1. **Poverty**

What Is Poverty (Definition)

Poverty has been described as a situation of “pronounced deprivation in well being” and being poor as “to be hungry, to lack shelter and clothing, to be sick and not cared for, to be illiterate and not schooled…Poor people are particularly vulnerable to adverse events

outside their control. They are often treated badly by institutions of the state and society and excluded from voice and power in those institutions.”

**Poverty In India**

Poverty in India is widespread. With the nation estimated to have a third of the world’s poor. In 2012, the Planning Commission reported that 21% of all people in India fall below the international poverty line of US$ 1.25 per

According to 2010 data from the United Nations Development Programme, an estimated 29.8% of Indians live below the country's national poverty line.[1] A 2010 report by the Oxford Poverty and Human Development Initiative (OPHI) states that 8 Indian states have 421 million poor people more poor people than Sub-Saharan Africa. A 2013 UN report stated that a third of the worlds poorest people live in India.

The latest UNICEF data shows that one in three malnourished children worldwide are found in India, whilst 42% of the nation's children under five years of age are underweight. It also shows that a total of 58% of children under five surveyed were stunted. Rohini Mukherjee, of the Naandi foundation – one of the NGOs that published the report – stated India is "doing worse than sub-Saharan Africa."

**Who is Poor**

Based on per capita income and consumption of nutritional food, a person who earns less than Rs.5700/- and consumes less than 2700 Kilo cal of nutritional food is considered as poor.

Severe poverty is viewed in three ways:

1. Those who are chronically or severely below the poverty line or with incomes that are 75% of the poverty line or less.
2. Those suffering hunger or not getting even two square meals a day as an extreme form of deprivation.
3. Inability to absorb the impact of shocks can also lead to extreme poverty, starvation and suicide.

The chronically poor are likely to suffer deprivation in many ways. Poverty is the sum total of a multiplicity of factors that include not just income and calorie intake but also access to land and credit, nutrition, health and longevity, literacy and education and safe drinking water, sanitation and other infrastructural facilities. Hence the need to look at multidimensional indicators of poverty such as indicators reflecting human and gender development and empowerment. State level estimates of HDI, GDI, GEM and HPI as also infant mortality estimates are presented and analysed to see if those located in areas that have a high incidence of severe income poverty also suffer deprivation in access to literacy, knowledge, nutrition, voice and infrastructure.

**Reasons Of Poverty**

One cause is a high population growth rate, although demographers generally agree that this is a symptom rather than cause of poverty. While services and industry have grown at double-digit figures, agriculture growth rate has dropped from 4.8% to 2%. About 60% of the population depends on agriculture whereas the contribution of agriculture to the GDP is about 18%. The surplus of labour in agriculture has caused many people to not have jobs. Farmers are a large vote bank and use their votes to resist reallocation of land for higher-income industrial project.

**1. Rapidly Rising Population:**

The population during the last 45 years has increased at the rate of 2.2% per annum. On average 17 million people are added every year to its population which raises the demand for consumption goods considerably.

**2. Low Productivity in Agriculture:**

The level of productivity in agriculture is low due to subdivided and fragmented holdings, lack of capital, use of traditional methods of cultivation, illiteracy etc. This is the main cause of poverty in the country.

**3. Under Utilized Resources:**

The existence of under employment and disguised unemployment of human resources and under utilization of resources has resulted in low production in agricultural sector. This brought a down fall in their standard of living.

**4. Low Rate of Economic Development:**

The rate of economic development in India has been below the required level. Therefore, there persists a gap between level of availability and requirements of goods and services. The net result is poverty.

**6. Price Rise:**

The continuous and steep price rise has added to the miseries of poor. It has benefited a few people in the society and the persons in lower income group find it difficult to get their minimum needs.

**7. Unemployment:**

The continuously expanding army of unemployed is another cause of poverty. The job seeker is increasing in number at a higher rate than the expansion in employment opportunities.

**8. Shortage of Capital and Able Entrepreneurship:**

Capital and able entrepreneurship have important role in accelerating the growth. But these are in short supply making it difficult to increase production significantly.

**9. Social Factors:**

The social set up is still backward and is not conducive to faster development. Laws of inheritance, caste system, traditions and customs are putting hindrances in the way of faster development and have aggravate" the problem of poverty.

**Poverty – Women**

More than 1 billion people in the world today, the great majority of whom are women, live in unacceptable conditions of poverty, mostly in the developing countries. Poverty has various causes, including structural ones. Poverty is a complex, multidimensional problem, with origins in both the national and international domains. The globalization of the world's economy and the deepening interdependence among nations present challenges and opportunities for sustained economic growth and development, as well as risks and uncertainties for the future of the world economy. The uncertain global economic climate has been accompanied by economic restructuring as well as, in a certain number of countries, persistent, unmanageable levels of external debt and structural adjustment programmes. In addition, all types of conflict, displacement of people and environmental degradation have undermined the capacity of Governments to meet the basic needs of their populations. Transformations in the world economy are profoundly changing the parameters of social development in all countries. One significant trend has been the increased poverty of women, the extent of which varies from region to region. The gender disparities in economic power-sharing are also an important contributing factor to the poverty of women. Migration and consequent changes in family structures have placed additional burdens on women, especially those who provide for several dependants. Macroeconomic policies need rethinking and reformulation to address such trends. These policies focus almost exclusively on the formal sector. They also tend to impede the initiatives of women and fail to consider the differential impact on women and men. The application of gender analysis to a wide range of policies and programmes is therefore critical to poverty reduction strategies. In order to eradicate poverty and achieve sustainable development, women and men must participate fully and equally in the formulation of macroeconomic and social policies and strategies for the eradication of poverty. The eradication of poverty cannot be accomplished through anti-poverty programmes alone but will require democratic participation and changes in economic structures in order to ensure access for all women to resources, opportunities and public services. Poverty has various manifestations, including lack of income and productive resources sufficient to ensure a sustainable livelihood; hunger and malnutrition; ill health; limited or lack of access to education and other basic services; increasing morbidity and mortality from illness; homelessness and inadequate housing; unsafe environments; and social discrimination and exclusion. It is also characterized by lack of participation in decision-making and in civil, social and cultural life. It occurs in all countries - as mass poverty in many developing countries and as pockets of poverty amidst wealth in developed countries. Poverty may be caused by an economic recession that results in loss of livelihood or by disaster or conflict. There is also the poverty of low-wage workers and the utter destitution of people who fall outside family support systems, social institutions and safety nets.

