Capacity building of Self Help Groups

Volume 1 – Basic Training

SHG

August, 2005
## Modules

<table>
<thead>
<tr>
<th>Modules</th>
<th>Page no.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Societal analysis and SHG concept</td>
<td>03</td>
</tr>
<tr>
<td>2. Goal setting and Annual action plan</td>
<td>10</td>
</tr>
<tr>
<td>3. Communication</td>
<td>13</td>
</tr>
<tr>
<td>4. Leadership skills</td>
<td>16</td>
</tr>
<tr>
<td>5. Problem solving / Conflict resolution</td>
<td>20</td>
</tr>
</tbody>
</table>

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### How to use this manual

This manual is prepared for the use of SHG trainers to train Self Help group members. For every topic, a broad outline of content (theory) and practical aspects has been laid out in detail.

**Important Note:** Many examples/ methodologies have been given from Africa. Few of the methodologies in this manual have been adopted from training manuals of MYRADA and Tamil Nadu Women Development Corporation. The trainer is expected to take into consideration the local environment and other contextual factors while conducting the training. The Trainer is expected to develop her/ his own methodologies to conduct the training such that the group members understand the process and are able to follow it.
## 1. Training on Societal analysis and SHG concept

<table>
<thead>
<tr>
<th>Theory</th>
<th>Practical</th>
<th>Duration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Step 1 Brain storming – Societal analysis</td>
<td></td>
<td>15 minutes</td>
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<tr>
<td>Societal analysis</td>
<td></td>
<td>15 minutes</td>
</tr>
<tr>
<td>Step 2 Marble game – Rich have more access to and control over resources</td>
<td></td>
<td>15 minutes</td>
</tr>
<tr>
<td>What is Self Help Group</td>
<td></td>
<td>30 minutes</td>
</tr>
<tr>
<td>Features of SHG</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Structure of Self Help Group</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Why Self Help Groups?</td>
<td></td>
<td>45 minutes</td>
</tr>
<tr>
<td>Step 3 Role play using bread – Mutual support</td>
<td></td>
<td></td>
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<tr>
<td>Step 4 Role play – A story of Lion</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Step 5 Role play – Breaking sticks</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Step 6 Use sayings / proverbs to explain the concept</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Objectives of Self Help Group</td>
<td></td>
<td>15 minutes</td>
</tr>
<tr>
<td>Functions of Self help Group</td>
<td></td>
<td>30 minutes</td>
</tr>
<tr>
<td>Role/Responsibility of member</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Conducting SHG meeting</td>
<td></td>
<td>15 minutes</td>
</tr>
<tr>
<td>Step 7 Role play – Conducting meeting</td>
<td></td>
<td>30 minutes</td>
</tr>
<tr>
<td>Indicators of good SHG</td>
<td></td>
<td>15 minutes</td>
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</tbody>
</table>
Objective: To introduce the concept of SHG to the members

Content 1: Societal analysis - Who is poor? What is integrated poverty?

2: The concept of Self Help Groups

Poverty

Very Low income, deprivation, low purchasing power, not able to meet basic needs, low productivity

Vulnerability
Dependency, exploitation

Physical weakness
Low nutrition, high mortality, apathy

Integrated Poverty

Isolation
Rural areas, remote slums, interior, disaster prone, lack of knowledge

Powerlessness
Inability, migration, lack of dignity, suppressed, destitution, unorganized

- Robert Chambers

What is SHG?

SHG is an informal association of poor persons / weaker sections in a community with a common objective of working together for their economic and social development and also for their overall community development.

Features of SHG

- Homogeneous in nature and affinity among members
- Members made up of the poor
- Size: 15 – 20 members
- Area coverage: one habitat / one area
- Not a registered body
- Focus on social, economic, political development and empowerment.
- Democratic decision making practiced
- Regular meetings
- Sharing of responsibility
- Rotational leadership
- Non – political in nature
- Saving is a regular activity
- Internal lending from group fund
- Have own Rules and regulations / penalty for indiscipline
- Maintain own books and records
• Bank account in the name of SHG
• Self monitoring
• Transparency in operation
• Common Action Programs
• Groups coming together in Cluster Level Association
• Linkage and Networking

Structure of SHG

Each SHG consists of
  2 book writers (1 main book writer and 1 additional book writer)
  2 SHG representatives
  2 CLA representatives and
  Need based sub committees

The book writers, representatives and the members of sub committees of the SHG must be rotated in a staggered manner at regular interval. The group should fix the term. The above representatives / functionaries should be members of the SHG.

