



## Financial and asset management among self-help groups funded by public sector banks: A case study in Telangana state

**B. Sandeep**, Manager, Punjab National Bank, Bangalore

The empowerment of women through SHG movement has provided a greater access to knowledge and resources, more autonomy in decision making, greater ability to plan lives, more control over the circumstances which could influence lives, and freedom from customs, beliefs and practices. Empowerment as a concept indeed was introduced at the International Women's Conference at Nairobi in 1985. The conference defined empowerment as "A redistribution of social power and control of resources in favour of women. It is "the process of challenging existing power relations and of gaining greater control over the sources of power". The Government of India is seriously committed to create sustainable livelihoods through appropriate policy and technological interventions with effective people's participation. The concept of Self Help Group has its roots in rural areas and it has created a lot of enabling and congenial environment for the rural and semi urban women to improve their living conditions. Though it is applicable to men in our country, but it has been more successful only among women who proved to have taken-up various economic activities as members of SHGs for achieving sustainable livelihoods.

### **Genesis and Growth of SHGs in India:**

The SHGs originated during the year 1975 in Bangladesh with the initiatives of Prof. Mohammed Yunus. In the eighties, it was a serious attempt by the Government of India to promote an

apex bank to take care of the financial needs of the poor, informal sector and rural areas. At the instance of Government of India though NABARD initiated action during 1986-87, the real effort was made after 1991-92 by the linkage of SHGs with the banks. In other words, the Self Help Group (SHG) in India has come a long way, since its inception in 1992. The spread of SHGs in India has been phenomenal. The formation of SHGs have benefited its members in numerous ways; not only have created the assets, incomes and employment opportunities for the women but also enhanced the equality of status of women as participants, decision-makers and beneficiaries in the democratic, economic, social and cultural spheres of life (Ritu Jain 2003). The basic principles of the SHGs are group approach, mutual trust, organization of small and manageable groups, group cohesiveness, spirit of thrift, demand based lending, collateral free, women friendly loan, peer group pressure in repayment, skill training capacity building and empowerment (N.Lalitha & Nagaraj B.S. 2002).

### **Effectiveness of Self-help Groups in Indian Context:**

Self-help groups (SHGs) are fast emerging as powerful tool of socio-economic empowerment of the poor in rural areas. The self-help group is a small body formed by the people for meeting their specific objectives, particularly credit. However, local literature shows that self-help groups have been developed for a wide range of populations, including



the mentally ill and their families, persons with disabilities and their care-givers etc. SHGs are initially formed on the foundation of the accumulated endowment of bonding social capital already existing in the community. The social capital produced by the SHG as it matures through creation of new ties and linkages, strengthens the community's cooperative capacity to the achievement of group government. When the SHGs grow they begin to articulate the community demands as they become aware of their rights and therefore attitude of the government bureaucratic officials changes and they become more responsive to the needs of the community i.e., with the maturity of SHG the state-society relationship begin to change at the local level towards the better. In this way, SHGs which were originally established to produce economic benefits for members eventually became an associational framework for collaborative actions that produce public goods. As a result a range of other community-level organizations emerge where often members of the SHGs are recruited. Role of SHGs in strengthening local governance and political democracy can be described by the fact that a number of SHGs members are being elected in the Panchayati Raj system in India, the lowest tier of local democratic governance.

#### **Socio-economic Impact of SHGs in India:**

Various Organizations evaluated SHGs including NABARD, NGOs and Research Institutions and some of the major findings could be seen below;

- 98% of the members make savings regularly as the norms prescribed by the groups.

- All the groups meet at least once in a month to discuss various social issues related to their day to day life.
- 98% of eligible members adopt small family norms.
- 100% children of SHG members are able to access immunization services against the 6 diseases.
- 30% of the members have access to safe cooking fuels (LPG) under the Government promoted scheme popularly known as "DEEPAM".
- 80% of the total SHGs have accessed financial assistance from banks and repayment is 98%.
- 10,000 SHG members were elected to the local bodies (3 tier Panchayat Raj Institutions) in 1997 November elections.
- Members are engaged in 450 varieties of income generating activities.
- Additional family incomes to member range from Rs.1000-3000 per annum depending on the income generating activities.
- Increase in self confidence and self esteem
- Increase in awareness levels about the society and community.
- Voluntary participation in community activities like laying roads, planting trees conserving environment, construction of water harvesting structures, donations to the victims of natural calamities helping to reduce crime against girls & women, campaign against eradication of social evils like dowry, child marriages, untouchability, AIDS, rescue and rehabilitation of orphaned children, counseling adolescent girls, support to widows and destitutes are a few to mention



The growth and performance of self-help groups in India in general and erstwhile Andhra Pradesh in particular could be seen from the following **tables - A, B, C, D & E**