In the past decade the number of women living in poverty has increased disproportionately to the number of men, particularly in the developing countries. The feminization of poverty has also recently become a significant problem in the countries with economies in transition as a short-term consequence of the process of political, economic and social transformation. In addition to economic factors, the rigidity of socially ascribed gender roles and women's limited access to power, education, training and productive resources as well as other emerging factors that may lead to insecurity for families are also responsible. The failure to adequately mainstream a gender perspective in all economic analysis and planning and to address the structural causes of poverty is also a contributing factor.

* Women contribute to the economy and to combating poverty through both remunerated and unremunerated work at home, in the community and in the workplace. The empowerment of women is a critical factor in the eradication of poverty.
* While poverty affects households as a whole, because of the gender division of labour and responsibilities for household welfare, women bear a disproportionate burden, attempting to manage household consumption and production under conditions of increasing scarcity. Poverty is particularly acute for women living in rural households.
* Women's poverty is directly related to the absence of economic opportunities and autonomy, lack of access to economic resources, including credit, land ownership and inheritance, lack of access to education and support services and their minimal participation in the decision-making process. Poverty can also force women into situations in which they are vulnerable to sexual exploitation.
* In too many countries, social welfare systems do not take sufficient account of the specific conditions of women living in poverty, and there is a tendency to scale back the services provided by such systems. The risk of falling into poverty is greater for women than for men, particularly in old age, where social security systems are based on the principle of continuous remunerated employment. In some cases, women do not fulfil this requirement because of interruptions in their work, due to the unbalanced distribution of remunerated and unremunerated work. Moreover, older women also face greater obstacles to labour-market re-entry.
* In many developed countries, where the level of general education and professional training of women and men are similar and where systems of protection against discrimination are available, in some sectors the economic transformations of the past decade have strongly increased either the unemployment of women or the precarious nature of their employment. The proportion of women among the poor has consequently increased. In countries with a high level of school enrolment of girls, those who leave the educational system the earliest, without any qualification, are among the most vulnerable in the labour market.
* In countries with economies in transition and in other countries undergoing fundamental political, economic and social transformations, these transformations have often led to a reduction in women's income or to women being deprived of income.
* Particularly in developing countries, the productive capacity of women should be increased through access to capital, resources, credit, land, technology, information, technical assistance and training so as to raise their income and improve nutrition, education, health care and status within the household. The release of women's productive potential is pivotal to breaking the cycle of poverty so that women can share fully in the benefits of development and in the products of their own labour.
* Sustainable development and economic growth that is both sustained and sustainable are possible only through improving the economic, social, political, legal and cultural status of women. Equitable social development that recognizes empowering the poor, particularly women, to utilize environmental resources sustainably is a necessary foundation for sustainable development.
* The success of policies and measures aimed at supporting or strengthening the promotion of gender equality and the improvement of the status of women should be based on the integration of the gender perspective in general policies relating to all spheres of society as well as the implementation of positive measures with adequate institutional and financial support at all levels.

**Role Of CBO’S In Poverty Reduction**

**HUMANITARIAN AND STRUCTURAL DEVELOPMENT OF ORGANIZATIONS FOR POOR:**

CBOs are playing essential role for humanitarian development through joint analysis and seeking solution through different seminars and workshop, joint social activities, and application of socio-economic projects. Besides, they have introduced certain essential concepts like developing small groups, credit based cooperatives, mother welfare society and cooperatives etc. for homeless/ landless etc. and thus have strengthened the root of organizational structure for rural poverty.

**EMPLOYMENT GENERATION:**

In order to encourage the poor to participate in different economic activities and to increase their income through employment generation, several policies, methods and strategies of the CBOs have attracted the attention of some foreign development experts. CBOs usually create employment in two ways. First of all, they provide employment in their own organization and secondly, they provide loans and management assistance to individuals, which create new employment opportunity. Besides they are providing inputs, technical and skill training and development facilities to poor men and women in order to get self-employment. Thus they are significantly contributing in eradication of poverty by providing the above-mentioned essentials.

**ORGANIZING GROUPS AND PARTICIPATION OF THE BENEFICIARIES:**

One very important and effective innovation by CBOs is the strategy of organizing group wise meeting. As a result, participation of the true beneficiaries and direct objective setup is possible to achieve economic target.

Besides, It is an effective element in making the loan scheme (to economically empower the poor) successful. This type of meeting keeps up for the poor the trend of empowerment and awareness along with raise in their entitlement.

