



## Problems and Prospects of Self Help Groups in Jayashankar (Bhupalapally) District of Telangana State

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**Abstract:** *In recent years, empowerment of women has become a subject of great concern for the nations all over the world especially in poor and developing countries. Empowerment means emancipation of women in harmonious co-existence with men in the society. Power provides social recognition, dignity, prosperity, property, value and security. Hence empowerment has acquired considerable importance. Empowerment is a way of acquiring the ability and opportunity to participate in decision making and implementation of decisions with proper knowledge of self-dignity and self-confidence. The concept 'empowerment' was introduced at the International Women's Conference at Nairobi in 1985, where it was defined as "a redistribution of social power and control of resources in favour of women. Empowerment is not only essential in political field; but also in personal, economical, social, and political dimensions with personal empowerment". Self Help Groups (SHGs) have emerged as the most successful strategy in the process of participatory development and empowerment of women. Women SHGs in India have become successful in bringing the women in the main stream of decision making. SHGs are also a viable organized setup to disburse micro credit to the rural women and encourage them to enter into entrepreneurial ventures.*

**Key Words:** *Women, Empowerment, Self help Groups,*

### INTRODUCTION

Women are an integral part of every economy. All round development and harmonious growth of a nation would be possible only when women are considered as equal partners in progress with men. Empowerment of women is essential to harness the women labor in the main stream of economic development. Empowerment of women is a holistic concept. It is multi-dimensional in its approach and covers social, political, economic and social aspects. Of all these facets of women's development, economic empowerment is of utmost significance in order to achieve a lasting and sustainable development of society. Empowerment of

Women Empowerment of women is nothing but women who live their own life in which they think appropriate, on the basis of their condition of family circumstances, qualities and capabilities of those things, and consider themselves as the best judges. Women empowerment can further be studied as political empowerment, economic empowerment and social empowerment. Since the researcher has concentrated his studies only on the economic empowerment that includes financial empowerment which is characterised by factors like income, expenditure, savings and investment.

### SHG as an Instrument to Empower Women



One has to believe that the progress of any nation is inevitably linked with the social and economic plight of women in a particular country. Participation in SHGs can bring enviable changes and enhancement in the standard of living of women which could be their empowerment in poor and developing nations. Self Help Group (SHG) is a process by which a group of 10-20 women with common objectives are facilitated to come together voluntarily to participate in the development activities like savings, credit and income generation and thereby ensure economic independence. The basic principle which underlies the SHGs is to finance the poor to achieve holistic empowerment. SHG phenomenon brings the following qualities: group consciousness among women, sense of belongingness, self-confidence and self-reliance. When a woman becomes a member of SHG, her sense of public participation, enlarged horizon of social activities, high self-esteem, self-respect and fulfillment in life become expanding and enhance the status of women. Thus, the SHGs can be an effective instrument to empower women socially and economically.

#### **CONCEPT OF SELF - HELP GROUPS**

Probably the concept of SHGs had its origin in the co-operative philosophy and the co-operators by and large, including the National Federations in the credit sector, could not think of any better SHG than a primary co-operative credit society itself. 1 As SHGs are small and economically homogeneous affinity groups of rural poor, they are voluntarily coming together for achieving the following:

- To save small amount of money regularly
- To mutually agree to contribute to a common fund
- To meet their emergency needs
- To have collective decision making
- To solve conflicts through collective leadership and mutual discussion and
- To provide collateral free loans with terms decided by the group at the market driven rates.

Today the SHG movement is increasingly accepted as an innovation in the field of rural credit in many developing countries including India to help the rural poor. It is considered a vehicle to reach the disadvantaged and marginalized section, which in the normal course cannot avail of credit facility from the banks.

