Microfinance and Empowerment of Women: A Study of SHGs in Select Districts of Andhra Pradesh

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IN

ECONOMICS

BY

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DECLARATION

I, AJITHA VEJENDLA, hereby declare that this thesis entitled, *"**Microfinance and Empowerment of Women: A Study of SHGs in Select Districts of Andhra Pradesh**"* submitted by me under the supervision of Prof. Debashis Acharya is a bona fide research work which is also free from plagiarism. I also declare that it has not been submitted previously in part or in full to this University or any other University or Institution for the award of any degree or diploma. I hereby agree that my thesis can be deposited in Shodhganga/INFLIBNET

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Course Code	Course Name	Credits	Pass/ Fail
EC 701	Advanced Economic Theory	4	Pass
EC 702	Social Accounting and Database	4	Pass
EC 703	Research Methodology	4	Pass

Supervisor

Dean of School

Dedicated

To

Women of Grit

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Ajitha Vejendla

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ABBREVIATIONS

APL	Above Poverty Line
ASHA	Accredited Social Health Activist
BLP	Bank Linkage Program
BPL	Below Poverty Line
BRAC	Bangladesh Rural Advancement Committee
CGAP	Consultative Group to Assist the Poor
CSP	Credit and Savings Programme
FIs	Micro Finance Institutions
FIs	Financial Intermediaries
GDI	Gender-related Development Index
GEM	Gender Empowerment Measure
HHDM	Household Decision Making
IMF	International Monetary Fund
MDS	Microfinance Development Strategy
MS	Mandal Samakhya
NABARD	National Bank for Agriculture and Rural Development
NBFCs	Non Banking Financial Companies
NGO	Non Governmental Organisation
OBC	Other Backward Classes
OC	Other Category
RBI	Reserve Bank Of India
RNF	Rural Non-Farm
RRBs	Regional Rural Banks
SC	Scheduled Classes
SEWA	Self Employed Women’s Association
SHG	Self Help group
ST	Scheduled Tribes
WWF	Working Women’s Forum
ZS	Zilla Samakhya

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Chapter I
INTRODUCTION

1.0. Introduction

The contribution of women entrepreneurs to the Indian economy has been growing since 1990s. During this period, microfinance has made significant contribution to the rise of women, especially those belonging to poor households. Both socially and economically, greater access and usage of financial services by those at the bottom of the pyramid has enabled them to rise from the ashes of poverty and provide a better standard of living for their families. Provision of credit services to poor women has provided them with the opportunity to engage in value generating activities. Such benefits have been facilitated with the involvement of governmental and non-governmental organisations.

But what could be the arguments for preferring to provide basic financial services to poor women over their male counterparts? Studies have contended that poverty incidence is more likely among women than men (Burjojee et al., 2002), and that they have limited access to credit since the likelihood of women possessing collateral is lesser (Khandker, 1998). It is argued that providing services such as credit, savings, insurance and pensions to women is that they have lesser access to these services compared to men (Mayoux, 2000). Earlier studies (eg: Goetz and Sen Gupta (1996)) have expressed doubts over whether microfinance truly benefits women. Such studies argue that there could be better ways of empowering women and alleviating poverty.

Against this background, the current study aims to analyse the impact of microfinance on women empowerment in select districts of the Indian state of Andhra Pradesh. The impact with respect to bank funded Self-Help Groups (SHGs) is assessed, while also reviewing the past studies presenting the link between microfinance and empowerment of women. The socio-economic characteristics of SHGs in the districts under study are also analysed.

1.1. What is Microfinance?

The issue of poverty alleviation has been analysed and discussed extensively both by scholars and policymakers ever since the birth of Development Economics as a field of study. It is not surprising that the poor are the ones most removed from access to formal financial services, since they cannot offer collateral to avail credit, make formal investments owing to their low level of income, and cannot afford any form of insurance, whether life or non-life, and are often excluded from formal employment and hence do not receive pensions.

Since access to formal finance is critical to ensuring alleviation of poverty and a decent standard of living, individuals like Muhammad Yunus instituted entities that organise poor women into groups and provide them loans of small sizes to ensure that the members could begin earning livelihood through micro-sized businesses. After this humble beginning of microfinance in the mid-1970s, the idea spread across the world, especially the developing and less developed countries after it witnessed success in Bangladesh, where Yunus first founded these institutions/entities. Various formal organizations, including governmental, non-governmental and private, were quick to adopt the idea to reach out to the poor by providing feasible employment opportunities through extension of credit and deposit facilities at the micro level. Nevertheless, it is also to be noted that while the purpose of microfinance is to alleviate poverty by providing access to formal finance, it has also been able to generate decent profits for the microfinance institutions (MFIs), as has been rightly summed up by Brau and Woller (2004) that the organizations “do well by doing good”. This characteristic has ensured greater visibility and popularity for microfinance.

1.1.1. Sources of Finance:

Various sources are available for the poor to obtain and meet their financial needs as mentioned below:

- Formal financial sector includes the entire gamut of the banking industry with all the public, private and regional rural banks, NABARD and RBI.
- Semi-formal sector subsumes all the Micro financing institutions (MFIs), NGOs and various Self-Help Groups (SHGs).

- Informal sector is limited to one's family, friends, relatives, moneylenders, pawn brokers, traders and landlords etc. Generally, microfinance offers credit, saving and insurance services of very small amounts. Various credit products tailor made for consumption to production besides savings products are most common among these categories of services. However, micro insurance is yet to catch up popularity among service providers and clientele. The term "microfinance" has been defined by several authors and institutions over the years. In particular, literature on microfinance has proliferated since the turn of the millennium. Some of the well-known definitions are presented below:

1.1.2. Definitions of Microfinance:

The Asian Development Bank (2000), as part of its Microfinance Development Strategy (MDS), defined microfinance as "the provision of a broad range of financial services such as deposits, loans, payment services, money transfers, and insurance to poor and low- income households and their microenterprises." Microfinance is defined by the World Bank (2015) as "attempts to provide financial services to households and micro-enterprises that are excluded from traditional commercial banking services." The target beneficiaries as part of these attempts are typically those individuals, especially women, with little or no income, or those who are not formally employed. This working paper also distinguishes between microfinance and Microfinance Institutions (MFIs), commercial banks, NGOs and cooperative banks all of which comprise of providers of microfinance services. While all the above service providers focus on the poor households and either unemployed or self-employed women, they attempt to reach out to the clientele using different approaches that are economically viable. For instance, the World Bank document cited above notes that all the service providers aim to create impact at a societal level, even while generating decent profits on their microfinance operations.

IMF (2005) defines microfinance as the provision of "small-scale credit and other financial services to low-income households and very small informal businesses." Those organizations providing these services to the poor are identified by IMF as MFIs. MFIs aid the poor to tide over the effects of negative shocks on their financing patterns, to find reliable avenues to save, to utilise any potentially viable investment avenues, besides insuring against life or non-life risk.

CGAP (2003) defines microfinance as provision of banking services to lower-income people, especially the poor and the very poor. Microfinance may be defined as the mechanism to provide financial services such as savings and credit to the poor so that they may be able to increase their earning capacity. These financial services as part of microfinance are often offered to the poor in the form of micro to tiny size loan and deposit products. From the above definitions, it may be surmised that Microfinance Institutions (MFIs) are financial institutions that offer financial and non-financial products and services to the poor, that would otherwise not have access to the services from the formal financial institutions.

1.2. Importance of Microfinance and SHGs

Offering microfinance services (i.e., offering loans in any form) is currently one of the most prominent means to reduce poverty and empower the disadvantaged, including women (Armendáriz and Morduch, 2010; Kulkarni, 2011). Microfinance programs not only give women access to savings and credit, but also reach millions of people worldwide, bringing them together regularly in organized groups.

According the Global Findex estimates published by the World Bank (2018), more than 20% of India's population above 15 years of age did not possess account at a financial institution in 2017. However, it needs no additional emphasis that this segment requires to be provided with access to financial services so that their economic aspirations could be met. Microfinance ensures that small size enterprises which are financially underserved are provided loans to accumulate working capital. Since long, commercial banks and other providers of financial services in the formal sector could not offer loans to this section of the population, since this section did not likely present profitable opportunities owing to their lack of ability to offer higher rates of interest on loans commensurate with the risk that they pose as clientele to the financial intermediaries. Also, the risk the lower strata of the economy posed as clientele to the formal financial institutions was amplified, given the fact that these groups would not always be in a position to offer collateral against their borrowings.

Despite these arguments, one has to be mindful that excluding these segments of society from the folds of formal finance altogether would only serve to ensure that they resorted to sources of informal finance such as family, friends and moneylenders, which could not only prove to be unreliable and expensive but also unstable and exploitative. Microfinance also has positive implications for policymaking at the macroeconomic level, since it would aid in more effective transmission of monetary policy through commercial banks, cooperative trusts, MFIs. It is a well-received economic doctrine that the central bank would aim to raise key policy rates to reign in price rises when faced with high inflation rates, while it would be in a position to lower interest rates to aid growth when inflation is within the target range. Better monetary policy transmission is said to take place if the financial intermediaries (FIs) could reflect the changes in the policy (Repo) rate by the Reserve Bank of India (RBI) on to the rest of the economy as comparable to changes in interest rates on deposits and advances. Assuming that the FIs are by and large able to reflect the changes in interest rates by the central bank, even then, the monetary policy transmission will be effective only if most of the population is included in the formal banking folds. In other words, the FIs will be able to pass on the changes in the policy interest rates to the individuals, households, and firms, only when large swathes of the population are able to avail financial services from these intermediaries. The microfinance delivery system, whether working through the Self-Help Group Bank-Linkage Program (SHG-BLP) or under the aegis of microfinance institutions (MFIs), would ensure that policy rate changes by the RBI are passed on to the lower strata of the economy as lower/higher interest rates, as the case may be.

1.3. Key Features of Microfinance

Microfinance is characterized by the following important features:

- The clientele is from low-income segment.
- Financial services offered under microfinance are usually of small amount, with the loan term, in case of microcredit, being short.
- The loans offered as part of microcredit do not generally require the borrowers to offer any collateral.
- The frequency of loan repayment is usually high compared to the frequency in the general credit options availed directly through commercial banks.
- The overarching aim of microfinance is to generate income for the members of SHGs and for the clientele of MFIs, even while ensuring that the NBFCs / NGOs / Banks promoting these entities generate economically viable profits.

1.4. Microfinance Delivery Models

To fulfil the financial needs of the poor, microfinance needs to adopt a free and flexible approach (Prakash and Malhotra, 2017), because a single model may not fit the demands of all situations. To meet the growing financial needs of a burgeoning client base, a number of innovative models emerged in microfinance across the world, each modeled according to the needs of the particular national conditions. In general, the microfinance delivery models are classified into six groups outlined below:

i. Grameen Bank Model
ii. Joint Liability Group Model
iii. Individual Lending Model
iv. The Self-Help Group Model
v. Village Banking Model
vi. Credit Unions and Cooperatives

Of these six types of microfinance models, the most commonly adopted models in India are the Self-Help Group model (which was initiated in India by the National Bank for Agricultural Research and Development (NABARD) in 1992 as a pilot project, and thereafter extended to the rest of the country in subsequent years following the positive impact the model generated), the Joint Liability Group model (as part of the Microfinance Institutions (MFI) model). The other successful model adopted in India is the Self-Employed Women's Association (SEWA) model. This last model is categorized under the Individual Lending Model mentioned in the list above.

Figure 1.1: Two major models of microfinance in India

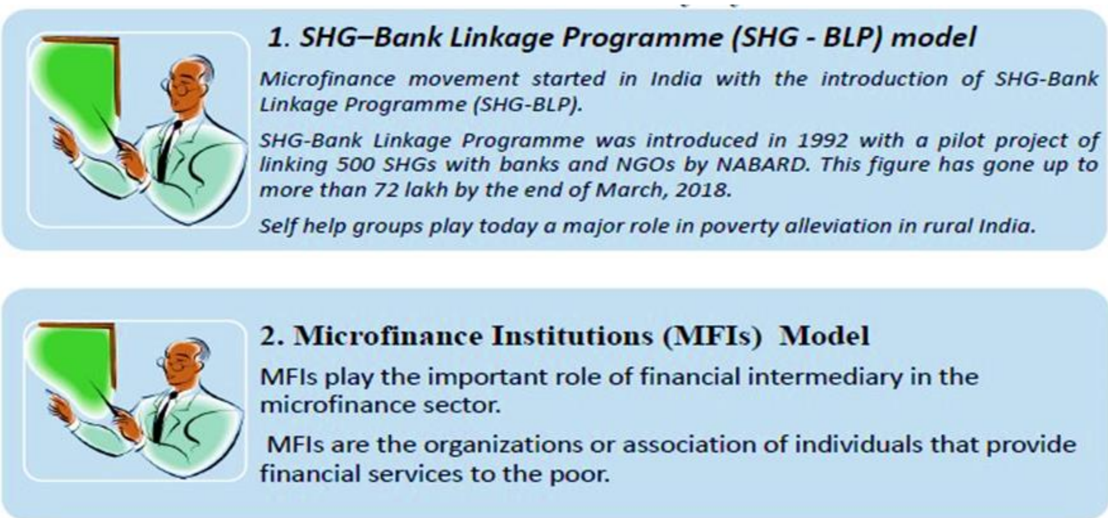
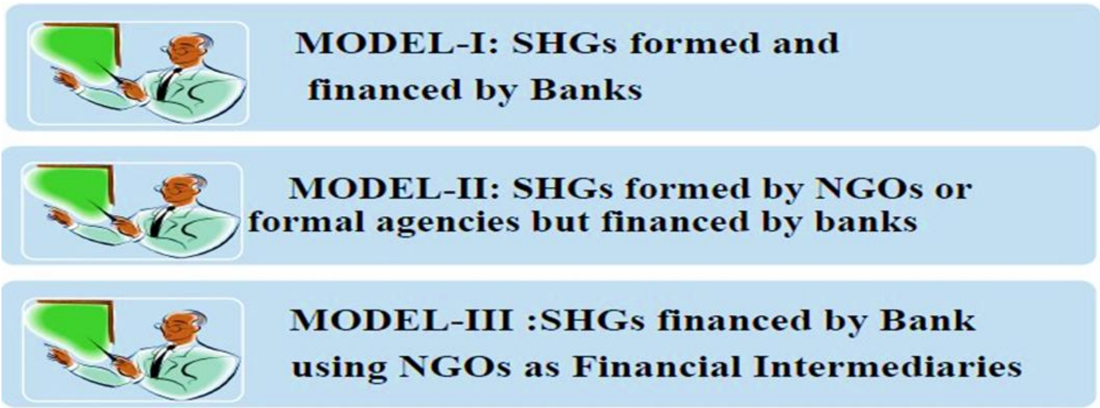


Figure 1.2 presents the various working models under the SHG-BLP in India



1.5. Macro Trends in Microfinance

There are around 184 MFIs (including NBFC MFIs) operating in India in various forms trusts, societies, cooperatives, Section 25 companies, and Non-Banking Financial Companies (NBFCs). The MFI industry has shown an equally promising growth. As per Sa Dhan, as on 31 March 2021 the microfinance industry has a total loan portfolio of Rs. 2,47,839 crores with a year-on-year growth of 17 percent. As on March 31, 2021, the microfinance industry served 5.93 Crore unique borrowers, through 10.83 crore loan accounts. In India there are total number of 72, 93,579 SHGs, out of which 8,19,889 are in Andhra Pradesh.

Total households mobilized into SHGs are 7.98 Crores in India whereas in Andhra Pradesh it is 83, 00,677.

Table 1.1: Region-wise progress of Savings Linked SHGs with Banks in India (From 2018-19 to 2020-21)

Sr. No.	Regions	2018-19		2019-20		2020-21	
		No. of SHGs	Savings- Amount	No. of SHGs	Savings- Amount	No. of SHGs	Savings - Amount
1	Northern Region	5,48,624	62,453	5,77,122	59,550	6,09,808	1,74,345
2	North Eastern Region	5,23,469	40,407	5,56,899	48,141	6,33,714	83,126
3	Eastern Region	26,54,358	6,01,155	28,11,130	6,64,333	31,22,424	7,74,912
4	Central Region	10,62,759	1,33,230	11,35,083	1,71,217	13,45,575	2,11,870
5	Western Region	13,88,615	2,05,275	14,73,853	2,01,880	15,50,176	3,74,023
6	Southern Region	38,36,418	12,89,928	36,89,236	14,70,085	39,61,703	21,29,485
	Total	1,00,14,243	23,32,448	1,02,43,323	26,15,205	1,12,23,400	37,47,761

1.6. Women Empowerment

Empowerment of women means to enable women to live life with dignity, self-respect, confidence and self-reliance. Empowerment is a process, from being unpowered to being empowered. In the field of development economics, women empowerment is defined as the process through which

"…women acquire the ability to make strategic life choices in a context where this ability was previously denied to them (Kabeer, 1999)."

Theories on women empowerment are mainly focused on the individualistic and collectivistic frameworks of choice making. While the former focuses on the exercise of choice by a woman in her personal capacity (Kabeer, 1999), the collectivistic framework builds on collective behavior and societal norms that drive choice making (Budgeon, 2015; Kurtis et al., 2016). Microfinance interventions are based on the assumption that participation in the intervention has empowering effects and stimulate individual growth However, these interventions are often implemented in more traditional collectivistic cultures. Hence, from the above discussion, the importance of conducting culturally sensitive research may be said to help in avoiding biases and understanding empowerment in a more objective manner.

"The theoretical causality between women empowerment and economic development runs both ways: In one direction, development can contribute towards ensuring greater and faster gender equity." In the other direction, empowering women may ensure that the economy grows faster and more inclusive development could result therefrom. Microfinance services contribute to greater women empowerment by enhancing a woman member's ability to make independent decisions, both within her household and as part of a microenterprise. This is seen to positively influence her overall socioeconomic status. Microfinance also holds great promise at engendering gender equality and promoting sustainable livelihood for the households participating in microfinance activities. By providing access to financial and non-financial services to the marginalized and underserved strata, microfinance has emerged as an effective as well as efficient (low-cost) solution to empower the poor and unemployed, especially women. It has been evidenced that microfinance activities could be leveraged to provide the poor with a means to emerge from the ashes of poverty. Women's movements have been gathering momentum since the end of the twentieth century, with a view to check the proliferating poverty in developing countries. Several proclamations at women's conferences have been issued and attempts at providing innovative solutions to the problem of poverty by engaging poor women as participants in microfinance activities have been successfully made over the past half-a-century, since the evolution of microfinance began in the mid-1970s in Bangladesh owing to the pioneering efforts of Muhammad Yunus. Some such countries where fruitful efforts at empowering women by enhancing their employment opportunities, gender equity and socio-economic equality include India, Pakistan, Mexico, Indonesia, among others.

One could also visualize that an increased availability of financial resources for a woman, combined with an effective provision of microcredit to them is statistically associated with increased welfare of her household as a whole, with particular beneficial effects on her children's health, nutrition and education.

Emphasis in India is currently focused on enabling an environment where more women can contribute to the nation's economic development as "entrepreneurs". However, while such an effort is in the process of making, the policymakers need to recognize that the conducive environment would bear results only when women are provided sufficient funds to cover the working capital requirements of their businesses. Most studies in the field of microfinance and financial inclusion – latter of which may be defined as provision of relevant, reliable and affordable financial services to all the segments of population – have observed that rural women have abundant entrepreneurial acumen, and that they only need to be given financial opportunities to prove their capacity. These studies have found that women utilize microcredit more effectively and efficiently than men. However, their skills at firm management does not often come to the fore due to of dearth of access to formal finance, and because women are more prone to poverty and exploitation than men. Many successful women organizations have been contributing to the political and socioeconomic upliftment of women in India like Shri Mahila Griha Udyog Lijjat Papad, Self Employed Women association (SEWA), The Working Women's Forum (WWF), Rashtriya Mahila Kosh, a govt. Organization for women established in 1993, Mann Deshi Mahila Sahakari Bank Ltd. (MDMSB) etc. (Pokhriyal, Rani and Uniyal, 2014). It is agreed that there can be no magic bullet which can structurally empower women on an overnight basis or even in a fortnight or a month. However, it is also to be admitted that microfinance organizations have been successful in enabling an organizational capacity that provides poor women with the means to begin the process of their social mobilization. This is an area where microfinance has made considerable headway, where many other interventions have failed (Kabeer 2005).

1.7. Challenges to Women Empowerment through Microfinance

Although microfinance holds great promise towards the cause of women empowerment, the association is not a straightforward one in practice (Hunt and Kasynathan, 2002). Simply distributing money among women members of SHGs without providing them entrepreneurial or employable opportunities could result in male dominance at home, skewed usage of credit for consumption activities, which could ultimately result in non-repayment of loan amounts. Others argue that access to microcredit may in fact lead to a certain kind of disempowerment of women. Another set of studies contend that the objectives and aims of microfinance and its empowering potential are inherently of conflicting natures. This last group of studies argue that an undue focus on women empowerment would only serve to weaken the efficiency of the MFIs together their financial performance, thereby defeating the very aim of empowering women through microfinance.

1.8. Motivation for the Present Study

Microfinance could be visualized as an operational tool to help the poor and disadvantaged women population, especially in the rural and semi-urban areas, along with those in the urban slums to earn sustainable livelihood by ensuring that they can access and use formal financial services. Microfinance also exerts a positive impact on investment in human and physical capital (Sharma, 2016; Kodan & Chhikara, 2013), besides alleviating the effects of poverty on households (Chibba, 2009; Demirguc-Kunt & Levine, 2008). To our knowledge, there is no study till date that has investigated the performance and impact of microfinance through SHGs in economically diverse and critical districts of the state of Andhra Pradesh post the state's bifurcation in 2014. It is from the above paragraph that we derive the motivation for the present study to first present an overview and review of the link between microfinance activities and women empowerment, and then to assess the socio-economic characteristics of women members of SHGs in selected districts of the bifurcated state of Andhra Pradesh and then to assess the impact of microfinance on women empowerment.