Objective of SHG formation

Individual / member level

<table>
<thead>
<tr>
<th>Social empowerment</th>
<th>Economic empowerment</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Equal status, participation and decision making power at house hold level (Having independent opinion on issues, right to make choices, broader and goal directed thinking, feeling and acting)</td>
<td>• Greater access to financial resources outside the household.</td>
</tr>
<tr>
<td>• Access to information.</td>
<td>• Reduced vulnerability to crisis situations like famine, flood, riots, death/accident in the family.</td>
</tr>
<tr>
<td>• Courage to face life in any circumstance.</td>
<td>• Improved livelihood skills.</td>
</tr>
<tr>
<td>• Confidences to speak, think independently, analyze problems and come to conclusions.</td>
<td>• Improved income earning capacity.</td>
</tr>
<tr>
<td>• Reduced domestic violence</td>
<td>• Access to outside market and procurement agencies.</td>
</tr>
<tr>
<td>• Shift from worker status to manager status.</td>
<td>• Access to independent income.</td>
</tr>
<tr>
<td>• Improvement in value system, relationships, harmony at the family level.</td>
<td>• Significant increases in ones own income, and the power to retain / save such income and use it at own discretion.</td>
</tr>
<tr>
<td>• Enhanced social respect both within and outside the family.</td>
<td>• Participation in household decision on how money will be spent.</td>
</tr>
</tbody>
</table>

• Participation in household decision on how money will be spent.
• Control over the family resources.
• Ownership of assets; controlling assets.
• Financial self – reliance, both in the household and in the external environment.
Community level

<table>
<thead>
<tr>
<th>Social empowerment</th>
<th>Economic empowerment</th>
<th>Political empowerment</th>
</tr>
</thead>
<tbody>
<tr>
<td>o To improve social security, affinity, social cohesion and reduce violence</td>
<td>o To improve employment opportunities and income generation opportunity</td>
<td>o To improve the ability to influence policy at different levels</td>
</tr>
<tr>
<td>o To improve awareness</td>
<td>o To improve cash economy</td>
<td></td>
</tr>
<tr>
<td>o To improve the level of people’s participation in developmental programs.</td>
<td>o To reduce migration</td>
<td></td>
</tr>
<tr>
<td>o To empower the community to oppose injustice</td>
<td></td>
<td></td>
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<tr>
<td>o To improve basic amenities / services (health and medical services etc)</td>
<td></td>
<td></td>
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<tr>
<td>o To improve the literacy level</td>
<td></td>
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<tr>
<td>o To change the attitude of people. (On social issues)</td>
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</tbody>
</table>

Expected outcome of Capacity Building inputs

- Better awareness on various issues
- Improved functional literacy.
- Better communication skills.
- Better leadership skills.
- Managerial skills.
- Confidence level gone up.

Functions of SHG

1. Saving and credit
2. Promotion of Individual Income Generation Activity
3. Community Action Programs
4. Social Action Programs
5. Resource Mobilization
6. Identify areas for new group formation
7. Motivation of new SHGs / weaker sections.

Roles and responsibilities of member

- To attend group meetings regularly on the agreed upon day, time and venue
- To participate actively in group meetings and voice opinion clearly and freely
- Ask questions / doubts openly and ensure that the SHG functions transparently
- To attend training programs promptly and ensure implementation of good practices
• Share problems, experiences, feelings and ideas with all members of SHG
• To ensure unity and mutual trust between all members and adopt the principle of “give and take”
• To save at least the minimum amount agreed upon by the group every week
• To bring pass book for updating in each SHG meeting
• To obtain loan for valid purposes and to always utilize the loan for the purpose
• Prompt repayment of loan with interest
• To ensure that all group members utilize their loans for the agreed purpose and ensure that they repay the same on time
• To conduct cash transactions with the SHG only during the meeting
• To ensure that the cash received is remitted to the bank account at the earliest
• Share responsibility of SHG collectively like going to bank by rotation
• To ensure the rotation of representatives
• Participate in community / social action programs

**Conducting SHG meeting**

• Sit in a circle
• Prayer
• Select a moderator
• Record the attendance
• Set the agenda
• Review the previous meeting minutes
• Ensure that all issues on the agenda are discussed
• Ensure that all members participate in the decision making
• Complete financial transactions related to savings, repayment, and lending etc.
• During every meeting discuss at least one issue other than savings and credit
• Record the proceedings during the meeting and read them out to all members
• All members must sign in the resolution book