#### **IDENTIFYING THE POOREST OF THE POOR**

The process of identifying the poorest of the poor involves three steps, viz., village mapping, wealth ranking and sharing information with the villagers. In village mapping, the entire village structure consisting of houses, streets, trees, schools, government buildings, common buildings, street lights, temples and water facilities has to be covered. Village maps are drawn with the help of the village people mainly to understand the environment and dynamics of villages. It helps to understand the exact number of families living in the village and to initiate a dialogue for intervention. In the wealth ranking process, the families selected in the potential villages are categorized as the poorest, the poor, the moderate and the rich families mainly to



identify the poorest of the poor families for group formation. In order to seed the concept of the SHGs, the information collected through these two processes is shared with the poorest people of the village to get their approval and authenticity

### Significance of the Study

Generally, women are as efficient as men and contribute much to the economic development. In particular, Self Help Groups contribute to social and economic development. SHGs are facilitated to achieve independence in the lives of its members. Further, SHGs are formed to improve their mental caliber through proper awareness. Thus, SHGs play a major role in women empowerment to channelise micro-finance through bank linkages in collaboration with NGOs and contribute for the upliftment of the rural economy. Self Help Groups should function as non-political and non-controversial groups. Political and religious neutrality pave the way for its healthy growth. The Self Help Group helps the people to improve their economic conditions. There is a sign of relief and cheer in the faces of the members of the Self Help Group which would spread all the people in all the villages. Self Help Group concept gains momentum now-a-days because of its many folded effects on the economic empowerment of women.

### Objectives of the Study

The main objective of the study is to analyse the problems and prospects of the SHG members. This can be achieved through the following specific objectives:

1. To find out the demographic features of the sample Self Help Group members in Jayashankar (Bhupalapally) Dist.

2. To examine the impact of SHG members on income, expenditure, saving, asset and housing conditions before and after joining the group.

### Methodology

Specific objectives of the study as stated earlier require use of both primary and secondary data. Methods used for the collection and analysis of data are provided in this section.

### REVIEW OF LITERATURE

**Gurumoorthy (2000)** has done research on economic empowerment of women and he found out that empowerment can serve as a powerful instrument for women to achieve upward social and economic mobility and to achieve power and status in the society. Further, he found that empowering women contributes social development and economic progress in any country more than the developed or undeveloped country could be achieved through social development.

**Nagayya (2000)** in his paper micro finance for Self Help Groups has reviewed the initiatives taken at the national level with a few institutional arrangements to support this programme for alleviation of poverty among the poor, with special focus on women.

**Suguna (2001)** in her study on women's empowerment stated that there is a continued inequality and vulnerability of women in all sectors including economic, social, political education, health care, nutrition and legal. Active participation in social, economic and political spheres would help in enhancing process of decision-making empowerment. And it will also give women the desired self respect and social dignity and these are the pre-requisites of empowerment.



Veluraj et al., (2001) pointed out that unless women are empowered, issues like literacy, health, population explosion will remain un-solved problems of the developing countries. Women are equally efficient to men, sometimes. They contribute a lot to the economic development. In particular, Self Help Groups are the central activity, which would result in social and economic development. SHGs also facilitate to achieve independence in their life. Further, SHGs help to improve their mental ability through proper education.

**Table: 1 - Progress of SHGs – Bank linkage Programme in India**

Year	No. Of SHGs	Bank Loan (Rs. crore)
2006-07	1,49,050	287.89
2007-08	1,97,653	545.40
2008-09	2,55,882	1,022.34
2009-10	3,61,731	1,855.33
2010-11	5,39,365	2,994.25
2011-12	6,20,105	4,499.09
2012-13	11,05,749	6,570.39
2013-14	12,27,770	8,849.26
2014-15	16,09,586	12,253.51
2015-16	15,86,822	14,453.30
<b>Total</b>	<b>76,53,713</b>	<b>53,330.76</b>
<b>AAGR</b>		<b>50.72</b>

Source: NABRAD Annual Report, 2009-10.

Table 1 reveals that the total number of Self Help Group and the loan provided by bank is 1,49,050 and ` 287.89 crores in the year 2000-01 and it is increased to 15,86,822 and 14,453.30 crores in the year 2009-10. The annual average growth rate of bank loan amount is 50.72 per cent.

**Table: 2 - Self Help Groups in Telangana as on 31.03.2015**

Particulars	Total
No. of SHGs.	4,41,311
No.of.SHG Members	69.91 lakhs
No. of Rural SHGs	3,02,092
No. of Members in Rural SHGs	48,33,472
No. of Urban SHGs	1,39,219
No. of Members in Urban SHGs	21,57,894
Total Savings	
No.of.SHGs credit linked	4,02,046
Total Credit	
Source: www.telanganaserp.org	



### SHGs in Bhupalapally District

The progress of Self Help Groups in Jayashankar (Bhupalapally) district is exhibited through the Table No 3.

