



Role of JLG's (Joint Liability Groups) in Enhancing Village Economy

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Abstract: *JLGs (Joint Liability Groups) help to enhance village economies by providing local jobs, livelihoods, and income, as well as eliminating poverty and creating an inclusive economy. JLG is an informal group of four to ten persons who share a common socioeconomic background, reside in the same neighbourhood, and engage in similar activities. To begin earning a living, all participants agree and take out a loan in groups. JLG's are formed with the support of FPOs, Kudumbashree, KVKs (Krishi Vikas Kendras), ATMA (Agriculture Technology Management Agency), Department of SMEs, Small Scale industries / Agro industries, local nationalised and cooperative banks. Microfinance provides a source of income for the needy, especially in rural areas. More than 86 percent of India's population are small and marginal farmers who rely on agriculture to meet their needs directly or indirectly, while more than 60 percent of farmers are in financial distress. Most farmers were unable to obtain financial help from banks and financial organisations due to a lack of adequate security. Joint Liability Groups (JLG) are formed to satisfy the financial needs of small and marginal farmers. JLG was established with the goal of providing financial assistance to rural populations and supporting the Kerala government's poverty eradication objective. Through numerous programs such as thrift and credit activities, linkage banking, microenterprise development, health awareness, and capacity building, individuals in rural regions are strengthened and empowered economically. In this study, I investigated the various models of JLG's and their techniques, the extensive participation of women in all aspects of agricultural and allied activities as well as the obstacles they have in selling their products, generating money and other sources of income, and how group formation empowers women.*

Keywords: *Women Empowerment, Joint Liability Groups, Farmers Producer Company, Inclusive Economy, Local Livelihood, Enhancing Village Economy, Poverty Alleviation*

Objectives of the study

- Investigate various approaches and tactics used on the ground to support livelihood.



- Microfinance's role in developing a system that channels local resources and financing for the benefit of village residents, making it a critical tool for socioeconomic and inclusive growth.
- To act as a collateral alternative for loans to the target groups.
- The goal is to increase mutual trust and confidence between the bank and the target group.
- Increasing agriculture production, productivity, and livelihood enhancement through a cooperative farming and cluster method to ensure food security to disadvantaged groups.
- Research on the bank's financial assistance and how its members return it.
- Research into JLG products, as well as the efficacy and efficiency of JLG members in marketing efforts.

JLG MODELS:

Banks can finance JLG by adopting any of the two models.

Model A – Financing Individuals in the Group:

Each member of the JLG should have his or her own Kisan Credit Card (KCC) . Based on the crop to be cultivated, accessible cultivable land / activity to be conducted, and the credit absorption capacity of the individual, the financing branch could determine the credit requirement. All members would sign a loan agreement together, making each of them jointly and severally accountable for the repayment of all debts taken out by all members of the group. The joint agreement must ensure that all members are in agreement on the amount of individual debt obligation that will be established, including liabilities arising from the individual KCC. Any member who leaves or joins the group will need to sign a new loan agreement, which will be maintained on file in the branch.

Model B – Financing the Group:

In terms of operation, the JLG is a single borrowing unit. The group would be eligible for a single loan, which might cover all of its members' credit needs. The micro enterprise / activity to be done could be used to assess the group's creditworthiness. The paper would be signed jointly by all participants, and the debt burden would be owned jointly and severally. All parties must agree on the amount of individual debt responsibility that will be formed as part of the joint agreement. Any change in the composition of the group will result in the branch registering a new document.

1. METHODOLOGY

Mix technique was employed to collect data, which included both quantitative and qualitative methods. This methodology was used to collect both primary and secondary data. The information was gathered with the cooperation of FPCs (Farmers Producer Companies), bank officials, members of various JLGs, and members of focus groups. Secondary data on loan repayment and bank transaction status was obtained from JLG's passbook, meeting reports were obtained from their minute books, and activities were recorded using FPCs. On the basis of a standard questionnaire, many characteristics of the schemes, banking details, attitudes of members in various categories, marketing strategies, loan disbursement undergone by members, and other details were collected.