**Indicators of good SHG**

**Features of SHG as an institution**

1. Preferable size, 15 –20 members. In special cases this could be 10 – 15 members
2. Homogeneous in nature and affinity among members.
3. Having self-made rules for operation and adhering to them.
4. Having goals
5. Having annual action plan
6. Having sustainable linkages
7. Self monitoring
8. Low drop out rate of members (< 10 %)

**Saving and credit**

1. Regular, optional saving by all members
2. Loans available to all members and all encouraged to take loans
3. To begin with short term loans
4. Timely loan repayment in installment > 80 %
Meeting and training

1. Regularity of meeting
2. Weekly meeting
3. Members attendance in the meeting, training > 80 %
4. Conduct the meeting and other activities properly, as per the procedure without the support of animator/ NGO staff
5. Active participation of members in the training

Sharing of responsibility

1. Rotation of moderator/ chair person
2. Equal participation of members in the meeting and group activities

Financial management

1. Weekly deposit (preferable), deposit excess, unutilized money in the bank.
2. Maintenance of basic records, keep all financial information in the records
3. Cash on hand – recorded information and actual money available must be the same
4. Members aware about the financial position of the group
5. Every week, prepare the cash receipt and cash payment statement in the minute book
   (opening balance + all cash receipt = all cash payment + closing cash balance)
6. Rotation of common fund, utilization of SHG capital
7. Financial auditing – twice in a year

Involvement in Community Action Programs and Social Action Programs

Methodology

Step 1: Brain storming

Who is poor?
What are the factors that cause poverty?
Necessary conditions for the development of a family

Step 2: Marble game – Rich have more access to and control over resources -MYRADA

Keep 50 marbles in a heap in the middle of the hall. Choose 3 participants. First participant is rich and will get a large stone and stands close to the heap. The second participant - middle class will get medium stone and stand farther away from the heap and the third participant will get small stone and stands furthest from the heap.

Marbles - resources
Stone - means to access resources
Standing distance - Access to resources
The participants now have to scatter the marbles by throwing the stones on the heap. Obviously the rich participant will score more than others.

**Step 3:** Bread game – Mutual support *(Ethiopia)*

Ask one member to eat a piece of bread. There are two rules
   a. Use only one hand
   b. Should not fold the hand
Ask two members to eat the bread pieces. (the same rules apply)

When two members come closer to each other, they support each other and fulfill the task.

**Step 4:** Role play – A story of lion *(Uganda)*

A lion that appears in the scene attacks one of the homes. An alarm is raised. However, by the time the others rush to rescue they find that a member has been dragged away by the lion. This happens twice at different homesteads. The members come together to consult each other of the danger that can befall any of them. A decision is then made that they begin working together, close to each other. The next time the animal attacks it is not only refused but killed when the homestead members come out and close in together.

**Step 5:** Role play – Breaking sticks *(South Africa)*

Ask the member to break one stick and then break a bundle of sticks at a go.

**Step 6:** Use the following examples / proverbs and stories to explain the concept

Examples: The beehive and anthills

Proverbs:

1. It is not sustainable to keep asking fish, it is important to learn how to fish
2. Throwing food to people trapped in the well is not sustainable, it is better to help people to escape from the well.
3. **Strength is power, combined defeats breaks the bone (Uganda)**
4. **Need for patience enabled the bird to reach the ripe banana (Uganda)**

Story: *(MYRADA)*

Once a flock of birds was caught in a hunter’s net. For a long time they tried to escape from the net, but they did not succeed. Finally, they all flapped their wings together and flew away with the net.
Pictures: *(Uganda)*

1. Two cows tied together and fail to eat the grass
2. Two cows decide on what to do
3. Cows decide to come together and eat from one side and go to the other side.

**Step 7: Role-play – Conducting a meeting**

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## 2. Training in Goal setting and Annual Action plan

<table>
<thead>
<tr>
<th>Theory</th>
<th>Practical</th>
<th>Duration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goal</td>
<td></td>
<td>15 minutes</td>
</tr>
<tr>
<td>Step 1</td>
<td>Story: The crow and the pitcher</td>
<td>15 minutes</td>
</tr>
<tr>
<td>Characteristics of goals</td>
<td></td>
<td>15 minutes</td>
</tr>
<tr>
<td>Goal setting</td>
<td></td>
<td>30 minutes</td>
</tr>
<tr>
<td>Step 2</td>
<td>Goal setting exercise</td>
<td>60 minutes</td>
</tr>
<tr>
<td>Self Monitoring</td>
<td></td>
<td>15 minutes</td>
</tr>
<tr>
<td>Step 3</td>
<td>Self monitoring exercise</td>
<td>15 minutes</td>
</tr>
<tr>
<td>Annual action plan</td>
<td></td>
<td>15 minutes</td>
</tr>
<tr>
<td>Step 4</td>
<td>Annual action plan</td>
<td>30 minutes</td>
</tr>
</tbody>
</table>