Table No 3 reveals that the total number of Self Help Group is 161 in the year 2003-04 and it is increased

to 15,593 in the year 2015-16. The annual average growth rate of group is 58.06 per cent.

**Table: 3 - Progress of SHGs in Jayashankar (Bhupalapally) District**

Year	No. of Groups Formed	Total Groups	Growth Rate
2003 - 04	161	161	0.00
2004 - 05	251	412	55.90
2005 - 06	570	982	127.09
2006 - 07	1,302	2,284	128.42
2007 - 08	1,121	3,405	-13.90
2008 - 09	373	3,778	-66.73
2009 - 10	2,281	6,059	511.53
2010 - 11	1,918	7,977	-15.91
2011 - 12	3,160	11,137	64.75
2012 - 13	1,501	12,638	-52.50
2013 - 14	1,245	13,883	-17.06
2014 - 15	600	14,483	-51.81
2015 -16	1,110	15,593	85.00
<b>AAGR</b>	<b>58.06</b>		

Source: DRDA, Jayashankar (Bhupalapally) Dist

**Table - 4 Mandal Wise Data in Jayashankar (Bhupalapally) Dist**

SI No	Mandal Name	Total VO's	Total SHG's	Total Members
1	Kataram	42	877	8749
2	Mahadevpur	31	692	6894
3	Malharrao	26	654	6923
4	Mulugu	64	1513	15211
5	Mutharam	30	529	4893
6	Palimela	9	142	1394
	Total	202	4407	44064

Source: DRDA Jayashankar (Bhupalapally) Dist.



## PROBLEMS FACED BY SELF HELP GROUP MEMBERS

### Loans and Problem

The main purpose of starting the SHGs is to develop the factors like income generation, creating self confidence, avoiding money lenders and obtaining loans for uplifting the family. Loans may be obtained either from group or from bank as direct loan or revolving fund loan or economic assistance. If a member obtains a direct loan, there is no subsidy but if the member obtains revolving fund loan a subsidy of ₹10,000 may be given by the state government. But in case of economic assistance a maximum of ₹1,25,000 is given as subsidy to the SHGs. At present, the private financial institutions are also interested to provide loans to the members through the SHGs.

### Group Loan

Group loan is the internal loan obtained by the members through the group. This group loan is sanctioned to the members depending upon the importance or urgency and with the opinion of other members. In general the maximum period of the group loan is only 10 months. If the member is not able to repay the loan in the particular month, atleast he / she has to pay the interest in the month itself.

### Purpose of Group Loan

For different purposes, the members avail loan through SHGs, mostly all of them utilize the loan for the productive purpose or unproductive expenditure. Some of the important reasons are given and the respondents state the reason for getting the group loan. The family expenditure includes education expenditure, wedding and medical expenses and the entertainment

expenditure includes religious expenditure.

### Revolving Fund Loan

Revolving fund is another type of loan availed by the members through the group. The bank provides this loan after grading or rating the SHG, and after getting approval from the Block Development Officer, Project Officer with the concurrence of NGOs. Generally the revolving fund loan is given to the SHGs with a subsidy. The government of Telangana sanctioned a revolving fund subsidy of 10,000 to both rural and urban SHGs. This subsidy is sanctioned only once to the SHGs.

### Personal Problems

The personal problems include adequate support from family members, SHGs work does not affect personal family life, self-confidence is improved after joining SHGs, poverty is reduced due to SHGs, family status is not improved and childrens' education is affected.

### SHG related problems

The SHGs related problems are SHGs work does not affect the health, SHGs work is not a over burden to the members, no groupism among the SHG members, no domination of few members in SHGs, non-co-operation of fellow group members and animator does not share the work with others.

### Organizational problems

The organisational problems such as treatment of bank manager / other official's, awareness / training classes are effective, inter-institutional meetings are effective to SHGs members, NGOs officials meet SHGs members occasionally, minimum support of government officials and not conducting





SHGs meeting in a common place. Not Conducting SHG meeting in a common place, Minimum support of Government officials, Self-confidence is improved after joining SHG.