**Table - A**

State-wise number of Self Help Group (SHGs) and Amount of Savings under Self Help Group Bank Linkage Programme in India (2012-2013 to 2015-2016-upto October 2015) Rs. in Lakhs										
Region/State	No. of SHGs	Savings-Amount		No. of SHGs	Savings-Amount		No. of SHGs	Savings-Amount		Savings-Amount
Northern Region										
Chandigarh	609	95.11	130.96	468	130.96	90	4.21	0	0.00	0.00
Haryana	42580	4030.73	4559.02	43029	4559.02	41653	3651.08	680	0.00	0.00
Himachal Pradesh	53242	4277.92	2732.43	37634	2732.43	37838	2648.99	1682	13.97	13.97
Jammu & Kashmir	5796	970.49	40.74	873	40.74	6214	378.44	0	0.00	0.00
New Delhi	3787	348.05	1407.11	2901	1407.11	3290	694.83	0	0.00	0.00
Punjab	35060	3635.48	2283.98	23041	2283.98	25870	2235.11	870	0.12	0.12
Rajasthan	231763	15760.74	17906.61	257262	17906.61	245903	14379.43	7102	225.48	225.48
Total	372837	29118.52	29060.85	365208	29060.85	360858	23992.09	10334	239.57	239.57
North Eastern Region										
Arunachal Pradesh	5033	412.09	153.01	2588	153.01	3351	255.66	151	38.53	38.53
Assam	271072	10750.76	11289.51	285327	11289.51	292071	9943.07	10740	188.18	188.18
Manipur	12656	235.24	94.92	9039	94.92	10702	196.92	0	0.00	0.00
Meghalaya	9573	515.66	536.65	7230	536.65	7910	862.70	96	2.34	2.34
Mizoram	3117	612.21	5.61	208	5.61	7481	312.95	207	5.76	5.76
Nagaland	8478	185.85	208.93	2416	208.93	2880	273.01	0	0.00	0.00
Sikkim	3529	79.48	35.49	343	35.49	1368	231.09	13	40.19	40.19
Tripura	10438	219.34	558.00	9148	558.00	8218	946.49	513	0.00	0.00
Total	323896	13010.63	12882.12	316299	12882.12	333981	13021.87	11720	275.00	275.00
Eastern Region										
Andaman and Nicobar Islands	5217	145.74	115.58	4824	115.58	4998	125.27	0	0.00	0.00
Bihar	270890	16967.64	16466.57	268721	16466.57	224469	29666.98	33016	0.00	0.00



Jharkhand	85334	7689.92	86386	8932.95	82138	8492.52	1773	427.60
Odisha	522837	41827.81	517391	45733.95	452068	49703.80	8927	249.08
West Bengal	586821	72694.87	591464	81406.51	760941	127347.93	15000	180.00
Total	1471099	139325.9	1468786	152655.56	1524614	215336.50	58716	856.68
Central Region								
Chhattisgarh	98493	6135.96	111884	18888.32	148293	17954.14	1794	1.29
Madhya Pradesh	159457	12321.19	157481	13010.41	225615	23901.55	5857	0.00
Uttar Pradesh	403932	39200.82	379270	43515.34	392276	35475.66	17495	748.76
Uttarakhand	40316	4763.57	37294	3903.04	51067	5038.41	0	0.00
Total	702198	62421.54	685929	79317.11	817251	82369.76	25146	750.05
Western Region								
Goa	9889	660.74	8170	1313.37	7445	1199.15	199	215.13
Gujarat	208410	17555.05	196510	16872.00	215839	17543.01	803	1.20
Maharashtra	687717	51370.41	692274	74805.53	717860	90380.82	4123	111.78
Total	906016	69586.20	896954	92990.90	941144	109122.99	5125	328.11
Southern Region								
Andhra Pradesh	1421393	254179.23	1418676	352316.16	884508	262949.95	1513	18.67
Karnataka	645695	115618.92	709171	108757.29	734304	130241.10	17786	0.00
Kerala	581325	51758.93	601325	56948.43	585471	64524.57	0	0.00
Lakshadweep	27	7.17	229	648.81	231	648.90	0	0.00
Puducherry	20053	1731.58	24454	2406.41	16641	1558.52	0	0.00
Tamil Nadu	873012	84966.77	942469	105145.21	987282	103456.83	4403	220.71
Telangana	0	0.00	0	0.00	511184	98761.00	1987	42.74
Total	3541505	508262.60	3696324	626222.31	3719621	662140.87	25689	282.12
India	7317551	821725.47	7429500	993128.85	7697469*	1105984.07	136730	2731.53

Source: Indiatstat.com



**Table - B**

**STATE-WISE SPREAD OF THE SHG-BANK LINKAGE PROGRAMME  
 -SAVINGS OF SHGs WITH BANKS AS ON 31ST MARCH 2010 (Amount Rs.  
 Lakh) State As on 31st March 2010 % to total**