**Objectives:** To facilitate the members to set goals for their own lives and for the group and monitor the same.

**Content:**

**Goal**
A goal is the point where the race ends, the aim of one’s efforts. There is no progress, development or gain without clear goals. Goal setting reduces stagnation in SHGs.
Characteristics of goals

Specific:
e.g. 1. to meet the chairman of the village at Gitarama to discuss the sanitation problem in her village before Dec 2005 – Specific
   e.g. 2. to meet the district authority regarding some problem she has - Not specific

Measurable:
e.g. 1. we can find out if the person actually met the chairman or not before the end of Dec 2005. We can also find whether she was able to discuss the sanitation problem

The goal stated should be measurable in concrete terms

Achievable:
Goal must be under the control of goal setter.

Relevant:
A goal should be relevant to the goal setter.

Time and resource bound:
Goals must be achievable within a definite time period and with the resources available to the members.

Goal setting

Goals can be both development goals and empowerment goals. (Development is going under structure. Empowerment is changing the structure.)

<table>
<thead>
<tr>
<th>Short – term goals (6 months to 1 year)</th>
<th>Long term goal (3 to 5 years)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Economic</strong></td>
<td><strong>Economic</strong></td>
</tr>
<tr>
<td>- Members will save regularly</td>
<td>- Will access external funding resources</td>
</tr>
<tr>
<td>- Group saving will be 1000 Rand in 6 months</td>
<td>- Income level of all members would have doubled</td>
</tr>
<tr>
<td>- 8 members will be motivated to start IGAs</td>
<td><strong>Social</strong></td>
</tr>
<tr>
<td>- Loan amount will be 200 Rand</td>
<td>- Abduction of girls will stop in the community</td>
</tr>
<tr>
<td><strong>Social</strong></td>
<td>- All group members will test for HIV</td>
</tr>
<tr>
<td>- Members will be regular in meetings</td>
<td><strong>Political</strong></td>
</tr>
<tr>
<td>- Eligible children of members will be in school</td>
<td>- Influencing the policy in favor of poor</td>
</tr>
<tr>
<td>- Community action program</td>
<td><strong>Capacity building</strong></td>
</tr>
<tr>
<td>- Social action programs</td>
<td>Will gain managerial skills to manage the People’s Institution</td>
</tr>
<tr>
<td>- No Child labor in the community</td>
<td></td>
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<tr>
<td>- Acquiring literacy</td>
<td></td>
</tr>
<tr>
<td><strong>Capacity building</strong></td>
<td></td>
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<tr>
<td>Capacity of members will be upgraded to maintain proper records.</td>
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</tbody>
</table>
Prioritizing and display of goals:

It is good to start with few goals. From the list of goals that the group comes up with, help them to prioritize 6 to 8 goals that they want to achieve in a set time period using participatory methods. Ensure that all members participate in the goal setting and prioritizing exercise. Let the members display the goals in any suitable form such that they all see them at least during the weekly meeting if not more often. The progress in achieving the goals should be monitored by the group on a regular basis, say once a month. They should ensure that the goals are achieved in the set time and find ways and means of overcoming problems that may hinder achievement.

Annual action plan (AAP)

1. Need for AAP is based on the premise that “failing to plan is planning to fail”
2. AAP should be tailored to meet specific goals and objectives that emerged during goal setting exercise.
3. Based on the needs and the problems of members, activities are to be planned
4. AAP should be SMART (Specific, Measurable, Achievable, Relevant and Time bound)
5. AAP should be evolved with the participation of all members
6. AAP should be evolved, by looking into the functions of the SHG, convenience of its members, local environment and capacity of SHG
7. AAP will enable the SHG to sequence activities and assist in mobilization of resources
8. AAP will enable the SHG to work in a systematic manner

Methodology

Step 1: Story: The crow and the pitcher (India)

A thirsty crow once found a pitcher with a little water in it. But when he tried to drink the water, he could not. The pitcher was tall and his beak didn’t reach the water. The clever crow thought hard and hit upon a plan. He went on dropping pebbles into the pitcher. The water rose up to its neck and he quenched his thirst.

Message: if we have clear goals, we will be able to achieve it.