**MICRO CREDIT:**

Overall economic development is essential for poverty eradication at both urban and rural levels. Besides employment generation, per head income and scheme to increase savings is required so that a sustainable development and poverty reduction can be seen for the poor. Microfinance is another important sector that CBOs have fully utilized in reaching out to the poor. Their roles in this sector, has immensely contributed to alleviating poverty among the poor. The purpose of using microfinance to alleviate poverty is as a result of what role microfinance can play and what impact it created on the beneficiaries. Microfinance has a very important role to play in development according to proponents of microfinance.

Lending methodologies of different CBOs: Different CBOs have adopted different lending methods for their micro-credit schemes such as:

Group-based lending or Grameen Approach (lending to groups of 5-15 members)

Individual lending or financial intermediation (lending to individuals)

**INITIATING CAPACITY BUILDING:**

Capacity building is another strategy and role that helps to bridge a gap between the haves and have not in society. Capacity building is an approach to development that builds independence.

**SELF RELIANCE AND SUSTAINABLE COMMUNITY DEVELOPMENT:**

Self-reliance is another strategy that affects sustainable community development. Effective community development sits on the foundation of self-reliance. The concept of self-reliance is strategically situated within the essence of community development and is related to other concepts like mutual-help, self-help, participation of the indigenous people and rural progress. Self-reliance encourages the necessity for people to use local initiatives, their abilities and their own possessions to improve their condition.

**RELIEF SERVICES:**

The provision of food and non-food items during emergency periods and war time and other disasters periods, often see CBOs functions as important one. The provision of these items is short run but very significance in alleviating poverty.

Through the functions of providing microfinance, initiating capacity building and self -reliance, peace building projects, relief services during emergencies, CBOs could bridge the gap of poverty in India

II **Group Concept**

1. **What is a Group**

A Group is defined as two or more individuals, interacting and interdependent, who have come together to achieve certain common objectives, Groups can be either formal or informal. Groups are formidable forums of interaction at various social economic and political levels.

1. **Type of Groups**

There can be different types of groups such as formal and informal groups.

Groups are defined by the organizational structure, with specific work assignments. In informal groups the alliances are neither formal structured nor organizational determined. These groups are natural formations ion the work environment that appear in response to the need for social contract. The groups can be sub classified into command, task, interest and friendship groups.

**Definition of Self Help Group (SHG)**

Self-help groups (SHGs) are small informal associations of the women created at grassroots level for the purpose of enabling members to benefit through mutual help, solidarity and joint responsibility. The members are expected to make small savings and pursue group enterprise activities. The group-based approach enable the poor to accumulate capital by way of small savings and also help them to have easy access to formal credit facilities. The joint liability of the group enables the poor to overcome the problem of collateral security and also have an in-built mechanism of peer monitoring leading to better loan recoveries and productive credit utilisation.

**Why SHG.**

* Promote SHG and their role in community development
* Improve access to micro-finance services for women and men with micro-enterprises
* Promote the establishment of sustainable SHG that contribute to gender equality and have strong management
* Promote the participation of and decision-making by women in SHG
* Improve the living conditions of rural and urban women and men Ultimately, reduce child labour

**Need for Women SHG’s.**

Women self-help groups (SHGs) are formed with the objective of initiating help for women members in a community, particularly for marginalized women. The self help groups are expected to address the basic needs and requirements of a group of women who find it difficult to access such benefits individually within a community. Most SHGs are, therefore created to strengthen, articulate and empower the women members, meet their common needs to make them better organized for generating benefits

**Types of women Groups.**

There are various formal and informal women’s groups, which are functioning with different objectives and strategy. Many of them are formal groups created with definite and established objectives. Some of the examples of such types of Groups Given Below.

1. SHGs
2. Nomadic Groups
3. Disabled SHGs
4. Street Vendor Groups

Many of the programmes launched by Govt of India and State Govt through the Ministry of Urban Development are also functioning in different states. Such programmes cater to forming and strengthening women groups in urban communities and in establishing empowerment process for women.

Besides many informal women groups are also operational in many towns. Some of these groups are in the shape of saving groups, non formal educational groups, help committees, nursery raising groups and so on.

**Group Formation Process**

* There must be awareness building in the community about the importance and role of Self Help Groups
* Formation of Self Help Groups and imparting of training to group members and leaders
* Fixing the savings amount with members’ participation
* Formation of rules and regulations by facilitating the participation of all of the members
* Motivating groups for inter loaning
* Fixing an amount for the rate of interest as per the general consensus of the SHG members
* Motivating members to take loans for essential needs and then for CBL activities
* There should be regular monitoring and evaluation of the groups. After six months to one year the SHG will be prepared for bank linkage. There should also be an assessment of the group’s maturity.
* Formation of groups and linking them with different government schemes and programs
* Making the SHGs self-reliant in book-keeping and banking work.

**III . Group Functioning**

The basic principles on which the SHGs function are:

1. The members should be residents of the area and be homogeneous. Homogeneity can be in terms of caste, occupation, farm size, sex or income level;

2. Members should save first and utilize the funds for credit thereafter;

3. SHGs should hold regular meetings;

4. They should maintain accounts;

5. Group leaders should be elected by members and rotated periodically;

6. There should be transparency and participatory decision-making in the operations of the group;

7. Market rates of interest should be charged on savings and credit;

**A.Norms :**

Wherever two or more people come together, certain rules of behaviour develop automatically. Many of these rules are informal or governed by custom. But wherever people join together for a common objective and financial transactions take place there is a need to have rules written down. In democratic organisations, these rules must be agreed to and understood by all the members and they must be followed strictly. Any deviant behavior must be discouraged through a set procedure. To make financial transactions transparent, proper accounts must be maintained. In the absence of these the organisation will disintegrate.