State	No. of SHGs	Savings (Rs.)	No. of SHGs (%)	Savings Amount (%)
Andhra Pradesh	1448216	125528.98	20.83	20.25
Arunachal Pradesh	6418	164.89	0.09	0.03
Assam	218352	7359.94	3.14	1.19
Bihar	140824	8539.57	2.03	1.38
Chattisgarh	113982	7578.06	1.64	1.22
Goa	6745	3649.31	0.10	0.59
Gujarat	168180	32190.15	2.42	5.19
Haryana	36762	10762.55	0.53	1.74
Himachal Pradesh	50182	3490.90	0.72	0.56
Jammu & Kashmir	4366	1818.83	0.06	0.29
Jharkhand	79424	7421.81	1.14	1.20
Karnataka	534588	62705.32	7.69	10.12
Kerala	394197	37556.32	5.67	6.06
Madhya Pradesh	178226	10151.07	2.56	1.64
Maharashtra	770695	56828.02	11.08	9.17
Manipur	10831	218.56	0.16	0.04
Meghalaya	11787	360.25	0.17	0.06
Mizoram	5097	251.40	0.07	0.04
Nagaland	5926	334.37	0.09	0.05
New Delhi	2191	234.85	0.03	0.04
Odissa	503172	36473.50	7.24	5.88
Punjab	45005	3645.10	0.65	0.59
Rajasthan	213295	14255.08	3.07	2.30
Sikkim	2428	141.98	0.03	0.02
Tamil Nadu	826710	90373.26	11.89	14.58
Tripura	31349	3335.70	0.45	0.54
Uttar Pradesh	429760	26464.03	6.18	4.27
Uttarkhand	43997	7170.41	0.63	1.16
West Bengal	647059	59486.85	9.31	9.60
A & N Islands	3763	92.87	0.05	0.01
Puducherry	19723	1286.96	0.28	0.21
<b>Total</b>	<b>6953250</b>	<b>619870.89</b>	<b>100.00</b>	<b>100.00</b>

Source: Status of Microfinance in India 2009-10: A NABARD publication



**Table - C**

**PROGRESS UNDER SHG-BANKS LINKAGE PROGRAMME IN ANDHRA PRADESH 2012**

<b>District</b>	<b>No. of Mandals</b>	<b>No. of VO's</b>	<b>No. of SHGs</b>	<b>No. of SHG Members</b>
Adilabad	52	1,590	32,474	3,67,616
Anantapur	63	2,559	51,648	4,73,771
Chittoor	66	1,943	57,958	5,89,174
East Godavari	58	1,948	81,146	7,67,614
Guntur	57	1,630	55,691	4,93,266
Kadapa	50	1,346	32,716	3,12,573
Karimnagar	57	1,917	51,794	5,74,293
Khammam	46	2,223	46,915	4,46,988
Krishna	49	1,913	54,460	5,23,779
Kurnool	54	1,646	44,717	4,05,110
ahabubnagar	64	2,294	47,586	4,99,933
Medak	46	1,457	39,269	4,18,628
Nalgonda	59	1,827	57,151	5,26,238
Nellore	46	1,383	35,534	3,30,829
Nizamabad	36	1,043	35,180	3,69,946
Prakasam	56	1,867	50,701	4,01,712
Ranga Reddy	33	1,154	32,227	3,04,011
Srikakulam	38	1,154	39,274	4,35,400
Visakhapatnam	39	1,774	42,937	4,99,912
Vizianagaram	34	1,246	32,410	3,61,907
Warangal	50	2,042	52,621	5,38,507
West Godavari	46	1,856	60,242	5,48,732
<b>Total</b>	<b>1,099</b>	<b>37,812</b>	<b>10,34,651</b>	<b>1,01,89,939</b>

**Source: SERP Reports March, 2012.**



**Table - D**  
**Status of SHGs in Andhra Pradesh - 2005-2006**

Costal Andhra	No. of SHGs	Members	Savings (Rs. in Millions)	Corpus (Rs. in Millions)
1 Srikakulam	26142	374868	740.43	921.31
2 Vizianagaram	21464	313405	343.95	470.27
3 Visakhapatnam	34873	418434	542.67	811.51
4 East Godavari	55283	729572	968.70	3035.20
5 West Godavari	40320	443520	850.86	3884.10
6 Krishna	25032	333420	522.62	1463.34
7 Guntur	33753	377905	986.44	1345.66
8 Prakasam	25036	351270	462.60	771.60
9 Nellore	17809	266595	333.12	516.80
<b>Sub Total (1)</b>	<b>279712</b>	<b>3608989</b>	<b>5751.39</b>	<b>13219.79</b>
<b>Rayalseema</b>				
1 Chittoor	32339	449715	577.25	1350.68
2 Kadapa	20734	214849	558.32	818.92
3 Ananthapur	30185	349913	321.68	860.84
4 Kurnool	22219	288847	514.12	1612.37
<b>Sub Total (2)</b>	<b>105477</b>	<b>1303324</b>	<b>1971.37</b>	<b>4642.81</b>
<b>Telangana</b>				
1 Mahaboobnagar	29981	449715	751.90	979.80
<b>2 Ranga Reddy</b>	<b>17355</b>	<b>226933</b>	<b>384.17</b>	<b>1695.55</b>
3 Medak	24026	288412	723.01	918.52
4 Nizamabad	24772	299246	177.81	368.24
5 Adilabad	19814	275015	147.06	394.97
6 Karimnagar	32938	395589	467.40	948.70
7 Warangal	28137	365781	680.84	910.14
8 Khammam	31277	323040	323.56	640.72
9 Nalgonda	32983	329830	876.80	1478.50
<b>Sub Total (3)</b>	<b>241283</b>	<b>2953561</b>	<b>4532.55</b>	<b>8335.14</b>
<b>GrandTotal (1+2+3)</b>	<b>626,472</b>	<b>7865874</b>	<b>12255.31</b>	<b>26197.74</b>



