norms** and **empowering women** to take on decision-making roles.
- Through participation in SHGs, women gain confidence, assertiveness, and leadership skills, which help **them challenge gender stereotypes**.
  - Empowered women actively participate in local governance (e.g., gram sabha) and even contest elections.

### ▪ Improved Socio-economic Status:

- Formation of SHGs leads to a **multiplier effect in improving women's status** in society and within their families.
- Women experience enhanced socio-economic conditions, including better access to education, healthcare, and resources.
- SHGs contribute to women's self-esteem and confidence by providing them with a platform to voice their opinions and contribute to decision-making processes.

### ▪ Access to Financial Services:

- SHG-Bank linkage programs, pioneered by organizations like **NABARD**, **facilitate easier access to credit for SHGs**.
- Priority Sector Lending norms and assured **returns incentivize banks to lend to SHGs**.
- This reduces women's **dependence on traditional moneylenders** and non-institutional sources, leading to fairer and more affordable financial services.

### ▪ Alternative Employment Opportunities:

- SHGs provide **support for setting up micro-enterprises**, offering women alternatives to agriculture-based livelihoods.
- Women can establish personalized businesses such as tailoring, grocery shops, and repair services, diversifying their income sources.

## What are the Initiatives Related to Women Empowerment and Poverty Alleviation?

- [Ujjawala Yojna](#)
- [Swadhar Greh](#)
- [Pradhan Mantri Matru Vandana Yojana](#)
- [Pradhan Mantri Mahila Shakti Kendra Scheme](#)
- [Mahila e-haat](#)
- Mahila Bank
- Mahila Coir Yojana
- Women Entrepreneurship Platform (WEP)
- Support to Training and Employment Programme for Women (STEP) Scheme

## UPSC Civil Services Examination Previous Year's Question (PYQs)

**Q.** Can the vicious cycle of gender inequality, poverty and malnutrition be broken through microfinancing of women SHGs? Explain with examples. **(2021)**

**Source:** [DTE](#)

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