1.9. Need for the Present Study

There is a need to investigate the living standards and status of empowerment of women. Though there are several studies on SHGs, there has not been a comprehensive study to focus on aspects such as nutrition, sanitation, female literacy, decision making, mobility, skill acquisition, financial independence and to assess the trends and status of SHG women in AP as to whether there is an improvement in living standards and empowerment. The current study positions itself in this context to inquire into the living conditions of SHG women, especially in respect of women empowerment.

1.10. Objectives of the Study

The present study relates to the state of Andhra Pradesh. The broad objectives of the study are as follows:

- To have an overview of bank funded microfinance activities.
- To present a compressive review of the link between microfinance and women empowerment.
- To assess the socio-economic characteristics of Self-Help Groups members.
- Assessing the impact of microfinance on women empowerment.

1.11. Hypotheses of the Study

The study aims to test the following hypotheses in an empirical framework:

i. Bank Funded Self Help Groups have made a significant impact on the overall wellbeing of SHG families.
ii. There is an improvement in nutritional status in the SHGs families.
iii. Members of SHGs have achieved the financial independence.
iv. There has been a significant improvement in female literacy among the children of SHG families.
v. Participation in SHGs has promoted entrepreneurial qualities among SHG members.

1.12. Organization of the Thesis

The structure of the thesis is organized in the chapters as outlined below. Chapter two presents a detailed review of the literature on microfinance, women empowerment and the theoretical and empirical studies relating the two concepts. The methodology used for the purpose of the present study is detailed in Chapter three. The next few Chapters present the empirical results, discuss and interpret their significance against the background of the study. Finally, the summary of the study, along with relevant conclusions and policy implications are discussed in the final Chapter.

Chapter II
REVIEW OF LITERATURE

2.0. Introduction

Microfinance plays a vital role in the third world countries like India. At the present time, microfinance is very popular among women, particularly women from rural areas. Conventionally, women have had been generally considered as inferior to men and accorded a secondary status. Given that they are considered as adjunct to men, they have poor or no access to resources, and they face several other problems. The provision of microfinance is regarded not only as an instrument for poverty reduction, but it is also considered as a means for women's empowerment.

The impact of SHGs on women in Goa was examined by **Gaonkar (2001)**. The study revealed that SHGs made a lasting impact on the lives of the poor and their quality of life improved, in terms of increase in income, savings, consumption expenditure, self-confidence, productive use of free time, getting opportunities to improve hidden talents and receiving more importance in the family. It was found that individual loans were mostly used for productive purposes and the repayment of these loans was 100%. The study concluded that the SHG movement could significantly contribute towards the reduction of poverty and unemployment in the rural areas.

Tanmoyee Banerjee (Chatterjee) (2009) attempted to assess the socio-economic impact of group formation in West Bengal. It was observed that in most of the cases, the woman of the family had joined the Self-Help Groups. Further the study observed that income generation through group activities had improved the average income of group members, but there was inequality in the distribution of income among the group members which was higher than that of the non-group members. After they joined the group, they became employed and this changed their family income category. "It was further observed that people upgraded from low-income group to high income. This reduced the inequality in the distribution of family monthly income. The increase in the average family income at constant prices was significant, and the family average consumption expenditure and food expenditure at constant prices reduced significantly during the period. However, after joining the group, the monthly average family health consumption expenditure and food expenditure at constant prices reduced significantly during the period. However, after joining the group, the monthly average family health related expenditure decreased significantly at constant prices. Alternatively, the average monthly family savings increased after joining of Self-Help Groups. The reduction in the average family health related expenditure signified that the economic empowerment of women had created an awareness among them, which was reflected in better hygienic habits and more optimal allocation of food expenditure among the family members. The study opined that the number of school dropouts had significantly come down in the families of group members than of those who were not members of Self-Help Groups. And in the case of families of non-SHG members, employment of female members in the family had not reduced the school dropout rate. Rather, a family was more likely to have a school dropout if the woman member was working. But in the case of group members, no school dropout was observed.

Ranjula Bali Swain and Fan Yang Wallentin (2007) studied the impact of micro-finance and SHG on women's empowerment. Swain and Wallentin found that the improvement in the nutrition of children leads to greater efficiency of a woman's role in the household but this growth was within the perceived existing role of the women under the prevailing norms of the society. Such an activity would increase a woman's self-confidence and feeling of well being, and possibly create conditions that might promote women's empowerment, but it was not essentially empowering in itself." Similarly, Community Driven Development activities like safe drinking water programme initiated by the SHGs reduced the labour and time of women, and at the same time it led to better health of all household members, particularly the children. "Swain and Wallentin argued that most of these activities contributed to the welfare of the household (including women) and the community at large, but they did not empower women as they reinforced the existing gender roles within the society. The truly empowering activities were those which reflected the changes in the women that enabled them to effectively assert themselves by resisting the existing unfair norms of the society. Thus, for instance, if a woman could resist any form of abuse from her husband or any other family member, such a woman would be consider to be empowered as she had tried to improve her wellbeing, by refusing to the taken for granted.

A study by Pitt and Khandker (1998), "explored the impact of microfinance on poverty reduction in Bangladesh. The results showed that for every Taka (currency of Bangladesh) loaned to a female member, the consumption had increased by 18 Taka, and for men it increased by 11 Taka. Further, the study showed that the poverty rate of BRAC members dropped by about 15% for the moderately poor, and 25% for the ultra-poor. Similar results were obtained from the other two programmes. This rate of poverty reduction appeared to decline depending on the duration of membership and with cumulative loan size. It was found that the credit programme had a larger positive impact on the behaviour of the poor, if the borrowers were women rather than men."

A study conducted by **NABARD in 2002** brought out many positive results on the impact of SHGs on the rural people who participated in the programmes. It showed that there were perceptible and wholesome changes in the living standard of SHG members, in terms of asset ownership, savings and borrowing capacity, income generating activity and income levels. The average value of assets, including livestock and consumer durables increased considerably. The housing conditions of the people also improved from the mud walls and thatched roofs to brick walls and tiled roofs.
Almost all the members developed the savings habit in the following the intervention of SHG. The number of loans taken to meet the consumption needs came down, while the loans taken for income generation purposes increased considerably during the pre-SHG period. Similarly, the overall loan repayment performance improved and the average net income per household increased by about 33%. Employment increased by 18% between the pre- and post-SHG periods. It was found that the association with the SHGs increased the self-confidence, self-worth and communication skills of the rural poor had improved.

Coleman (1999) studied the impact of microfinance lending through village banking programmes in Northeast Thailand. The study showed that there was no evidence that the programme had an impact on any asset or income variables. He found that the impact of village was insignificant on physical assets, savings, production and productive expenditure and other variables. There was no evidence of increase in the productive activity as the access to bank loans increased. One of the reasons for weak poverty alleviation was that there was a tendency among wealthier households to self-select into village banks and the relatively small size of loans was used for consumption purpose only. However, microfinance induced a positive effect on women's high interest liability because a number of members had dropped into vicious circle of debt from lenders in order to pay their lends on village banks. Also, it had a noteworthy influence on the lending power of women with interest because few members were involved in arbitrage. These women would borrow from village banks at lower interest and then lending out the same money again in different markets.

Sheokand (2000) studied the evolution of Indian banking and its failure to provide credit facilities to poor people. It was observed that the security-oriented individual banking system introduced by Regional Rural Banks was replaced by the delivery of credit to focused groups. According to him, the government sponsored programmes had occupied much of the economic space, but they did not achieve the objective of alleviating poverty. Self Help Group-Bank Linkage Programme had proved very successful in the socioeconomic empowerment of the rural people by providing financial services to them and preparing them to take up economic activities for bettering their lot. Although this programme was not a panacea for the problems of rural poverty, yet it had the potential for becoming a permanent system for providing loans in the rural parts of the country with full participation from the formal banking system and without any interference from the government.

Harper (2002) studied the differences, outreach and sustainability of the SHG- bank linkage system in India, and Grameen banking system in Bangladesh in terms of providing microfinance. SHG bank linkage and Grameen banking systems dominated the microfinance markets in India and Bangladesh respectively. In SHG-bank linkage system, 10 to 20 members formed a group, which would become an autonomous financial organisation, and it received loans from the bank in the group's name. Then, the group members carried out all the savings and loan transactions on behalf of the group. Thus, the SHG was effectively a micro bank. However, in Grameen banking system, microfinance participants organised themselves into groups of five members, and each member maintained her individual savings and loan account with the microfinance organization. The main function of the group was to facilitate the financial intermediation process. It was also found that both the systems were best suited to their prevailing environments. SHG-bank linkage system was more flexible, effective in making one self-independent, and encouraging in savings and borrowing, according to the member's requirements. Hence, it was suitable in the Indian context. But Grameen banking system was more rigid, autonomous and strict, in short a dependence-creating system, which was suitable in Bangladesh where people were relatively more homogeneous, poor and with less experience of democracy. It was also found that SHGs were probably less likely to include poor people than Grameen Bank groups, but neither system reached the poorest. It was also found that SHG members were free to manage the group financial affairs so they were more empowered but, at the same time, more vulnerable. Grameen groups were much better protected against internal and external threats. Their members were less vulnerable-but also less empowered.

Singh (2003) explained the reasons for failure of government initiated anti-poverty programmes and the success of microfinance programme as an effective poverty alleviation strategy in India. According to him, the government-implemented rural development programmes failed because they were centrally conceived (lacking participation of local level institutions) and politically motivated. The programmes had leakages, misappropriation of funds and heavy administrative expenses. NGOs were successful in reducing the poverty level of their clients and creating additional employment opportunities. Though microfinance was a relatively new concept then, it has grown phenomenally and currently it has significant impact in areas like income generation, employment, health, education, housing, and sanitation, etc.

Basu and Srivastava (2005) in their Rural Finance Access Survey-2003, conducted jointly by World Bank and National Council of Applied Economic Research, India, highlighted the inadequacies that rural India faced to access to formal finance, and the exploitation prevalent in informal finance. Therefore, a strong need was felt for innovative microfinance approaches. The study indicated that rural banks served primarily the needs of the richer rural borrowers, and the rural poor faced severe difficulties in accessing savings and credit from the formal sector. Around 44 % of the households surveyed borrowed informally at least once in the course of 12 months, and the interest charged on informal loans averaged about 48% annually. It was also found that the most of the people who had borrowed money from informal sources had taken the money to fulfill family emergencies (constituting 29%), and social expenditures (19%), arising from events such as birth, marriage and death. However, about 13% of the borrowers reported that they were using informal loans for investment-related purposes.

Sarkar (2008) discussed the new model of microfinance in Bangladesh, and he advocated the need for some institutional reform strategies to develop microfinance in India. The Grameen Bank had introduced a more flexible credit system, and it was named as Grameen-II. Under this new system, loans of different durations were issued to suit individual needs. Besides the duration of the loan, the size of weekly instalments also varied and the borrower could pay repayment instalment of lesser amount during the lean season, and more during the peak season. All the borrowers started with a basic loan in this credit system. In addition to the basic loan, the same borrowers were also granted housing loans and higher education loans simultaneously. The most important feature of this flexible loan was that if the borrowers were unable to repay their loans, they were not treated as defaulters. Rather, they had a legitimate way to remain within the fold of the organization, so that they could continue to receive loans. The Grameen Bank had also introduced a pension fund for its borrowers, with a minimum contribution from each borrower towards a pension deposit scheme, loan insurance for its borrowers to pay off a member’s debt in the event of her or his death. In this way, Grameen-II introduced range of attractive new savings and loan schemes for its borrowers. Such credit system was lacking in the SHG-bank linkage model of India.

Sangwan (2008) empirically ascertained the determinants of financial inclusion and studied the relevance of Self-Help Groups (SHGs) in achieving financial inclusion. The empirical evidence of the impact of bank branch density, level of income, literacy and SHG membership on financial inclusion was estimated and it was found that, as on March 2006, the financial inclusion of adults above the age of 19 was 63%, in terms of saving accounts, and 16% in terms of credit accounts, and about 37 % of Indian adults did not use any financial services. The study revealed that the branch density had a positive and significant correlation with the percentage of adults with savings, as well as credit accounts. The coefficient of per-capita income was also positive and significant. Literacy percentage had a surprisingly negative relationship with both the percentage of savings and as well as credit accounts of adults. This may be partly because of the poor knowledge about financial services even among the educated ones. The results of the study substantiated that the persons with low income and with poor accessibility to banks such as agricultural labourers, marginal and small farmers, migrant labourers, tribals and women. It was suggested that SHGs could play a significant role in achieving financial inclusion-especially for women and low-income families.

Sarangi (2007) evaluated the impact of microfinance programme on rural poor households in some backward regions of Madhya Pradesh in India. Impact assessment results showed a significant positive effect of programme as participation indicated an increase in the income of the households. It was found that the income of households reporting self-employment in off-farm activities was much higher for the participant households than that of their non-participant counterparts. Intervention of PRADAN in promoting poultry, mushroom cultivation, and sericulture among the participant households had helped in diversifying their economic portfolio. The indicators of consumption items, including clothing and footwear, seemed to obtain high average values for the participant households than those of non-participants. It was also found that location factors contribute to the creation of opportunities for diversifying the economic portfolio and employment options. The study results brought out the exclusion of very poor households from participation in group-based credit programmes. The probability of participation was low at the lower end of income distribution and increased with the increase in per capita income of the household, but declined with very high level of per capita income. The results showed that increase in share of off-farm earnings increased with the increase in landholding. The returns seemed to be much higher for the very big landowners than for the small farmers. The findings suggested that many of the very poor households were excluded from the programme, and the gains from participation of the programme were mostly observed for the better-off section of households, particularly those with high per capita income, or the large landholders. The study concluded that credit as a principal instrument for the alleviation of poverty was not effective without other corroborative mechanisms to help in increasing the potential of credit use by the poor or the small farmers.

Hoque (2008) studied the households that were involved in BRAC's micro-credit programmes and their capacity to deal with economic hardships. It was hypothesised that BRAC's credit programmes enabled the participating households' abilities to withstand financial hardships. This hypothesis was tested by comparing 108 BRAC and a similar number of non-BRAC households, the latter being defined as those who did not receive loans from BRAC or any other institutional sources. The survey results showed that 54.6% of the BRAC households faced economic hardships. The major problems reported by respondents were: sickness or death of householders, crop loss, damage of houses or businesses, and losses due to natural disasters. With regard to the capacity of households to cope with crises, the study found that non-BRAC households had less capacity to cope with crises from their current income and earnings than the BRAC households. More BRAC than non-BRAC households borrowed money in times of hardship. One of coping strategies in trying times was to sell assets. The study showed that more non-BRAC households than BRAC resorted to selling their assets during hardships. It was found that 7.1% of the BRAC households used their own savings to cope with crises, and about only 4.3% of the non-BRAC households used savings to settle crises. This could be because the savings of non-BRAC households were also less than those of BRAC households. This meant that since, non-BRAC households generally lacked savings, they resorted to selling assets. This study brought out that BRAC households were more able to obtain loans during times of crises than non-BRAC households. About twice as many BRAC households borrowed money during crises than non-BRAC households (20% compared to 10.1% respectively).

Borbora and Mahanta (2008) studied the credit and savings programme and the analysis of survey data revealed that 80% of the members in the selected SHGs were from poor families. The members of the groups were engaged in gainful economic activities. It was found that the programme had succeeded in inculcating savings habit among the members. The programme also helped them to free themselves from the clutches of non-formal sources of credit. 43% of the sample beneficiaries could expand their income through various income generating activities. The focus of Credit and Saving Programme (CSP) was exclusively on rural poor and it adopted a credit delivery system designed especially for them with the support of specially trained staff and a supportive policy with no political intervention at any stage in the implementation of the programme.

A study by Yunus (2004) showed that lending money to women brought greater benefits to the family than to men. The study showed that if the mother was the borrower, the children were the immediate beneficiaries, and this improved the condition of the family also. The improved economic condition of the women had created awareness among them, which get reflected in better hygienic habits and more optimal financial allocation for food expenditure among the family members.

Another study by **EDA and APMAS (2006)**, showed that migratory labourers do not join SHGs as they frequently migrate from place to place. Apart from them, people with very uncertain income and people falling in the lowest rung of income usually do not join SHGs. It was further observed that people generally with common interest form a group. This study also revealed that the financial status of members improved after joining the group.

Puhazhendi and Satyasai (2000) studied the impact of SHG-BLPs on SHGs and the findings of this study showed that there was a 33% increase in average annual income from pre- to post-SHG situations. 40% of this increment in income was generated from non-farm sector activities. The number of families living below the poverty line was reduced by 20% in the post-SHG situation. The social empowerment of sample SHG members, in terms of self-confidence, involvement in decision-making, better communication, etc, improved in a significant way. The study found that the average value of assets per household (including consumer durables and livestock) increased by 1.72 times in the post-SHG period from the valued Rs. 6, 843 during the pre-SHG period. The number of households among the SHGs living below the poverty line which was 42% went down to about 22%in the post-SHG period. With regard to employment performance, the study found that employment increased by 17% between the pre- and post-SHG periods. On empowerment, the study found that involvement in SHGs had significantly contributed to the self-confidence of the participating women."

A study by **Puhazhendi and Badatya (2002)** assessed the impact of the SBLP on SHG members in the Indian states of Orissa, Jharkhand, and Chhattisgarh. Puhazhendi and Badatya concluded that institutional credit had deepened and spread among the rural poor, while there had been substantial reduction of loans from money-lenders and other informal sources. The study established that 52% of sample households registered a 23% increment in annual income, and 30% increase in asset ownership in the post-SHG situation. About 72% of the bank loans were used for income generation purposes and the remaining 28% for meeting the consumption and other social and contingency purposes. In terms of activities, non-farm activities witnessed a growth of 121%, this was followed by off-farm activities with 21.2%, and farm activities with 19%. The share of SHG member households below the poverty line also reduced from 88% to about 75%. The social empowerment of sample SHG members, in terms of self-confidence, involvement in decision-making, better communication, etc., improved in a significant way. It was also found that members in the SHGs that were in operations for five years and above benefitted more socially and economically as compared to the members in newly formed groups.

Parida and Sinha (2010) examined the performance and sustainability of three different types of SHG programmes in India and observed that women's SHGs were performing better than men's SHGs and coed SHGs. One, women's SHGs performed better in terms of loan recovery than other types of SHGs. The per capita savings of women's SHGs in 2006 was also much higher than other types of SHGs. The women's SHGs also stood out extremely well in financial management practices, such as maintaining book accounts and passbooks, and they update them regularly. The econometric results also revealed that only women's SHGs were sustainable, due to good loan recovery performance, per capita savings of SHG members, linkage with SHG federations, and formation and financing of SHGs by banks. The women's SHGs were sustainable because they were more focused and united, and they also adhered to basic objectives of groups. These groups utilised the borrowed funds for different productive activities, and were highly concerned about the well-being of their children and family members. Further, the women in the SHGs took up the membership as a means to educate themselves, and confront social, political, and economic problems they faced. On the other hand, members of men's SHGs had ego problems, and they worked for their own interests, and they did not follow the basic objectives and goals of group formation. As a result, they were irregular in loan repayments and performed badly in economic and managerial activities. Parida and Sinha suggested that financial planners and financial institutions should focus on policy decisions to improve the performance of women's SHGs, so that they can progress to the next level of economic and entrepreneurial activity and improve the living standard of their members. They also suggested that there was a need to provide training programmes to men's SHGs and coed SHGs, using the best practices followed by women's SHGs.

Sarumathi and Mohan (2011) examined the role of psychological, social, and economic dimensions on microfinance in women's empowerment. The study found that microfinance improved the literacy level of rural women and created greater awareness about children education. It was noticed that all the respondents agreed that microfinance brought courage and self-confidence, and it also improved their skills and self-worth. The respondents also agreed that women were economically and socially empowered after joining SHGs. And about 92% of the respondents reported that the poverty level had reduced after participating in microfinance programmes. The study concluded that microfinance brought more of psychological and social empowerment than economic empowerment. The impact of microfinance in bringing about self confidence, courage, skill development and empowerment was noteworthy. Sarumathi and Mohan also noticed that some members were expecting the NGOs to come up with more training sessions with regard to income generating activities.

Meganathan and Arumugam (2012) examined the socio-economic impact on rural women through Self Help Groups in Puducherry. The study focused on the socio-economic impact of Self Help Group members through microfinance. Major findings of the study were: One, close to one-third of the members consisting of 37.5% were self employed, followed by employment in agricultural and allied sector consisting of 29.2%, livestock rearing consisting of 17.5%, and government employees consisting of 1.7%. Two, the majority of the household members consisting of 60% was taking decision jointly, whereas 22.5% depended on the husbands to take decisions. "Three, most of the women, after forming the self help group, were able to protect themselves from various social evils like women abuse in the field, as well as their homes, and sexual abuse, etc,. Four, the majority of them reported that after they joined the group their self-confidence, communication skills, respect from family and intention to help neighbours had improved. Five, instances of verbal abuse, physical violence, negligence, psychological and emotional abuse against women had reduced since SHG members were actively resisting women abuse activities. Six, most of the women opined that access to basic amenities like health, water supply, sanitation, and school for children and transport facilities had improved after the introduction of microfinance programme. Seven, social impact of self help groups on rural women was very high when compared to economic impact. However, there was growth in income, savings, expenditure, loans and type of house because of their engagement with the group for about ten years. The study concluded that the Self Help Group programme was able to reach the vulnerable poor at affordable cost and can, thus, help the poor to become self employed.

Sathyabama, et al, (2011) studied the demographic status of the animators of SHGs. The study found that women were in a better position to organise themselves. Qualities such as democratic decision making, team spirit, team work, social mobility, self confidence, boldness to meet the officials, mutual help and, in total, the leadership qualities had improved to a significant level after the advent of animators. There was a growing awareness to lead a better quality of life with a change in attitude and lifestyle, which had motivated them to be self-reliant and to take part in economic development through Self Help Groups (SHGs). The study observed that the major problems that the animators faced was non-cooperation among the members of the group, less support among the family members, and problems in getting loans on time. The study suggested that mutual discussions to convince the family members and members of the group would reduce the first two problems; and initiatives from the government and banks to provide loans with easy procedures would help the people to get loans easily.

