

Self-Help Groups¹

‘Self-Help Groups’ are ...

“... A way to start working that helps to build up the social connections which people find useful in support of their livelihoods objectives”

“... Helping people to agree things and to speak together, giving people a stronger voice in decision-making and in negotiating with more powerful forces”

“Self-Help Groups raising fish in rural West Bengal have been especially successful. They have the highest savings and therefore have tended to receive larger loans.” - *Ajit Banerjee, bank branch manager, Ludhurka, Purulia, West Bengal, India*

“My village is 30 km from town. Earlier there was no place to ask for help but the formation of Self-Help Groups gave people the strength and confidence to ask for and get the support they need.” - *Kuddus Ansary, Jankar (Self-Help Group leader), Kaipara, West Bengal, India*

“... A way of increasing the effectiveness of local actions”

“... Providing easier access to micro-credit and other resources and services”

Self-Help Groups are a real way to build social capital. Other actions can include:



Building networks and connectedness to increase the ability of providers and users of services to work together or to strengthen links among individuals with shared interests, and increase their chances to be part of wider institutions, such as political or people’s organizations.



Supporting membership of more formalized groups which often involves everyone agreeing and accepting a set of rules and ways of doing things and also agreeing what to do if people don’t follow the rules.



Building relationships of trust (so-called ‘give-and-take’), exchanging information, working on things together, cooperating and reducing the effort involved in doing something which may provide the basis for informal safety nets among people (helping each other). This can be people and also groups helping each other and may eventually take the form of federations of Self-Help Groups.

A federation of Self-Help Groups is good for building links with service providers, including **extension** and other government and NGO services, the **rural banking** sector, suppliers of materials and links to markets.

“Bringing together Self-Help Groups, aquaculture research and flexible rural credit have improved food security and lowered indebtedness for the villagers of Jabarrah in India.” - *Natural Resources Systems Program Annual Report 2003-04*

Lalita Mahato, an elderly Bengali woman, “There was a time when we could not dare to talk to the menfolk of the village not to think of strangers! Today, we can go to the bank and ask for the loan, approach the *Panchayat* authorities and put up our grievances and can boldly face the challenges. We are happy that we are listened to and respected.”

¹ A way of building social capital, something people can use to reduce vulnerability and pursue their livelihoods objectives

How to set up a Self-Help Group

Getting started

1. See if a group already exists

If a group already exists, ask if you may visit it. If you find what you are looking for, you don't have to start your own group. If not, you can learn from what you see there.

2. Work with others and seek help

Start as a group, where every member has some ownership. Try to contact someone who has founded a group. If new folks join, help them recognize that it is important for every member to make some contribution. Consider obtaining the assistance of any professionals who may be sensitive to your needs and willing to assist your efforts. Projects, banks, NGOs and extension workers may be helpful in various ways, from providing meeting space to locating needed resources.

3. Start small

Start small to work out the problems, make some mistakes, and generally get things in order before you go to the general public. Small groups are less likely to be divided by arguments or dominated by a minority. Members with similar backgrounds and common interests are more likely to trust each other and accept joint liability for their activities.

4. Choose a name for the group

A group name helps people feel part of a team who are working toward a common goal. It helps hold people together.

5. Agree a constitution

Your constitution is a written record of the purpose and rules for the group, what is expected from members and what they can expect from the group. This can avoid conflict and make the responsibilities of each member clear.

6. Agree a meeting place and time

Encourage men's and women's participation in groups (separately or together). Try to provide the best place for participation of women and men and encourage leadership skills in them. If you anticipate a small group and feel comfortable with the idea, consider initial meetings in members' homes. Also, try and set a convenient time for people to remember the meeting, e.g., the first Tuesday of the month.

Some tips ...



Encourage:

- Regular attendance at group meetings
- Transparency in ways of working; records (like the minutes book, attendance register, accounts) help the group remember what has been decided at meetings. They are important in monitoring and evaluation.

Example minutes of a group meeting

DATE	AGENDA	DISCUSSED	DECISIONS
4/6	Workshop Purchase of feed Late arrival fine of committee members	Yes Yes Yes	3 members to go 2 will buy 3 bags, 6 / 6 none
11/6	Report workshop Report sale of chickens	Yes Yes	Adjust constitution All members to advertise at school
18/6		

- Small savings to build up a strong common fund; members may be allowed to get loans against their savings and the group will develop skills in setting an interest rate, loan installments, and recovering loans and all this will help with getting credit from a bank.
- Opening a savings bank account with the nearest commercial or rural bank or a cooperative bank, beginning a relationship between the bank and the Self-Help Group.
- Income-generating activities that produce assets that help build self-reliance.
- Agreement on changing leaders; too frequently can be unsettling and make long-term planning difficult. On the other hand, rotating leadership quite frequently within the group provides all members with the chance to develop organizational and leadership skills.

Avoid:

- Discrimination among members based on caste, religion or political affiliations.

Forming a management committee

You will need a chair, a treasurer and a secretary.

What does the chair do?

The Chair: organizes meetings (agenda) and summarizes them at the end, encourages participation by all members, represents the group at meetings with others.

What does the treasurer do?

The Treasurer: keeps and reports the financial records, safeguards and manages the money in cash or at the bank, keeps the cash book and the receipts.

What does the secretary do?

The Secretary: writes the agenda (for meetings) and the minutes, keeps all records, and deals with letters.

Useful Contacts

Other Better-Practice Guidelines

There are more Better-Practice Guidelines in this series. These include:

- Information Access Surveys
- Consensus-Building Process

You can get more copies of this and other Better-Practice Guidelines from your STREAM Country Office, from the STREAM Regional Office or from the STREAM Website.

We would like your feedback about these Better-Practice Guidelines. You can let us know by phoning, emailing or writing to the Communications Hub Manager at your STREAM Country Office.

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