Conceptual Background

1.AMRUTHAM NUTRIMIX- HEALTH SUPPLEMENT FOR CHILDREN

JLG unit of Kudumbashree, Poolani began producing Amrutham Nutrimix in 2006 with five members. Amrutham Nutrimix is a nutritional supplement for children from six months to three years old. The project's goal is to deliver 500 calories of energy and 12-15 grams of protein per day to each youngster. Poolani SHG is currently delivering Amrutham Nutrimix to three adjacent Panchayats: Meloor, Athirappilly, and Pariyaram, with Women Child Development (WCD) as the implementing agency. Flood water washed away the entire unit during the 2018 flood, affecting the livelihood of the unit members, however they gradually recovered and restarted the unit. They obtained all necessary licences, including Panchayat, Health Card, SSI, FSSAI, and Packing. Despite the fact that the machine has a production capacity of 1000 kg per day, it is not being used to its full potential. Every member now receives a salary of Rs 10,000. Another woman's success story of empowerment and recovery following the disastrous floods of 2018, which resulted in a massive deluge.



GOAT REARING - 'POOR WOMEN'S GOLD - USED FOR EMERGENCY FUND '

Prabatham -JLG was formed in 2018 under ICDC and Shareholder of Sreekrishnapuram Organic Farmers Producer Company Ltd. The four members are Mrs Sujithira, Mrs Usha, Mrs Lathika and Mrs Sudha.

Goat plays a significant role in the economy of rural women. It's mainly reared for both milk and meat. Mrs Sudha and Mrs Sujithira have got 16 Malabari goats and holding 10 cents of land (5 each). The goat shed is made in 2 cents using indigenous material and covered with jute sacks to protect goats from cold in winter and rain. They remove the dung deposited under the shed twice a week and the same is used as manure in the vegetable gardens.

An adult goat requires five kilograms of green grass and two kg of dry jackfruit leaves per day. Special food is prepared by mixing salt and mineral mix in water boiled with wheat bran. Goats are prolific breeders and start to give birth within 10 to 12 months. A goat has the capacity to give birth to up to 4 -6 kids in a year. The average weight of a Malabari goat is 15 to 20 kg at one year of age. They are able to sell to 4 to 6 goats/ year. The income from goat rearing is on average Rs 30000.

The women are looking for financial support to build a modern goat shed made up of durable materials which can withstand adverse climatic conditions and does not require heavy maintenance. This women's self-help group became financially independent by rearing healthy goats. Their lives, create a difference and sign and strength of women Empowerment.



STITCHING UNIT -LIVELIHOOD FOR JLG

Sapthathi - JLG formed under ICDC and Shareholder of Sreekrishnapuram Organic Farmers Producer Company Ltd. The tailoring unit was started in 2018 by a SHG group with ten members. SHGs are small groups of 10-20 persons, usually women that were founded with the goal of providing microcredit and supporting micro-entrepreneurship.

They sew nighties, kurtas, churidars, salwars, and blouses in response to orders from retailers and the community. For stitching, they buy clothing materials in bulk from Palakkad. They borrowed Rs 250000 from Sreekrishnapuram, a multi-purpose cooperative society, and are repaying Rs 10500 each month. Each member earned Rs 10,000 during the Pre- Corona period. Their monthly income has been reduced to Rs 4500. Each woman's earnings ensure that her family is secure and protected. Through a tailoring unit and women's empowerment, this women's self-help organisation is changing lives.



BHAGYASHREE JLG -UNIT MAKING BAKERY ITEMS

The JLG was formed under ICDC and Shareholder of Sreekrishnapuram Organic Farmers Producer Company Ltd. The women of Neighbouring Joint Liability Groups (NJLG) formed a small unit to make food products. JLG (Joint Liability Collection) is a group of four people from the same neighbourhood or neighbourhood who have a similar nature and socioeconomic background and have come together for the same objective. The women banded together and began a small catering business. They created a variety of items, including papaddam, murukku, and many types of kondattam. This region is known for its

fried and crispy snacks, which are sold to each home. The female group that relied on their self-esteem to accomplish life changes. They borrowed 2 lakhs from Kerala Gramina Bank and are paying 2250 rupees each month in interest. The women used to sell snakes for Rs 10,000 a week before Corona. Every month, each woman takes home Rs 4500. Corona's sales plummeted, and their earnings plummeted to Rs 1500. The organisations are change-makers who believe in women's empowerment.



ORGANIC AGRICULTURE AND WOMEN EMPOWERMENT

Nakshatra JLG was formed under ICDC and Shareholder of SOFPC (Sreekrishnapuram Organic Farmers Producer Company Ltd). Neighbouring Joint Liability Groups (NJLG) were doing Ponmani (paddy) on 2 Acres of land. JLG (Joint Liability Group) is a group of 4 people of the same locality or neighbours having homogenous nature and of the same socioeconomic background who mutually come together to form a group for the same purpose. The members include Mrs Nisha, Mrs Sreeja, Mrs Anitha & Mrs Panchali.