## **PROSPECTS OF SELF HELP GROUP MEMBERS**

### **Personal Development**

Personal development consist of self confidence, mobility from one place to another, communication skills, vocational skills, leadership skills, knowledge, sociability, relationship with officials and achievability. While considering the personal development factors through table 5.36, the following nine points have been analysed. First, self confidence among the respondents is analysed. Self confidence is one of the main reasons to join SHGs. The self confidence of the respondents has improved from 24.67 per cent to 51.50 per cent after joining SHGs. Majority of the members' self confidence is improved, so this change deserves appreciation.

### **Financial Development**

The second important development factor in the prospects of the SHG member is the financial development which consists of financial position, ability to get credit, ability to save, purchase of assets and borrowing from money lenders.

Borrowing money from the bank or private financial institutions or money lenders is an inevitable affair in the society. But borrowing from money lenders is analysed for knowing the prospects of the SHG members. Before becoming the member in the groups 386 respondents had borrowed money from money lenders but after joining in SHGs 45 respondents only borrow money from money lenders. It is a positive trend to

avoid taking loan from money lenders and this positive trend is made possible only due to the awareness created in the group.

### **Social Development**

The third important development factor in the prospects of the SHG member is the social status. Social development consists of women empowerment, social services, social changes, sense of secularism, government scheme benefits, sense of unity, community recognition and eradication of poverty. Women empowerment is one of the important factors for social development. If women get empowered, the society will change considerably and therefore the analysis is made to find the prospects of the Self Group members.

### **Political Involvement**

Political involvement is necessary for political development. There are five popular factors which are necessary for the political development. Political involvement makes the people know everything in the society. The analysis is made on the basis of pre and post SHG membership.

There is a considerable and significant improvement in the growth of savings and borrowings. Such increases in borrowings have been productively invested by the sample respondents who tend to show a significant increase in income in due course. The logistic regression is a good fit for the data of the study. Therefore, savings is the main determining variable to cross the poverty line. Further prospects of an individual have been analysed by considering before and after joining SHGs on the basis of several development areas like personal,



financial, economical, social and political changes and development.

### **PROBLEMS FACED BY SELF HELP GROUP MEMBERS**

#### **Suggestions**

Considering the findings of the study, the following suggestions are recommended.

- It is necessary that, government may form a Regulatory Authority to monitor the functions of the SHGs especially in income generation and in social activities in all areas.
- Meetings and seminars may be organised where the members will get a chance to exchange their views and be able to develop their group strength by interactions.
- Training in legal literacy, rights and gender awareness are important complements to micro-credit for the empowerment of women. The members should be given necessary training and guidance for the successful operation of the group.
- Government through the panchayat could provide training of the group member in producing consumable goods. The products of the group could be marketed in the town area by providing rent-free government buildings.

#### **Conclusion**

The new millennium has thrown many challenges subjecting many nations to undergo transformation cutting across their established tradition and culture. New issues have to be addressed to effect social and economical progress of our nation. The most important one is women's empowerment through Self-help groups. SHGs have undoubtedly begun to

make a significant contribution in poverty alleviation and empowerment of poor, especially women in rural areas of our country. Women are the vital infrastructure and their empowerment would hasten the pace of social development. Investing in women's capabilities and empowering them to achieve their choices and opportunities is the definite way to contribute to economic growth and overall development. The empowerment of rural women leads to benefit not only to individual women and women groups, but also to the families and the community as a whole. The present study is an attempt to analyses the socio-economic development of members and the performance of SHGs in Bhupalapally district. The performance of SHGs was good. The greater percentage of women were impacted positively by being members of SHGs. Women's participation in SHGs enabled them to discover inner strength, gain self confidence, social, economical, political and psychological empowerment and capacity building. If the aforesaid suggestions are carried out by the authorities concerned, the SHGs will improve in Jayashankar (Bhupalapally) District.

In this twenty-first century, any one could adopt an active, people-centred and growth-oriented poverty alleviation strategy - a strategy which seems to incorporate women's aspirations, dynamism and involvement. It is envisaged that Self Help Group will play a vital role in such strategy. But there is a need for structural orientation of the groups to suit the requirements of new business. Micro-credit movement has to be viewed from a long-term perspective under SHG framework, which underlines





the need for deliberate policy implications in favour of assurance in terms of technology back-up, product market and human resource development. Hence, there is need for the development of an innovative and diversified micro-finance sector, which will make a real contribution to women empowerment. The researcher has a sense of joy and satisfaction as he has studied a significant local and so real problem. These suggestions if implemented are bound to pave the way for greater success.

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