Balu, et al, (2011) analysed the extent of social empowerment achieved by micro-entrepreneurs in Tamil Nadu. The study found that after becoming members of the unit the monthly income increased; and the majority of the families earned above Rs.2000. Prior to this, the majority of the families earned less than Rs.500. It was found that before becoming member, many of the members had no knowledge about how to run a business. Similarly, since the respondents were from below poverty line (BPL), they were not financially sound and, therefore, many of them had no confidence to start their own enterprises. The study also observed that the survival and growth of these enterprises were essential for the beneficiaries and entrepreneurs, and to ensure better standard of living and social empowerment both for themselves and their families. This study found out that the enterprises had succeeded in triggering socio-economic accreditation of the rural poor. As the survival and growth of these enterprises were essential, the study suggested that commercial efficacy should be accorded priority. The study emphasized that the development of micro enterprises has had a positive impact on empowerment of women.

Kamal Vatta and Parminder Singh (2001) studied the impact of SHGs on the income of BPL households that had not availed bank loans, and BPL and APL households that had availed bank loans in Hoshiarpur district of Punjab. Vatta and Singh observed that the total savings generated by the SHGs amounted to Rs.48 lakhs during the period 1996-97 to 2000-01. It was observed that SHGs belonging to the BPL members generated 70% of the total savings, and the rest of the savings were generated by APL members. The loan sanctioned to BPL SHG members was as low as 7.4%, while it was 41% for the APL SHGs. Despite a lot of lobbying, bank loans to BPL SHGs were not readily made available. The APL SHG families, by virtue of their greater awareness, education and managerial abilities, were able to get more benefits. Vatta and Singh suggested that avoidable delays in sanctioning of loans must be avoided. An extensive awareness campaign was needed to educate and encourage the bankers to advance loans to BPL SHG members.

Manimekalai and Rajeswari (2001) studied the socioeconomic background of SHG women in rural microenterprises in Tamil Nadu and the factors which had motivated the women to become SHG members and eventually as entrepreneurs. The study analysed the nature of economic activities and the performance in terms of growth indicators, such as investment turnover, employment, sources of finance, product marketing, and other related aspects, and identified the problems faced by SHG members in running the enterprises. The study found that SHG women earned the highest profit from agricultural activities, followed by trade-related activities and catering services. It was found that the income of SHG women almost doubled after they became micro-entrepreneurs. A majority of the respondents faced serious problems, like non-availability of raw materials, lack of infrastructure facilities, including marketing, and lack of support from family members for running their enterprises. It was found that there was a significant difference in the performance of the entrepreneurs based on their age, education and previous experience. The study showed that microfinance had facilitated economic and social empowerment of women by developing in them leadership qualities, organisational skills and the confidence to manage various activities of a business, right from mobilising finances, identifying raw materials, markets and suitable diversification and modernisation, etc. by themselves.

Rao (2003) studied the genesis and development of SHGs in India. Rao observed that the average age of the members varied from 32.5 years in STEP areas of Karnataka to 51 years in non-STEP areas of Andhra Pradesh. The majority of the members belonged to SC and ST communities. It was also found that the members joined SHGs mainly to avail credit to meet unexpected cash demand, and to develop savings habit. Widows and divorcees showed greater willingness to join SHGs. By conducting regular meetings and insisting on compulsory attendance and savings, the SHGs helped to create awareness on issues like dowry, nutrition, AIDS, literacy, etc. Rao suggested that the SHGs are sustainable, have reliability, stimulate savings, and also help the borrowers to come out of the vicious circle of poverty.

A study by **Hosamani et al, (2001)** found that the growth among the agencies of SHGs with cooperative banks was the maximum followed by RRBs and commercial banks. The study found that the there was an increase in the rate of return at 21% per annum on an average on their savings. Women members felt that there was an overall increase in their purchasing power and their petty business income, besides facilitating their own empowerment.

Ponnarasi and Saravanan (2001) found that all the SHGs in the village were involved in various developmental activities that had greatly enhanced the socio-economic well-being of the village.

Nedumaran et al, (2001) empirically examined the performance of SHGs linked with banks and then assessed the performance and socio-economic impact of SHGs on the members and they observed that more than 60% of the SHG members were from SC and ST communities. Nearly half of the SHGs registered a high performance. The average loan availed was found to be positively associated with age. Net income received increased by 33% compared to in the pre-SHG situations." "The study indicated that the social condition of the members improved considerably after they started participating in group activities and recommended the promotion of SHGs in rural areas, imparting training to members and involvement of local NGOs in building SHGs to ensure the overall socio-economic development of the households.

Ragavendra (2001) studied the contribution made by microfinance programmes and found that the members no longer borrowed from moneylenders. He further suggested that with vision, participation and motivation, the forward community SHGs could greatly help transform farm based activities into market based ones. Ragavendra also mentioned that group approach for generating activities in the credit delivery system must be encouraged and pressed the need for reducing the transaction cost of lending to the rural poor.

A study by **Namboordiri and Shiyani (2001)** examined the potential role of SHGs in terms of reach, linkage with banks for savings and credit for the weaker sections of rural households and it was suggested that with collective savings group consumption credit, integrating social and economic goals among the small groups, have the potential not only for financial deepening in the rural areas, but also for the empowerment of women, in particular.

Jothi (2010) studied the socio-economic impact of microfinance on group members and found that the SHG played a pivotal role in enhancing the socio-economic character of the members and brought them more respect-both domestically and socially. It was found that the sample members, who were either unemployed or engaged in petty activities during their pre-member period, had become very active by becoming fully engaged in varied activities and thereby earning more. Jothi concluded that the self help groups contributed substantially in improving the conditions of the female population and helping in poverty reduction, as well.

Puhazhendhi and Satyasai (2001) studied the performance of Self-Help Groups with a special reference to social and economic empowerment. The study revealed that there was an increase in the average value of assets comprising of livestock and durables by 72 %. The study found that the involvement of the rural poor in SHGs significantly contributed to their social empowerment, increase in their confidence, their treatment within the family, improved communication skills and other behavioural changes. Study concluded that the SHG as an institutional arrangement could positively contribute to the economic and social empowerment of the rural poor and the impact more pronounced in the social aspect than in the economic. Though there was no specific pattern in the performance of SHGs among different regions, the southern region had an edge over other region. The SHG programme was more popular in the southern region and its progress in other regions was quite slow, thus there was an uneven achievement among the regions. Older groups had relatively more positive prospects indicating better performance than the younger groups.

Vijayalakshmi and Valarmathi (2008) pointed out the ways to overcome poverty and empowerment through microcredit and SHGs. The study considered SHGs as potential instruments for combating poverty in a sustainable manner. They found that the educated middle-aged women showed interest in joining SHGs. The primary reason behind this was because the SHGs provided opportunities to show their talents and the urge to save money for future use. The study found that many have expressed the desire to improve their level of income, assets, and wealth and also the standard of living. Study also showed that improving the literacy rate and awareness level of the respondents were fundamental to empower the rural women folk, and suggested that income generating activities should be introduced; awareness about the water borne diseases and about rural sanitation should be given more attention; training regarding market activities should be improved; and communication and leadership skills should also be given much importance to improve one's personality and group discussion skills.

Rani, Devi and Surendra (2002) studied changes in women previously and afterward participating in the activities self help groups. It was found that participation of women in the SHGs led to their empowerment in areas like house-management, leadership, economic status, health, and sanitation. The self-confidence among women increased after their participation in self help Groups. Women were also empowered to some extent when they participated actively in the meetings and through their interactions with different officials. During the period of participation, there was also noticeable increase in women decision-making power. In all the aspects, after their involvement in the activities of Self-Help Groups, and the study showed that mobilisation of SC and ST members were higher than BCs and OCs and the study suggested that education was significant in the empowerment of women.

Impact of Self-Help Groups on the generation of income and employment was studied by **Gangaiah, Nagaraja and Vasudevulu Naidu (2006)**. The study looked at the roles of SHGs to promote savings and banking habits among members; to make them secure from financial, technical and moral strengths; to enable the use of loan for productive purposes; and to gain economic prosperity through loan/ credit; and to gain from collective wisdom in organizing and managing their own finances and distributing the benefits among themselves. They found that some of the members received loans for non-farm activities like tailoring, operating refreshment stalls, and running clothes business. It was observed that the majority of the members also gained employment opportunities. It was observed that the members got higher number of working days in terms of opportunities on non-farm activities like refreshment stalls, clothes business and tailoring. They found that the loans provided by SHGs had a favorable impact on the generation of income in the village. At the same time the income generated in the selected activities shows that the highest amount was earned from agriculture, followed by vending, dairying, tailoring and running refreshment stalls. It was observed that the credits extended to rural women had improving effects on the families because majority of women beneficiaries utilised the income generated either for investing or improving the education and health standards of the families.

Kumar Virender, Sharma and Sharma (2008) studied the impact of micro finance on employment, income and empowerment. The study concluded that micro finance made a significant impact on income, employment and poverty reduction of the members. The study found that loans which were issued easily and timely to the rural poor women to meet their day-to-day urgent consumption requirements was the single most remarkable accomplishment of the self-help groups. The impact of micro finance was that people could improve their economic conditions and this empowered them. People who were educated started their own small businesses and some even ventured into small-scale industries, etc. The study found that credit alone was not enough to uplift the rural households successfully from "Survival activities" (yielding moderate returns) to more productive enterprises.

Puhazendhi (1995) in his study found that intermediation of NGOs and SHGs helped the banks to reduce their transaction costs in the range of 21-41%. The dynamic nature of reduction in transaction costs because of intermediation caused a downward shift in the marginal cost curve. This was possible due to the active role played by NGOs and SHGs in identifying the borrowers, and ensuring the follow up actions towards the end use of the loans and its recovery. This resulted in significant reduction in the time spent by bank staffs on these functions. Among the different models of linkage, the most cost-effective transaction was the one in which banks use the SHGs as financial intermediaries. The study found that the intermediation of NGOs and SHGs reduced the transaction costs of borrowers by about 85% mainly due to the reduction in expenditure on documentation procedures. The intermediation of NGOs and SHGs also proved useful in ensuring better rate of recovery.

Gaiha (2000) examined the women's control over the assets acquired; and the trade-offs between the coverage of the poorest and sustainability. The study showed that there were many unmet demands for credit for savings and insurance services among the rural poor. The study found that extreme poverty (e.g. among tribal) was partly a result of lack of awareness about the ability of the poor to repay loans. The second one was that he loan processing time was much longer for the poor. Moreover, the affluent secured larger loans compared to the poor. Thirdly, there were indications of male dominance in the selection and the use of the assets. And four, combining financial services with some forms of insurance (e.g., against illness and accident)

Rahul et al (2013) assessed the impact of microfinance on women's empowerment in eastern India and found that greater access to microfinance as measured by a longer duration of treatment is associated with a decreased likelihood of the borrower managing the enterprise, lower likelihood of increased influence over expenditure related decisions, and the higher likelihood of increased influence over child-related decisions.

Singh (2013) evaluated the nature of business and its performance carried out by women through SHGs and its impact on economic empowerment in rural areas. It was found that SHGs have served the cause of women empowerment, social solidarity and socio-economic betterment of poor rural women.

Vachaya and Rajendra (2014) investigated the impact of microfinance and other socioeconomic factors on women's empowerment in terms of involvement in decision-making, income-generating, and job creation. The findings suggested that characteristics including a member's and her husband's salary, family size, and the frequency of self-help group meetings had a beneficial impact on women empowerment. In the case of income and employment generation activities, self-help group members' age and income, as well as their household income and loan amount, are found to have a favorable impact.

Arindam and Pravat (2014) measured the impact of Microfinance on women's empowerment The authors highlighted that concentrating on the supply side solution does not provide a comprehensive picture of microfinance outreach. They also highlighted why need to consider the demand side dimensions. The authors considered three dimensions, namely, economic, financial, and social empowerment to construct the women empowerment index. An analysis of the interstate variation in the microfinance outreach suggested that in eight states only the outreach is significant.

R. Vishnuvarthini and A.M. Ayyothi (2016) examined the role of SHGs in women's empowerment. It was concluded that women employed in the SHGs got better access to health care, socioeconomic development and independent decision making. Overall, the positive impact of SHG outweighs the negative impact.

Brody et al (2016) found that the impact of women's SHGs on women's economic, social, psychological, and political empowerment has positive effects on economic and political empowerment, women's mobility, and women's control over family planning. But no evidence was found for the positive effects of SHGs on psychological empowerment.

Mohapatra and Sahoo (2016) provided insights into a microfinance programme in two different Agro-ecological settings in India. The authors examined individual, household and environmental characteristics that determine participation in a self-help group – bank linkage programme. They found that the programme had by-passed the poorest of the poor.

Sultana et al (2017) investigated the role of microfinance in empowering Muslim women as well as non-Muslim women in a comparative perspective. The study found that microfinance brought more knowledge and social empowerment than economic empowerment. The impact of microfinance is appreciable in bringing confidence, courage, skill development and empowerment.

Tariq and Sangmi (2018) reviewed the impact of Microfinance on the empowerment of marginalized women in poverty. The authors found that extant literature showed the participation of women in Microfinance more particularly through SHGs empowered them under economic, social, psychological and political dimensions. Apart from the benefits women derive from Microfinance, there is evidence regarding disempowerment as well, such as increased workload for women, lack of control over income and assets and the negative impact on children's education.

Shalini et al (2020) found that education, religion and marital status impact women empowerment in SHGs.

Neha Kumar et al (2021) assessed the impact of women's SHG membership on various aspects of their empowerment and it was proved that SHG participation has significant and quantitatively meaningful impacts on overall empowerment.

Tanima et al (2021) contributed to an emergent body of accounting literature drawing on critical dialogic to critique neoliberal ideas, values and practices and to propose alternative critical accounting and accountability systems consistent with a dialogic approach.

2.1. Concluding Observations

The foregoing review has revealed that the impact of microfinance activities (Self Help Groups-SHGs) on lives of the poor and their quality of life has suggested that in terms of increase in income, savings, consumption, expenditure, self-confidence and decision-making skills, the contribution has been quite significant. SHG movement has contributed towards reduction in poverty and unemployment in the rural areas. From the review it is also revealed that microfinance activities have shown improvement in nutrition of children, safe drinking water facilities, access to schools etc., which not only lead to better health and education of all household members, but also aid in building women's self-confidence, self-worth, communication skills and overall feeling of well-being.

Changes that reflected in enabling women to effectively assert themselves by resisting the unfair norms of the society are truly empowering. The studies have concluded that SHG as an institutional arrangement could positively contribute to economic and social empowerment of women by developing in them leadership qualities, organizational skills and confidence to manage activities of a business, from mobilizing finances, identifying stakeholders, diversification, modernization etc., by themselves. Studies reviewed have indicated that financial planners and financial institutions should focus on policy decisions and training programmes to improve the performance of women's SHGs, so that they can progress to the next level of economic and entrepreneurial activity.

One of the main insights from the studies is about the success of microfinance as an effective poverty alleviation strategy while the government initiated anti-poverty programmes suffered from being centrally conceived. The localization aspect of microfinance programme played an important role in the process of development when the subsidy and grant based schemes have lost importance. Women constitute 50% of world population and receive hardly 10% of world's income and are owners of even less than 1% of world's property. Women empowerment is significantly ushered in by financial independence and our study positions itself in this context and seeks to reexamine whether access to credit by women which aids in empowering them and improve their quality of life.

Chapter III

SAMPLE DESIGN AND METHODOLOGY OF THE STUDY

3.0 Introduction.

The present study is descriptive and analytical. It is largely empirical in nature. It is based on both primary data as well as secondary data. The primary data is collected from a field survey by administrating a schedule in person. While preparing the schedule, every care has been taken to ensure that no the information that is required to fulfil the study objectives is left out. The respondent for the primary study has been the select member of SHGs. The information that is collected has been tabulated and analysed simple statistical techniques such as percentages, proportions, cross tabulations and some visual aids. The secondary data has been used for simple statistical techniques as stated above. The reminder of this chapter presents details of the study area, sample design including sampling procedure for identifying the respondents, and the techniques employed.

3.1. Study Area

The study is confined to the state of Andhra Pradesh. Reasons for selecting AP are as follows:

The first and foremost reason for choosing to study the performance and impact of SHGs in *Andhra Pradesh* is the slowing down of the state economy post-bifurcation in 2014. Against the background of a retarding economy, it is felt that the incremental impact of microfinance on the living conditions of women with emphasis on women empowerment could be evaluated in a more critical academic environment since greater economic adversities present more challenges to the operational capabilities of women. In Andhra Pradesh, 83.53 lakh rural women have been institutionalized into 8.35 lakh SHGs. A total of 28,185 Village Organizations, 662 Mandal Samakhyas (MS) and 13 Zilla Samakhyas (ZS)) have come into existence across AP. The total savings by the members is Rs. 8,564.43 Crore. The corpus available with SHG members is close to Rs. 10,655.01 Crores. Out of 83.53 lakh rural SHG members, almost all the members have their individual member SB accounts in banks.

Climatic uncertainties and vagaries of monsoon along the coast from time to time have led to agrarian distress. This pushed people, especially women from agriculture to allied activities. Since women have lower levels of skill sets and cannot migrate to far off places, they are compelled to relocate themselves to allied commercial activities such as Kirana shops, knitting, tailoring, handicrafts, dairy, poultry, goat rearing etc. In order to get into these activities, the only choice for women has been to actively participate in SHGs.

The present study is confined to coastal Andhra Pradesh. Two districts namely, Visakhapatnam and East Godavari are chosen for study purposes: The choice of the sample distracts is purposive as the two districts provide the contrast in the activities in which the rural women are engaged. Visakhapatnam is chosen for the reason that the district has a well-developed urban segment co-existing with underdeveloped rural areas. In the district, in the urban space, allied activities are concentrated, while the rural remain relatively backward. The uneven distribution of growth enables to study the contrast in living conditions of women. On the other hand, East Godavari is a majorly an agrarian district with evenly distributed allied activities. There is greater functional literacy in the district, while the technical skill set of women is lesser. Another important factor that has presented a strong case for East Godavari to be included in the study area is its distinctive entrepreneurial atmosphere.

3.2. Sampling Procedure, Sample Design and Methodology

3.2.1. Sampling

Sampling is the process of choosing a subset of people (a statistical sample) from a statistical population to estimate the entire population's characteristics. It is used in statistics, quality control, and survey technique. Statisticians try to get samples that are typical of the population under consideration. In situations where it is impractical to assess the total population, sampling offers insights and is more affordable and quicker than doing so.

The study of relationships between a population and sample samples is known as sampling theory. Only random samples apply to sampling theory. For these purposes, a population or universe may be described as a collection of things with some characteristics. A universe is, in other words, the entire collection of things about which knowledge is sought. Either the cosmos is endless or finite. An infinite universe is one in which there are infinitely many possible items as opposed to a finite universe, which has a finite and known number of possible items. The universe could also be a speculative concept or exist. In the first scenario, the universe is hypothetical, and its components are all that we can conjure up. An example of a hypothetical universe is tossing a coin or rolling dice. The term "existent universe" refers to the actual existence of the objects that make up the cosmos. On the other hand, the word "sample" refers to the area of the universe that has been chosen for study. The study of relationships between the cosmos and the sample or samples were taken from it is known as sampling theory.

In this study, we collect the data based on our research question and aims using multi-stage stratified sampling, one of the common sample techniques. To produce a representative sample when the population from which the sample is to be drawn is not a homogeneous group, a stratified sampling technique is typically used. Stratified sampling divides the population into several subpopulations that are each more homogeneous than the entire population (the various subpopulations are referred to as "strata"). We then choose items from each stratum to make up a sample. We can obtain more accurate estimates for each stratum since they are more homogeneous than the entire population, and by more precisely estimating each of the component parts, we obtain a better estimate of the whole. In a nutshell, stratified sampling yields more accurate and thorough data.

The following three inquiries are crucial when discussing stratified sampling:

(a) How do strata form?

(b) How should objects from each stratum be chosen?

(c) How many items from each stratum should be chosen, or how should the sample sizes for each stratum be distributed?

In response to the first query, we can state that the strata are created based on the characteristic(s) shared by the items that will be placed in each stratum. To ensure that elements are most homogeneous within each stratum and most heterogeneous amongst the various strata, numerous strata must be established. Consequently, strata are purposefully established and typically based on prior experience and the researcher's personal judgement. Always keep in mind that the strata are often defined with a thorough examination of the relationship between the features of the population and the qualities to be evaluated. A pilot study may occasionally be carried out to identify a stratification scheme that is more suitable and effective. We can decide on a suitable stratification scheme for our inquiry by obtaining small samples of equal size from each of the suggested strata and analysing the variances within and among them. Regarding the third query, we often employ the proportional allocation method, whereby the sizes of the samples from the various strata are maintained in a ratio that is consistent with the sizes of the strata. In other words, if n represents the entire sample size and Pi indicates the percentage of the population contained in stratum I then n. Pi reflects the number of items chosen from stratum i.

Sometimes the population is too big and dispersed for it to be useful to compile a list of everyone for the purpose of selecting a simple random sample. For instance, a polling agency does not use a basic random sample when sampling US voters. They may first take a sample of the counties and then take a sample within the counties they have chosen because voter lists are created by counties. This exemplifies two phases. They may even employ more steps in specific circumstances. At each stage, they might conduct a stratified random sample based on factors like sex, race, income, or any other pertinent factor for which they could get data prior to sampling. Multi-stage stratified sampling is a helpful sampling approach in the situations mentioned above.

3.2.2. Sample Design

There are in all 46 Mandals in Vishakhapatnam district, out of which 13 have been chosen for the study (see table 3.1). In East Godavari district there are 59 Mandals out of which 17 Mandals have been selected for the study (see table 3.2). The underlying sampling procedure that is followed is the stratified random sampling. Anakapalli and Narasipatnam are the Revenue divisions from the Vishakhapatnam, whereas Rajamahendravaram, Kakinada and Ramachandrapuram are the revenue divisions from the East Godavari district.

A total of 60 villages (30 from each district) have been chosen from both the districts. 200 respondents were identified in Vishakhapatnam district and an equal number of respondents from East Godavari district. After conducting the survey, it was observed that there are partial response cases, which resulted in the sample being reduced to 149 in Vishakhapatnam district and 117 in East Godavari district. As a result, only a total of 266 respondents were considered for the study. The average number of respondents for the study is 5 and 4 per SHG in Vishakhapatnam and East Godavari districts, respectively.