Self-Help Groups are democratic institutions and they must follow the norms of democratic self-governance. These norms, necessarily in the written form, are called the bye-laws of SHGs. These bye-laws must contain the following:

* Objectives of the group
* Procedure for election of representatives
* Periodic change of representatives
* Time of meeting and periodicity of meeting
* The amount and periodicity of saving
* Operation of the bank account
* Procedure for sanction of loan, amount of loan, purpose of loan, rate of interest to be charged, repayment period
* Fines/penalties for non-attendance in meetings, late payment of savings, late or nonpayment of loan installments or other undesirable behavior
* Activities to be taken up by the group other than saving and credit
* Procedure for withdrawal from membership
* Distribution among members of income from group business

**B.Meetings**

The group decides the periodicity of the meetings, i.e., weekly, fortnightly or monthly. It also decides on the time of the meeting. Decision on time and periodicity helps in regular conduct of meetings.

* The meetings have been held regularly;
* The attendance rate of members in the meetings is high;
* The members are punctual and stay till the end of the meeting; and
* The errant members are dealt with by appropriate disciplinary measures as specified under bye-laws.

**Maintenance of Books :**

The number and types of books to be maintained are normally suggested by the SHG or prescribed under the Project. It is important to ensure that the basic books are maintained which will indicate the healthy functioning and accountability in the group. The details of number of meetings held, decisions taken in the meetings, amount of savings of the members and loans taken by the members should be verifiable. normally impart training to literate members of the groups in maintenance of books. If the groups consist of only illiterate members, either the member or other literate book keeper can maintain the books on behalf of the group members.

* The details of meetings, proceedings and attendance are maintained;
* Member-wise record of savings and credit are maintained;
* The records are up to date;
* All the members are kept informed of their savings and credit balances from time to time;
* In case of illiterate groups, a system is followed by the group members/ to verify the books maintained by an outsider; and Systems have been developed to ensure safe custody of cash.

**C.Group Developmental Stages**

When the group is viewed as a whole, definite patterns of behaviour occurring within the group can be observed. These can be conveniently grouped into stages or phases. One convenient way to describe these patterns of group behaviour is as follows:

**Stage I: The "Forming" Stage**

The initial stage in the life of a group is concerned with the formation of the group. This stage is characterized by members seeking safety and protection, tentativeness of response, seeking superficial contact with others, demonstrating the dependency on existing authority figures (e.g. trainers or facilitators), complaining about physical and trivial matters and attempts to gain approval of authority figure. Members at this stage either engage in 'busy' or hectic type of activity or show apathy.

**Stage II: The "Storming" Stage**

The second stage in the life of the group is marked by the formation of dyads and triads. Members seek out familiar or similar individuals and begin a deeper sharing of self. Continued attention to the subgroup creates a differentiation in the group and tension may appear across dyads/ triads. Members feel comfort and support in their subgroups and feel strong enough to challenge the authority figure. Strong dyads may attempt to show defiance against authority. Focus on task performance is beginning to emerge, but energy is mostly spent within the subgroup. Pairing is a common phenomenon.

**Stage III: The "Norming" Stage**

The third developmental stage is marked by a more serious concern about task performance. The dyads/ triads begin to open up and seek out other members in the group. Efforts are made to establish various norms for task performance. Members begin to take greater responsibility for their own group and relationship, while the authority figure becomes relaxed. Dissimilar members in the group are accepted and interaction among dissimilar people takes place in activities related to the task.

**Stage IV: The "Performing" Stage**

This is the stage of a fully functioning group, where members see themselves as a group and get involved in the task. Each person makes a contribution and the authority figure is also seen as a part of the group. Group norms are followed and collective pressure is exerted to ensure the effectiveness of the group. The group redefines its goals in the light of information from the outside environment and shows an autonomous will to pursue those goals. The long-term viability of the group is established and nurtured.

**IV Group Dynamics**

**A.Decision-Making**

Decision-making within a group takes place in one or more of the following ways: The plop: A decision is suggested by one individual, to which there is no response and the decision is adopted. 'Plopping" usually occurs in a new groups, where a number of members have equal status, or when one member is overly aggressive.

**Self-authorised:**

The individual who assumes authority makes a decision. The others find it easier/ convenient to accept the decision than to reject it. The essential difference between this and the 'plop' is that the 'plop' is not tendered with authority but gets adopted by default, whereas in this case the decision is tendered with the assumption that it will be adopted.

**Pairing:**

Two individuals joining forces make a decision, one floats the idea, the other seconds it and the decision is made on behalf of the group.

Minority group: The clique makes the decision and the rest accept it.

**Vote:**

The decision depends upon the number of people adhering to it. Vote may be taken by a show of hand or even by ballot.

**Consensus:**

This is essentially a minimum consent by ail. It is important to differentiate between a true and a false consensus. True consensus occurs when everyone has contributed to the discussion, all angles have been considered and everyone is in full agreement. This type of consensus, though desirable is not always possible. What can be aimed at is that everyone feels that they have had the opportunity to put forth their views and influence the decision, it was a good and open discussion, they are prepared to act on the decision taken.