Step 2: Goal setting exercise

- Identify past success of SHGs
- Identify their strengths
- Fix short term (6 months to 1 year) goals (maximum 6 goals)
- Fix long term (3 to 5 years) goals (maximum 6 goals)

Notes:
- Do not include Institutional building either in goal setting or vision building exercise.
- Long term goals can be modified/ changed
- Social mapping exercise may be used when the groups go for long term goals as far as village development is concerned.
- Review the goals every quarter and reset them in the meetings

<table>
<thead>
<tr>
<th>Activities involved</th>
<th>Short term goal (6 mo. To 1 year)</th>
<th>Long term goals (3 to 5 years)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Resources required</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Where to source them</td>
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<td></td>
</tr>
<tr>
<td>Who will do what</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Step 3: Monitoring of goals**

Help the group to do a ten seed exercise perhaps every month to assess how much of the goals they have achieved. The record of the previous month’s assessment will help them see if they are progressing or not.

**Step 4: Annual action plan**

- **Step 1:** Conduct communication game to make the participants understand the importance of two way communication
- **Step 2:** Conduct listening game to make the participants understand the importance of effective listening

**3. Training in Communication Skills**

<table>
<thead>
<tr>
<th>Theory</th>
<th>Practical</th>
<th>Duration</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>30 minutes</td>
</tr>
<tr>
<td>Communication and Principles of successful communication</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Guidelines for effective listening</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Step 1</strong> Conduct communication game to make the participants understand the importance of two way communication</td>
<td></td>
<td>15 minutes</td>
</tr>
<tr>
<td><strong>Step 2</strong> Conduct listening game to make the participants understand the importance of effective listening</td>
<td></td>
<td>15 minutes</td>
</tr>
</tbody>
</table>
Objectives:

1. To help participants appreciate the importance of one-way and two-way communication
2. To appreciate the importance of listening properly
3. To help members communicate effectively in the SHGs and with other institutions

Content:

What is communication?
Communication involves the process of both sending and receiving ideas, facts, opinion, information, feeling and experience. The purpose of communication is to inform, to provide instructions, to educate, to teach new skills, to influence/persuade and to organize people.

<table>
<thead>
<tr>
<th>One way communication</th>
<th>Two way communication</th>
</tr>
</thead>
<tbody>
<tr>
<td>One person conveys the message and the other passively receives it.</td>
<td>Two parties talk to each other but they are listening to each other as well. Two way communication is important because:</td>
</tr>
<tr>
<td></td>
<td>1. The sender knows that the receiver has understood the message she has sent correctly only if she receives feedback from the receiver of the message</td>
</tr>
<tr>
<td></td>
<td>2. It helps in clarification of doubts, confusions and misconceptions</td>
</tr>
<tr>
<td></td>
<td>3. Helps both parties understanding each other</td>
</tr>
<tr>
<td></td>
<td>4. Helps in receiving and giving feedback</td>
</tr>
</tbody>
</table>

Principles of successful communication

1. Using clear, simple language that the receiver can understand
2. Deliver the message by understanding the interest and the needs of the receiver.
3. Having knowledge, interest and skill on the subject
4. Avoid giving too much information at a time
5. Be sure that your actions support your communication
6. Be a good listener
7. Giving and receiving feedback.

**Guidelines for effective listening**

1. Concentrate on hearing
2. Listen with open mind
3. Pay attention and try to understand what is being said
4. Do not predict what the speaker is trying to say
5. Do not become defensive and do not argue or interrupt
6. Understanding the feeling behind what is being said
7. Ask questions

**Norms of successful communication in the SHG**

1. Conduct meeting in a calm place
2. Circular seating arrangement
3. One member speaks at a time
4. Provide chance to all members to voice their opinion
5. Documentation of the discussions and decisions in minute book
6. Use the language which majority of the members can understand
7. Be clear and specific
8. Make eye contact
9. Address the group

**Norms of successful communication with other institutions**

1. Try and fix an appointment prior to the meeting
2. Keep all the documents and information you may need during the meeting
3. Introduce yourself, your SHG and village at the beginning of the meeting
4. Be clear and specific

**Step 1:** Conduct communication game to make the participants understand the importance of two-way communication *(Zambia)*

- Ask for one volunteer. Sit that person with her back to the rest of the group
- Give the volunteer the sheet with the diagram and make sure no one else in the group can see it
- The volunteer is then asked to explain verbally to the group what she sees, giving only verbal instruction on how to draw the figure. The rest of the group is asked to draw what they are told by the volunteer on a blank sheet of paper, titled Diagram 1. The volunteer is not allowed to make any gesture, turn around etc.
In the first phase of the game, the rest of the group is not allowed to ask questions, they must draw the diagram in silence. When the volunteer has finished the instructions hand the second sheet to her. It is the same picture but the others will not know this.