During the post-corona period, the women banded together to clean and prepare the land, and farming became their sole source of income. The group took part in a variety of training courses, including ICDC's capacity-building and technical training.

They practised organic farming, and as a result, the group's harvest from two acres is 2500 kg. The group loans are provided by Kerala Gramin Bank for a period of one year. The whole cost of the renovation was Rs 10,000, and the paddy was eventually sold for MSP 28. After securing food for their families for a year, the group made a profit of 15,000 Rs. The goal is to teach women how to save money, expand food security to their own families, and offer good food to everyone throughout the year. Another success storey of women empowerment is the collaborative approach to overcoming problems.



HONEY COLLECTED FROM NATURE BY THE ETHNIC MUDUGA COMMUNITIES AT ATTAPADI

Every year in the month of February - April six members from Karuvaya Oru (hamlet) start the journey in search of wild honey and belongs to the Muduga community. In the Attapadi area gathering of honey has been the regular occupation of Muduga - tribal community.

They travelled through the interior forest region of Silent valley, Tudiki and Anavayi. They stayed in the forest for more than 10 days in search of wild honey.

They collect wild honey through traditional methods which they learned from their ancestors. They use fire to subdue the bees, and in some cases, they hack off the branches of trees to procure honey from the hives. They believe by using natural methods saves thousands of bees from wasteful killing. The remaining bees again make the colonies nearby and provide honey to them. Sometimes they get stung during extraction.

Usually, two types are bee honey was mainly found. Cheruthen (Trigona or stingless) and Malanthen (Apis Dorsata). Cheruthen were found on tree cavities or inside the holes of a large tree while Malanthen were found on the top branches in the forest. Cheruthen is considered best because of its medicinal values. It's collected from hector & pollens from small wild growing trees and plants.

Every season they collect honey 3 to 4 times it means in each trip they collect 30 to 50 liters of honey. Once they return back after a tedious journey, they extract crystal clean honey using new cloths. Then the product was then sold to the Forest office: Eco-Development Society and Attapadi farmers producer company where they are shareholders. They also collect NTFP (Non-Timber Forest Produces) like Amla, Kunthirikkam (Frankincense) for livelihood. In each season every member earns an additional income of Rs 30,000 to Rs 50,000.



THRIVENI JLG-POULTRY FARM-INCOME AND LIVELIHOOD FOR FAMILIES

Thriveni JLG was formed under ICDC and shareholder of Sreekrishnapuram organic farmers producer company ltd. The four-member comes together and started a small poultry farm with two cows each. The chicken and duck poultry at the backside of the house with agriculture is the main source of income. They use cow dung as manure and doing organic farming. Each family gets 48 eggs/ days from both duck and desi hen. They are selling egg (duck) for Rs 10 and for egg (desi hen) for Rs 8.

It plays a major role in our day-to-day life with respect to subsidiary income and also provide us with nutritious chicken egg and meat for our own consumption.

Apart we are cultivating organic vegetables for our use and the rest we sell locally. JLG got a loan of Rs 2 lakhs at 4 percentage interest from KSCB and we were repaying it. We want to construct a fish pond in 2 cents of land for which we need support so that we can properly manage food and farm waste.

All the members of the group took responsibility and we felt that women are changed positively and it's the strength of women empowerment.



QUAIL (KADA) FARMING: ONE BIRD AND TWO WAYS OF EARNING.

Vismaya JLG started in 2015 at Nemmara block, supported by Jan Kissan farmers producer company. Four neighbouring members come together and opted for quail farming as a self-employment and income generation activity. Initially, they started their business with 3000 and gone up to 5000 kadas. They took a loan of 2 lakhs from Bank of Baroda and repaid the amount.

Quail (kada) is a bird with two ways to get money. One for the egg and the other for the meat. Each quail fetches up to 250 eggs a year. They keep each kada for 9 months after they sell it for meat. Each egg is sold for Rs 2 and meat for Rs 30.

Quail eggs also contain healthy essential fatty acids, like omega-3 and omega-6. Each serving of quail eggs provides with 13 percent of protein requirement .

Light plays a vital role in the case of egg production. 16 hours of lighting is required daily inside the quail chicks in a brooder house. 50 kada can be raised in a cage measuring 120cm length x 60 cm wide x 25 cm in height. The disease is low and management as easy as it's raised in cages. Quail feeds available in the market are used as feed.