The sampling procedure used for the study is Multistage Stratified Sampling. Respondents are selected based on above said sampling technique where the final unit is women from an SHG household and the selection of the final unit is random.

3.2.3. Methodology

The present study is basically an empirical study. It is largely descriptive and analytical in nature. The primary data collected has been tabulated and analysed using simple statistical techniques such as average, percentage and pictorial representation. The impact of microfinance on the empowerment of women is being analysed under two categories namely as economic and social.

The primary survey has covered various parameters such as community details of SHG members, age of the members of SHGs, quality of life, economic independence based on decision making, social freedom based on the permission to go outside, and SHG members going to the bank etc. This study also considered self-confidence and nutritional status as parameters to assess the impact which is very much necessary and less discussed in the literature. These parameters have been crucial to assess women empowerment.

Table 3.1: Visakhapatnam District: Mandals

S.NO	ANAKAPALLI DIVISION	VISAKHAPATNAM DIVISION	PADERU DIVISION	NARSIPATNAM DIVISION
1	ANAKAPALLI	ANANDAPURAM	ANANTHAGIRI	GOLUGONDA
2	ATCHUTAPURAM	BHEEMUNIPATNAM	ARAKUVALLEY	KOTAURATLA
3	BUTCHIAHPETA	GAJUWAKA	CHINTHAPALLI	MAKAVARAPALEM
4	CHEEDIKADA	PEDAGANTYADA	DUMBRIGUDA	NAKKAPALLI
5	CHODAVARAM	PENDURTHI	G.K.VEEDHI	NARSIPATNAM
6	DEVARAPALLI	SABBAVARAM	G.MADUGULA	NATHAVARAM
7	ELAMANCHILI	VISAKHAPATNAM(R)	HUKUMPETA	PAYAKARAOPETA
8	K.KOTAPADU	VISAKHAPATNAM(U)	KOYYURU	RAVIKAMATHAM
9	KASIMKOTA	PADMANABHAM	MUNCHINGPUT	ROLUGUNTA
10	MADUGULA	PARAWADA	PADERU	S.RAYAVARAM
11	MUNAGAPAKA		PEDABAYULU	
12	RAMBILLI			

**Selected Mandals for the purpose of study are highlighted in yellow colour*

3.2 East Godavari District: Mandals

S.NO	AMALAPURAM DIVISION	ETAPAKA DIVISION	KAKINADA DIVISION	PEDDAPURAM DIVISION	RAJAHMUNDRY DIVISION	RAMACHANDRAPURAM DIVISION	RAMPACHODAVARAM DIVISION
1	AINAVILLI	CHINTURU	GOLLAPROLU	GANDEPALLE	ALAMURU	ANAPARTHY	ADDATEEGALA
2	ALLAVARAM	KUNAVARAM	KAKINADA (RURAL)	JAGGAMPETA	GOKAVARAM	BICCAVOLU	DEVIPATNAM
3	AMALAPURAM	NELLIPAKA	KAKINADA (URBAN)	KIRLAMPUDI	KADIYAM	KAJULURU	GANGAVARAM
4	AMBAJIPETA	V.R.PURAM	KARAPA	KOTANANDURU	KORUKONDA	KAPILESWARAPURAM	MAREDUMILLI
5	ATREYAPURAM		KOTHAPALLE	PEDDAPURAM	RAJAHMUNDRY (RURAL)	MANDAPETA	RAJAVOMMANGI
6	I.POLAVARAM		PEDAPUDI	PRATHIPADU	RAJAHMUNDRY (URBAN)	PAMARRU	RAMPACHODAVARAM
7	KATRENIKONA		PITHAPURAM	RANGAMPETA	RAJANAGARAM	RAMACHANDRAPURAM	Y.RAMAVARAM
8	KOTHAPETA		SAMALKOTA	ROUTHULAPUDI	SEETHANAGARAM	RAYAVARAM	
9	MALIKIPURAM		THALLAREVU	SANKHAVARAM			
10	MAMIDIKUDURU			THONDANGI			
11	MUMMIDIVARA			TUNI			
12	P.GANNAVARAM			YELESWARAM			
13	RAVULAPALEM						
14	RAZOLE						
15	SAKHINETIPALLE						
16	UPPALAGUPTAM						

**Selected Mandals for the purpose of study are highlighted in yellow colour*

Chapter IV

AN ANALYSIS OF SOCIO-ECONOMIC CONDITIONS OF SHG MEMBERS IN THE STUDY AREA

4.0. Introduction

This chapter discusses the microfinance strategy used by the SHG bank linkage programme, which NABARD initiated in Andhra Pradesh in 1999. The analysis is mainly based on the primary data collected from 266 SHG members from two districts. The socio-economic condition of the members in the two selected districts is compared. This chapter has three sections. The first section provided the socioeconomic profile of the sample members. The second section provided the data with group formation, group size, group meeting, and methods of collection saving of the sample members. And the third section describes the access to loans, utilization of loans for various purposes, and the income and employment generating activities through non-farm sector.

4.1. Socio-Economic Profile of Sample Members

An important aspect of the study is the socio-economic profile of the members of the SHGs. For this study, 266 SHG members were interviewed with the help of comprehensively structured schedules. The socio-economic profile of the members included age, marital status, education, type of household, access to ration card, source of drinking water, source of energy, family size, education qualification, family asset, and occupation of the members and their husbands.

4.1.1. Community-wise Distribution

The need to look at community or caste category is to get an idea on the degree of participation of rural poor from different castes or communities and their awareness about micro-finance programme. Towards this end, the communities are classified under broad categories: Scheduled Tribe (ST), Scheduled Caste (SC), Backward Class (OBC) and Other Caste (OC). Table 1 details the caste or community categories of all the SHG members in all the areas considered for the study. Out of the total sample size of 266, the ST consists of 15, SC consists of 73, OBC consists of 134, and OC consists of 44. The survey was conducted in Visakhapatnam and East Godavari.

Table 4.1 Caste or Community Categories of SHG Members

Social Group	District		Total
	Visakhapatnam	East Godavari	
ST	12 (8.1)	3 (2.6)	15 (5.6)
SC	59 (39.6)	14 (12)	73 (27.4)
OBC	60 (40.3)	74 (63.2)	134 (50.4)
OC	18 (12.1)	26 (22.2)	44 (16.5)
Total	**149 (100)**	**117 (100)**	**266 (100)**

Note: Figures in parentheses are percentages.
Source: *Field Survey*

4.1.2. Age Group of SHG Members

One of the key factors that affect how men and women exert authority is age. "It can also be considered as a major factor in the decision-making process. The details of the age composition of the selected sample members are presented in Table 2. It is clearly evident that the majority of SHG members in selected districts are in the 26-35 age group." SHG members belonging to the age below 25 years are quiet few in Visakhapatnam. However, the number of members below 25 years is quite significant constituting about (12%) in East Godavari. The table clearly shows that among the sample members the age group between 26 and 35 years are predominant and there is very less members in the SHG in the age group of below 25 years and 46 years.

Table 4.2. District-wise Age Group of SHG Members

Age Group	District		Total
	Visakhapatnam	East Godavari	
Below 25 years	31 (20.8)	14 (12)	45 (16.9)
Between 26 to 35 years	59 (39.6)	57 (48.7)	116 (43.6)
Between 36 to 45 years	44 (29.5)	42 (35.9)	86 (32.3)
Above 46 years	15 (10.1)	4 (3.4)	19 (7.1)
Total	**149 (100)**	**117 (100)**	**266 (100)**

Note: Figures in parentheses are percentages.
Source: *Field Survey*

It can also be observed that the majority of the members are middle-aged women, who want to earn money in order to increase the income level of their families. It has already been mentioned that age is an important factor for the enrolment in the groups. If members are above the age of 46 years, the chances of defaulting saving and loan repayment, and missing the meetings are high. Furthermore, it is difficult for them to get regular work. Hence, in such cases most of them fail to repay the loan amount. Thus, it is felt that advanced-age members should not have been enrolled in the groups.

4.1.3. Marital Status

Marital status plays an important role for SHG members. In most cases, married women depend on their husbands for household expenses. A country woman normally has no chance of earning money without her husband's permission. With the cost of living rising rapidly in both rural and urban areas, it is becoming increasingly difficult to manage a household on one person's income. Also, if the family is large, a woman may not be able to manage household expenses with her husband's income alone. So in order to supplement the monthly annual family income women are engaging in income-generating activities.

Table 4.3: Marital Status of SHG Members

Social Group	Marital Status	District		Total
		Visakhapatnam	East Godavari	
ST	Married	10 (83.3)	3 (100)	13 (86)
	Un-Married	2 (16.7)	0 (0)	2 (13.3)
	Total	**12 (100)**	**3 (100)**	**15 (100)**
SC	Married	55(93.2)	13(92.9)	68(93.2)
	Un-Married	4(6.8)	1(7.1)	5(6.8)
	Total	**59 (100)**	**14 (100)**	**73 (100)**
OBC	Married	56(93.3)	61(82.4)	117(87.3)
	Un-Married	2(3.3)	8(10.8)	10(7.5)
	Widow	2(3.3)	5(6.8)	7(5.2)
	Total	**60 (100)**	**74 (100)**	**134 (100)**
OC	Married	14(77.8)	24(92.3)	38(86.4)
	Un-Married	3(16.7)	2(7.7)	5(11.4)
	Widow	1(5.6)	0(0)	1(2.3)
	Total	**18 (100)**	**26 (100)**	**44 (100)**
Total	Married	135(90.6)	101(86.3)	236(88.7)
	Un-Married	11(7.4)	11(9.4)	22(8.3)
	Widow	3(2)	5(4.3)	8(3)
	Total	**149 (100)**	**117 (100)**	**266 (100)**

Note: Figures in parentheses are percentages.
Source: *Field Survey*

The details of the marital status of SHG members are presented in Table 3. An attempt was made during the field study to draw maximum number of married women for the field interview. However, some unmarried women and widows took part of the field study. From the table it can be observed that nearly 88.7% of members are married. The members who are unmarried constituted about 8.3% and widow only 3%. In East Godavari there are more widows more compared to Visakhapatnam as shown in table 3. In both the districts, there are more widows from BC and OC communities, the former constituting 7.5% and the latter 2.3%. During the field study there were no widows from ST and SC communities.

4.1.4. Educational Status

Education undoubtedly plays an important role in moulding an individual’s life. It provides a path for a better, richer and purposeful life. In short it helps develop an individual. People who are educated are in a better position to migrate from one place to another in search of jobs compared to those who are illiterate. So those who are not educated are forced to either become village artisans or agricultural laborers. The details of education qualification of SHG members are given in Table 4. The data presented in Table 4 shows that majority of the respondents in the two districts are literate. The number of literates is almost equal in both the districts. The study revealed that out of 266 members, 15.8% are illiterates. Among the educated members, 21.4% have primary school education, 17%havemiddle school education, 26.3% have high school education, 10.9% have intermediate degree, and only 6% have technical, graduate and post graduate degrees. The district wise distribution of educational status indicates that there are more illiterate members in Visakhapatnam compared to East Godavari. Education enables a person to work as a scribe to maintain records, to explore development schemes, to develop links with banks. It is detected that the number of members with elementary education in the SC community is quite large, while in the ST community, none have obtained a technical, university or postgraduate degree. However, it is important to note that marriage at a relatively younger age and weak economic condition are the main reasons women are unable to continue with their education. And in the long run, women are not aware of the available government schemes because they do not have enough knowledge.

Table 4.4. District-wise Details of Education Qualification of SHG Members

Social Group	Education Level	District		Total
		Visakhapatnam	East Godavari	
ST	Illiterate	2(16.7)	0(0)	2(13.3)
	Elementary (Class 5)	1(8.3)	0(0)	1(6.7)
	Middle (Class 8)	5(41.7)	0(0)	5(33.3)
	High School	1(8.3)	1(33.3)	2(13.3)
	Intermediate	2(16.7)	2(66.7)	4(26.7)
	Technical College Graduate	1(8.3)	0(0)	1(6.7)
	Total	**12 (100)**	**3 (100)**	**15 (100)**
SC	Illiterate	13(22)	1(7.1)	14(19.2)
	Elementary (Class 5)	19(32.2)	2(14.3)	21(28.8)
	Middle (Class 8)	7(11.9)	1(7.1)	8(11)
	High School	14(23.7)	3(21.4)	17(23.3)
	Intermediate	3(5.1)	3(21.4)	6(8.2)
	Technical College Graduate	1(1.7)	0(0)	1(1.4)
	University Graduate	0(0)	3(21.4)	3(4.1)
	Post Graduate	2(3.4)	1(7.1)	3(4.1)
	Total	**59 (100)**	**14 (100)**	**73 (100)**
OBC	Illiterate	16(26.7)	6(8.1)	22(16.4)
	Elementary (Class 5)	13(21.7)	10(13.5)	23(17.2)
	Middle (Class 8)	4(6.7)	18(24.3)	22(16.4)
	High School	16(26.7)	26(35.1)	42(31.3)
	Intermediate	6(10)	10(13.5)	16(11.9)
	Technical College Graduate	2(3.3)	0(0)	2(1.5)
	University Graduate	2(3.3)	3(4.1)	5(3.7)
	Post Graduate	1(1.7)	1(1.4)	2(1.5)
	Total	**60 (100)**	**74 (100)**	**134 (100)**
OC	Illiterate	3(16.7)	1(3.8)	4(9.1)
	Elementary (Class 5)	4(22.2)	8(30.8)	12(27.3)
	Middle (Class 8)	4(22.2)	8(30.8)	12(27.3)
	High School	3(16.7)	6(23.1)	9(20.5)
	Intermediate	2(11.1)	1(3.8)	3(6.8)
	Technical College Graduate	1(5.6)	0(0)	1(2.3)
	University Graduate	1(5.6)	2(7.7)	3(6.8)
	Total	**18 (100)**	**26 (100)**	**44 (100)**
Total	Illiterate	34(22.8)	8(6.8)	42(15.8)
	Elementary (Class 5)	37(24.8)	20(17.1)	57(21.4)
	Middle (Class 8)	20(13.4)	27(23.1)	47(17.7)
	High School	34(22.8)	36(30.8)	70(26.3)
	Intermediate	13(8.7)	16(13.7)	29(10.9)
	Technical College Graduate	5(3.4)	0(0)	5(1.9)
	University Graduate	3(2)	8(6.8)	11(4.1)
	Post Graduate	3(2)	2(1.7)	5(1.9)
	Total	**149 (100)**	**117 (100)**	**266 (100)**

Note: Figures in parentheses are percentages.
Source: *Field Survey*

4.1.5. Housing Condition

The kind of house in which one lives is an important indicator of economic status. Table 5 shows that majority of the members consisting of 71.4% are living in their own houses. It is observed that in East Godavari, members consisting of 50.4% reside in rented houses. Whereas in Visakhapatnam 88.6% of the members are living in their own house. The study found that in East Godavari 100% of the ST community members are living in their own houses. Most of the ST, SC and BC members have their own houses which are built by the sponsorship of Andhra Pradesh government. In all selected the houses there was electric supply during the survey period.

Table 4.5. District-wise Housing Condition of SHG Members

Social Group	House	District		Total
		Visakhapatnam	East Godavari	
ST	Own	11(91.7)	3(100)	14(93.3)
	Rented	1(8.3)	0(0)	1(6.7)
	Total	**12 (100)**	**3 (100)**	**15 (100)**
SC	Own	51(86.4)	7(50)	58(79.5)
	Rented	8(13.6)	7(50)	15(20.5)
	Total	**59 (100)**	**14 (100)**	**73 (100)**
OBC	Own	57(95)	40(54.1)	97(72.4)
	Rented	3(5)	34(45.9)	37(27.6)
	Total	**60 (100)**	**74 (100)**	**134 (100)**
OC	Own	13(72.2)	8(30.8)	21(47.7)
	Rented	5(27.8)	18(69.2)	23(52.3)
	Total	**18 (100)**	**26 (100)**	**44 (100)**
Total	Own	132(88.6)	58(49.6)	190(71.4)
	Rented	17(11.4)	59(50.4)	76(28.6)
	Total	**149 (100)**	**117 (100)**	**266 (100)**

Note: Figures in parentheses are percentages.
Source: *Field Survey*

4.1.6. Sources of Drinking Water

Access to clean drinking water is extremely important to maintain good health and human development. But in the rural areas, fresh water costs more than milk. Also, power supply in villages is not proper. It is observed that in the surveyed districts, 92.1% of the members have their own water pumps and the remaining 7.9% do not have. For details see Table 6. The members who do not have water pumps they depend on public hand pumps and taps for drinking water. In both the districts, hand pumps and taps are the only sources of drinking water. 94 % of the members in Visakhapatnam district use of hand pumps for drinking water.

Table 4.6. District-wise Source of Drinking Water of SHG Members

Social Group	Access	Name of the Districts		Total
		Visakhapatnam	East Godavari	
ST	Yes	11(91.7)	3(100)	14(93.3)
	No	1(8.3)	0(0)	1(6.7)
	Total	**12 (100)**	**3 (100)**	**15 (100)**
SC	Yes	56(94.9)	12(85.7)	68(93.2)
	No	3(5.1)	2(14.3)	5(6.8)
	Total	**59 (100)**	**14 (100)**	**73 (100)**
OBC	Yes	55(91.7)	67(90.5)	122(91)
	No	5(8.3)	7(9.5)	12(9)
	Total	**60 (100)**	**74 (100)**	**134 (100)**
OC	Yes	18(100)	23(88.5)	41(93.2)
	No	0(0)	3(11.5)	3(6.8)
	Total	**18 (100)**	**26 (100)**	**44 (100)**
Total	Yes	140(94)	105(89.7)	245(92.1)
	No	9(6)	12(10.3)	21(7.9)
	Total	**149 (100)**	**117 (100)**	**266 (100)**

Note: Figures in parentheses are percentages.
Source: *Field Survey*

4.1.7. Energy Sources of Cooking

The source of energy for cooking is another important determinant for standard of living. The details of sources of energy for cooking in the districts surveyed are given in Table 7. The majority of the members constituting 79.3% stated that they are dependent on LPG for cooking purpose. The percentage is higher in East Godavari and lower in Visakhapatnam district. In both the districts, most of the members use LPG gas for cooking. As the people are mainly dependent on non-agricultural work, they prepare their food when required. A small number of members constituting about 20.7% reported that they use both firewood and LPG for cooking purpose.

Table 4.7: Details of Energy Sources for Cooking

Source	District		Total
	Visakhapatnam	East Godavari	
Yes	115 (77.2)	96 (82.1)	211 (79.3)
No	34 (22.8)	21 (17.9)	55 (20.7)
Total	**149 (100)**	**117 (100)**	**266 (100)**

Note: Figures in parentheses are percentages.
Source: *Field Survey*

4.1.8. Availability of Separate Kitchen, Bed and Bathroom Facilities

The details regarding the access to separate kitchen, bed, and bathroom facilities are given in Table 8. This study shows that 79.3% of the members have separate kitchen, bed and bathroom. The study found that most members in East Godavari have separate kitchen, bed, and bathroom. And 20.7% of the members in Visakhapatnam did not have access to separate kitchen, bed and bathroom facilities.

Table 4.8. District-wise Availability of Kitchen, Bed, and Bathroom Facilities to SHG Members

Accessibility to separate kitchen, bed, and bathroom	District		Total
	Visakhapatnam	East Godavari	
Yes	115 (77.2)	96 (82.1)	211 (79.3)
No	34 (22.8)	21 (17.9)	55 (20.7)
Total	**149 (100)**	**117 (100)**	**266 (100)**

Note: Figures in parentheses are percentages.
Source: *Field Survey*

4.1.9. Distribution of Household Durable Assets

Possession of house appliances reflects the prosperity level of a household. The details about household assets such as television set, refrigerator, gas stove, motor cycle, etc. possessed by SHG members are provided in Table 9.

Table 4.9. District-wise Distribution of Home appliances of the Selected Sample

Social Group	Home Appliances	Name of the Districts		Total
		Visakhapatnam	East Godavari	
ST	Yes	11(91.7)	2(66.7)	13(86.7)
	No	1(8.3)	1(33.3)	2(13.3)
	Total	**12 (100)**	**3 (100)**	**15 (100)**
SC	Yes	53(89.8)	14(100)	67(91.8)
	No	6(10.2)	0(0)	6(8.2)
	Total	**59 (100)**	**14 (100)**	**73 (100)**
OBC	Yes	57(95)	67(90.5)	124(92.5)
	No	3(5)	7(9.5)	10(7.5)
	Total	**60 (100)**	**74 (100)**	**134 (100)**
OC	Yes	16(88.9)	23(88.5)	39(88.6)
	No	2(11.1)	3(11.5)	5(11.4)
	Total	**18 (100)**	**26 (100)**	**44 (100)**
Total	Yes	137(91.9)	106(90.6)	243(91.4)
	No	12(8.1)	11(9.4)	23(8.6)
	Total	**149 (100)**	**117 (100)**	**266 (100)**

Note: Figures in parentheses are percentages.
Source: *Field Survey*

The study also brings out that 91.4% of the SHG members have various house appliances. Only 8.6% of the members have less household appliances. Visakhapatnam district has the highest number of households with various house appliances, while the number is lower in East Godavari district. It is observed that in both the selected districts only 8.6%of the SHG members households do not have much household appliances. Of these, the majority belongs to ST constituting 13.3% and they are followed by OC, SC and OBC communities.

4.1.10 Land and other Properties

Land and Property (for farming/livestock/renting, etc.) are vital indicators of affluence in rural areas. The statistics related to household Land and Property of SHG members are given in Table.10.