The group is asked to start on this new sheet of paper titled diagram 2 and repeat the exercise, but this time the group can ask questions and the volunteer is allowed to answer verbally, without any gestures. At the end, various diagrams are compared with the original.

**Step 2:** Conduct listening game to make the participants understand the importance of effective listening *(MYRADA)*

The participants sit in a circle and volunteer whispers a fairly long message that will be passed around. The participants are not allowed to clarify the message. The message is then passed around the circle in whispers and the last person in the chain will speak aloud the message she has received to the entire group

Message: feedback and listening are important

**Step 3:** Role-play: Successful communication in the SHG *(MYRADA)*

The members are attending a SHG meeting. One of the members has not paid the saving. Two members are angry and shout at her. The defaulter does not answer them but withdraws into a shell. Another member asks her with concern and empathy why she has not brought the saving. It turns out that her child has fallen ill so she has had to divert all her money for his treatment. Fourth member volunteers to pay the saving of the defaulting member.

Discuss about the style of communication and importance of feedback

**Step 4:** Brain storming:

Evolve rules and regulations in SHG that support effective communication. e.g. members don’t speak simultaneously

**Step 5:** Role play – Communication with external institutions

Discuss what went right or wrong with each attempt at communication
### 4. Training in leadership

<table>
<thead>
<tr>
<th>Theory</th>
<th>Practical</th>
<th>Duration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Need for leadership in an SHG</td>
<td></td>
<td>15 minutes</td>
</tr>
</tbody>
</table>
| **Step 1**  
Need for leadership – Tower building | | 15 minutes |
| Characteristics of a good SHG leader | | 30 minutes |
| Type of leaders in an SHG | | 30 minutes |
| **Step 2**  
Role of members and leaders | | |
| **Step 3**  
Selection of leader using PRA – matrix scoring | | 30 minutes |
| Role of representatives | | |
| Qualities of good representatives | | 15 minutes |
| Role of chair person | | 15 minutes |
| Role of book writer | | 15 minutes |
| Role of CLA members | | 15 minutes |
| Rotating leadership functions | | 15 minutes |

**Objectives**

1. To generate awareness among participants on the need for leaders and the importance of rotation of leaders
2. To create awareness among members about the role and responsibilities of different types of leaders in an SHG

**Content**

**Need for leadership in an SHG**

Leadership is needed:
- To coordinate all the SHG activities
- To nurture the group’s interpersonal relationship
- To ensure that all members participate in group activities
- To take initiative in establishing linkages with external organizations
- To represent the group in other forums
**Characteristics of a good SHG leader**

Democratic leadership is essential for an SHG. The leader must foster participation, respect the members, must be responsible, impartial and supportive. A democratic leader also helps promote new leaders in a group. A good leader in an SHG should be courageous, dedicated, honest and a visionary. She should always put the larger interest of the group before her personal interest.

**Type of leaders in an SHG**

1. SHG representatives
2. Book writers
3. Chair person &
4. CLA representatives

**Role of representatives**

- To ensure that the weekly meetings takes place regularly
- To facilitate good relationship between members of the group and to ensure the smooth functioning of SHG
- To facilitate group members to resolve any conflicts that may arise in the SHG
- To build relationship between the SHG and other institutions
- To share all relevant information gathered from training sessions attended and from external contacts with rest of the SHG members
- Jointly operate bank account as authorized by the group
- To monitor the financial affairs of the SHG including maintenance of records, audits and fund management
- To check with decisions made in the Minute book before signing a cheque
- Represent the SHG in other forums
- Facilitate the group to carryout the decisions of the SHG
- Try to mobilize local resources for the benefit of SHG

**Qualities of good representatives**

- Empathy
  - Able to understand the problems of others
- Listening ability
  - Willing to listen others
- Communication
  - Able to carry information accurately from members to other forums and back to members
- Well informed
  - Aware of happenings around & keeps oneself well informed
- Initiation / innovation
- Commitment

**Role of Chairperson**

1. To ensure discipline in the meeting
2. To handle cash transaction of the day and to remit cash to the bank
3. To furnish the bank receipt counterfoil to the SHG members in the next meeting
4. To ensure participation of all members in the proceedings of the meeting
Role of Book writer

1. To ensure updating of all book of accounts
2. To ensure that books and documents are kept safely and in good condition and to produce them whenever required
3. To ensure the audit of SHG finances
4. To attend training sessions when organised
5. To ensure that a second line of book writers are developed in SHG
6. To prepare and present the monthly report to members, to CLA and NGO
7. Work for improvement of literacy and numeracy skills of the SHG members
8. Training members in bank transactions