**Observing Decision-making Process**

* Does anyone make contributions, which do not receive any kind of response or recognition? What effect does this have on the member?
* Does anyone make a decision and carry it out without checking with other group members? For example, he decides on The topic to be discussed and immediately begins to talk about it. What • effect does this have on other group's members?
* Who supports other members suggestions or decisions? Does this support result in the two members deciding the topic or activity for the group? How does this affect other group members?
* Is there any evidence of a majority pushing a decision through over other member's objections? Do they call for a Vote?
* Is there any attempt to get all members toParticipate in a,decisiora What effect does this seem to have on the group? Is the decision made by consensus? Are differences fully explored? Is there unanimity or full agreement?

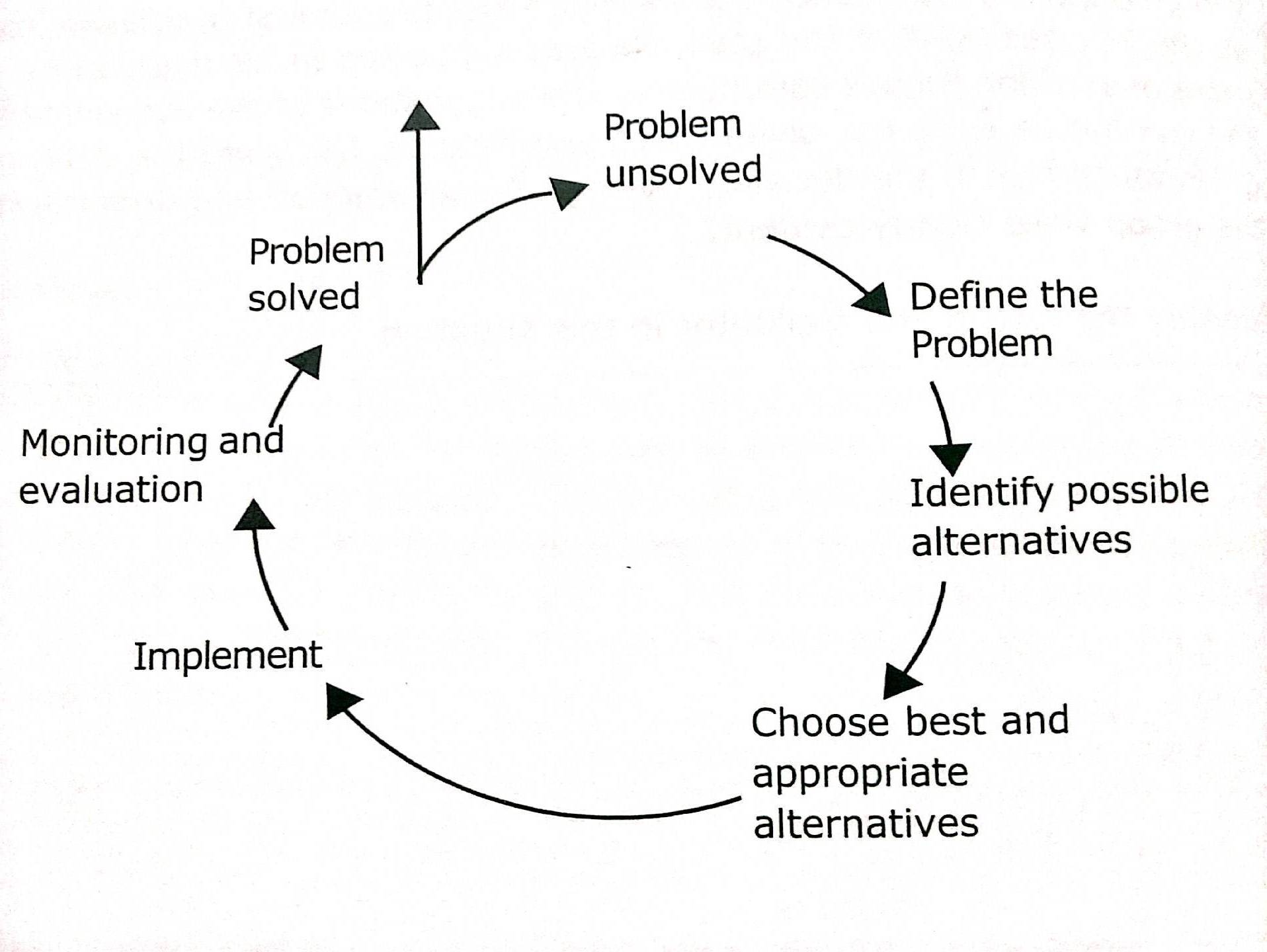
**B.Problem-Solving**

Most groups find themselves unable to solve a problem because they address it at a superficial level. After that they find themselves blocked because they cannot figure out why the problem occurred and how they can tackle it. Therefore an effective problem solving procedure would be to:

Clearly define the problem Collect additional information, from elsewhere if necessary, and analyse it to understand the problem further.

Look for solutions and the normal sequence of events. Sometimes it pays to deliberately think of 'wild ideas; which are apparently not relevant. The objective should be to generate as many ideas and suggestions as possible.

Choose the appropriate alternative. This will involve resolving some conflict. Collaborative and consensus based resolution is preferable rather than forcing a choice. Considerable discussion is needed to evaluate the various alternative solutions on the basis of constraints and available resources.

Implementing the solution through a plan, and evaluating how the problem is solved.

**C.Leadership**

Leadership involves focussing the efforts of the people towards a common goal and to enable them to work together as one. In general, one individual is designated as the leader. This individual may be chosen from within or appointed from outside. In a small group, the leadership function (unlike the leader) is not static, but is performed by different members at different times. Thus one member may provide leadership with respect to achieving the goal while a different individual may be providing leadership in maintaining the group as a group. These roles can also switch and change. It is interesting to note how leadership is assumed, challenged, and changed in the course of a small group's life.