Table 4.10. District-wise Details of Land and other Properties

Social Group	Property	Name of the Districts		Total
		Visakhapatnam	East Godavari	
ST	Yes	6(50)	0(0)	6(40)
	No	6(50)	3(100)	9(60)
	Total	**12 (100)**	**3 (100)**	**15 (100)**
SC	Yes	18(30.5)	0(0)	18(24.7)
	No	41(69.5)	14(100)	55(75.3)
	Total	**59 (100)**	**14 (100)**	**73 (100)**
OBC	Yes	29(48.3)	9(12.2)	38(28.4)
	No	31(51.7)	65(87.8)	96(71.6)
	Total	**60 (100)**	**74 (100)**	**134 (100)**
OC	Yes	8(44.4)	4(15.4)	12(27.3)
	No	10(55.6)	22(84.6)	32(72.7)
	Total	**18 (100)**	**26 (100)**	**44 (100)**
Total	Yes	61(40.9)	13(11.1)	74(27.8)
	No	88(59.1)	104(88.9)	192 (72.2)
	Total	**149 (100)**	**117 (100)**	**266 (100)**

Note: Figures in parentheses are percentages.
Source: *Field Survey*

It is observed that 27.8% of the members have assets that include land and livestock 72.2% of the members do not have any household asset. Members with household assets are relatively higher in Visakhapatnam and lower in East Godavari district. It is observed that among all the social groups, ST community has high percentage of members who own land and other properties. It is also observed that livestock plays a significant role in terms of income generation and food security. Interestingly, only a few members stated that livestock ownership determines the social status of a house.

4.1.11. Family Size

Table 11 presents the information regarding the size of the family of the SHG members. The respondents in the field study stated they have 3 to 10 members in their families. The table 11 shows that family size of 97.4% of members is less than 5, and the remaining members constituting 2.6% have more than 5members. Families with less than 5 members recorded the highest in East Godavari district. And families with more than 5 members are recorded in Visakhapatnam district. In Visakhapatnam district, there are more SC families with more than 5 members. In East Godavari district, only BC families have more than 5 members. Community wise analysis shows that the ST and OC have the highest percentage of families with size less than 5 members with 100%, followed by OBC with 98.5% and SC with 93.2%. The size of the household has both positive and negative implications. The larger the size of a family, the more the number of earning members, and thus there will be more contribution to savings and thrift. Hence, there will be more sustainability of the group in such cases. However, it must be pointed out that a large size of family (that too with large number of dependents) has lesser economic freedom and savings of the members.

Table 4.11. Details of Family Size of SHG Members

Social Group	Size of Family	Name of the Districts		Total
		Visakhapatnam	East Godavari	
ST	Less than 5	12(100)	3(100)	15(100)
	Total	**12 (100)**	**3 (100)**	**15 (100)**
SC	Less than 5	54(91.5)	14(100)	68(93.2)
	Above 5	5(8.5)	0(0)	5(6.8)
	Total	**59 (100)**	**14 (100)**	**73 (100)**
OBC	Less than 5	59(98.3)	73(98.6)	132(98.5)
	Above 5	1(1.7)	1(1.4)	2(1.5)
	Total	**60 (100)**	**74 (100)**	**134 (100)**
OC	Less than 5	18(100)	26(100)	44(100)
	Total	**18 (100)**	**26 (100)**	**44 (100)**
Total	Less than 5	143(96)	116(99.1)	259(97.4)
	Above 5	6(4)	1(0.9)	7(2.6)
	Total	**149 (100)**	**117 (100)**	**266 (100)**

Note: Figures in parentheses are percentages.
Source: *Field Survey*

4.1.12 Education Level of SHG Members' Families

The details regarding the education level of the family members of SHG members are presented in Table 12. The table shows that members constituting 92% reported that their family members are literate. Among the literates, the majority of them have completed intermediate education, and the rest of them hold high school education, middle school education, primary education, technical education and university graduation degrees.

Table 4.12. Community- wise Details of Education Level of Family Members of SHG Members

Social Group	Education level of family members	District		Total
		Visakhapatnam	East Godavari	
ST	Illiterate	1 (8.3)	0 (0)	1 (6.7)
	Elementary (Class 5)	1 (8.3)	0 (0)	1 (6.7)
	Middle (Class 8)	3 (25)	0 (0)	3 (20)
	High School	2 (16.7)	2 (66.7)	4 (26.7)
	Intermediate	5 (41.7)	1 (33.3)	6 (40)
	Total	**12 (100)**	**3 (100)**	**15 (100)**
SC	Illiterate	6 (10.2)	0 (0)	6 (8.2)
	Elementary (Class 5)	6 (10.2)	0 (0)	6 (8.2)
	Middle (Class 8)	8 (13.6)	0 (0)	8 (11)
	High School	8 (13.6)	2 (14.3)	10 (13.7)
	Intermediate	20 (33.9)	12 (85.7)	32 (43.8)
	Technical College Graduate	6 (10.2)	0 (0)	6 (8.2)
	University Graduate	5 (8.5)	0 (0)	5 (6.8)
	Total	**59 (100)**	**14 (100)**	**73 (100)**
OBC	Illiterate	9 (15)	2 (2.7)	11 (8.2)
	Elementary (Class 5)	7 (11.7)	7 (9.5)	14 (10.4)
	Middle (Class 8)	3 (5)	13 (17.6)	16 (11.9)
	High School	11 (18.3)	23 (31.1)	34 (25.4)
	Intermediate	21 (35)	25 (33.8)	46 (34.3)
	Technical College Graduate	6 (10)	4 (5.4)	10 (7.5)
	University Graduate	3 (5)	0 (0)	3 (2.2)
	Total	**60 (100)**	**74 (100)**	**134 (100)**
OC	Illiterate	2 (11.1)	4 (15.4)	6 (13.6)
	Elementary (Class 5)	2 (11.1)	2 (7.7)	4 (9.1)
	Middle (Class 8)	1 (5.6)	5 (19.2)	6 (13.6)
	High School	6 (33.3)	5 (19.2)	11 (25)
	Intermediate	4 (22.2)	9 (34.6)	13 (29.5)
	Technical College Graduate	3 (16.7)	1 (3.8)	4 (9.1)
	Total	**18 (100)**	**26 (100)**	**44 (100)**
Total	Illiterate	18 (12.1)	6 (5.1)	24 (9)
	Elementary (Class 5)	16 (10.7)	9 (7.7)	25 (9.4)
	Middle (Class 8)	15 (10.1)	18 (15.4)	33 (12.4)
	High School	27 (18.1)	32 (27.4)	59 (22.2)
	Intermediate	50 (33.6)	47 (40.2)	97 (36.5)
	Technical College Graduate	15 (10.1)	5 (4.3)	20 (7.5)
	University Graduate	8 (5.4)	0 (0)	8 (3)
	Total	**149 (100)**	**117 (100)**	**266 (100)**

Note: Figures in parentheses are percentages.
Source: *Field Survey*

It is observed that most the family members who are illiterate are from Visakhapatnam while East Godavari district recorded less number of illiterate. It can be seen from the table that on aggregate, the family members belonging to OBC and OC communities are more illiterate as compared to those of ST and SC. The field observation also shows that ST community members reported that their family members generally study up to intermediate level. But in the case of other communities the family members have pursed higher education and have completed graduation, post-graduation or technical education.

4.1.13 Occupation of Family Members

Agriculture is a major source of livelihood for millions. More than half of the population of workers in India is working in the agriculture sector and its related activities.

Table 4.13. District -wise Details of SHG Family Members' Occupation

Social Group	Occupation	District		Total
		Visakhapatnam	East Godavari	
ST	Self-employed	2 (16.7)	2 (66.7)	4 (26.7)
	Agricultural / Non-Agricultural labour	7 (58.3)	0 (0)	7 (46.7)
	Salaried employee	0 (0)	1 (33.3)	1 (6.7)
	Cultivator	3 (25)	0 (0)	3 (20)
	Total	**12 (100)**	**3 (100)**	**15 (100)**
SC	Self-employed	13 (22)	6 (42.9)	19 (26)
	Agricultural / Non-Agricultural labour	42 (71.2)	4 (28.6)	46 (63)
	Salaried employee	3 (5.1)	4 (28.6)	7 (9.6)
	Cultivator	1 (1.7)	0 (0)	1 (1.4)
	Total	**59 (100)**	**14 (100)**	**73 (100)**
OBC	Self-employed	26 (43.3)	46 (62.2)	72 (53.7)
	Agricultural / Non-Agricultural labour	32 (53.3)	18 (24.3)	50 (37.3)
	Salaried employee	1 (1.7)	10 (13.5)	11 (8.2)
	Cultivator	1 (1.7)	0 (0)	1 (0.7)
	Total	**60 (100)**	**74 (100)**	**134 (100)**
OC	Self-employed	6 (33.3)	11 (42.3)	17 (38.6)
	Agricultural / Non-Agricultural labour	12 (66.7)	11 (42.3)	23 (52.3)
	Salaried employee	0 (0)	4 (15.4)	4 (9.1)
	Total	**18 (100)**	**26 (100)**	**44 (100)**
Total	Self-employed	47 (31.5)	65 (55.6)	112 (42.1)
	Agricultural / Non-Agricultural labour	93 (62.4)	33 (28.2)	126 (47.4)
	Salaried employee	4 (2.7)	19 (16.2)	23 (8.6)
	Cultivator	5 (3.4)	0 (0)	5 (1.9)
	Total	**149 (100)**	**117 (100)**	**266 (100)**

Note: Figures in parentheses are percentages.
Source: *Field Survey*

The occupational distribution of the family members of the SHG members in the selected districts and the details regarding the main occupation are presented in Table 13. In the selected districts, a large number of SHG members reported that their family members work as labourers in agriculture and non-agriculture areas for livelihood while others reported that their members are self-employed, salaried employee and cultivators. The number of daily labourers is highest in Visakhapatnam and it is lowest in East Godavari. It could also be observed that among the social groups; a lot of SC community members depend on agriculture and they are followed by OC, ST and OBC. It is observed that in Visakhapatnam district 62.4% of the family members depend on agriculture and non-agriculture work for daily wages. It can also be seen from the table that 42% of the family members are self-employed. Among the self-employed, the majority of them are from East Godavari district. The field observation also shows that families of ST members work as cultivators for their livelihood.

4.1.14 Family Members' School Going Children

Table-14 shows that the members constituting 49.6% reported that their children go to school and the remaining members constituting 50.4% stated that their children did not go to school or have dropped out of school.

Table 4.14. District details of SHG members' children who attend school

Social Group	Children attending school	District		Total
		Visakhapatnam	East Godavari	
ST	Yes	9 (75)	3 (100)	12 (80)
	No	3 (25)	0 (0)	3 (20)
	Total	**12 (100)**	**3 (100)**	**15 (100)**
SC	Yes	30 (50.8)	6 (42.9)	36 (49.3)
	No	29 (49.2)	8 (57.1)	37 (50.7)
	Total	**59 (100)**	**14 (100)**	**73 (100)**
OBC	Yes	32 (53.3)	29 (39.2)	61 (45.5)
	No	28 (46.7)	45 (60.8)	73 (54.5)
	Total	**60 (100)**	**74 (100)**	**134 (100)**
OC	Yes	11 (61.1)	12 (46.2)	23 (52.3)
	No	7 (38.9)	14 (53.8)	21 (47.7)
	Total	**18 (100)**	**26 (100)**	**44 (100)**
Total	Yes	82 (55)	50 (42.7)	132 (49.6)
	No	67 (45)	67 (57.3)	134 (50.4)
	Total	**149 (100)**	**117 (100)**	**266 (100)**

Note: Figures in parentheses are percentages.
Source: *Field Survey*

Here it is also important to note that some cases the members did not have children. Those who reported that their children did not go to school are mostly from East Godavari and the cases of children not going to school in Visakhapatnam are lower. Field observation shows that 49.6% of the members reported that their children are going to the various schools in the districts. Among them, the highest belong to Visakhapatnam. The study observed that among the community groups, majority of the ST community SHG members specified that their children go to school when compared to other communities.

4.1.15 Access to Road, Electricity and other Facilities

Economic development of the state directly depends upon the development of agriculture, industry and tertiary sectors. But these sectors require infrastructural facilities. Availability of infrastructural facilities such as water supply, road, power supply and others are important. It is observed that in the surveyed districts, 92.1% of the members have reported that good infrastructural facilities like water, road, and electricity are available. But the remaining 7.9% reported that the development of basic infrastructural facilities is lacking (see Table 15). It is observed that the majority of members that reported that there are good infrastructures are from Visakhapatnam.

Table 4.15. Districts-wise Details of Infrastructural Facilities Available to SHG Members

Social Group	Accessibility	District		Total
		Visakhapatnam	East Godavari	
ST	Yes	11 (91.7)	3 (100)	14 (93.3)
	No	1 (8.3)	0 (0)	1 (6.7)
	Total	**12 (100)**	**3 (100)**	**15 (100)**
SC	Yes	56 (94.9)	12 (85.7)	68 (93.2)
	No	3 (5.1)	2 (14.3)	5 (6.8)
	Total	**59 (100)**	**14 (100)**	**73 (100)**
OBC	Yes	55 (91.7)	67 (90.5)	122 (91)
	No	5 (8.3)	7 (9.5)	12 (9)
	Total	**60 (100)**	**74 (100)**	**134 (100)**
OC	Yes	18 (100)	23 (88.5)	41 (93.2)
	No	0 (0)	3 (11.5)	3 (6.8)
	Total	**18 (100)**	**26 (100)**	**44 (100)**
Total	Yes	140 (94)	105 (89.7)	245 (92.1)
	No	9 (6)	12 (10.3)	21 (7.9)
	Total	**149 (100)**	**117 (100)**	**266 (100)**

Note: Figures in parentheses are percentages.
Source: *Field Survey*

4.1.16 Condition of Transportation Facilities

Transportation system consisting of roadway, railway, airway and waterway plays a vital role in economic development. Transportation system facilitates the movement of goods and passengers from one place to another place in the economy to provide to the requirements of the people. Roadway is the most important and basic mode of transportation. Table 16 shows that availability of transportation facilities. 60.5% of the members reported that transport facilities are good and the remaining 39.5% reported that the availability and condition of transportation facilities are not good. Of 39.5%, the members who reported that transport facilities are not in good condition are majorly from Visakhapatnam district.

Table 4.16. District- wise Details of Transportation Availability to SHG Members

Social Group	Mode of Transportation	Name of the Districts		Total
		Visakhapatnam	East Godavari	
ST	Yes	7 (58.3)	1 (33.3)	8 (53.3)
	No	5 (41.7)	2 (66.7)	7 (46.7)
	Total	**12 (100)**	**3 (100)**	**15 (100)**
SC	Yes	28 (47.5)	10 (71.4)	38 (52.1)
	No	31 (52.5)	4 (28.6)	35 (47.9)
	Total	**59 (100)**	**14 (100)**	**73 (100)**
OBC	Yes	32 (53.3)	50 (67.6)	82 (61.2)
	No	28 (46.7)	24 (32.4)	52 (38.8)
	Total	**60 (100)**	**74 (100)**	**134 (100)**
OC	Yes	11 (61.1)	22 (84.6)	33 (75)
	No	7 (38.9)	4 (15.4)	11 (25)
	Total	**18 (100)**	**26 (100)**	**44 (100)**
Total	Yes	78 (52.3)	83 (70.9)	161 (60.5)
	No	71 (47.7)	34 (29.1)	105 (39.5)
	Total	**149 (100)**	**117 (100)**	**266 (100)**

Note: Figures in parentheses are percentages.
Source: *Field Survey*

4.1.17 Availability of School Facilities

Education is a crucial element in strengthening human resources and economic development of a country. Education helps in creating more productive labour force. Table 17 shows that 98.9% of the members said that send their children to schools in their villages. And the remaining 1.1% of the members reported that there are no schools in their villages. The regions where there are no schools are mostly in East Godavari district.

Table 4.17. District-wise Details of Availability of School Facilities to SHG members

Availability of school	District		Total
	Visakhapatnam	East Godavari	
Yes	149 (100)	114 (97.4)	263 (98.9)
No	0 (0)	3 (2.6)	3 (1.1)
Total	**149 (100)**	**117 (100)**	**266 (100)**

4.1.18 Access to Health Facilities

Improvement in people's health increases their productive capacity and improves the quality in human capital. Table 18 shows the access to health facilities and services. The majority of the members reported that available health services are available in their own areas. East Godavari district offers good medical facilities to the members. The study found that ASHA workers are available in the villages and they conduct survey door to door to address the health issues of the people and also provide medicines.

Table 4.18. District- wise Details of Accessibility to Health Services by the SHG Members

Accessibility to health facilities	District		Total
	Visakhapatnam	East Godavari	
Yes	128 (85.9)	111 (94.9)	239 (89.8)
No	21 (14.1)	6 (5.1)	27 (10.2)
Total	**149 (100)**	**117 (100)**	**266 (100)**

Note: Figures in parentheses are percentages.
Source: *Field Survey*

4.2 Organization, Formation and Functions of SHGs in the Selected Villages:

This section looks at the seniority of group members and how the members were advised to join the group. The focus will be on the size of the group, the way meetings are conducted, and the methods of collection of savings and loans.

4.2.1 Duration of Engagement in SHGs:

The number of years a member is in SHGs is significant for understanding its progress. The duration of membership of the SHGs members are classified into four categories: 2 years, 2-4 years, 4-6 years, and above 6 years. Table 19 presents the age of the SHGs. From the table it is discernible that nearly 27.4% of the members reported that they have been in the group for two years. The members who have been in the group for 2 to 4 years constitute about 23.3 %. Members who have been part of the group for 4 to 6 years are about 21.1%. And the number of members who have been in the group for more than 6 years constitute about 28.2%, thus having maximum members. It is also observed that the highest number of members who have been working for two years is found in East Godavari district and lowest is found in Visakhapatnam district. The group working for 2 to 4 years is highest in Visakhapatnam and the least in East Godavari district, while the group working for 4 to 6 years is highest in Visakhapatnam district.

Table 4.19. Duration of Engagement in SHGs

Timeframe	District		Total
	Visakhapatnam	East Godavari	
2 years	40 (26.8)	33 (28.2)	73 (27.4)
2 to 4 years	35 (23.5)	27 (23)	62 (23.3)
4 to 6 years	34 (22.9)	22 (18.8)	56 (21.1)
Above 6 years	40 (26.8)	35 (30)	75 (28.2)
Total	**149 (100)**	**117 (100)**	**266 (100)**

Note: Figures in parentheses are percentages.
Source: *Field Survey*

4.2.2. Reasons for Joining SHGs

It is interesting to note that 48.9% of the respondents joined SHG out of their own interests. Men have been influential in this role, as 19.9% of the women stated they joined the group because their husbands inspired them to join. Another 18.8% stated that they joined the group on the insistence of their family members. And 12.4% mentioned that they joined following the suggestions given by friends and relatives. For details see Table 20. This reveals that people are aware of the purpose and importance of SHGs.

The goals can be met only with the support of the society and one’s own interest. Personal interest determines the way for acquiring knowledge about the SHGs. Of the 48.9% of members who joined SHGs out of their personal interests, the highest percentage is recorded in East Godavari and the lowest in Visakhapatnam. Of the members who reported that their husbands suggested them to join SHGs, the majority belongs to East Godavari and the least to Visakhapatnam district. And of the 18.8%who joined SHGs on the suggestion of their family members, the highest number is recorded in Visakhapatnam district.

Table 4.20: Details of Reasons for Joining SHGs

Frequency	Name of the Districts		Total
	Visakhapatnam	East Godavari	
Self	70 (46.9)	60 (51.3)	130 (48.9)
Husband	25 (16.8)	28 (23.9)	53 (19.9)
Family Members	30 (20.2)	20 (17.1)	50 (18.8)
Friends/ Relatives	24 (16.1)	9 (7.7)	33 (12.4)
Total	**149 (100)**	**117 (100)**	**266 (100)**

Note: Figures in parentheses are percentages.
Source: *Field Survey*

4.2.3. Size of the Group

The size of the group and caste-wise details are presented in Table 21. The group size varies from 9 to 15 members. Out of 266 members interviewed, more than half members constituting 54.2% mentioned that the group size is less than 10 members. 25.5% of the members reported that the group size is about 11 to 12 members. And 20.3% of the members stated that the group size is about 13 to15 members. Of the 54.2% with group size less than 10 members; the highest is recorded in East Godavari and lowest in Visakhapatnam district. It is an interesting to note that the majority of the groups with 11-12 members are found in Visakhapatnam district.

Table 4.21: District-Wise Distribution of Group Size of SHG Members

Group Size	Name of the Districts		Total
	Visakhapatnam	East Godavari	
Less than10	75 (50.3)	69 (58.9)	144 (54.2)
11 to 12	40 (26.9)	28 (22.9)	68 (25.5)
13 to 15	34 (22.8)	20 (17.2)	54 (20.3)
Total	**149 (100)**	**117 (100)**	**266 (100)**

Note: Figures in parentheses are percentages.
Source: *Field Survey*

4.2.4 Frequency of Meetings

SHGs have to function in a democratic manner. Regular meetings of group members are one of the activities of the SHGs to ensure active participation of the members. The number of meetings held per month by the SHGs, attendance of the members and the participation of members in the group meetings are indicators of the effective functioning of the SHGs. These are generally looked into by banks before deciding on extending credit facilities to the SHGs. Ideally, the meetings should be held on weekly or at least monthly basis, so that the members can meet frequently which will help in building a bond and to understanding the difficulties they face. By attending meetings and participating in the discussions, the members gain knowledge about the rules and regulations of the SHG, which in turn empowers the members to take part in the decision-making process.

Regular meetings are very important, especially in the initial stage of formation of the group. When the group is formed, all the group members plan to hold periodical meetings. The SHGs decide on a fixed date, time and venue for the meeting. This ensures that the women members are committed to the group and are able to plan in advance. Group meetings are held either weekly, fortnightly or monthly. The details regarding frequency of meetings held in the selected villages are presented in Table 22. The majority of the members constituting 66.17%stated that meetings are conducted on a monthly basis for discussing their group activities.20.68% of the members reported that meetings are held fortnightly and 13.16% mentioned that meetings are held weekly. The table shows that the 66% of the members conduct monthly meeting in Visakhapatnam district and the figure is slightly lower in East Godavari with 65.8 %.