Because of covid, sales have decreased, competition has increased, and the price of an egg has remained unchanged while the price of feeds has increased. As a result, the kada was cut to 1500. Each member earns an average of Rs 5000 each month.

Backyard chicken farming is a sign of nutritional, social, and women's empowerment. It explores the possibility of local food to meet local need.



JLG -DOING ORGANIC BANANA

Vasanth Lakshmi -JLG was formed in 2018 under ICDC and shareholder of Sreekrishnapuram organic farmers producer company ltd. The four members are Mrs Vasanthalakshmi, Mrs Saranya, Mrs Shobana and Mrs Rajani. The four members are engaged in vegetable farming. Main crops are banana (Nendran), Elephant Foot Yam (Chenna), Ladyfinger, Brinjal, Cowpea (payar), Ash Gourd (kumbalanga), Ginger, Turmeric and Chilli.

Onam season is a special time for JLG because this is the time of the year when bananas (nendran) fetch the best of prices. They started preparations before one year to get a better price during Onam.

But last 3 years two floods and covid pandemic have brought devastating impacts on small scale farming. It seriously affected small and marginal farmers and most of JLG's and SHG's groups. The JLG took a loan from Kerala Gramina Bank Cherpulassery and repaying the loan with a 4000 rupees EMI. They took one-acre land on lease for Rs 5000.

They also save Rs1000 in national savings recurring deposit (SB) in post office saving scheme and Rs 100/ month they deposit in Kurri and sell vegetables to local shops and directly sell their produce to cash and carry retailers.

Before covid, each member earned an average of Rs 6000 per month, but after covid, the price of vegetables fell, and their earnings fell as well.

Agriculture is extremely reliant on favourable weather; if the weather is excellent, they can sell their products for a higher price. It also aids in the identification of settlements that meet their food and feed needs based on current and prospective agricultural yields.

Throughout the year, the ladies secure food security for their family. It makes a statement and serves as a symbol of women's empowerment.



THE PANDEMIC HAS SPURRED CONSUMER DEMAND-SO OUR PRODUCTS

Prabatham -JLG was formed IN 2018 under icdc and shareholder of Sreekrishnapuram organic farmers producer company ltd. The four members are mrs sujithira, mrs usha, mrs lathika and mrs sudha. They are making kerala pappadam and idly- dosa mavvu. Papad has been an integral part of local food. It has a vital place in every meal. They sell 100 packets (20 no of pappad in each packet) and 30 kg of mavvu each day. These foods are also preferred by all people, including infants, grown-ups, and patients, because they can be easily digestible and possess high nutritional value.

With more people staying at home, as a result of the global pandemic, idli and dosa batter is in high demand so our mavvu. Kerala gramin bank cherpulassery provided the loan of 2 lakhs to start the unit. During corona, each member is earning 12000 rs a month. Hence scaling up to meet demand, and/or keeping costs low is always a challenge.



Millet Program at Attapadi- Protect traditional seeds and ensure food and nutrition security.

Millet was introduced to Attapadi in 2014 under Kudumbasree Mission - Farm livelihood mission. The project aims to protect traditional seeds and ensure food and nutrition security.

Now total of 1005 JLG engaged in farming and doing millets such as ragi (finger millet), Chama (little millet), Thina (foxtail millet), varagu (kodo millet), proso millet and kuthiravali (barnyard millet).



The project function under three-tier system Panchayat Samiti, Ooru Samiti and JLG Samiti and is supported by Mahila Kisan Sashaktikaran Pariyojana.(MKSP), GOI.

In each Ooru they formed JLGs and provided the loan amount of Rs 20,000 which is refundable, Rs 4000 as a corpus fund to purchase seeds and up to Rs. 30000 as incentives depends upon crop and the area under cultivation and training in practising organic farming and for value addition.

From 192 Ooru 105 master farmers were selected all of them from the community living in Attapadi. Major communities are Irrula, Mudga and Kurmba.

Now 325 acres of land are under cultivation and after covid many youngsters back to natural farming.

They've branded the goods as hillvalue, and there are now 32 of them. The most significant value adding activity for tribal agriculture products is 'Hill Value.' The community operates a modern mill in Mallicheera, Anakatti, where they sort, clean, dry, grind, pack, and add value to the produce.

Through Hill Value branding, indigenous tribes were able to create permanent markets for their products and add value to their products.



