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## IMPACT OF SELF-HELP GROUPS ON WOMEN IN ANDHRA PRADESH

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### ABSTRACT

According to the country's National Development Plan currently there are around 300 million poor people in India and more importantly large populations of poor people live in rural areas. Hence, the poverty remains a chronic condition for almost more than 35 per cent of India's rural population. In India more rural poverty prevails majority among in Rajasthan, Madhya Pradesh, Uttar Pradesh, Bihar, Orissa, Chhattisgarh and Karnataka States. A major cause of poverty among India's rural people, both individuals and communities, is lack of access to productive assets and financial resources.



**KEYWORDS:** *self existent, quest for identity, patriarchal society.*

### INTRODUCTION:

Further, the high level of illiteracy, inadequate health care and extremely limited access to social services are common among poor rural people. The women in general are the most disadvantaged people in the rural regions of India. Even though the women largely participate in economic activities, mainly agriculture, their work is not considered economic. The mainly providing economic support to the rural people, particularly to the rural women, has been proved very fruitful to reduce the poverty in rural India. The providing economic support or loans to the rural women helps them to empower, not only economically but also socially, further this strengthens the whole society in general. The discrimination of women on gender basis is evidently found almost everywhere in every stream. In rural India not only ordinary men but also governmental policies (such as credit schemes) had neglected the capacity of holding money by women. The women are the best change agent to touch the core of poverty and are very important segment in development at local to global level. The women constitute about 48.81 per cent of the country's population and play an equally important role with men in creating a better family life. The poverty and unemployment are the major problems of any under development countries, to which India is no exception. The self-help group is a small group of people who are living in the same area in similar or varied activities, maintaining an almost equal living standard a political and secular, aiming to achieve a common goal that is prosperity through thrift and credit and also facing similar problems, help each other to solve their problems. The economic empowerment of women is essential to harness the women labour in the main stream of economic development which may be possible through SHGs. The SHGs aim to improve the quality of life of women by self-reliance, upgrading their skills and ensuring sustainability of groups. Presently, the movement is supported by Government and the Non-Governmental Organizations.

### The Effectiveness of Self-help Groups in Global Context

The emergence of self-help groups can be seen as a response to industrialization, the breakdown of the kinship system and the decline of the community, although alternative views see it as a reflection of an ineffective, inefficient and dehumanizing formal system of care. Currently, the increasing interest in providing

services that are family-centered is also considered a factor contributing to the increased number of self-help groups. Despite the variety of explanations for the self-help phenomenon, the consensus is that there is a need for a new model to supplement and complement professional services, and that self-help groups are growing at an unprecedented speed worldwide. For example, about two per cent of Canadians were members of self-help groups in 1987, approximately 10 per cent population of Israel was estimated to have some type of involvement in self-help group and cancer self-help groups were found to be prevalent in major cities in China. In the United States, self-help group participation amounted to 10 million in 1996 and it was recently noted that more Americans try to change their health behaviors through self-help than through all other forms of professional programmes. The proliferation of self-help groups in various countries can be seen as an initial indication of self-help group effectiveness, because groups will cease to exist without value. The self-help movement is becoming a global phenomenon. In some countries, self-help groups already exist for every medical condition listed by the World Health Organization and they are serving people who encounter almost every physical, behavioral and emotional problem. In spite of the rapid growth of self-help groups in India, the full potential of utilizing self-help groups remains untapped. One of the reasons may be attributed to the lack of systematic research and solid methodological foundations. Little was known about how helpful self-help groups are to the members and what kind of social impact they have on changing their living conditions. The research component of the self-help phenomenon has clearly been left behind by the self-help movement itself.

Theoretically and empirically, the effectiveness of self-help groups has been widely documented in global context. The “helper-therapy principle” postulated by Riessman pointed to the process by which helping others has a therapeutic effect on the helper and the self-help group provides the context for members to gain the unique benefits that may arise from helping someone who has the same problem as the helper. Scholars asserted that self-help groups, which offer the venue for, shared experience; emotional support and social learning, can help constitute a social identity. Along the same line of thinking, it is contended that self-help groups provide a unique opportunity for growth, social experimentation and change. Past research has also identified several major outcomes of self-help groups. These include: emotional support, acceptance, empathy, affirmation, spirit of hope and sharing of feelings; provision of factual information and sharing of experiential knowledge; development of a sense of community; and individual and collective empowerment.