**Leadership Styles**

Leadership styles may be classified on the basis of the behaviour of the leader:

**The Autocratic Leader:**

Who imposes his own will with very little concern for the members' needs, opinions and preferences. Such a leader has great concern for accomplishing the task but little or no concern for the members.

**The Laissez-faire Leader:**

Who has little or no concern for the task at hand, but is concerned about the people, letting them act according to their own wishes.

**The Democratic Leader:**

Who is concerned equally with the task and the people. In the ultimate democratic tradition, the leadership function is shared between members of the group. The same individual in different circumstance and/ or with different groups may behave differently. In order to understand this we can consider the following factors affecting leadership behaviour.

**Factors Affecting Leadership Behaviour**

Within the leader: Is the leader convinced about sharing authority? Does s/he have confidence and trust in the rest of the group, - a sense of security? What is her/his value system? • Within the group: Are members willing to take responsibility? Are they mature and interested? How cohesive is the group? Can they act together? What is the degree and level of involvement? Is there a sense of autonomy or of dependence? • Within the situation: Is there a time constraint? Is there a crisis? What is the nature of the problem the group is working on? What is the intrinsic nature of the organisation within which the group exists? What is the overall environment?

Thus, the leader must assume greater responsibility to be open, equal and accountable, humble, sensitive and committed. S/he must enable the group to identify and analyse issues of vital concern to the group, and as the group grows, share his/her leadership with other members.

**Role of the leader:**

* Raise the members' awareness and motivation
* Increase the readiness of members to accept responsibility
* Develop group work and group morale
* Convince the group that they can affect change
* Further individual members' needs for growth and development

**Observing Leadership process**

* Which members are highly influential? That is when they talk do others listen?
* Which members do not wield much influence?
* Do you see any rivalry in the group? Is there a strugg1e for leadership
* Who are the Members trying to assume leadership, do they rely on coercion, expertise, formal authority, personal qualities?
* How is the designated leader behaving? Is the style autocratic ,democratic or laissez-faire?
* How are people reacting to the leadership?

**D.Conflict Resolution**

Conflict is inevitable in the life of a group. When members with different experiences, attitudes and expectations come together in a group, differences are bound to arise. These differences are sometimes suppressed and not openly discussed. On occasions, the emotions behind the differences in the two parties make the expression of conflict quite intense and visible. The important thing to remember is that conflicts exist in all small groups.

The differences arising out of information, facts and knowledge are easy to resolve. Confusions about roles, co-ordination and responsibilities can also be sorted out in the group. The most difficult conflicts to resolve (they perhaps never get resolved) are those arising out differences in values. The most important thing that can be done in these situations is to understand the real causes for differences.

Why is conflict resolution seen as a process? Because conflicts do not go away, each conflict resolution also feeds into the next conflict in a group. It is, therefore, useful to see conflicts as a series of differences in a group, each with some link to the next. How the group deals with conflicts affects the manner of its' functioning.

**Ways to deal with conflicts in a group:**

**Avoiding :** Withdraw from conflict situation, leave it to chance.

**Smoothing :** Cover up the differences and claim that things are fine.

**Bargaining :** Negotiate to arrive at a compromise, bargain for gains by both parties.

**Forcing :** Push a party to accept the decision made by some leader.

**Problem-Solving :** Confront the differences and resolve them on a collaborative basis.

**Sustainability :**

**FEDERATION OF SHGs AT DIFFERRENT LEVELS:**

**Slum Level Federation (SLF):** The second tier of Institution Building phase is the federation of SHGs at the slum level. Once the SHGs reach a reasonable level of maturity, this tier gets initiated. The SLF operates as a forum to Voice the problems of the poor in the Slum, exchange of experiences including flow of information from various Govt. Departments and raises resources required to take up the appropriate development interventions in poverty reduction. This is the forum where the Community Investment Fund of Urban Poverty is incorporated and assisted in the implementation of Family Investment plans (FIPs). The SLFs may also access the bulk loans from banks to lend to its member SHGs. The SFs will aim at building linkages with line departments and other agencies to access the entitlements of the Slum dwellers. The SLFs by virtue of their number and strength can afford to appoint their own Nagara Deepikas for Social Mobilisation and Institution Building and SF Bookkeeper.

The SLFs will have a general body comprising of all the group members and an Executive Committee (EC) comprising of 2 or 3 representatives from each member SHGs. The SLF will have 3 to 5 office bearers who will carryout the day-today functions and represent the SLF in various forums/institutions. The Community Organiser should facilitate the groups to include the persons from poorest also such as SC/ST/Disabled etc. in the office bearers. The SLF will be encouraged and facilitated to have its EC meetings at least once in a month and the general body meeting at least once in three months. To support Executive Committee in operational zing decisions taken in the SFs, 4 to 5 Functional Committees (SHG Monitoring Committee, Asset Verification/repayment Committee, Bank Linkage Committee, Social Issues Committee) shall be constituted from among EC Members. The SLF will be helpful:

* in providing technical assistance (Bookkeeping & Auditing, Marketing, skill development) to members SHGs
* in problem solving and conflict resolution
* in reviewing the performance & strengthening of SHGs
* in covering the leftover poor in the Slum to form new groups
* in preparing a Family Investment Plan for the social and economic development of its members
* in developing resource base through linkages to implement the family investment plans and thus ensure the economic and social empowerment of the poor households.
* in addressing social issues (gender, social discrimination, Nutrition & Health)
* in addressing water and sanitation related issues