**Table - E**

**Financial Access to SHGs in Andhra Pradesh**

Year	Coverage of Groups	Amount of Loan Rs. in Crores	No. of Branches	Per group Finance{Rs}	Groups per Brach
2004-05	261254	1017.7	3853	38954	68
2005-06	288711	2001.4	3853	69322	75
2006-07	366489	3068.87	3950	83601	93
2007-08	431515	5882.79	4000	136329	108
2008-09	483601	6684.07	4150	137498	118
2009-10	413625	6501.35	4274	157180	97
2010-11	389444	7092.71	4286	182123	91
2011-12	346682	7866.26	4324	227912	81

**Source: SERP reports 2012.**





I

## The Present Study and Methodology

### Need and Significance:

The year 2001 had been declared by the Government of India as "Women's Empowerment Year" to focus on a vision where women are equal partners like men". The Constitution of India grants equality to women in various fields of life to reduce gender disparities. In the past, the position of women was miserable in the society and even women were not ready to undertake any assignment or job due to many reasons like fear, shyness, male dominance in the society and purda system but time has been changed now. Women of today are not like the early days. Now, they are always ready to come forward and want more economic independence, their own identity, achievements, equal status in the society and greater freedom. And Government of India has provided for Self Help Groups (SHGs) to them so that proper attention should be given to their economic independence through self-employment, entrepreneurial development and well being that ultimately leads to its contribution. SHGs have been emerged as a powerful instrument in order to alleviate poverty and for the empowerment of women in the rural economy. SHGs work through the network of commercial banks, co-operative banks, regional rural banks, NABARD and NGO's. SHGs are important not only to reduce rural poverty and promote rural savings but also to increase gainful employment.

Against the above backdrop, a case study on " Financial and Asset Management among SHGs funded by Public Sector Banks" was taken up in Turkeyamjal Village of Hayathnagar

Mandal of Ranga Reddy District in Telangana State.

### Objectives:

- To understand the socio-economic profile of the members of SHGs covered under the study and find out the reasons for forming into SHGs.
- To find out the credit and repayment transactions among members and also examine the purpose and utilization of loans.
- To identify and analyse the factors contributing towards effective financial and asset management among SHGs.
- To find out the socio-economic impact of the initiatives of the SHGs in the villages.
- To find out the possibility of sustainability and replication of the SHG model in other parts of the country.

### Scope of the Study:

The study focused on the ground realities of planning and management of financial resource in the form of loans available for SHG members from the – a) corpus fund created through their own monthly savings at the respective SHGs, b) Village Organizations (Federation of all SHGs at the Village level), c) Public Sector Banks linked with VLR and d) Sthree Nidhi. Besides, SHG members could also avail monetary benefits available under various Rural Development Programmes (MGNREGS and NRLM) and Social Security Schemes (NSAP). The study considered only 120 members out of 137 members from 12 SHGs out of 132 SHGs in 3 Village Organizations (VOs) for the purpose of in-depth probing.



## Research Design:

### a. Method of Enquiry:

In pursuance of the objectives of the study relevant data was ascertained from both secondary and primary sources. The secondary data was collected from District and Mandal level Departments (DRDA and MDO/ Mahila Samakhya), while primary data on **a sample of 120 out of 137 members from 12 SHGs** was collected from the Village Organization and SHGs through a structured questionnaire. Focus-group discussions were also held for ascertaining qualitative information on crucial parameters at different points of time during March and April 2016.

### b. Study Area:

Turkyamjal village with better performing SHGs in consultation with the Project Officer and Community Co-ordinators was selected in the Hayathnagar Mandal of Ranga Reddy District in Telangana State.

### c. Variables to be studied:

The study focused on crucial variables related to access to credit, financial management, management of

assets, education, occupation, health, benefits of rural development schemes, income, expenditure, employment, land assets, animals, and sources of livelihood, savings, repayment etc;

### d. Statistical Tools and Data Analysis:

Simple and relevant statistical techniques have been used for compilation and analysis of data. Appropriate Charts and tables have been used for highlighting the socio-economic status of the respondent families before and after joining SHGs.