The concept of Self Help Groups serves to underline the principle for the people, by the people and for the people. The Self Help Groups is the brain child of Grameen Bank of Bangladesh, which was founded by Prof. Mohammed Yunus of Chittagong University in the year 1975. The Self Help Groups scheme was introduced in Andhra Pradesh in 1992. The activism within the women movement has influenced the Government to frame policies and plan for the betterment of the country. The empowerment of women through Self Help Groups (SHGs) would lead to benefits not only to the individual women, but also for the family and community as a whole through collective action for development. The SHGs have linkages with NGOs (Non-Government Organizations) and banks to get finance for development. In turn it will promote the economy of the country by its contribution to rural economy. The SHGs is a small group of rural poor, who have voluntarily come forward to form a group for improvement of the social and economic status of the members. The members of SHGs agree to save regularly and contribute to a common fund. The members agree to use this common fund and such other funds (like grants and loans from banks), which they may receive as a group, to give small loans to needy members as per the decision of the group. The self-help groups have been getting more importance for work with people and community, for common purpose and solving the problems which are related social-economical, and to self-reliance, self-esteem, self-production, joint responsibility, self-determination by mobilizing internal indigenous resources of the person in the group. They work together to achieve the goals and accomplishment of the work and to come platform. The Self-Help Group is a small voluntary association of poor people preferably from the same socioeconomic background. The micro-credit given to them makes them enterprising; it can be all women group, all men

group or even a mixed group. However, it has been the experience that women's groups perform better in all the important activities of SHGs.

### Self Help Groups: Path Ways out of Poverty in India

The Self-help groups (SHGs) are playing major role in poverty alleviation in rural India. A growing number of poor people, particularly women in various parts of India are members of SHGs and actively participating in savings and credit as well as in other socio-economic activities need for improvement of poor. The thrift and credit through SHGs is the most prominent element and significant contribution to capital formation. The SHG system has proven to be very relevant and effective in saving the women from exploitation and isolation in decision making at family level. Almost all major donor agencies support SHGs in India in one way or another and many success stories are reporting that how membership in a SHG changed the life of a particular individual or group in several aspects of their lives. Many NGOs are promoting the SHG mechanism and linking it to various other development interventions. Besides, there is ample evidence that the SHG approach is a very effective, efficient and relevant tool for organizing and empowering the poor, do arise with design, development and introduction of programmes to promote income-generating activities (IGAs) that will generate sufficient, sustainable and regular income. The approach towards poverty alleviation is based on the formation of self-help groups at the grass root level. This brings about the necessity for organizing them in to groups by which they avail the benefit of collective perception, decision-making and implementation of programme for common benefits. This organization holds the power and provides strength and acts as an anti-dote to the helplessness of the poor. The group saving of self-help groups serves a wide range of objectives other than immediate investment. The approach has evolved over the years in India. Before understanding the strength of SHG as a tool in poverty alleviation, it is imperative to understand the evolution of various poverty alleviation programmes in India.

### Need of SHGs

The rural poor are incapacitated due to various reasons, because most of them are socially backward, illiterate, with low motivation and poor economic base. Individually, a poor man is not only weak in socio-economic term but also lacks access to the knowledge and information which are the most important components of today development process. However, in a group, they are empowered to overcome many of these shortcomings. Hence, the role of SHGs is highly essential which in specific terms covers the following lines.

- To mobilize the resources of the individual members for their collective economic development and uplifting the living conditions of the poor.
- To create a habit of savings and utilization of local resources in form of utilizing individual skills for group interest.
- To create awareness about rights that help in financial assistance.
- To identify problems, analyzing and finding solutions in the group.
- To act as a media for socio-economic development of the village.
- To develop linkages with institutions of NGOs.
- To help in recovery of loans.
- To gain mutual understanding, develop trust and self-confidence.
- To build up teamwork.
- To develop leadership qualities and
- To use as an effective delivery channel for rural credit.

### OBJECTIVES OF SELF HELP GROUPS

The objective of Self Help Groups is to improve economic health, education and social status of rural women by providing the required income generating activities to earn their livelihood. This can be attained through following specific objectives:

- To bond as a cohesive strong group and thereby create a mutual support system.
- To encourage regular savings and initiate internal lending within group and timely repayment.
- To avail of Government schemes and increase group's capital base.
- To support financial needs of members' through loan facility from banks.
- To feel empowered and self-reliant to address and solve their common village level problems without undue dependence on external entities.
- To engage in development and progress of their life and village.
- To get a grooming and build capacities for participation in various grassroots governance mechanisms.