**Formation of SLF:** Few active and dynamic SHG members and office bearers may be taken to an exposure visits within the districts or outside the districts to prepare the SHGs to think on federation of SHGs. The formation of a SLF shall be initiated in four or five dialogues. First dialogue shall be with all SHGs members in their scheduled meetings on the need and importance of SLF. The second dialogue shall be with the office bearers of all the groups on the need for SLF and readiness of the SHGs and its members. On the readiness expressed by the SHG office bearers and its members, the third dialogue shall be initiated with the office bearers of all SHGs to discuss about the functions of SLF, services offered by SLF, membership fees to be paid for becoming a member in SLF and other obligations from groups and its members. Fourth dialogue will be initiated to form a SLF by electing the Executive Committee members and minimum norms viz., time, place and frequency of meetings etc. The Office Bearers of SLF shall be elected in the fifth dialogue. The Community organiser & and resource persons should facilitate all the regular EC meetings and GB meetings of SLF. The facilitation support should be followed with the required trainings and exposures to EC members.

Ideally one SLF would be facilitated in each slum. But where the no. of groups is less than five, a small group of slums can come together and form themselves as a SLF. In big slums where more than 25 SHGs exists, more no. of SLFs can be promoted so that the needs of the members can be met.

**Town Level Federation (TLF):** The Town federation provides solidarity to all the SFs and SHGs and exerts peer pressure on erring SLF/SHGs within a given Town. TLF is very essential in meeting greater credit requirements of the members and taking up both economic (Marketing, skill development, jobs) and social activities (gender, child labour, social discrimination, disability) that belongs to more than one slum. As TLF is positioned at a higher level, it enables poor in interacting with various line departments and accessing their entitlements. It also plays a vital role in capacity building of SHGs & SLFs, framing required policies and ensuring the quality of institutions etc. The TLF is helpful in:

* in on lending loans to SLF based on Family Investment Plan for the social and economic development of its members
* in building the capacities of SHGs & SFs
* in providing technical assistance (Bookkeeping & Auditing, Marketing and skill development) to members SLFs
* in problem solving and conflict resolution in SLFs
* in reviewing the performance based on field visits and monthly performance report submitted by SLFs & strengthening of SLFs
* in developing resource base through linkages to implement the family investment plans and thus ensures the economic and social empowerment of the poor households.
* in addressing social issues (gender, social discrimination, Nutrition & Health)
* in addressing water and sanitation related issues
* supporting its members in accessing services and programmes from municipalities by opening support cell in all municipal offices

**Formation of Town Level Federation:** After forming SLFs in at least more than 50% of the Slums in the concerned town, and certain growth in the SLFs capacity to tackle various issues, it is time to initiate the dialogue regarding the need to form a Town federation. Similar to SLF formation, TLF formation shall be completed in 4 to 5 dialogues. In the first dialogue all office bearers of SFs shall be called to Town level, explain the need for TLF and take their consent. The second dialogue shall be initiated with the support of office bearers of SLF and conduct the general body meeting with all SLFs (all members of SHGs) and oriented on the need and services of TLF. Upon taking the consent from both general body members and SLF office bearers, TLF will be promoted in the third and fourth dialogues. All the Office bearers of SLFs shall form the General Body of the Town Federation and elect one or two representatives preferably from the poorest of the poor & poor, SC/STs, disabled persons to Town level executive committee. Similar to SLF, TLF shall also constitute functional committees from the executive committee based on its activities and requirements and conducts executive committee meetings at least once in a month. The TLF shall prepare its monthly performance reports and submit it to municipalities.

Ideally one TLF should cover 300 to 500 SHGs and if there is more no. of SHGs in a particular Town more than one TLF should be promoted.

Keeping the future of SFs and TLFs in mobilizing external financial resources from commercial and regional rural banks, they should be registered under most appropriate act that is exists in the state (Societies Registration Act, State cooperative Act, Trust, Mutually Aided Cooperative Societies Act or Mutual benefit T

**Strengthening & Sustainability of Institutions:**

After formation of Federations at various levels, i.e. from Slum to Town, there is need to think about strengthening and sustainability of these institutions of the poor. The experience across the country has shown that facilitators working closely with the communities at grassroots level can play a critical role in strengthening and sustainability of the institutions. To develop a mechanism for providing continuous facilitation support to all the SHGs at the slum level, a Nagara Deepika @ 20 to 25 SHGs from amongst active and dynamic SHG members and one SLF Bookkeeper should be identified, trained and positioned by the Slum Federation. These SLF staff may be paid based on the quantum of work initially from the Project funds. When SLF has received Community Investment Fund substantially, it should pay the honorarium of SLF bookkeepers from its own income generated from its own Corpus.

In order to provide facilitation support to all the SLFs at the Town level, a Community Organiser (CO) @ 5 to 7 SLFs from amongst active, dynamic and educated (minimum 12th class passed) Community members, preferably from the same cluster should be identified, trained and positioned by the Town Federation. To nurture & provide hand holding support to TLFs, coordinate with line departments and provide supportive supervision to COs, a Town Project Officer (TPO) who is a post graduate preferably in social sciences should be appointed for every TLF. Also TLF shall appoint its Bookkeeper.

Over a period of 7 to 10 years the Town level organizations should be able to meet their operational cost including the staff salaries from its own revenues. To enable Town federations to become self-managed and financially sustainable, required CIF from Project funds shall be given over a period of time.