### e. Limitations of the Study:

The impact of the initiatives of SHGs captured through this study confined it-self to the households of the sample SHG in Turkeyamjal and therefore, it would not reflect the general picture of the total SHGs in the Ranga Reddy District of Telangana State. Though the sample covered two SHGs from Scheduled Castes it would not provide a comparative picture of SCs and Non-SCs due to heterogeneity in terms of occupation, education, land assets and access to livelihood opportunities.

**Classification of Workers as per 2011 Census**

Category	Total	Male	Female
Total Workers	6,501	4,338	2,163
Main Workers	5,715	3,991	1,724
Main Cultivators	241	173	68
Main Agricultural. Labourers	678	261	417
Main Household Workers	148	82	66
Main Other Workers	4,648	3,475	1,173
Marginal Workers	786	347	439
Non-workers	9,188	3,646	5,542



**Literate and Illiterate Population as per 2011 Census**

Category	Total	Male	Female
Literates	10,092 (64.33%)	5,564 (69.70%)	4,528 (58.77%)
Illiterates	5,597 (35.67%)	2,420 (30.30%)	3,177 (41.23%)
Total	15,689 (100.00)	7,984 (100.00)	7,705 (100.00)

**SHGs and Village Organizations (VOs) in Turkeyamjal:**

As a part of the project work three Village organizations were visited twice each during March and April 2016 and ascertained the relevant information. The size of the SHG was in the range of 10 – 15 members. There were SHGs exclusively for Scheduled Castes apart from general SHGs with members from different castes. Most of the SHGs formed during 1995-98 and the rest were formed during 2005-10. Their monthly saving was Rs. 100/- per month and all the members could save regularly and the corpus created was utilized for availing loans by the members at an interest of RS. 1/- per month and it was subsequently increased to Rs. 2/-. The interest earned on the loans would be added to the corpus fund and as a result more fund was available for availing loans.

In case of groups loans availed from Public Sector Bank (Andhra Bank, Turkeyamjal), an amount of Rs 100/- would be charged as a penalty towards late repayment of EMI of Rs.15,000/-. The SHGs covered under the study had availed loan from Andhra Bank initially Rs. 1,00,000/- and after regular repayments the SHGs were allowed to take an amount of Rs. 2.50 lakhs, and subsequently Rs.3.50 lakhs and Rs. 5.00 lakhs. The loans availed were spent for various purposes and they were free from the clutches of local money lenders who

used to charge exorbitant interest rates before formation of SHGs. Most of the members had education upto primary level and some had education upto secondary level. The remaining members could acquire the skill of writing their name/signature.

**Sources of Loan for SHGs in Turkeyamjal:**

Most of the SHG members can avail loan from the following sources depending upon the size of the amount and urgency.

**1. Own savings at their respective SHG:**

As members of the respective SHGs they can save regularly and avail loan upto Rs. 20,000/- . The size of the loan could be increased if there was no competition from other members. Loan would be considered on the basis of priority and urgency. Sometimes other members would help the needy members in case of requiring more loan amount by taking loan in their name with a condition that the same would be repaid by them

**2. Village Organization (VO)/Federation of SHGs:**

All the SHGs in the village formed in to Village Organization. In the Turkeyamjal there were three VOs and each has on average 35 SHGs. The number of members in each SHG could be in the range of 10-15. In case the members of SHGs needed more money for meeting different needs they could approach Village Organization (VO) to avail loan upto Rs.



50,000/- and the same would be repaid as per terms and conditions stipulated in the bye-lawl. The members with good track recor would be considered for such loans from VOs.

### 3. Sthree Nidhi Mahila Bank:

Sthree Nidhi Credit Cooperative Federation Ltd., is promoted by the Government and the Mandal Samkahyas to supplement credit flow from banking sector and is a flagship programme of the Government. Sthree Nidhi provides timely and affordable credit to the poor SHG members as a part of the overall strategy of Society for Elimination of Rural Poverty (SERP) for poverty alleviation.

SHGs are comfortable to access hassle free credit from **Sthree Nidhi as and when required using their mobile** and therefore, do not see any need to borrow from other sources at usurious rates of interest. Sthree Nidhi is in a position to extend credit to the SHGs even in far flung areas of the state in 48 hours to meet credit needs for exigencies like **health, education and other income generation needs like agriculture, dairy and other activities**. As credit availability is linked to grading of Mandal Samakhyas (MS) and Village Organizations (VOs),

community is keen to improve functioning of the same to access higher amount of credit limits from Sthree Nidhi.

### 4. Vaddi Leni Runalu (VLR) – Interest subvention scheme – through Public Sector Banks:

It is an interest free (vaddi leni runam) for member but it is reimbursed by State Government. The loan can be group upto Rs.5, 00,000/-. With a view to encouraging better repayment and to reduce the interest burden on the rural poor for the loans taken by Self Help Groups (SHGs) from banks and to improve profitability of SHG enterprises, Government vide their Orders read above have announced full interest subvention on the SHG – Bank Linkage loans repaid promptly with effect from 1.1.2012.