### Self Help Groups

The Self Help Groups are voluntarily formed informal groups. A SHG consists of 10-20 members. The members are encouraged to save on regular basis. They use the pooled resources to meet the credit needs of the group members. The groups are democratic in nature and collectively make decisions. Since the members are neighbours and have common interest, the Group is a homogenous one and cohesiveness is one of the characteristic features of the group. The regular savings, periodic meetings, compulsory attendance, proper repayment and systematic training are the salient features of the SHG. The evidences from various developing countries throughout the world have shown that the poor can be helped by organizing themselves into Self Help Groups. The Self Help Groups have the advantages are (1). They encourage the poor to save. The poor become creditworthy and bankable customers and are not seen as beneficiaries. They reduce the transaction cost of lenders and borrowers. (2). Women are trained in new skills and technologies and the wage earning workers become micro entrepreneurs and they help the poor to gain economic and social empowerment. Increased asset creation and savings, higher employment and improved social lives of members are the benefits to the members.

### Women Empowerment and SHGs

The word empowerment means giving power. According to the International Encyclopedia (1999), power means having the capacity and the means to direct one's life towards desired social, political and economic goals or status. The empowerment does not mean setting women against men. Indeed it means making both men and women realize their changing roles and women realize their changing roles and status and develop a consensus for harmonious living in the context of an egalitarian Society. It means redistribution of work, roles, redistributing their values to the changing world and attitudes and evolving new kinds of adjustment, understanding and trust with each other. The women constitute almost 50 per cent of the world's population. The women empowerment in contemporary Indian society in forms of their work, education, health and media images in the forms of their work, education, health and media images in the context of lineage, rule of residence and household chores, their context of lineage, rule of residence and household chores, their participation in social and political activities, their legal status in terms of marriage, divorce and inheritance of property, seeking wealth care should be taken into consideration. The empowerment in terms of knowledge and awareness of one's own life and society including legal raise their status with regard to the lives. The Constitution of India grants equality to women in various fields of life. The Government of India had declared the year 2001 as *Women's Empowerment Year* to focus on a vision where women are equal partners like men. In the past, women were not ready to undertake any work, job and business due to shyness, fear and male dominance in the society. The women of today want more economic independence, their own identity, achievements, equal status in the society and greater freedom. As majority women lack assets that help contribute to their empowerment and well-being, economic

independence through self-employment and entrepreneurial development must be paid attention too. So, the Government of India has provided for Self-Help Groups. The empowerment of women also means equal status to women. The SHG occupies the major part of the rural development of the nation. This concept was successfully implemented and achieved in Bangladesh; hence it has been introduced in India. The Southern State, Andhra Pradesh became a large size SHG constituted state in the country and mobilized crores of money. The SHGs mainly concerned with the enlistment of the women in the society through, social, economic aspects. It leads to provide and bring the empowerment to the women. The SHGs not only mobilize micro finance and provide credit to the needed members but also it provides self-employment training, awareness programme, promote the leadership qualities and confidential life to its members. The empowerment of women through SHG provides benefit not only to individual women but also for the family and community as a whole.

### Present Scenario of SHGs in Andhra Pradesh

Andhra Pradesh is one of the pioneer states in encouraging Self-Help Groups. The World Bank has said that the model of SHGs in Andhra Pradesh is remarkable and could be replicated in other states in India. Studies commissioned by NABARD in 2002 indicate that the programme has emerged as the largest micro-finance network in the world. The statewide distribution of SHGs linked with banks shows a predominantly large share of over 42 per cent of all linked SHGs in Andhra Pradesh, the Andhra Pradesh Government has made a pioneering effort in the organization and developments of SHGs in which rural members are largely involved. The role of members in the organization and monitoring of SHG action plan has paved the way for the speedy development of economic and productive activities of the group. Another important factor which contributed to the development in Andhra Pradesh is the collective participation of various organizations and credit institutions.

### Role of SHGs

- To cultivate saving habits.
- To utilize the borrowed loans properly and also to repay them promptly.
- To increase the family income.
- To see that the earnings of the members go for their sustained economic development.
- To obtain bank loans and also to get the benefits of the Government welfare measures in a proper manner. These developments cannot take place in a short span of time. It will be the result after a long period. To start with, economic empowerment may be the result while social empowerment would take time to become a reality.

