

SHG Federations

Myrada

The Concept

- Why do we need federations?

The Origin of Federations

- To meet, interact and learn from other SHGs in the neighbourhood
- To mutually monitor the growth and functioning of SHGs in the local area – an issue of reputation
- To have a greater voice in the development of a local area (in Panchayat Raj Institutions, with the local bankers, to close down a booze shop)
- To capture the combined financial strength of members – especially where the banks were not forthcoming

Evolution of the Concept

- Many experiments, several failures, a few grand successes
- “Maha-oota” (big lunch) of the late 1980s-early 1990s
- Non-financial federations (small - 20-30 SHGs, managed by SHG members themselves)
- Financial federations (larger membership - >150 SHGs in a compact area, more professional management – usually by hired outsiders or the NGO)
- Very complex, long-term training and handholding

Characteristics of Successful Federations

- Consisting of very good SHGs (governance)
- Self-initiated
- Clear objectives
- Focussed activities that are relevant to and easily managed by SHG members (member-centrality)
- Member SHG exert strong control over Federation Representatives (governance)
- Federation remains meaningful to the primary members (SHGs) (high patronage by members)

When Federations Fail

- Federating is an agenda of the promoter (NGO, Govt, Project)
- Weak member SHGs (why?)
- Political capture (of key reps)
- Non-availability of managerial resources locally (training, payment, 'outsiders')
- Poor service delivery
- Withdrawal of promoter before the Fed is strong enough (how many years? 10?15?)

Questions to ask before federating

- Why do we need a federation?
- What activities should feds undertake and in what sequence?
- What should the size be?
- Who should be members? (what grade of SHG)
- What are the key management features of a fed?
- Should a fed engage in fund-raising? From whom and for what?

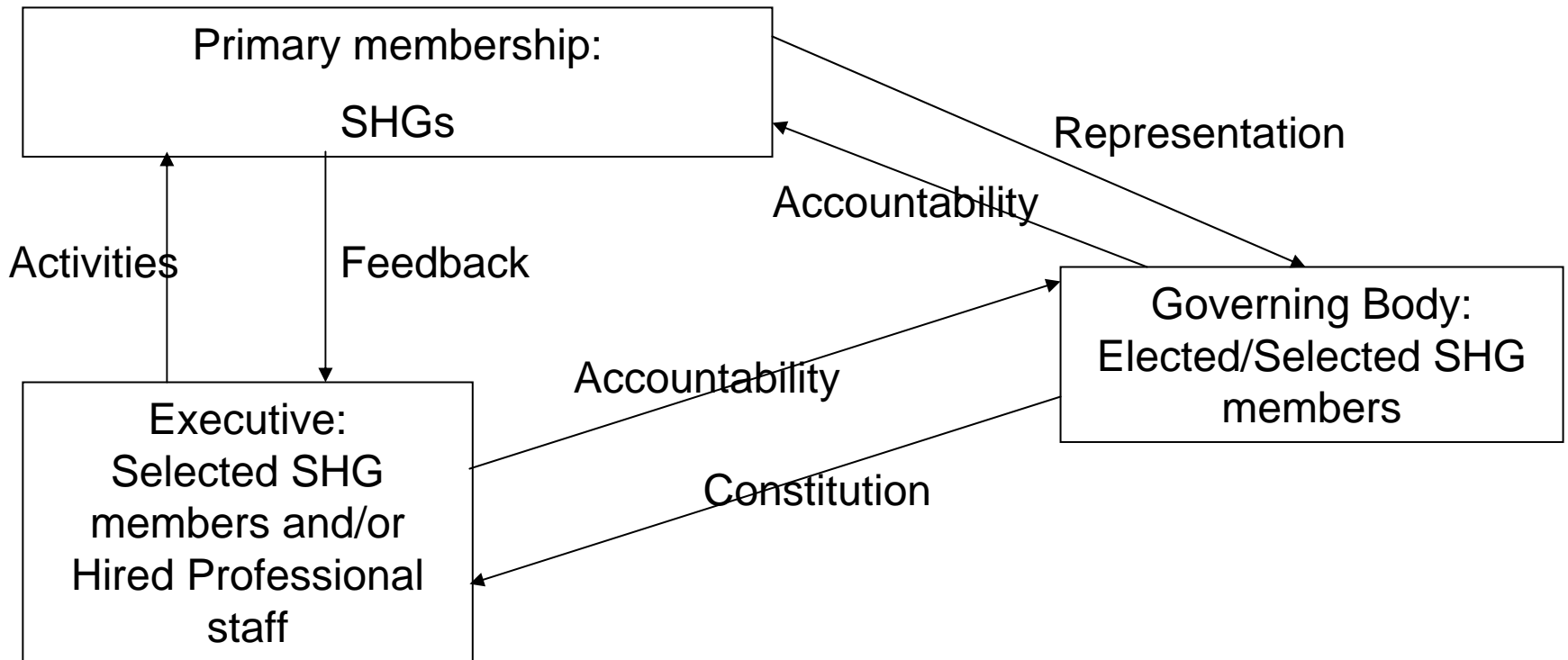
Questions...

- What training for fed? What training for member SHGs?
- Should feds be registered?
- How can a fed establish credibility and legitimacy for itself?
- What should be the 'promoter's' role in developing a federation? Time scale and life-cycle of a fed...

Fundamental Principles

- Principle of Subsidiarity: “A secondary structure shall only take up those activities that cannot be reasonably accomplished by its primary structure on its own”
- i.e., the federation shall only undertake those activities that benefit the SHGs and communities that cannot be taken up by individual SHGs on their own.

Parts of a Federation



Parting Words

- Malcolm Harper's Paper...
- Rome wasn't built in a day – start with good SHGs – train them well – the next step becomes easier
- No targets please...
- Give up the double standards: us vs. them (poor quality training is enough for SHGs – but my daughter must be in IIM)