#### Profile of Sample SHGs:

**Age of SHG Members:** As per the details of age of the members of sample SHGs furnished in the **table-I**, 38.33% of the members were in the age-group 30-40 followed by 35% in the age-group 20-30 and 16.67% in the age-group 40-50. The percentage of members above 50 years was 6.67% while less than 20 years was 3.33%. Interestingly more than 3/4<sup>th</sup> of the members were found to be in the age of below 40 (76%).

**Table - 1: Age-wise Classification of SHG Members**

Age	No. of Members	%
Less than 20		03.33
20 - 30	42	35.00
30 - 40	46	38.33
40 - 50	20	16.67
Above 50	8	06.67
Total	120	100.00



**Family System:** The type of family system we live in has direct and influence on individual behavior towards preferences and freedom to choose livelihood opportunities, decisions on incomes, savings and expenditure patterns. As could be seen from the table-II that out of 120 sample members, as large as 82 members constituting 68.33% were reported to be in nuclear family system while the rest (31.67) were in the joint family system (**table-2)**

**Table - 2: Family System-wise Classification of SHG Members**

Family System	No. of Members	%
Nuclear	82	68.33
Joint	38	31.67
Total	120	100.00

**Dependents on SHG Members:** The size of the family and the number of dependents by and large determine the income and expenditure pattern of a family particularly in rural India where one-third of families have been living below poverty line. The number of families reported to have dependents in the order of 1-2 persons was 56 out of 120 members constituting 46.67% while the families with dependents in the order of 3-4 persons were 40 (33.33%). Families with more than 4 persons as dependents constituted 20% in a sample of 120 SHG members (**table-3)**

**Table - 3: Number of Dependents on SHG Members**

No. of Dependents	No of Members	%
1-2	56	46.67
3-4	40	33.33

Above 4	24	20.00
Total	120	100.00

## Analysis of the Study

### Findings

The data collected from the members of the sample SHGs was processed and analysed through simple statistical techniques. The ground realities in respect of planning and management of financial and assets created through loans availed from SHGs, Village Organizations (VOs) Sthree Nidhi and Public Sector Bank (Andhra Bank) could be seen below

**Reasons for Joining SHGs:** Money plays crucial role in every family and therefore, individual earnings from various sources become very important to meet not only basic needs but also basic amenities of the family. Earnings of women particularly in families living below poverty line either through wage employment or self-employment play a significant role, when the incomes of men are inadequate to meet the needs of the family. As members of SHGs women could not only avail credit facility from banks and SHGs but also could get benefits from various rural development and social security schemes implemented by both Central State governments at different points of time. As understood from the data furnished in the **table-4** that 43.33% of members of SHGs joined SHGs for availing loan followed by access to the benefits of rural Development and welfare schemes (20%), promoting thrift and savings (16.67%), support in crisis (13.33%) and social recognition ( 6.67%).



**Table - 4: Reasons for Joining SHGs**

Reasons	Number of Members	%
Availing Loan	52	43.33
Promoting Thrift and Savings	20	16.67
Support in Crisis	16	13.33
Access to R.D & Welfare Schemes	24	20.00
Social Recognition	8	6.67
Total	120	100.00

**Purpose of Loan:** The members of SHGs would avail loans from various sources for different purposes. The data furnished in the following **table-5** could reflect on the priorities of the purpose for which the loans were availed by the

members. The percentage of members availed loans for the purpose of self-employment activity was 30% followed by Domestic needs & Ceremonies ( 28.34%), Agriculture (20%), needs of children (13.33) and Medical (8.33%)

**Table - 5: Purpose of Loan taken by SHG Members**

Purpose	Number of Members	%
For Self-employment activity	36	30.00
For Agriculture	24	20.00
For Domestic needs & Ceremonies	34	28.34
For Medical	10	08.33
For needs of Children	16	13.33
Total	120	100.00

**Repayment of Loan:** The members availed loans should pay-back to the respective banks or SHGs through EMIs failing which they would be penalized to the extent of 1% in a few SHGs and 2% in many SHGs. Repayment was on time in the case of 92 out of 120 members of

SHGs which appeared to be very good ( 76.67%). Late repayment was reported in the case of 20 members (16.66%) while repayment in advance was seen in the case of 8 members (6.67%) as could be observed from the **table-6**



**Table – 6: Repayment of Loan taken by SHG Members**

Repayment Schedule	Number of Members	%
In Advance	8	06.67
On Time	92	76.67
Late	20	16.66
Total	120	100.00

**Monthly Income:** The details of monthly income of the members before and after joining SHGs could be seen from the **table-7**. The income level less than Rs1000/- was reported in case of 34 members (28.33%) before joining SHGs and the number of members with that income level declined to 12 (10%) after joining SHGs. Similarly, an increasing trend could be observed while moving towards higher income levels after joining SHGs. For example – Sixteen members

(13.33 %) reported to have earned the income in the range of Rs. 4000/- Rs. 5000/- before joining SHGs where as the income in the same range could be seen in the case of 32 members (26.67%) after joining SHGs. This increase in the income could be attributed to the continuous and consistent flow of additional income from a self-employment activity taken-up with the loans availed from banks or SHGs.