Coconut shell products -Sustainable alternative to Plastic

When we faced pandemic covid-19 in 2020 and risk of losing our livelihoods, we planned to start Coconut Shell Products manufacturing unit at Mangalore for additional income and mitigating the crisis through existing mechanisms, tools and platforms. We recycle coconut shells into eco-friendly products. Every day we worked for 2 to 3 hours and making 12 different products. While searching best out of waste materials and due to their passion, they come out with adorable eco-friendly crafts from waste shells of coconut. Some of their beautiful crafts come from exocarp from neighbours after extract mature Kernel (Copra) and vice versa means we buy the coconut and take the shell and give copra to neighbours.

The collected coconuts were scraped out and the surface of the shell is cleaned to make it smooth with the help of sandpaper. The shell is then cut into desired shape and size and then varnish. We separately make the different parts and stick them by using Fevikwik. Finally, we polish the product using bee-wax and coated with varnish to get the finishing. The finished product is dried under the sunlight. We are making products like bowls, Soap stand teapots, ice-cream cups, pen stand etc.

Now plastic has replaced our traditional products and we cannot rely on shell handicrafts for livelihood and income. It's time-consuming work and craft and each product needs extra effort. The most difficult part is to find shells of the right dimension.

To ensure a sustainable, zero waste natural products first we have to give awareness and some strict laws should be implemented to replace plastic from shelves and cutting plastic waste in food packing.

We sell our products with the help of social media in the range of Rs 150 to Rs 300.



13. Embroidery: beautiful combination of Skill and Craft

Due to a pandemic in 2020, our Job and Salary were cut down. So, we find an alternative way to add on our income for a decent living. We started LN Threads -Embroidery unit on June 16th 2020 at Mangalore. It's a small unit where we were doing embroidery and fabric works. We do embroidery work against the order as it's time-consuming. In embroidery, we use various threads to depicts beautiful designs on cloths. Now people like theme embroidery design and present biodegradable gifts on special occasions like birthdays, weddings, anniversaries etc. First, we sketch the design on cloth or paper and take approval from clients and depict the design on cloths using threads. It will be an eco-friendly personalized present worthwhile to their budget and those who received it feels good personal and something priceless.

Stitching textile bags and hair ornaments are two other prominent projects. They believe that there is a lack of public knowledge, and that people's attitudes are progressively changing, and that they now choose more eco-friendly and biodegradable products, particularly those made of cloth.

Hair accessories are in demand and used by individuals of all ages, but they are especially popular among teenagers. Hair bands and rings made of textiles, ribbons and bows, thread or string, and other hair accessories with aesthetic or social and cultural value are among our hair accessories.

The product range of embroidery is from Rs 750 to Rs 1500.



Findings

- The JLG's plays a vital role in economic development, women empowerment, gender inequality, employment creation, meet local needs, development of value-added products.
- The JLG groups are able to convert fallow land into cultivable land, increase agriculture production, horticulture crops and livestock.
- Develop master farmers in each community who train other farmers from their own community.
- Through different activities creating more sustainable and inclusive societies aims to include all women in the village.
- It meets three dimensional models of women empowerment -Microlevel (personnel empowerment can be observed), Meso-level (relational empowerment can be observed) and Macro-level (societal empowerment can be observed).

Area of Concern

- Licensing and Certification are two constraints for Joint Liability Groups to start a business.
- Increase in the price of inputs leads to a decrease in supply because the price of input shoot-up but selling price of product remains same from long time.
- Branding and marking of products.
- Number of groups doing same activities and selling products in same local shops and market which increase production and reduces bargaining power.

2. CONCLUSION

The JLG model is a credit-driven, fast-growing model that covers numerous organisational aspects such as joint liability, capacity development, power decentralisation, cost effectiveness, and product marketing. It is derived from many models practiced by various communities. Standardization of products, technical inclusion, input prices, underutilization of production and technology, a lack of money to promote the firm, and a lack of marketing experience are all challenges faced by most JLGs. For many years, the majority of JLGs have engaged in similar activities. They renew the loans every year. Produce the same things and sell them in the same place. Due to rising input prices and no increase in output prices, product quality is rapidly becoming a major competitive concern. As a result, JLG's are



unable to scale up their operations. The findings revealed a positive change in rural women's lifestyles, as well as various activities undertaken that best fit local communities, their income generation, local employment, position to solve various socio-economic issues, best money management practices, and agriculture activities that create more sustainable and inclusive societies, in which all members participate in the growth process, a clear sign of inclusive economy.

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