**GRADING OF SHGS & CAPACITY BUILDING:**

**Grading Of SHGs:** The formation stage may last for 6 months or more depending upon the literacy, awareness levels, socio-economic background of the people being organized, as well as the capacity of the facilitator involved in the process of social mobilization and group formation. At the end of the formation stage, which may about 6 months or more, it is necessary to subject each Self Help Group to a test to assess whether it has evolved into a good group and ready to go into the next stage of evolution. This is done through a grading exercise. The objective of this exercise is to identify the weaknesses, if any, and help the groups/SLFs/TLFs to overcome the same through training and capacity building inputs, so as to develop into a good group. Grading exercise thus should help to focus attention on weak groups so that Municipalities can assist them to overcome weaknesses and graduate into good groups. Grading of the group should also enable the Municipalities to establish linkages for the good groups with the Banks. The grading can be done for all the groups i.e. completed minimum of 6 months age by using NABARD Critical Rating Index (CRI). In case the Self Help Group has been in existence prior to the Project under other programmes and have completed six months from the date of formation and it is being brought under the Project, such groups may be subjected to first grading immediately, without waiting for another six months.

In initial stages of institution building, the MEPMA Team have to play an effective role in grading exercise. In a later period this responsibility can be transferred to SLFs & TLFs. The Capacity of MEPMA team personnel will have to be enhanced to take this exercise professionally. Grading of Self Help Groups could be done by the same agency that is involved in the promotion and development of SHGs or any independent agency contracted to undertake the grading exercise. The cost incurred for conducting grading exercise through an independent agency may be incurred under the scheme. It is desirable that the grading exercise is undertaken by an independent agency as it will have objectivity and acceptance by financial institutions etc.

A no. of Government & non Government Organisations working with SHGs across the country has evolved very effective strategies for grading the SHGs. The Grading criteria should be consistent with the characteristic that are agreed to be essential for strong, self-managed and vibrant SHGs. In other words, clarity on the features to be promoted in an SHGs should become the starting point for any grading exercise.

Following are the various processes that are involved in the Grading:

* Identification of a suitable agency to undertake the grading exercise.
* Intensive training to the investigators who will interact with the members of the group to assess the group on various parameters. This training can either be conducted by the agency identified for grading or by MEPMA.
* Facilitate the agency to visit the groups for assessing the status of the groups.
* Obtain SHG – wise reports with the rating awarded and the reasons.
* Develop an appropriate SHG-wise action plan for strengthening the groups identified as ‘weak’ or average.
* Purse with bankers for securing SHG linkage with such SHGs that are rated as ‘good’.

Grading exercise should not be a questionnaire –oriented exercise where the members become passive participants. It should provide an opportunity for the members to assess their own performance through a participatory approach and the investigator assumes the role of the facilitator to the process.

Municipalities should ensure active participation of the bankers in the grading exercise. In this context, NABARD and local banks will have to be involved very closely right from development of strategy and operational details of the grading exercise.

Right from the beginning, it is necessary that the SHGs should be nurtured carefully. The grading exercise must therefore be carried out at different stages. To start with, the objective of the SHG in the first six months is to evolve as a viable group. Accordingly, the grading at the end of six months should be with reference to the objectives in the first stage of the evolution of the Self Help Groups. Grading exercise should be undertaken every quarter till such time that all the groups obtain good grade.

**Capacity Building**: MEPMA should conduct training programmes to the SHG members and the representatives of the groups/SLFs/TLFs so that the groups become fully self-managed and evolve into strong self managed institutions. The following are the key trainings that are required for SHGs/SLFs/TLFs:

1. Objectives, need and importance of CBOs in poverty reduction, organization structure and roles and responsibilities of each tier viz., SHGs/SLFs/TLFs
2. Group management including conduct of meetings and setting group management norms etc
3. Financial management including management of savings, internal lending, Revolving Fund, accessing and management of external funds
4. Preparation and implementation of Family Investment plans
5. Leadership
6. Problem solving and Conflict resolution
7. Democratic Decision making process
8. Bookkeeping to members and separate training to bookkeepers, preparation and analyzing of monthly performance reports
9. Human Resource management including management of staff
10. Registration and legal compliances
11. General as well as specific social issues
12. Rights and entitlements from Government programmes and services.
13. Skill development and development of economic activities

CBO level training programmes have to be conducted with regularity in accordance with the schedule fixed by the members. Prior to conduct the trainings the members have to be sensitized on the need and importance of trainings and as a non-negotiable principle to the community by the facilitators. The programmes can be conducted once a week, or once a fortnight in working seasons. One-day training sessions for all groups at Town level at least once every 6 months is necessary to attain the minimum levels of capacities. Exposure of the members to performing SHGs shall be invariably planned and organized so that they pick up fast the success of the other CBOs and then try to replicate it.

As the facilitators play a critical role in the social mobilization and Institution building, appropriate capacity building inputs have to be planned and to be given to the staff including Municipalities staff. Seeing believes. Conducting immersion programmes and exposure visits was proved to be very effective in changing the attitudes; inspiring people to learn and replicate best practices across the country, both Municipality staff and Town federation staff have to taken to other districts or other states where the successful CBOs are existing.

During the course of strengthening of institutions large no. of social capital viz., active, dynamic SHG members, leaders, community activists, bookkeepers, best practioners in various sectors will emerge from communities and they will be very effective in spreading the messages and information across the state. Hence a systematic plan has to be worked out for promotion and utilization of services these people in social mobilization and Institution building.