Role of CLA members

1. To attend all meetings and training sessions
2. To orient and brief SHG members about CLA activities
3. To identify issues and problems that cannot be solved by the SHGs and attempt solution with help of CLA
4. To ensure proper flow of subscription and other funds between SHG & CLA
5. Ensure proper repayment of CLA loans
6. To visit weak member SHGs and motivates their performance
7. To involve AAP and conduct periodical assessment
8. To ensure that minutes have been properly recorded
9. To share experience of success and failures in their SHGs with all CLA members

Rotating leadership functions

Rotational leadership in an SHG is important because,

1. It creates opportunities for all members to develop leadership qualities
2. It enables the sharing of responsibilities
3. It allows the SHG to function smoothly even if some members are absent. (Many saving credit groups in Uganda were closed due to the resignation of the leader)
4. Create equal opportunities in the SHG
5. Does not allow domination by a few members

Note: leaders should be appointed three months prior to the expiry of the term of the former leaders in the SHG

Methodology

Step 1: Need for leadership – Tower building (Ethiopia)

Provide newspapers, pins and muslin tape. Form 4 groups. Ask the groups to construct a 6 feet tall tower using the resources provided. Ask each group to select a member as their leader.

Discuss the role of leader after the completion of exercise.
**Step 2: Role of members and leaders (MYRADA)**

Show the following picture

1. All the members are seated in a cart and the representatives are trying to pull the cart
2. The two representatives are seated on the cart and all the members are pulling the cart
3. All the members are pushing the cart with the representatives helping with the steering of the cart.

Discuss the role of members and leaders

**Step 3: Matrix scoring – Selection of leaders**

A matrix scoring exercise is done to compare and study the merits and demerits of various items against a set of criteria. Each item is scored against each criterion. Comparing the scores can make the right choice. It is useful to study people’s preferences and opinions with regards to anything and to understand their reasons for the same. A matrix is prepared with different items represented in rows, and the criteria by which to assess these items, represented in the columns (or vice versa) while matrix ranking gives an indication of relative preference only, matrix scoring in addition, quantifies these preferences. Scoring can be done using stones/ grains/seeds. Scoring can be out of a fixed maximum.

**How to do**

1. Have a round of introduction with the respondents
2. Explain to them the purpose of the exercise
3. Initiate the topic you want to study
4. Allow them to discuss and come out with comparable items
5. Facilitate them to keep related symbol for each item on the ground
6. To come out with different criteria that could be represented symbolically
7. Ask them to keep the item on one side (X axis) and the criteria for comparing these items on the other side (Y axis)
8. Tell them to discuss and keep scores by using stones or sticks depending upon the importance they would like to give variable against each criterion.
9. Ask them to present the exercise and make corrections if any
10. Sit and do detailed analysis and record the reasons for their preferences

E.g. Selection of SHG representatives

<table>
<thead>
<tr>
<th>Candidates name / qualities of a good leader</th>
<th>Communication skill</th>
<th>Education</th>
<th>Commitment</th>
<th>Willingness</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
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<td>B</td>
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</tbody>
</table>
5. Training on problem solving/ conflict resolution

<table>
<thead>
<tr>
<th>Theory</th>
<th>Practical</th>
<th>Duration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Common problems within and outside the SHGs</td>
<td></td>
<td>20 minutes</td>
</tr>
<tr>
<td>Results and impacts of SHG problems</td>
<td></td>
<td></td>
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<tr>
<td>Conflicts</td>
<td></td>
<td>25 minutes</td>
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<tr>
<td>Reasons for conflicts</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Types of conflict</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Step 1</strong></td>
<td></td>
<td>30 minutes</td>
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<tr>
<td>Role play: How conflicts arise in the group- looking through tinted glasses</td>
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<tr>
<td>Conflict management</td>
<td></td>
<td>15 minutes</td>
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<tr>
<td>Problem solving style</td>
<td></td>
<td></td>
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<tr>
<td>Unsolved conflicts</td>
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<td>30 minutes</td>
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<tr>
<td>Capacity building need for SHG members for problem solving as the group</td>
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<tr>
<td><strong>Step 2</strong></td>
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<td>15 minutes</td>
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<tr>
<td>Story: Unsolved conflict: The cow and lion</td>
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<tr>
<td><strong>Step 3</strong></td>
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<td>20 minutes</td>
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<tr>
<td>Problem identification and analysis in SHG- Venn diagram PRA</td>
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<td><strong>Step 4</strong></td>
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<td>25 minutes</td>
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<tr>
<td>Role play: Problem solving-Conflict resolution</td>
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</tbody>
</table>