**Table – 7: Monthly Income of SHG Members**

Income Level (Rs.)	Before Joining SHG	%	After Joining SHG	%
Less than 1000	34	28.33	12	10.00
1000-2000	26	21.67	13	10.83
2000-3000	20	16.67	15	12.50
3000-4000	18	15.00	23	19.17
4000-5000	16	13.33	32	26.67
Above 5000	6	05.00	25	20.83
Total	120	100	120	100

**Monthly Expenditure:** The expenditure pattern of a family depends to a greater extent on the income flow at a given point of time. The details of monthly expenditure of the members of

SHGs furnished in the **table-8** revealed the fact that the people would tend to spend more with the increase in their income levels. Similar trend could be noticed in the case of expenditure of



members after joining SHGs. For example – The monthly expenditure of 30 members (25%) before joining SHGs was reported to be in the range of Rs. 2000/- Rs. 3000/- while the number of members in the same range of expenditure had gone upto 40 (33.33%) after joining

SHGs. The increasing trend in the expenditure level could be possible through additional or higher income earnings from a self-employment activity taken-up with a loan availed from bank or SHGs.

**Table – 8: Monthly Expenditures of SHG Members**

Expenditure Level (Rs.)	Before Joining SHG	%	After Joining SHG	%
Less than 1000	42	35.00	20	16.67
1000-2000	32	26.67	28	23.33
2000-3000	30	25.00	40	33.33
3000-4000	14	11.66	22	18.34
Above 4000	2	01.67	10	08.33
Total	120	100.00	120	100

**Monthly Savings:** People in general would tend to save something out of their earnings to meet their future needs. The affordability to save more could be possible with increase in their income level. The details of monthly savings pattern of SHG members before and after joining SHGs could be seen from **table-9**. The average monthly saving of 52 members (43.33%) before joining SHGs was less

than Rs. 100/- , while in the same level of saving the number had declined to 30 (25%) after joining SHGs, indicating their ability to move towards higher level of savings. It is pertinent to note that there was an increasing trend in the saving pattern while moving from the range of Rs.100/- - Rs.150 to above Rs. 250/- after joining SHGs

**Table – 9: Monthly Savings Pattern of SHG Members**

Savings Level (Rs.)	Before Joining SHG	%	After joining SHG	%
Less than 100	52	43.33	30	<b>25.00</b>
100-150	32	26.67	36	<b>30.00</b>
150-200	17	14.16	22	<b>18.33</b>
200-250	14	11.67	20	<b>16.67</b>
Above 250	5	04.67	12	<b>10.00</b>
Total	120	100.00	120	<b>100.00</b>



**Participation in Decision Making:**

The details of participation of SHG members in decision making on various matters could be seen from the following **table-10**. As high as 96 members constituting 80% were allowed to take decisions on purchase of Clothes followed by Purchase of Home Appliances (73.33%), Purchase and Sale of Ornaments (63.33%), Participation Social Activities (61.67%), Purchase and Sale of Domestic Animals (56.67%), Purchase and Sale of Assets (55.00%), Education of

Children (48.33%), Construction. and Improvement of Housing (46.67%), Savings and Investment (41.67%), Raising of Loan (40%), Purchase and Sale of Fixed Assets (39.17%) and Repayment of Loan (37.50%). The move towards gender equality insists on 100% participation of women in decision making on all matters and therefore, the present initiatives for empowerment of women needs to be implemented in true spirit and vigour.

**Table - 10: Participation of SHG Members in Decision Making**

Types of Decisions	Yes		No	%	Total	%
Purchase and Sale of Fixed Assets		39.17	73	60.83	120	100.00
Purchase and Sale of Assets	6	55.00	54	45.00	120	100.00
Purchase and Sale of Domestic Animals	68	56.67	52	43.33	120	100.00
Purchase and Sale of Ornaments		63.33	44	36.67	120	100.00
Purchase of Home Appliances		73.33	32	26.67	120	100.00
Purchase of Clothes		80.00	24	20.00	120	100.00
Const. and Improv. of Housing	6	46.67	64	53.33	120	100.00
Raising of Loan		40.00	72	60.00	120	100.00
Repayment of Loan		37.50	75	62.50	120	100.00
Savings and Investment	0	41.67	70	58.33	120	100.00
Education of Children		48.33	62	51.67	120	100.00
Participation in Social Activities		61.67	46	38.33	120	100.00



**Socio-economic Impact of SHGs:** The socio-economic change was noticed among all the members though the degree of change varied from one family to another and this was captured through focus group discussions with the members of SHGs. The change could be seen in the following terms;

- Developed positive attitude towards children' education.
- Daughters were encouraged to pursue higher education at par with sons.
- Child marriages were stopped in case of both sons and daughters.
- Relationships with local leaders and officers were improved.
- Participation in Gram Sabha meeting was improved.
- Participation in elections was improved.
- Participation in health and immunization programmes was improved.
- All members had pucca houses along with basic amenities and adequate space for privacy.
- Most of the members maintained small families preferably with two children and some of them stopped waiting for a male child after two children.
- Relationships with banks other service organizations were improved.
- All the members maintained good sanitation by using individual latrine and bath rooms.
- Open defecation particularly by women was stopped due to their awareness about the implications of poor sanitation.
- Most of the members had maintained more than two saving

bank accounts and some had debit and credit cards.