The objectives are to study the socio-economic background of the women beneficiaries and their family characteristics; to study the income, expenditure and savings of the members before and after joining SHGs and economic empowerment of women are studied. The study used primary data and secondary data for analysis according to the objective set out in the study. The primary data were collected by interview schedule method. The secondary data were collected from journals, reports and books. A multi stage stratified random sampling frame is used for collection of the primary data. The district administratively divided 3 divisions are Adoni, Kurnool and Nandyal 54 mandals, and each division randomly selected one Mandal. The selection respondents belonged to 3 mandals of Kurnool district. The study covered 3 mandals Viz. Maddikera, Orvakal and Banaganapalli, from which six villages was selected. One hundred respondents were selected in each Mandal. The sample for the present analysis is 300 and they are drawn from all the sectors of SHGs. The schedule includes the questions related to the general information about the SHGs members, income, expenditure, savings and loan schemes available to SHGs members. The distribution of respondents such as caste, age, education, income, expenditure, savings and occupational levels are discussed. The respondents of a caste, age and education levels are presented in Table – I.

**Table - I**  
**Distribution of Respondents Andhra Pradesh**

1		2		3	
Caste	Number	Age	Number	Education	Number
OC	65(21.66)	25-35	76(25.33)	Illiterate	81(27)
BC	102(34.00)	35-45	121(40.33)	Primary	121(40.33)
SC	88(29.33)	45-55	89(29.66)	Secondary	86(28.66)
ST	45(15.00)	Above 55	14(4.66)	Higher	12(4)
TOTAL	300(100)	Total	300(100)	Total	300(100)

Source: - Filed Data

From the Table – I shows that 34 per cent of the respondents belonged to backward castes, 21.66 per cent belong to the forward caste, 29.33 per cent belong to the schedule caste and the remaining 15 per cent were from schedule tribes. Thus, it can be observed that almost all the respondents belonged to the socially disadvantaged sections of the population in the study area. The majority of the respondents were of the age group 35-45 accounting for 40.33 per cent, 25.33 per cent between age group 25-35 and 29.66 per cent between 45-55 and 4.66 per cent in above 55 in the study area. It is evident that 40.33 per cent of the respondents in were primary education level. Slightly less than 28.66 per cent was having secondary education in the groups. However, the illiterates are 27 per cent and 4 per cent higher education level. The majority of the Self-Help Group members were of the age group 25-45 and with low levels of education. The respondents belonged to below poverty households and have joined the self-help Groups to better their lives. The SHGs help to enhance the status of women as participants decision makers and beneficiaries by imbuing confidence in them, by improving their dialoguing and communication skills, and transactional abilities. It builds up their capacities and is a platform for voicing their needs and woes where in their social and economic problems are sought to be overcome. The nature of activities in which the SHG members were economically engaged in service activities (28.88 per cent) are tailoring and catering of fast foods like Idly, Vada, Dosa, Samosa, Pan Pori, etc. They also sold papads and fry-ups throughout the year along with various powders (used as side dish like ground nut powder and pickles). The Majority (31.66 per cent) of the members had petty businesslike plastics, stainless steel, flowers, vegetables and fruit vending, clothes, petty shops, cycle shops, pan shops and Book shops etc. 24 per cent of the members were engaged in processing activities like cattle rearing. About 28.33 per cent of the members were engaged in activities like production of baskets, mats, cotton pillows, carpenters, coconut ropes and pots etc. Majority of the SHGs number concentrated in business and service activities in the study area. The income, expenditure and savings levels of the respondents presented in Table- II.

**Table-II**  
**Income, Expenditure and Savings Levels of SHGs Respondents in Andhra Pradesh**

Income			Expenditure			Savings		
Monthly Income(Rs)	No. of SHG Members (Before Joining)	No. of SHG Members (After Joining)	Monthly Expenditure (Rs.)	No of SHG Members (Before Joining)	No of SHG Members (After Joining)	Monthly Savings (Rs.)	No of SHG Members (Before Joining)	No of SHG Members (After Joining)
Below 5000	156 (52)	118 (39.33)	Below 5000	101 (33.66)	115 (38.33)	Below 1000	248(82.66)	159 (53)
5000-10000	108 (36)	137 (45.66)	5000-10000	125 (41.66)	126 (42)	1000-5000	52(17.33)	141(47)
Above 10000	36 (12)	45 (15)	10000-15000	74(24.66)	59 (19.66)	Above 5000	-	-
Total	300 (100)	300 (100)	Total	300(100)	300(100)	Total	300(100)	300(100)