**Objective:** To develop problem solving and conflict resolving capacity among SHG members

**Content:**

**Common problems within and outside the SHGs**

Problems and conflicts are natural in any group. It is possible to discuss the problems and conflicts openly and to resolve them. Unsolved problems and conflicts are harmful to the group.
In SHGs
- Poor attendance in meetings
- Members don’t pay subscription/ saving
- Poor recovery
- Book writer’s domination and refusal to hand over books of accounts
- Lack of initiative among members to take up CAPs and SAPs

Outside the SHGs
- Women issues such as wife beating, sexual abuse, early marriage, FGM
- Child labor

Results and impacts of SHG problems
- Spoils the cordial relationship among members
- Members no longer willing to take up responsibilities
- Reduces the participation of members
- Reduced attendance rate
- Members loose interest towards saving and loan repayment
- Problem in achieving goals

Conflicts: Difference of opinion / view among persons over a subject

Reasons for conflicts
- Different attitude and understanding and seeing things from different perspective
- Lack of clarity, understanding and knowledge on goals
- Selfishness, laziness, lack of interest in sharing responsibility
- Inferiority complex among members
- Expectations
- Jealousy, competition among members
- Poor communication
- Lack of affinity (acceptance and trust) among members
- Lack of openness

Types of conflict
1. Inter personal conflict: Due to personality difference
2. Intra organizational conflict: Within SHG / CLA
3. Societal conflict: With SHG and community
4. Goal conflict: some member may focus on social goals whereas others may focus on economic goals. So, conflict arises.
5. Role conflict: There are conflicting expectations for a given position from various members.

Unsolved conflicts
Unsolved conflict leads to groupism, outsider’s interference and exploitation and poor functioning of the group.
Conflict management

Withdrawal: Avoiding the conflict situation and refusing to talk further about the conflict

Covering up / smoothing: Covering up differences and claiming that everything is fine, when it is not. Refusing to acknowledge conflict.

Forcing: Forcing a person to do something by using authority

Bargaining: Negotiating to arrive at a compromise, or bargaining to maximize each person’s gains.

Problem solving style

Accepting differences. Resolving them in a collaborative way.

Steps:

Identification of problem
Define the problem
Analyze what happened in the problem
Who are involved?
How it happened
What is the reason behind it?
Is there any hidden agenda?
After seeing the root causes openly discuss and brainstorm on the possible solution
  - Listening to everybody’s point of view / ideas
  - List down the pros and cons of each option
  - Choose the most effective option through negotiation (ability to implement the option, whether the option is favorable to all members, available opportunities)

Decide about the implementation of option, timeframe, who will do what / when etc
Get feedback whether the problem is resolved amicably
Otherwise review the option and follow up

Capacity building need for SHG members for problem solving as the group

- Leadership quality
- Coordination capacity
- Problem analyzing skills
- Skill to identify problem solving methods
- Communication skills
- Ability to resolve conflicts
- Listening
Methodology:

**Step 1:** Roleplay: How conflicts arise in the group – looking through tinted glasses

Place an object at the center of the training hall. Handout 4 pieces of different colored cellophane paper to four of the participants to place over their eyes and ask them to tell the group the color of the object placed at the center.

**Step 2:** Story: Unsolved conflict: The cow and lion (Uganda)

In a forest, long ago, there lived three cows that were great friends. A lion in the forest wanted to eat them. But, whenever he tried to hunt the cows they fought him together, and managed to repulse his attacks. One day a conflict aroused among the cows. They wanted to graze in 3 different places. They did not resolve the conflict and went to three different places for grazing. The lion was waiting for the chance and killed all the three cows one by one.

**Step 3:** Problem identification and analysis in SHG – using the Venn diagram PRA

To identify, prioritize and plan in detail to solve the problem.

*How to do*

1. List out the problems
2. Ask the members to rate each problem depending on its magnitude. The size of the cut card is proportionate to the magnitude of the problem
3. The problem that share the same magnitude are depicted by cut card of the same size
4. Ask them to give reasons
5. ‘Find the factors (risk / enabling factors)
6. Ask them to give suggestions for improvement

**Step 4:** Role-play: Problem solving - Conflict resolution

In a CLA meeting one member suggests that the next meeting will be at “X” village, but another member refuses and suggests “Y” village. So, here is a conflict over the choice of meeting place. Manage the conflict and find solution for this problem.