Table 4.22: District- wise Details of Frequency of Meetings held in SHGs

Frequency of meeting	Name of the Districts		Total
	Visakhapatnam	East Godavari	
Weekly	20 (13.42)	15(12.82)	35(13.16)
Fortnightly	30(20.13)	25(21.37)	55(20.68)
Monthly	99(66.44)	77(65.81)	176(66.17)
Total	**149 (100)**	**117 (100)**	**266 (100)**

Note: Figures in parentheses are percentages.
Source: *Field Survey*

4.2.5 Meeting Venue and Time

Each group meets on a specific day, time and place. Some groups meet at 9 pm after dinner, while some at noon after returning from work. The timing of the meeting depends on the convenience of the majority. Regarding the place, most of the groups meet at the leader's house. A few groups meet at their members/representatives' houses. The meeting duration is about one to two hours, depending on the number of transactions and the agendas that are to be discussed. All the groups follow a clear procedure that provides an equal opportunity to all group members to participate in the discussions and activities at all the levels. This, in turn, enhances the financial management skills, decision-making skills, leadership qualities and communication skills of the members.

4.2.6. Attendance in SHG Meetings

Undoubtedly, meeting plays an important role for sharing information, carrying out financial transactions, decision-making and enhancing the bargaining power of the SHG members. Compulsory attendance of members in the meetings is one of the prerequisites for smooth functioning of the group. It is one of the indicators to ensure the active participation of members in the business of the group in a democratic manner. More than 77.4% of the members reported that all the members in the group have been regularly participating in the meetings. While 22.6%mentioned that they are not attending the group meetings regularly. For details see Table 23. The highest number of members who reported that they are not attending the group meetings regularly is from East Godavari. The reason for achieving higher percentage of attendance could be attributed to penalty or fine imposed for late attendance or absence in the meetings. About 90% of groups impose penalty or fine for late attendance and missing meetings.

However, there are provisions in almost all SHGs for waiving the penalty or fine for genuine reasons like sickness, urgency of work, etc. The reasons cited for absence in meetings were: (1) excess workload during peak agriculture seasons, especially during sowing and harvesting periods; (2) unsuitable timing for the meeting; (3) ill-health of the member or household members; (4) visitors at home; (5) the venue of meeting is too far; (6) unexpected or emergency work; and (7) temporary migration to nearby town/city for employment. Community wise percentages of the members who regularly participate in group meetings are: SC 86.3%, OBC74.6%, ST 73.3%, and OC 72.7%.

Table 4.23. District- wise Details of Attendance in SHG Meetings

Social Group	Frequency of Attendance	Name of the Districts		Total
		Visakhapatnam	East Godavari	
ST	Yes	10 (83.3)	1 (33.3)	11 (73.3)
	No	2 (16.7)	2 (66.7)	4 (26.7)
	Total	**12 (100)**	**3 (100)**	**15 (100)**
SC	Yes	58 (98.3)	5 (35.7)	63 (86.3)
	No	1 (1.7)	9 (64.3)	10 (13.7)
	Total	**59 (100)**	**14 (100)**	**73 (100)**
OBC	Yes	56 (93.3)	44 (59.5)	100 (74.6)
	No	4 (6.7)	30 (40.5)	34 (25.4)
	Total	**60 (100)**	**74 (100)**	**134 (100)**
OC	Yes	17 (94.4)	15 (57.7)	32 (72.7)
	No	1 (5.6)	11 (42.3)	12 (27.3)
	Total	**18 (100)**	**26 (100)**	**44 (100)**
Total	Yes	141 (94.6)	65 (55.6)	206 (77.4)
	No	8 (5.4)	52 (44.4)	60 (22.6)
	Total	**149 (100)**	**117 (100)**	**266 (100)**

Note: Figures in parentheses are percentages.
Source: *Field Survey*

There was very little or no change in the average number of meetings held per month. Almost identical was the experience with members attending group meetings or participating in group discussions. The system of selecting the group leader in the SHG-bank linkage scheme has also remained largely unchanged. However, awareness about the rules and regulations of the SHGs, as well as about the objectives of the group, has increased considerably among the members over the years. The success of groups mainly depends on the coordinated efforts of all the members in the groups.

Undoubtedly, meeting plays an important role in sharing information, carrying out financial transactions, decision-making and enhancing the bargaining power of the SHG members. Compulsory attendance of members in the meetings is one of the prerequisites for smooth functioning of the group. It is one of the indicators to ensure the active participation of the members in the business of the group in a democratic manner. If any problem comes up for any member it should be discussed in the group meeting. All the members should collectively take a decision by participating in the discussion. In this way, differences in the group can be resolved.

4.2.7 Methods of Collection of Savings and Loan Installments

A SHG collects the monthly savings of the members for group activities and for the development and sustainability of the organization. When the people get involved in an economic activity, they will also be involved with the SHG for a long period of time. This is important for sustainable inclusion and economic development of the hitherto deprived people. The details of different savings collection methods are given in Table 24. Though the group's norms lay down that all financial transactions should be carried out in group meetings, but monthly savings and loan repayment installments are collected through various other methods. In the selected study areas, the majority of the members consisting of 74.44% reported that the monthly savings and loan repayment installments are collected in meetings. But 15.79% stated that they hand over the savings and loan installments to their leaders, and 9.77% mentioned that they handover to their leaders at their doorsteps. For details see Table 24. It can be seen from the table that the majority of the members who said that monthly savings and loan installments are collected through meetings is found in Visakhapatnam district. It is also observed that majority of the members who hand over the amount to their leaders at their doorstep is in Visakhapatnam with 12.75%and the lowest is in East Godavari district with 5.98%.

Table 4.24: Distribution of Different Methods of Savings and Debts Collection of SHG Members

Method of Collection	District		Total
	Visakhapatnam	East Godavari	
In Meeting	100 (67.11)	98 (83.76)	198 (74.44)
Member handing over the savings to leader	30 (20.13)	12 (10.26)	42 (15.79)
Leaders collecting from the members in their to home	19 (12.75)	7 (5.98)	26 (9.77)
Total	**149 (100)**	**117 (100)**	**266 (100)**

Note: Figures in parentheses are percentages.
Source: *Field Survey*

4.3. Accessibility, Utilization, and Income and Employment Generation of Member Borrowers through Non-farm Sector in the Selected Districts

The corpus funds accumulated at the SHGs are generally utilized in form of intra-group loans given to their members for various purposes. This is commonly known as "inter-loaning". To study this phenomenon, SHG members who have completed two years in bank linkage and are availing bank loans were selected. Almost all the members of the group have availed more than one loan. "On an average, each member has taken loans 1.65 times, which indicates that loans are distributed well among the SHG members. It may be recalled that, at the time of data collection, the members were already with the SHGs for at least two years and were availing bank loans.

The question that arises in this situation is: How is it that after accumulating the members' monthly contributions for such a long period, they have not made use of this corpus so far? Two possible reasons appear to be discernible for this state of affair. One may be that the group members might be considering monthly savings and accumulation of money as creation of wealth. Perhaps, they are not sufficiently educated about the fact that they can create more wealth by making productive use of the accumulated money, rather than keeping it idle and earning only bank interest on it. The other reason may be manipulation of the SHG provisions for personal gain by some self- interested members.

4.3.1. Frequency of Loan Taken by SHG Members

All the selected 266 members stated that they have taken loans and the total number of loans average at 1.65 loans per members on the date of interview. Table 25 shows that 44.7% of the members have taken loan three to four times, followed by 39.5% have taken loan five to six times, and 15.8 % have taken loan less than two times. Of the44.7% of the members who have loan three to four times, the percentage is highest in Visakhapatnam and lowest in East Godavari district respectively. The reasons cited by members who have fewer are less savings, irregular repayment and poor installment loans. A large number of members in East Godavari district took loans 5-6 times because they have saved more, repay loans in fewer installments, and repay larger amounts in monthly installments. It is observed from the table that majority of the members who have taken loan less than two times belong to the ST community. Table

25 show that among the members who have taken loan five to six times, the majority belongs to OC and OBC community.

It is also observed that in all the selected districts, 13.3% of the ST community members have taken loan five to six times. This might be because they have delayed in forming the group and their savings were very less. In the same way, repayment within a specified number of installments stood as a barrier in getting loans. Further it is observed that OC and BC community members were aware of loans available and they are economically always better compared to other community members. It is also observed that BC and OC members have taken loans very often because they have savings and they could repay the loans through higher monthly installments.

Table 4.25. District- wise Frequency of Loan Taken by SHG Members

Social Group	Loan per Member	District		Total
		Visakhapatnam	East Godavari	
ST	< 2 times	5 (41.7)	0 (0)	5 (33.3)
	3 - 4	6 (50)	2 (66.7)	8 (53.3)
	5 - 6	1 (8.3)	1 (33.3)	2 (13.3)
	Total	**12 (100)**	**3 (100)**	**15 (100)**
SC	< 2 times	7 (11.9)	6 (42.9)	13 (17.8)
	3 - 4	34 (57.6)	5 (35.7)	39 (53.4)
	5 - 6	18 (30.5)	3 (21.4)	21 (28.8)
	Total	**59 (100)**	**14 (100)**	**73 (100)**
OBC	< 2 times	11 (18.3)	9 (12.2)	20 (14.9)
	3 - 4	25 (41.7)	30 (40.5)	55 (41)
	5 - 6	24 (40)	35 (47.3)	59 (44.1)
	Total	**60 (100)**	**74 (100)**	**134 (100)**
OC	< 2 times	2 (11.1)	2 (7.7)	4 (9.1)
	3 - 4	8 (44.4)	9 (34.6)	17 (38.6)
	5 - 6	8 (44.4)	15 (57.7)	23 (52.3)
	Total	**18 (100)**	**26 (100)**	**44 (100)**
Total	< 2 times	25 (16.8)	17 (14.5)	42 (15.8)
	3 - 4	73 (49)	46 (39.3)	119 (44.7)
	5 - 6	51 (34.3)	54 (46.2)	105 (39.5)
	Total	**149 (100)**	**117 (100)**	**266 (100)**

Note: Figures in parentheses are percentages.
Source: *Field Survey*

4.3.2 Satisfaction about Distribution of Loan Amount

It is interesting to note that 91% of the respondents stated that the distribution of loan amount was uniform and the remaining 9% of the respondents reported that the distribution of loan amount was not uniform. Out of 9% the majority of the members belong to East Godavari and lowest to Visakhapatnam. For details see Table 26. The study found that from all the social groups, the majority of the members reported that loan was distributed equal. This reveals that people are aware of the purpose and importance of SHGs. The goals can be met only with the support of the society and their own interests. Personal interest determines the way for acquiring knowledge about SHGs.

Table 4.26. District- wise Loan Distribution of SHG Members

Social Category	Distribute Loan Amount	District		Total
		Visakhapatnam	East Godavari	
ST	Uniform/equal	10 (83.3)	2 (66.7)	12 (80)
	Not uniform	2 (16.7)	1 (33.3)	3 (20)
	Total	**12 (100)**	**3 (100)**	**15 (100)**
SC	Uniform/equal	55 (93.2)	13 (92.9)	68 (93.2)
	Not uniform	4 (6.8)	1 (7.1)	5 (6.8)
	Total	**59 (100)**	**14 (100)**	**73 (100)**
OBC	Uniform/equal	54 (90)	65 (87.8)	119 (88.8)
	Not uniform	6 (10)	9 (12.2)	15 (11.2)
	Total	**60 (100)**	**74 (100)**	**134 (100)**
OC	Uniform/equal	18 (100)	25 (96.2)	43 (97.7)
	Not uniform	0 (0)	1 (3.8)	1 (2.3)
	Total	**18 (100)**	**26 (100)**	**44 (100)**
Total	Uniform/equal	137 (91.9)	105 (89.7)	242 (91)
	Not uniform	12 (8.1)	12 (10.3)	24 (9)
	Total	**149 (100)**	**117 (100)**	**266 (100)**

Note: Figures in parentheses are percentages.
Source: *Field Survey*

4.3.3 Amount Borrowed from Banks

SHGs provide loans to their members for investing and to access income-generating opportunities. The latest loans taken by the members considered in this study are classified into four groups based on the amount: (1) less than Rs 25,000, (2) Rs.25,001 to 50,000, (3) Rs.50,001 to 75,000, and (4) above Rs.75,000. The total amount of loans provided to SHG members for various economic activities is Rs.13, 310,901. And the average loan amount is Rs. 50,040.98. Among the two districts surveyed, the average amount of loan for East Godavari is Rs. 52,961.53 and for Visakhapatnam district it is

Rs.47747.65. Table 27 provides the data on the distribution of borrowed amount by SHG members. An almost similar percent of 44.7% of members in Visakhapatnam and East Godavari districts have borrowed amount between 25,001 to 50,000. However, only 5.4% of the members in Visakhapatnam and 6.8% in East Godavari have taken loans that exceed Rs. 75,000. For the loan amount between Rs. 50,001 to Rs.75,000 the members constituting 39.3%took loan in East Godavari and28.9% in Visakhapatnam. It is important to note that in all the selected villages, 44.7% of sample members have taken a loan between Rs.25,001 to 50,000. And the number of people who have taken the loan is found to be highest in Visakhapatnam and lowest in East Godavari district. For details see Table 18.

Table 4.27. District- wise Details of Loan Amount Borrowed from Banks by SHG Members

Social Group	Loan per Member	Name of the Districts		Total
		Visakhapatnam	East Godavari	
ST	Less than 25,000	5 (41.7)	0 (0)	5 (33.3)
	25,001 to 50,000	6 (50)	2 (66.7)	8 (53.3)
	Rs. 50,001 to 75,000	1 (8.3)	1 (33.3)	2 (13.3)
	Total	**12 (100)**	**3 (100)**	**15 (100)**
SC	Less than 25,000	7 (11.9)	6 (42.9)	13 (17.8)
	25,001 to 50,000	34 (57.6)	5 (35.7)	39 (53.4)
	Rs. 50,001 to 75,000	13 (22)	3 (21.4)	16 (21.9)
	Above Rs. 75,000	5 (8.5)	0 (0)	5 (6.8)
	Total	**59 (100)**	**14 (100)**	**73 (100)**
OBC	Less than 25,000	11 (18.3)	9 (12.2)	20 (14.9)
	25,001 to 50,000	25 (41.7)	30 (40.5)	55 (41)
	Rs. 50,001 to 75,000	21 (35)	28 (37.8)	49 (36.6)
	Above Rs. 75,000	3 (5)	7 (9.5)	10 (7.5)
	Total	**60 (100)**	**74 (100)**	**134 (100)**
OC	Less than 25,000	2 (11.1)	2 (7.7)	4 (9.1)
	25,001 to 50,000	8 (44.4)	9 (34.6)	17 (38.6)
	Rs. 50,001 to 75,000	8 (44.4)	14 (53.8)	22 (50)
	Above Rs. 75,000	0 (0)	1 (3.8)	1 (2.3)
	Total	**18 (100)**	**26 (100)**	**44 (100)**
Total	Less than 25,000	25 (16.8)	17 (14.5)	42 (15.8)
	25,001 to 50,000	73 (49)	46 (39.3)	119 (44.7)
	Rs. 50,001 to 75,000	43 (28.9)	46 (39.3)	89 (33.5)
	Above Rs. 75,000	8 (5.4)	8 (6.8)	16 (6)
	Total	**149 (100)**	**117 (100)**	**266 (100)**

Note: Figures in parentheses are percentages.
Source: *Field Survey*

Further, it is observed that community wise, the highest number of members constituting 53.3% who has taken loan between Rs.25, 001 to 50,000 is from ST community. The ST community members usually repay in more installments. They have no means to repay high amounts and their savings are also less. So they borrow meager amount up to Rs. 75,000. Majority of the members from ST community borrow less than Rs. 25,000. It is observed that although SC, BC and OC community members are in a relatively better position and have more income and land, their savings are meager. They not only repay their loans in more number of installments, they also repay less per installment and the repayment period is also too long. It is to be noted that loan assistance by the SHGs depends mostly on the gradation, performance and financial discipline shown by the group. It is observed that in East Godavari district, the majority of the members borrow higher amount. Moreover, their savings are also higher, and they repay in fewer installments.

4.3.4. Purposes for Taking Loans

All the sample members who have taken loans from the banks spent the amount for various purposes depending on their needs at the time of borrowing. The distribution of loans and purposes stated for the loans are presented in Table 28. It is evident that the main reason for applying loan is for income generating purpose. This is found to be high both in absolute and relative terms in both the selected districts. The data shows that48.1% of the members used the loans for income generation purpose. About 11.3% of the members used the loans for children education and another10.9% for household repairs. Apart from these, another 10.2% and 8.6% of the members took loans for marriage and medical expenses. There are also 3.8% and 2.6% of the members who used the loans for festive and household assets and consumption purposes. There also cases of members who took loans to repay debts and they constitute about 1.9%.The members are engaged in various economic activities under SHG-bank linkage programme. The economic activities chosen by the members indicate their free and suitable choice to engage in economic activities and their key activity is to generate income. It is observed from Table 28 that of the 49% of the members in Visakhapatnam about 47% availed the loans for small business purposes.

Table 4.28. District-wise Details of Reasons for Taking Loans by SHG Members

Social Category	Types of Activity	District		Total
		Visakhapatnam	East Godavari	
ST	Consumption	1 (8.3)	0 (0)	1 (6.7)
	Children education	3 (25)	0 (0)	3 (20)
	Festivals	1 (8.3)	0 (0)	1 (6.7)
	Small Business	7 (58.3)	2 (66.7)	9 (60)
	House repair	0 (0)	1 (33.3)	1 (6.7)
	Total	**12 (100)**	**3 (100)**	**15 (100)**
SC	Consumption	1 (1.7)	0 (0)	1 (1.4)
	Children education	10 (16.9)	0 (0)	10 (13.7)
	Medical	5 (8.5)	6 (42.9)	11 (15.1)
	Marriage	8 (13.6)	1 (7.1)	9 (12.3)
	Festivals	5 (8.5)	0 (0)	5 (6.8)
	Small Business	21 (35.6)	5 (35.7)	26 (35.6)
	Household asset	1 (1.7)	0 (0)	1 (1.4)
	House repair	8 (13.6)	2 (14.3)	10 (13.7)
	Total	**59 (100)**	**14 (100)**	**73 (100)**
OBC	Repayment of Debt	0 (0)	4 (5.4)	4 (3)
	Consumption	1 (1.7)	3 (4.1)	4 (3)
	Children education	9 (15)	3 (4.1)	12 (9)
	Medical	6 (10)	5 (6.8)	11 (8.2)
	Marriage	2 (3.3)	7 (9.5)	9 (6.7)
	Festivals	1 (1.7)	1 (1.4)	2 (1.5)
	Small Business	39 (65)	36 (48.6)	75 (56)
	Household asset	0 (0)	5 (6.8)	5 (3.7)
	House repair	2 (3.3)	10 (13.5)	12 (9)
	Total	**60 (100)**	**74 (100)**	**134 (100)**
OC	Repayment of Debt	1 (5.6)	0 (0)	1 (2.3)
	Consumption	1 (5.6)	0 (0)	1 (2.3)
	Children education	3 (16.7)	2 (7.7)	5 (11.4)
	Medical	1 (5.6)	0 (0)	1 (2.3)
	Marriage	4 (22.2)	5 (19.2)	9 (20.5)
	Festivals	1 (5.6)	1 (3.8)	2 (4.5)
	Small Business	6 (33.3)	12 (46.2)	18 (40.9)
	Household asset	0 (0)	1 (3.8)	1 (2.3)
	House repair	1 (5.6)	5 (19.2)	6 (13.6)
	Total	**18 (100)**	**26 (100)**	**44 (100)**
Total	Repayment of Debt	1 (0.7)	4 (3.4)	5 (1.9)
	Consumption	4 (2.7)	3 (2.6)	7 (2.6)
	Children education	25 (16.8)	5 (4.3)	30 (11.3)
	Medical	12 (8.1)	11 (9.4)	23 (8.6)
	Marriage	14 (9.4)	13 (11.1)	27 (10.2)
	Festivals	8 (5.4)	2 (1.7)	10 (3.8)
	Small Business	73 (49)	55 (47)	128 (48.1)
	Household asset	1 (0.7)	6 (5.1)	7 (2.6)
	House repair	11 (7.4)	18 (15.4)	29 (10.9)
	Total	**149 (100)**	**117 (100)**	**266 (100)**

Note: Figures in parentheses are percentages.
Source: *Field Survey*

Further among all the social groups, the highest number of members who used loans for small businesses belongs to the ST consisting of 60%, followed by OBC constituting 56%, OCs 40.9% and SC 35.6%. The study found that among the social groups, the majority of the OC community members in Visakhapatnam spent the loans on children education and marriages. It is also observed that in East Godavari district 33.3% of the ST community members spent the loans to repair their houses. Further, it is also observed that in the selected districts, the SC community members spent the loans on repairing their houses. They were previously living in thatched huts but now the government has provided them with pucca houses under the Indiaramma Housing Scheme. However, the government reimburses only a part of the house construction amount and the remaining expenditures are covered by the members themselves. So they used the bank loans to complete the construction of their houses.

4.3.5. Income and Employment Generation

Microfinance helps the poor in financial distress to become self-employed through rural non-farm sector activities of their choice. Moreover, microfinance is not limited to rural societies or developing countries only. It is equally applicable to all the semi-urban areas and developed countries. Unemployment and poverty pose major challenges for any developing country and India is no exception. This is because of the gap between demand for and supply of credit for the poor to start economic activities. The rural non-farm employment has acquired greater importance for economic development in recent times. It plays a positive role in the alleviation of poverty and generation of employment. The growth of the rural non-farm sector has a positive impact on poverty alleviation and it has benefited many sections of the rural society. The growth of rural non-farm sector can provide assets, employment and income to the rural poor. It also provides an opportunity for rural women to take up remunerative work beyond casual labor and household labor. In India, a large section of the population suffers from malnutrition, unemployment and lack of proper education and healthcare. In rural India, the high rate of illiteracy and low economic status of poor people underline the need to increase earning capacity of the people by providing income-generating avenues. Rural non-farm sector provides opportunities to the rural poor to improve their nutritional level, health, education and social status. As employment opportunities increase, automatically the purchasing power of the people will increase. This will lead to an increase in economic growth.

The most effective tool for assessing the benefits of microfinance is to measure its impact on the poor in terms of employment, income, consumption, assets, nutrition, children's schooling, fertility and use of contraceptives. The objective of microfinance is to help the poor people to build their productive capacity so that they can be self-employed and improve their quality of life. Rural Non-Farm (RNF) sector by providing employment to the rural population reduces poverty and improves employment opportunities for the people from countryside. This happens when it takes place in a relatively egalitarian structure. RNRNF sector also reduces uneven income distribution between rural and urban areas as well as within the rural areas. For any activity, be it agriculture or non-farm sector, increase in income and employment opportunities depends on the potential of employment. It has been documented that the loans provided by the SHGs have a positive impact on different socioeconomic groups in generating income and employment.