- Non-enrolment and drop-out at primary level of education was not reported in all the families of SHGs.
- Relationships between SC and Non-SC members was improved through mutual help and safeguarding common interests.
- All the families of SHG members had been benefited either by rural development schemes or by social security schemes.
- Participation in decision making on family matters was improved.
- Most of the members had the family support and recognition for their contribution.
- All the members were free from the clutches of local money lenders who used charge exorbitant interest on loans before joining SHGs

#### **Suggestions:**

- Some of the SHGs were waiting for the coverage under Vaddi Lene Runam Runam (VLR), appropriate action may be taken at the earliest.
- Some SHGs had interest in short duration vocational courses like the course offered by Vaundhara (EENADU) and therefore, the vocational courses as per their choice along with assured backward and forward linkages could be taken-up through collaboration with competent agencies.
- Most of the members without land were expecting land as assured by the State Government so that they could plan for land-



based income generating activities.

### c. Conclusions:

Women in the recent past proved to be the catalysts for socio-economic transformation at the grass-roots level and contributed significantly to the family incomes and apart from a vital role played in reduction of rural poverty. The self-help concept has added an additional strength to the women in terms of enhancing their access to a good number of developmental opportunities available under plethora of rural development schemes being implemented by the Central and State Governments. The members of SHGs covered under this study have proved to be successful in terms of achieving the core objectives of SHG movement in general and fulfilling their social and economic requirements with improved access to financial institutions and development opportunities available at different points of time in particular. All the families of SHG members had been benefited either by rural development schemes or by social security schemes. Participation in decision making on family matters was improved due to awareness and empowerment. Most of the members had the family support and their contribution was recognized. The fact admitted unanimously by all the members was that they were free from the clutches of local money lenders who used to charge exorbitant interest rates on loans before joining SHGs. Thus, SHGs through the interventions of women empowerment programmes have paved a way for alleviation of poverty in rural India on one side and reduction of gender disparities on the other.

### References:

- Report of International Women's Conference held at Nairobi in the year 1985
- Veena Kumar , 1998 "Socio-Economic Status of Women in India". Southern Economist, August 1998.
- P. Devadas 1999 "Empowerment of Women through SHGs" a study report
- Kabeer, N. (2001), "Resources Agency Achievements: Reflections on the Measurement of Women's Empowerment – Theory and Practice", SIDA Studies, No. 3.
- Lalitha N & Nagaraja B.S. (2002) "Self Help Groups in Rural Development "Dominant Publishers and Distributors, New Delhi
- Malhotra Anju 2002 "Measuring Women's Empowerment as a Variable in International Development", June 28, 2002
- Rajamohan, S. (2003), "Activities of Self Help Groups in Virudhunagar District- A Study", Tamil Nadu
- Ritu Jain, (2003), "Socio-Economic Impact through Self Help Groups", Yojana, 47(7), pp.11-12
- Jayaraman R. (2005) "Performance Analysis of Fisherwomen SHGs in Tamil Nadu" final report submitted to NABARD.
- NABARD Reports 2005, 2006 and 2010
- Reddy, C. S and S. Manak (October 2005) , "Self-Help Groups: A Keystone of Micro finance in India", Women Empowerment and Social Security.



Dr Chandra, Rakesh (2006), "Women empowerment in India- Milestone and Challenges," Institute of Women Studies, University of Lucknow, Lucknow.

Abdul Raheem, Aphyasmeen and Solthana Kissan (2007), World empowerment of women thought self help group: a view Sakthi sugans Ltd.

Planning Commission, Government of India.2008, "A Report on Success and Failure of SHGs in India- Impediment and Paradigm of Success".

Arjun Y., Pangannavar (2010) "Women SHG Programmes and Rural Poverty: A Micro Study" Southern Economist, pp 47-50

Chandra P., Parida and Anushree Sinha (2010) "Performance and Sustainability of Self Help Groups in India: A Gender Perspective" Asian Development Review, Vol.-27(1), pp80-103.

NABARD 2009-10 "Status of Micro Finance in India

Surrender, Kumari S. And Sehrawat R.K. (2011) "Can- SHGs Generate Employment Opportunities for Rural Poor" European Journal of Social Science, Vol.-19(3), pp371-379.