Source: Field Data

From the Table-II reveals that the self Help Group before joined income level observed that 52 per cent member below Rs.5000/-, 36 per cent between Rs. 5000-10000/- and 12 per cent above Rs.10000/- level. After joined the SHG majority of them increase their household income level. 45.66 per cent of the SHGs beneficiaries have increase in monthly household income in the range of Rs.5000- 10000/-, 15 per cent household income above Rs. 10000/- level and 39.33 per cent of the SHGs beneficiaries decrease in monthly household income in the range below Rs. 5000/-. After joined the SHG members income increased. The self Help Group before joined expenditure level observed that 33.66 per cent member below Rs.5000/-, 41.66 per cent between Rs. 5000-10000/- and 24.66 per cent between Rs.10000-15000/-. After joined the SHG majority of them increase their household expenditure level. 42 per cent of the SHGs beneficiaries have increase in monthly household expenditure in the range of Rs.5000- 10000/-,38.33 per cent household income between Rs. 0 -10000/- level and 19.66 per cent of the SHGs beneficiaries decrease in monthly household expenditure in the range above Rs. 10000/-. After joined the SHG membersexpenditure changed (increased). The self Help Group before joined savings level observed that 82.66 per cent member below Rs.5000/-, 17.33 per cent between Rs. 1000-5000/-. After joined the SHG majority of them increase their household savings level. 53 per cent of the SHGs beneficiaries have increase in monthly household savings in the range between Rs. 0 -1000/- level and 47 per cent of the SHGs beneficiaries decrease in monthly household savings in the range between Rs. 1000- 5000/-. After joined the SHG members savings changed (increased). The impact of income the women economic empowerment also raises in the family. The economic empowerment SHG members are presented in Table-III.

**Table-III**  
**Economic Empowerment of SHGs Respondents in Andhra Pradesh**

Economic Empowerment	Yes	No
Access and control over finances	87	13
Reduced vulnerability to face crisis	92	8
Increase in earning capacity	100	-
Financial self-reliance and greater access to finance resources outside household	100	-

Source: - Field Data

From the Table –IV shows that 87 per cent of the Self-Help Group me respondents had access and control over financial resources at the household level. More than 92 per cent of the members reported that their vulnerability to face crises/emergencies was reduced. 100 per cent of them reported that their earning capacity and financial self-reliance have increased. Their access to financial resources outside their household was greater after joining self-help groups. A large proportion of the members had improved their earning capacity and many of the members now took decisions independently regarding expenditure and income. The findings of the study clearly bring out the fact that SHGs were an effective tool of the economic development. They were providing economic benefits to the members to through group activities. The SHGs were planning significant role in insuring individual members participation for the benefit for the group and individuals. In Andhra Pradesh the SHGs have been implemented as a movement for social and economic transformation. The Government as well as banks and NGOs are supporting the programme.The study was undertaken to identify women empowerment through Self Help Group in Kurnool district of Andhra Pradesh. It is found that the socio- economic factor has been changed after joining the Self Help Groups. But the saving is increasing at earlier stage of life. The increased income not only enhances the expenditure of the family but also promote the savings of the family after they join in the SHGs. The various purposes for which loans obtained by the respondents are to start business, to educate their children, to meet medical expenses, to meet marriage expenses, to maintain house expenses, to redeems other loans and to meet festival expenses. There are emerging issues that need to be addressed to make the role of women in the long run. It is the clear that by involving voluntary organizations in social mobilization and creating an

enabling policy environment, micro finance can achieve a vast scale and can become a rational movement. The self-help group is important in re-strengthening and bringing together of the human race. We may conclude that the economic activities of Self Help Group are quite successful. In this way Self Help Group in Kurnool district the very successful develop women empowerment and particularly in rural areas. Hence SHGs are very powerful tool to the backward rural areas to develop the women empowerment.

### SUGGESTIONS

- The Self Help Group is powerful tool to enrich the savings activities and poverty alleviation. In this context to support by the Government and uplift the women through Self Help Group oriented developments.
- In order to strength the women empowerment, female literacy has to be promoted.
- The group leader educates the entire team to manage the groups and maintain accounts and other record of the groups. It may lead to lopsided empowerment and not empowerment in the full sense.
- In many of the Self Help Groups, the same person is continuing in the offices as group secretary. So, rotation of the group's secretary is necessary for equitable exposure to the banking transaction.

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