4.3.5.1. Income and Employment Generating Activities

The members in the initial stages normally borrowed for consumption purpose. The members then slowly shifted their focus to income and employment generation purposes, which require higher amount of loans. Details of the income of the sample members and employment generation activities are presented in Table 29. Out of 266 members, 48.1% started income and employment generation activities. The district-wise analysis shows that the percentage of members who started income and employment generation activities is highest in Visakhapatnam at 49% and it is slightly lower in East Godavari at 47%. Further, it is observed that among all the social groups who started employment generating activities, the majority belong to the ST at 60%, followed by OBC at 56%, OC at 40.9% and SC at 35.6%. Table 20 indicates that in most of the district, the majority of the ST community members started employment generating activities. It is also observed that among the BC community members, almost half of the members started employment generating activities in both the districts.

Table 4.29. District - wise Details of Income and Employment Generating Activities.

Social Group	Involvement	Name of the District		Total
		Visakhapatnam	East Godavari	
ST	Yes	7 (58.3)	2 (66.7)	9 (60)
	No	5 (41.7)	1 (33.3)	6 (40)
	Total	**12 (100)**	**3 (100)**	**15 (100)**
SC	Yes	21 (35.6)	5 (35.7)	26 (35.6)
	No	38 (64.4)	9 (64.3)	47 (64.4)
	Total	**59 (100)**	**14 (100)**	**73 (100)**
OBC	Yes	39 (65)	36 (48.6)	75 (56)
	No	21 (35)	38 (51.4)	59 (44)
	Total	**60 (100)**	**74 (100)**	**134 (100)**
OC	Yes	6 (33.3)	12 (46.2)	18 (40.9)
	No	12 (66.7)	14 (53.8)	26 (59.1)
	Total	**18 (100)**	**26 (100)**	**44 (100)**
Total	Yes	73 (49)	55 (47)	128 (48.1)
	No	76 (51)	62 (53)	138 (51.9)
	Total	**149 (100)**	**117 (100)**	**266 (100)**

Note: Figures in parentheses are percentages.
Source: *Field Survey*

4.3.6 Types of Investment Activities

In general, after 6 months of operations the savings are pooled together and are used to give loans among the members. SHGs provide loans to their members on interest for income generation. The various types of income and employment generating activities are petty business, vegetables vending, tailoring activities, etc., which provide additional income and employment opportunities. The members continued with their wage labor work in addition to their new economic activities. In their absence, one of the family members takes care of the activity. The majority of SHG members concentrate mainly on non-farm activities or those other than agriculture. All the SHG members who have taken loans from the banks spent the amount to meet the various individual needs. The types of activity they have undertaken are: essential shops, agriculture, fancy shops, dairy farming, etc. The members undertook these activities individually at their residences, village streets or main roads and mandal headquarters.

Table 4.30. District -wise Details of Non-farm Activities Adopted by SHG Members

Social Group	Types of Activity	District		Total
		Visakhapatnam	East Godavari	
ST	Agriculture	3 (42.9)	0 (0)	3 (33.3)
	Dairy	0 (0)	1 (50)	1 (11.1)
	Kirana Shop	1 (14.3)	1 (50)	2 (22.2)
	Fancy Shop	1 (14.3)	0 (0)	1 (11.1)
	Chicken shop	1 (14.3)	0 (0)	1 (11.1)
	Handloom	1 (14.3)	0 (0)	1 (11.1)
	Total	**7 (100)**	**2 (100)**	**9 (100)**
SC	Agriculture	3 (14.3)	0 (0)	3 (11.5)
	Dairy	5 (23.8)	0 (0)	5 (19.2)
	Kirana Shop	3 (14.3)	1 (20)	4 (15.4)
	Cloth Shop	3 (14.3)	0 (0)	3 (11.5)
	Tent house	3 (14.3)	0 (0)	3 (11.5)
	Fancy Shop	1 (4.8)	2 (40)	3 (11.5)
	Livestock's	1 (4.8)	0 (0)	1 (3.8)
	Vegetable	0 (0)	1 (20)	1 (3.8)
	Tailoring	2 (9.5)	0 (0)	2 (7.7)
	Hotel	0 (0)	1 (20)	1 (3.8)
	Total	**21 (100)**	**5 (100)**	**26 (100)**
OBC	Agriculture	12 (30.8)	0 (0)	12 (16)
	Dairy	5 (12.8)	0 (0)	5 (6.7)
	Kirana Shop	7 (17.9)	10 (27.8)	17 (22.7)
	Cloth Shop	1 (2.6)	4 (11.1)	5 (6.7)
	Fancy Shop	4 (10.3)	6 (16.7)	10 (13.3)
	Chicken shop	2 (5.1)	2 (5.6)	4 (5.3)
	Floor Machines	0 (0)	2 (5.6)	2 (2.7)
	Livestock's	0 (0)	2 (5.6)	2 (2.7)
	Handloom	2 (5.1)	1 (2.8)	3 (4)
	Vegetable	3 (7.7)	1 (2.8)	4 (5.3)
	Tailoring	2 (5.1)	2 (5.6)	4 (5.3)
	Hotel	1 (2.6)	5 (13.9)	6 (8)
	Fruits Business	0 (0)	1 (2.8)	1 (1.3)
	Total	**39 (100)**	**36 (100)**	**75 (100)**
OC	Agriculture	2 (33.3)	0 (0)	2 (11.1)
	Dairy	2 (33.3)	2 (16.7)	4 (22.2)
	Kirana Shop	0 (0)	2 (16.7)	2 (11.1)
	Fancy Shop	0 (0)	2 (16.7)	2 (11.1)
	Chicken shop	0 (0)	1 (8.3)	1 (5.6)
	Livestock's	0 (0)	2 (16.7)	2 (11.1)
	Vegetable	1 (16.7)	0 (0)	1 (5.6)
	Tailoring	0 (0)	2 (16.7)	2 (11.1)
	Fruits Business	1 (16.7)	1 (8.3)	2 (11.1)
	Total	**6 (100)**	**12 (100)**	**18 (100)**

(Table: 4.30. Continued in Page – 70)

Total	Agriculture	20 (27.4)	0 (0)	20 (15.6)
	Dairy	12 (16.4)	3 (5.5)	15 (11.7)
	Kirana Shop	11 (15.1)	14 (25.5)	25 (19.5)
	Cloth Shop	4 (5.5)	4 (7.3)	8 (6.2)
	Tent house	3 (4.1)	0 (0)	3 (2.3)
	Fancy Shop	6 (8.2)	10 (18.2)	16 (12.5)
	Chicken shop	3 (4.1)	3 (5.5)	6 (4.7)
	Floor Machines	0 (0)	2 (3.6)	2 (1.6)
	Livestock's	1 (1.4)	4 (7.3)	5 (3.9)
	Handloom	3 (4.1)	1 (1.8)	4 (3.1)
	Vegetable	4 (5.5)	2 (3.6)	6 (4.7)
	Tailoring	4 (5.5)	4 (7.3)	8 (6.2)
	Hotel	1 (1.4)	6 (10.9)	7 (5.5)
	Fruits Business	1 (1.4)	2 (3.6)	3 (2.3)
	Total	**73 (100)**	**55 (100)**	**128 (100)**

Note: Figures in parentheses are percentages.
Source: *Field Survey*

The details of different types of income and employment generating activity started by the sample members are presented in Table 30. It is important to note from the table that in all the selected villages, nearly 48.1% of the members started different types of income and employment generating activity. Of these, the highest percentage of members invested in essential shop is 19.5%. The percentage in agriculture is 15.6%, hygience items is 12.5%, dairy farming is 11.7%, clothes shop is 6.2%, tailoring and embroidery is 6.2%, hotel is 5.5%, Chicken and vegetable shop is 4.7%, livestock business is 3.9%, handloom is 3.1%, tent house is 2.3%, fruits business is 2.3% and floor machines is 1.6%. On the whole, it can be concluded that the majority of the members have chosen to invest the loan money in essential shop, agriculture, hygiene, dairy farming and clothes shop.

Of the members who invested in essential shops, the highest percentage is found in East Godavari (25.5%), while the lowest is recorded in Visakhapatnam district. Among all the social group members who invested in essential shops, the majority belongs to OBC ay 22.7%, followed by ST at 22.2%, SC at 15.4%, and OC at 11.1%.

4.3.7 Employment Generation

It is a fact that if any financial assistance, if utilized properly, would generate employment opportunities for those availing the assistance. It was observed during the field survey that the majority of the members constituting about 88.3% generated employment between 21–30 days in a month. This is followed by members consisting of 9.4% who could generate employment of 11–20 days, and 2.3% could generate employment less than 10 days in a month. It is further noticed that non-farm activities generate higher employment in the sample districts. Essential shop, tailoring and embroidery business, and dairy generate employment for about 21 to 30 days in a month. A perusal of the data suggests that the loans provided to SHG members are productive and efficient in generating employment to rural non-farm workers in general. For details see Table 31.

Table 31shows the district wise and community wise employment generation in the non-farm sector of surveyed districts. It can be seen that the highest number of employment days generated is between 21 to 30 days is in East Godavari distinct, while it is lower in Visakhapatnam district. "Table 31 shows that the economic activities in our sample tend to be located in, or close to, the community where the members live. It also shows that locals or passers-by are the most important customers for most of these micro enterprises. This confirms that the non-farm economy is highly localized. Women play an important role in this sector. One of the objectives of the field survey was to document the nature and severity of constraints associated with running an economic activity. Owning a non-farm enterprise is more likely if the household is relatively large, located close to road or the market and if the head of the household is young and a female. In addition, working in a non-farm enterprise is much more likely to be a primary source of employment for women rather than for men. This reflects the cultural gender biasness against women's engagement in certain activities.

This study reveals that the delivery of microfinance to the poor is productive, effective and less costly, if they are organized into SHGs. Self-employment, which is the best employment source in the wake of paucity of employment opportunities, is emerging to be a very important source of livelihood for women in the villages. The SHG movement in India, in general, and Andhra Pradesh in particular, has evidently metamorphosed the rural economic scene. As a supplementary source of family income, SHGs have proved to be a boom to the rural women not only in enhancing their financial status, but also in promoting the non-farm sector activities among them. The SHG members, even though some of them are less educated, have availed group loans from banks and are running businesses such as essential shop, tailoring and embroidery shop, dairy farming, clothes shop, hotel, etc., to earn money to supplement their family income.

Table 4.31. District- wise Details of Monthly Working Days Generated through Non-farm Activities Adopted by SHG members

Name of the Caste	No of Days Employment	Name of the District		Total
		Visakhapatnam	East Godavari	
ST	Less than 10 Days	1 (14.3)	0 (0)	1 (11.1)
	21 - 30	6 (85.7)	2 (100)	8 (88.9)
	Total	**7 (100)**	**2 (100)**	**9 (100)**
SC	Less than 10 Days	0 (0)	1 (20)	1 (3.8)
	11- 20	5 (23.8)	0 (0)	5 (19.2)
	21 - 30	16 (76.2)	4 (80)	20 (76.9)
	Total	**21 (100)**	**5 (100)**	**26 (100)**
OBC	Less than 10 Days	1 (2.6)	0 (0)	1 (1.3)
	11- 20	5 (12.8)	0 (0)	5 (6.7)
	21 - 30	33 (84.6)	36 (100)	69 (92)
	Total	**39 (100)**	**36 (100)**	**75 (100)**
OC	11- 20	1 (16.7)	1 (8.3)	2 (11.1)
	21 - 30	5 (83.3)	11 (91.7)	16 (88.9)
	Total	**6 (100)**	**12 (100)**	**18 (100)**
Total	Less than 10 Days	2 (2.7)	1 (1.8)	3 (2.3)
	11- 20	11 (15.1)	1 (1.8)	12 (9.4)
	21 - 30	60 (82.2)	53 (96.4)	113 (88.3)
	Total	**73 (100)**	**55 (100)**	**128 (100)**

Note: Figures in parentheses are percentages.
Source: *Field Survey*

4.3.7.1 Monthly Income Generated through Non-farm Activities

One of the main objectives of SHG movement is that a member should undertake income generating activity by choosing a business venture of her own choice. The details of district wise distribution of the monthly income of SHG members are presented in Table 32. A total member of 128 members earned monthly income from different types of economic activity. Out of these, the majority of members constituting 82% earn between Rs.4,001 to 8,000 monthly, andanother12.5% of the members earn income less than Rs.4,000. A small number of members constituting 5.5% earn above

Rs. 8,001. The caste wise distribution of monthly income obtained through non-farm sector shows that among SC community, the majority of the members about 76.9% earn a monthly income between Rs. 4,001 to 8,000. Similar results are found in the case of OBC and OC communities. Among the OBC community members, the majority of the members about 80% earn a monthly income between Rs. 4,001 to 8,000. Further, it is observed that in OBC and OC members constituting 8% and 5.6 members earn a monthly income of above Rs.8,000. For details see Table 32). The study found that no one from ST and SC communities earns more than Rs. 8,000.

Table 4.32. District- wise Details of Monthly Income obtained from Non-farm Activities of SHG Members

Social Group	Income (Rs)	District		Total
		Visakhapatnam	East Godavari	
ST	4,001 – 8,000	7 (100)	2 (100)	9 (100)
	Total	**7 (100)**	**2 (100)**	**9 (100)**
SC	Less than Rs. 4,000	6 (28.6)	0 (0)	6 (23.1)
	4,001 – 8,000	15 (71.4)	5 (100)	20 (76.9)
	Total	**21 (100)**	**5 (100)**	**26 (100)**
OBC	Less than Rs. 4,000	9 (23.1)	0 (0)	9 (12)
	4,001 – 8,000	29 (74.4)	31 (86.1)	60 (80)
	Above Rs. 8,001	1 (2.6)	5 (13.9)	6 (8)
	Total	**39 (100)**	**36 (100)**	**75 (100)**
OC	Less than Rs.4000	1 (16.7)	0 (0)	1 (5.6)
	Rs. 4,001 – 8,000	5 (83.3)	11 (91.7)	16 (88.9)
	Above Rs. 8,001	0 (0)	1 (8.3)	1 (5.6)
	Total	**6 (100)**	**12 (100)**	**18 (100)**
Total	Less than Rs. 4,000	16 (21.9)	0 (0)	16 (12.5)
	4,001 – 8,000	56 (76.7)	49 (89.1)	105 (82)
	Above Rs. 8,001	1 (1.4)	6 (10.9)	7 (5.5)
	Total	**73 (100)**	**55 (100)**	**128 (100)**

Note: Figures in parentheses are percentages.
Source: *Field Survey*

4.3.8. Frequency of Help Received from Family Members

In the selected districts, 128 members have started different types of economic activity. Of these, 74% of the members took help of their family members to run their businesses. Among them, the highest percentage belongs to East Godavari, and the lowest to Visakhapatnam district. For details see Table 33. In East Godavari district, it is observed that majority of the BC and OC members took help of their family members because most of these members started their economic activities in the mandal headquarters. It is further observed that in Visakhapatnam district, the majority of all community members took help from their family members. In addition, households which are engaged in non-farm enterprises tend to be headed by better educated and younger heads, and they tend to live closer to markets and roads (of course, the direction of causality is ambiguous here, as location decisions are likely to be endogenous to entrepreneurship). It is observed that higher number of OBC and OC community members took help from their family members because they are more educated and some of their husbands are also working. The majority of the members set up their economic activities in the mandal headquarters.

Table 4.33. District- wise Details of the Help Received from Family Members by SHG Members

Social Group	Help Received	District		Total
		Visakhapatnam	East Godavari	
ST	Yes	5 (71)	1 (50)	6 (67)
	No	2 (29)	1 (50)	3 (33)
	Total	**7 (100)**	**2 (100)**	**9 (100)**
SC	Yes	15 (71)	3 (60)	18 (69)
	No	6 (29)	2 (40)	8 (31)
	Total	**21 (100)**	**5 (100)**	**26 (100)**
OBC	Yes	30 (77)	30 (83)	60 (80)
	No	9 (23)	6 (17)	15 (20)
	Total	**39 (100)**	**36 (100)**	**75 (100)**
OC	Yes	4 (67)	10 (83)	14 (78)
	No	2 (33)	2 (17)	4 (22)
	Total	**6 (100)**	**12 (100)**	**18 (100)**
Total	Yes	54 (74)	44 (80)	98 (77)
	No	19 (26)	11 (20)	30 (23)
	Total	**73 (100)**	**55 (100)**	**128 (100)**

Note: Figures in parentheses are percentages.
Source: *Field Survey*

4.3.9 Sources of Loan Repayment

Many families lack the inclination to save in rural India. Repayment of loan is a problem for the poor largely because of their deficit budgets. In the selected districts, many factors are taken into consideration for determining loan repayment sources.

Table 4.34. District- wise Details of Loan Repayment Sources of SHG Members

Social Group	Source	District		Total
		Visakhapatnam	East Godavari	
ST	Husband earning income	2 (16.7)	3 (100)	5 (33.3)
	Household income	6 (50)	0 (0)	6 (40)
	Own earning from agricultural labour	4 (33.3)	0 (0)	4 (26.7)
	Total	**12 (100)**	**3 (100)**	**15 (100)**
SC	Husband earning income	23 (39)	5 (35.7)	28 (38.4)
	Household income	12 (20.3)	3 (21.4)	15 (20.5)
	Own earning from agricultural/non labour	12 (20.33)	1 (7.1)	13 (17.8)
	Own earning from small business	11 (18.6)	5 (35.7)	16 (21.9)
	Private employee	1 (1.7)	0 (0)	1 (1.4)
	Total	**59 (100)**	**14 (100)**	**73 (100)**
OBC	Husband earning income	16 (26.7)	36 (48.6)	52 (38.8)
	Household income	13 (21.7)	8 (10.8)	21 (15.7)
	Own earning from agricultural labour	11 (18.3)	2 (2.7)	13 (9.7)
	Own earning from small business	19 (31.7)	26 (35.1)	45 (33.6)
	Private employee	1 (1.7)	2 (2.7)	3 (2.2)
	Total	**60 (100)**	**74 (100)**	**134 (100)**
OC	Husband earning income	5 (27.8)	10 (38.5)	15 (34.1)
	Household income	2 (11.1)	3 (11.5)	5 (11.4)
	Own earning from agricultural /non labour	7 (38.88)	4 (15.3)	11 (25)
	Own earning from small business	4 (22.2)	8 (30.8)	12 (27.3)
	Private employee	0 (0)	1 (3.8)	1 (2.3)
	Total	**18 (100)**	**26 (100)**	**44 (100)**
Total	Husband earning income	46 (30.9)	54 (46.2)	100 (37.6)
	Household income	33 (22.1)	14 (12)	47 (17.7)
	Own earning from agricultural/non labour	34 (22.81)	7 (5.9)	41 (15.4)
	Own earning from small business	34 (22.8)	39 (33.3)	73 (27.4)
	Private employee	2 (1.3)	3 (2.6)	5 (1.9)
	Total	**149 (100)**	**117 (100)**	**266 (100)**

Note: Figures in parentheses are percentages.
Source: *Field Survey*

Table 34 indicates that earnings from small businesses are the most important sources for loan repayment. It could be seen that microfinance loans enabled them to increase self-employment through small businesses. It is observed that 37.6% of members repay their loans from their husbands' income, followed by 27.4% who repay the loans from the earnings of small businesses started with the help of Self Help Group bank linkage loans. While 17.7% of the members repay their loans from their household income and 15.4% repay the loans from daily wages earned from agriculture and non-agricultural sectors. And 1.9% members repay their loans from the earnings from private work. The repayment performance of the borrowers depends largely upon the purpose for which the loan is taken. Usually, the loans taken for productive purposes are repaid promptly because they generate income and thereby enhancing the repaying capacity of the borrowers. While the loans taken for unproductive purposes do not generate any income and result in debts. Table 34 indicates that among the members who repay loan from their earnings from their businesses, the highest number of members is found in East Godavari and lowest in Visakhapatnam district. However, among the members who repay loan from their household income, the majority belongs to Visakhapatnam district. Further, among all the social groups, the majority of the members who repay loans from their household income belong to the ST community. It is further observed that in Visakhapatnam, 22.8% of the members repay loan from daily wages earn from agricultural and non-agricultural labor work and these members mostly belong to the ST community. The study found that in East Godavari, the majority of the members saved a certain amount of money from their husbands' income followed by small businesses, household income, earnings from agricultural and non-agricultural labor work and private work.

4.3.10 Choice of Credit Source

The distribution of credit choice for accessing loans from self help group-bank linkage programme among the members is depicted in Table 35. It can be seen that, given the choice, the borrowers would prefer credit from formal sources because of the relatively low interest rates. On the other hand, there are some reasons which make informal sources "attractive". A number of marginal small farmers cited factors like quick processing, loan for any purpose and flexible repayment schedule as the main reasons for their availing credit from informal sources. Table 35 shows that farmers prefer formal sources to take loans because of the relatively low interest rates. Farmers who have take loans from informal credit sources cite factors like quick processing, flexible repayment schedule, and loan for any purpose as the main reasons for availing credits from informal credit sources. The formal sector is playing a predominate role because of its lower interest rates, whereas the informal sources are providing loans with flexible repayment schedule, quick processing at any time and for any purpose. In contrast, this analysis reveals that the main reason land owners avail credits from formal sources is because loans are offered at lower rates of interest.

Table 4.35. Preference of Credit Sources

Social Category	Reason for taking loan	District		Total
		Visakhapatnam	East Godavari	
ST	Low interest rate	12 (100)	3 (100)	15 (100)
	Total	**12 (100)**	**3 (100)**	**15 (100)**
SC	Low interest rate	45 (76.3)	11 (78.6)	56 (76.7)
	Less time to obtain loan	1 (1.7)	2 (14.3)	3 (4.1)
	Fixable repayment schedule	3 (5.1)	1 (7.1)	4 (5.5)
	Repay at any time	10 (16.9)	0 (0)	10 (13.7)
	Total	**59 (100)**	**14 (100)**	**73 (100)**
OBC	Low interest rate	45 (75)	63 (85.1)	108 (80.6)
	Less time to obtain loan	2 (3.3)	1 (1.4)	3 (2.2)
	Fixable repayment schedule	8 (13.3)	2 (2.7)	10 (7.5)
	Repay at any time	5 (8.3)	8 (10.8)	13 (9.7)
	Total	**60 (100)**	**74 (100)**	**134 (100)**
OC	Low interest rate	14 (77.8)	21 (80.8)	35 (79.5)
	Fixable repayment schedule	2 (11.1)	0 (0)	2 (4.5)
	Repay at any time	2 (11.1)	5 (19.2)	7 (15.9)
	Total	**18 (100)**	**26 (100)**	**44 (100)**
Total	Low interest rate	116 (77.9)	98 (83.8)	214 (80.5)
	Less time to obtain loan	3 (2)	3 (2.6)	6 (2.3)
	Fixable repayment schedule	13 (8.7)	3 (2.6)	16 (6)
	Repay at any time	17 (11.4)	13 (11.1)	30 (11.3)
	Total	**149 (100)**	**117 (100)**	**266 (100)**

Note: Figures in parentheses are percentages.
Source: *Field Survey*

Microfinance and women empowerment form a virtuous reinforcing cycle. Microfinance enhances the social, political and economic empowerment of women which in turn enhances their participation in microfinance like SHG programs. Many facets of this relationship can be empirically established by studies.

Chapter V

MICROFINANCE AND WOMEN EMPOWERMENT: AN EMPIRICAL ANALYSIS

5.0 Introduction

The unique feature of microfinance programme is that it focuses on women's development. More than ninety per cent of the clients under this programme are women. The basic idea is to empower women by providing them financial assistance and opportunities to earn and contribute financially to their households and be self-employed. This economic independence that microfinance offers is expected to increase the self-esteem and confidence of women participants in the programme. The process of empowering the beneficiaries of the programme is not instantaneous, but rather it depends upon many factors. These factors are ability, environment, initiative and status of women as a group. Studies conducted so far have not shown that with the help of microfinance the status of a woman improves in the family. In other words, a woman earns more respect in the family than before and she gets to participate in the decision-making and community meetings. And she also gets the freedom to engage with better opportunities in micro-business. This change may be due to the fact that women are able to contribute financially to their families. In fact, microfinance programme brings about economic, social, and political empowerment. Microfinance programme is an important programme, but it not a panacea to end all the problems that the poor people face. Hence, the beneficiaries of the programme must efficiently use the financial assistance given to them to start small businesses that would help them in uplifting standard of life and empowerment of women. This chapter provides an empirical analysis of the impact of microfinance on women and their empowerment.

This chapter is divided into two sections. The first section deals with the concept and theory on women empowerment and its indications. The second section deals with empirical analysis of the impact of microfinance on women empowerment.

5.1 Concept of Empowerment

Empowerment is an intrinsic quality of a person which cannot be bestowed by a third party. It is considered that an empowered person's behaviour undergoes a change. In a nutshell, empowerment is a process which enables one to gain power, authority and influence over others. In the literature published on the subject, the concept of empowerment is considered to have the following traits or capabilities:

- Having one's own decision-making power
- Having access to information and resources for taking proper decision
- Having a range of options from which one can choose (not just yes/no, either/or)
- Ability to exercise assertiveness in collective decision-making
- Having positive thinking about the ability to make change
- Ability to learn skills for improving personal or group's power
- Ability to change others' perceptions by democratic means
- Involving in the growth process and change that is never ending and self initiated.

In short, empowerment is a process that allows one to gain knowledge, power, skill-sets and attitude needed to cope with the changing world and the circumstances in which one lives. Empowerment helps a person to make use of the economic environment to increase the productivity of oneself, family and the society on the whole. Some experts have explained the concept of empowerment and brief account is given below.

Wallerstein (1992) defined empowerment as "people assuming control and mastery over their own lives in the context of their social and political environment." Some other researchers have described empowerment as a continuous, ongoing and interactive process that leads to enhancement of abilities and a wider scope for choice and action of an individual. Thus, empowerment leads to equity and well-being of the individual and the community. Similarly, Batliwala (1994) has characterized empowerment as control over resources (both material and intellectual) and ideology, and an empowered person uses them according to his belief. It is a process of challenging the existing power relations and of gaining greater control over the sources of power. Batliwala has described empowerment as enhancement of power. Therefore, as argued, whenever there is an increase in self-confidence it does not automatically lead to empowerment. But it may still be decisive for a woman's ability and willingness to challenge the social injustices and the discriminatory system that she faces. This implies that when a woman gets financially better-off, her self-confidence and bargaining power within the household increases, and it indirectly leads to her empowerment. Finally, empowerment is a process in which the impact of the microfinance program may take a long time before it is significantly reflected in observable measures for women (Cheston and Kuhn, 2002). The change in women's empowerment is measured by creating empowerment indicators built on the following eight criteria and they are mobility, economic security, ability to make small purchases, large purchases, involvement in major household decisions, relative freedom from domination by the family, political and legal awareness, and participation in public protests and political campaigns. The results suggest that women's access to credit contributes significantly to the magnitude of the economic contributions. The change is evident as there is increase in asset holdings by women, and an increase in their exercise of purchasing power and in their political and legal awareness. Hashemi *et al*. (1996) also found that access to credit is also associated with increased mobility, political participation, and involvement in 'major decision making' for particular credit organizations.

Rowlands (1997) has defined empowerment as a process of enabling or authorizing an individual to think and behave; and to take action and have control over work in an autonomous way. It involves some degree of personal development. Individuals become empowered when they obtain the right to determine choices in life and to influence the direction of change through the ability to gain control over material and non-material resources. The World Bank 'Empowerment Source Book' also defines empowerment in the same way.

Page and Czuba (1999) have explained that empowerment has three basic components: multi-dimensional, social and a process. It is multi-dimensional because it occurs within sociological, psychological, economic and other dimensions at various levels, such as individual, group, and community. It is social because it occurs in relationship to others. It is a process because it may always function without any final goal. Kabeer (2001) has defined empowerment as the expansion in people's ability to make strategic life choices in a context where this ability was previously denied to them. This definition contains two elements: one, the idea of progress or change from a condition of disempowerment, and two, the idea of human agency and choice. This helps in distinguishing empowerment from other closely related concepts like women's autonomy, gender equality, gender discrimination, etc. Now having defined the term ‘empowerment’, the following section will look at the meaning of women empowerment.

5.1.1 Women Empowerment

The World Bank has made gender mainstreaming a priority in development assistance. In a policy research report, World Bank (2001) has identified both gender equality and women empowerment as its development objectives and means to promote growth, reduce poverty, and to support better governance. In the literature available on women’s empowerment, some concepts like gender equality, female autonomy or women status etc. are regarded as either similar or different concepts.

As described by Kabeer (2001), there are two essential elements of women’s empowerment and they are process and agency. A process is defined as the series of events that produce gradual change. The process of women’s empowerment leads to expansion in their ability to have resources and to make strategic life choices. The agency element of women’s empowerment describes that women themselves are the significant actors in the process of change. It is a process through which choices are made. Empowerment cannot be offered by a third party rather it has to be claimed by those who would become empowered. Kabeer (1999) has explained that women’s empowerment refers to the process by which those who have been previously denied the ability to make strategic life choices, now acquire such ability. The ability to exercise choices incorporates three inter-related dimensions: resources, agency and achievement. Resources include access as well as future claims to both material and social resources. Agency includes the process of decision-making, negotiation, deception and manipulation. And achievement refers to the well-being outcomes of choice.

Agency is a central concept used in a study by Sen (1999). And drawing from Sen, Kabeer (2001) developed his understanding of agency. Agency is defined as an actor’s ability and involvement to make meaningful choices. It encompasses the ability to formulate strategic choices, to control resources and decisions that affect important life outcomes. Long we and Clarke (1994) defined women empowerment as an on-going cyclical process that has five stages. The *first* stage is welfare stage and at this stage women's resources are not fully recognised and met. The *second* is access stage, where women recognise the resources and take action to gain access to resources. The *third* stage is the conscientisation level stage. Here women realise that their lack of access to resources and their general subordinate status are due to socially constructed beliefs and phenomena. The *fourth* stage is the participation level stage, where women become actively involved in decision-making processes within their households, communities and societies. The *final* stage is control stage, in which women get control over the access to resources and distribution of benefits by increasing their participation. This control increases women's power and respect within their households, communities, and societies at large

Different researchers have explained women's empowerment by considering its different aspects. According to Pillai (1995), women's empowerment is an active, multidimensional process which enables women to realise their full identity and powers in all spheres of life. Power is neither a commodity to be transacted nor can it be given away as alms. Power has to be acquired and once it is acquired, it needs to be exercised, sustained and preserved. Stromquist (1995) provides another understanding of empowerment that includes both cognitive and psychological elements. It involves "women's understanding of their conditions of subordination and the causes of such conditions at both micro and macro levels of society. It involves understanding the self and the need to make choices that may go against cultural and social expectations".

This means that the whole process of women's empowerment requires the ability and active involvement of women themselves. If women themselves are not the agents of that change and are merely recipients, the process cannot be considered as empowerment. This implies that women's empowerment operates in a 'bottom up' model rather than 'top down'. Empowerment cannot be injected from outside, rather it has to be acquired by the women through their active involvement in the development process. But it does not imply that all improvements in women position are brought about by women themselves only. Social reality and political environment are also considered to play important roles in the same. It is the responsibility of the governments and multilaterals to promote policies to set up such type of legal, political and economic environment which would help women to have greater access to resources and promote gender equality. For instance, in India the 73rd and 74th constitutional amendments have guaranteed a reservation of 1/3rd seats for women in *Panchayati Raj* institutions and local bodies. Such governmental intervention has generated a suitable environment for their political empowerment. In this way, women's empowerment is a process of improvement in the existing status and abilities of women to make them able to lead their lives more autonomously. Women's empowerment is a complicated and continuous process which aims at changing the way of thinking of the whole society to ensure equal enjoyment of human rights for all. It is a continuous process of increasing the economic, social, political and psychological strengths.

The supporting agencies: social, political, cultural, financial etc., which are involved in uplifting the cause of women cannot claim that they have empowered women with their help. One cannot claim empowerment unless the intervening process involved women as agents of that change. Kumar and Paul (2007) wrote, "development agencies cannot claim to empower women rather they can provide appropriate external support and intervention which can, however, be important to foster and support the process of empowerment, i.e., act as facilitators".

In this study, an empowered woman is considered as an individual who has made her life better by having access to and utilization of resources provided by microfinance programme. Further, she is considered to be assertive and participates in the household decision-making. In the public arena, she is assumed to be self-confident and also actively participates in the democratic institutions in the rural area. And this empowered woman has general awareness of the existing social, economic and political environment.

5.2 Measurement of Women's Empowerment

The measurement of empowerment is not a trivial issue which can be without assumptions and limitations. Basically, the study of the measurement of empowerment can be conducted only in a given socio-economic-political context where an intervention is made. The measurement aspect can differentiate between the existing customs, traditions and natural behaviour of women (which may be restricting their progress), and the change in behaviour after an intervention and whether women emerge as subservient to the existing norms. Malhotra et al. (2002) emphasized that the measurement of empowerment is a primary development issue and so far neither the

World Bank nor any other credible agency has given a rigorous methodology for measuring the changes in level of women empowerment.
The main problems in measuring empowerment are:

• The measurement of women empowerment involves both quantitative as well as qualitative data such as access to financial resources, participation in household decision-making, change in the level of self-confidence, self-esteem, level of spatial mobility, level of awareness, etc. The qualitative indicators of empowerment are difficult to measure.

• Empowerment is an ongoing process and to measure the changes in a process, data has to be collected for at least twice with an interval period between the two to observe the changes. But this method is further restricted as it is difficult to decide the time gap over which the changes are to be measured because some signs of empowerment can be seen in a short time period while for others a longer time period may be required. There may be a shift in the relevance of empowerment indicators as time changes. Also, more time and resources are required to measure the impact.

Due to the complexity of defining and measuring women's empowerment, only a few empirical studies on the subject have tried to examine the impact of microfinance on women's empowerment. In order to measure the impact of microfinance programme on women's empowerment, some of the studies have compared the status of the participants after joining the microfinance programme with their status before joining the programme. The changes in their status over a period of time are considered as the impact of microfinance programme. Some of the studies have used retrospective methods where the data were not collected twice over two periods of time. Rather the participants were asked to give information regarding their past situation on the basis of their memory. However, some researchers have measured the impact of microfinance by comparing the status of the participants enrolled in the programme with that of the non-participants who share similar social and economic background.

5.2.1 GDI and GEM

The UNDP's Human Development Report (1995) introduced two complementary indexes: Gender-related Development Index (GDI) and Gender Empowerment Measure (GEM). The GDI indicator measures the inequalities between men and women in terms of access to basic needs, whereas GEM evaluates women's access to political and economic institutions, i.e., the share of seats for women in parliament/assemblies, the share in supervisory, administrative and technical posts. The GDI focuses on the extension of capabilities, whereas the GEM is concerned with the use of those capabilities to take advantage of the opportunities in life. Most of the studies have measured the women empowerment with the help of an index. A study conducted by Mizan (1994) has used an index named 'Household Decision Making (HHDM)' to explore the impact of micro-credit on women's empowerment. His used a number of indicators such as women's role in household decision-making, their command over fertility decision, use of healthcare services for the self and the family, and participation in voting. In another study, Goetz and Gupta (1996) have hypothesised that control over loan activity is, in fact, a critical control point in women's empowerment. The access to loans by women translates into a range of valued achievements, and then their managerial capability serve as indicators of empowerment. They built an index of managerial control in order to classify the borrowers into five categories. The categories range from no control (no knowledge of the use of the loan or no contribution in terms of labour input and managerial control) to full control (knowledge of the use of the loans and full control over the entire productive process, including marketing).

In another study, Hashemi et al. (1996) studied the change in women's empowerment as a result of women's participation in the microfinance programme of Grameen Bank and Bangladesh Rural Advancement Committee (BRAC). They created an empowerment indicator called 'index of empowerment' based on eight criteria: mobility, economic security, ability to make small and large purchases, involvement in major household decisions, relative freedom from domination by the family, political and legal awareness, and participation in public protests and political campaigns. The study posited that a woman is empowered if she has a positive score of five or more out of eight indicators.

Amin et al. (1998) analyzed women's empowerment by drawing up three components to measure empowerment. The three components are: inter-spouse consultation index, Individual autonomy index, and authority index. Inter-spouse consultation index illustrated the extent to which husbands consult their wives in household affairs. Individual autonomy index highlighted women's autonomy of physical spaces outside the house and in matters of spending money. And the authority index demonstrated the actual decision-making power (which is traditionally in the hands of the patriarch of the family).

Social mobilization envisages education and organization of the poor for improved socioeconomic status through collective efforts. In this dynamic process, the poor will be empowered enough to come out of the dependency syndrome as well as poverty. As a means of empowerment, social mobilization process involves continuous awareness campaigns among the poor by facilitators/social animators so that the poor can participate in the development process, and thereby, have access to the basic amenities and resources for socioeconomic betterment. It also provides a suitable framework for holism in development in two ways. One, by catering to the needs and aspirations of the poor, and two, by engineering socioeconomic changes for basic self-reliance (Radhakrishna and Shovan, 2005). Therefore as mentioned earlier, whenever there is an increase in self-confidence it does not mean that it automatically leads to empowerment, but it might contribute decisively to a woman's ability and willingness to challenge the social injustices and the discriminatory system that she faces. This implies that when a woman gets financially better-off and develops self-confidence, her bargaining power within the household increases and it indirectly leads to empowerment. Finally, empowerment is a process in which the impact of the microfinance programme may take a long time before it gets significantly reflected in the observable measures of women's empowerment (Cheston and Kuhn, 2002). The change in women's empowerment is measured by creating empowerment indicators built on the following eight criteria: mobility, economic security, ability to make small purchases, large purchases, involvement in major household decisions, relative freedom from domination by the family, political and legal awareness, and participation in public protests and political campaigns. The results have suggested that women's access to credit contributes significantly to a range of economic activities. The changes are evident in the increase in asset holdings by women, and the increase of purchasing power and demonstration of political and legal awareness. Hashemi *et al*. (1996) also found that access to credit is also associated with increase in social mobility, political participation and involvement in 'major decision making' for particular credit organizations.

Some of the researchers have raised doubts about the appropriateness of the construction of indexes for measurement of women empowerment. According to them, assigning equal weights to various indicators of empowerment is not appropriate. For example, decision of visiting a nearby market and participation in a decision to buy a piece of land, both these decisions have different implications and magnitude of impact on women's empowerment. Assigning equal weights to these different types of decision may lead to inaccurate results. Thus, there cannot be a universal method for measurement of empowerment. However, it depends upon the researcher to select representative indicators of women's empowerment. The researcher should have a good knowledge of social, economic and political environment of the area of study while choosing empowerment indicators and assigning weights to them. The present study also uses an index for measuring women's empowerment. The index comprises of various indicators which determine women's empowerment. The data for these indicators was collected during the field survey.

5.3. Impact of Microfinance Program on SHG Members

The program started in the wake of various economic benefits to SHG members in terms of increased asset creation, enhanced saving and borrowing habit, increased income, higher employment, and improved social life. The SHG-bank linkage program has impacted the social empowerment of sample SHG members in a significant way. The various SHG activities resulted in improving the decision-making capacity of SHG members. It had also influenced the decision making power in household matters as well. Bali and Fan (2007) argues that not all the activities that increase the well-being of women necessarily empower them. For instance, an activity like the improvement in the nutrition of children leads to a greater efficiency of a woman's role in the household. But such an activity falls within the existing roles for women as prescribed by the prevailing norms of the society and thus it does not mean empowerment. It is only when a woman is able to perform activities that lead to an increase in her self-confidence and feeling of well-being then the activities can be considered to be empowering. Similarly, community-driven development activities involve the SHGs. For instance, solving drinking water problem in the village reduces the demand on a woman's labour and time and it ensures better health of all household members, particularly the children. However, most of these activities are for the welfare of the household (including women) or the community at large, and they are not directly empowering women as they reinforcing the existing gender roles within society. True empowering activities are those that reflect the changes in women. The empowering activities enable women to resist the existing norms of the society and make their lives better. For instance, if a woman resists any form of abuse from her husband or family, we can consider her as empowered as she is trying to improve her well-being by asserting herself. Anand (2002), in his study attempted to show the performance of selected SHGs in Andhra Pradesh and their impact in empowering women. One important observation was that all the members had savings after joining the group. It was also observed that a few members were dominating the groups year after year. In this study, it has been further observed that microcredit through SHGs has created a positive impact on the families of the members. This research further demonstrated that there were positive changes in the attitude of the beneficiaries. And several groups have become centers for initiating social actions against dowry system, alcoholism, illiteracy and divorce.

5.3.1 Empirical Results

5.3.1.1 Role of Women in Household Decision Making

To understand who is the decision maker in the family, data was collected on purchase/sale of household assets, family savings, children's education and marriage, using a 5-point scale: (i) SHG member (self), (ii) Husband, (iii) Both (Wife and Husband), (iv) Elder people of the family members, and (v) Joint with family members. It is commonly observed that in a family some decisions are exclusively taken by the husband who is head of the family, while some decisions are exclusively taken by the housewife (SHG member), and the other decisions are taken jointly by both the husband and wife. Table 1 shows that out of 266 selected sample members. The data shows that nearly 41% of the women have reported that their husbands generally take decisions in their family. This is followed by 38.3% who reported that household decisions are taken by themselves (SHG members). The data also shows that 9.4% have reported that elder members of the family take the decisions. However only 6.8% have reported decisions are jointly with their husbands, and 4.5% reported that all the family members take the decisions together. According to the norms in the South Asian society, especially India, it is usually the head or the male members of the household who take certain key decisions. It was found that the increased participation of women in the decision-making processes empowers women in the true sense. Joint decision made to purchase of business items is observed among all the members belonging to all the districts under study. Thus, it can be concluded that the involvement of husband is more common for all the types of decision among all the group members under study.

Table 5.1 District -wise Details of Decision-Making by SHG Members

Social Group	Decision-making	District		Total
		Visakhapatnam	East Godavari	
ST	SHG member (self made)	6 (50)	0 (0)	6 (40)
	Husband	4 (33.3)	2 (66.7)	6 (40)
	SHG member jointly with husband	0 (0)	1 (33.3)	1 (6.7)
	Elder people of the family	2 (16.7)	0 (0)	2 (13.3)
	Total	**12 (100)**	**3 (100)**	**15 (100)**
SC	SHG member (self made)	40 (67.8)	1 (7.1)	41 (56.2)
	Husband	13 (22)	8 (57.1)	21 (28.8)
	SHG member jointly with husband	0 (0)	3 (21.4)	3 (4.1)
	Elder people of the family	6 (10.2)	1 (7.1)	7 (9.6)
	SHG member jointly with family	0 (0)	1 (7.1)	1 (1.4)
	Total	**59 (100)**	**14 (100)**	**73 (100)**
OBC	SHG member (self made)	32 (53.3)	13 (17.6)	45 (33.6)
	Husband	26 (43.3)	33 (44.6)	59 (44)
	SHG member jointly with husband	0 (0)	11 (14.9)	11 (8.2)
	Elder people of the family	2 (3.3)	8 (10.8)	10 (7.5)
	SHG member jointly with family	0 (0)	9 (12.2)	9 (6.7)
	Total	**60 (100)**	**74 (100)**	**134 (100)**
OC	SHG member (self made)	7 (38.9)	3 (11.5)	10 (22.7)
	Husband	8 (44.4)	15 (57.7)	23 (52.3)
	SHG member jointly with husband	0 (0)	3 (11.5)	3 (6.8)
	Elder people of the family	3 (16.7)	3 (11.5)	6 (13.6)
	SHG member jointly with family	0 (0)	2 (7.7)	2 (4.5)
	Total	**18 (100)**	**26 (100)**	**44 (100)**
Total	SHG member (self made)	85 (57)	17 (14.5)	102 (38.3)
	Husband	51 (34.2)	58 (49.6)	109 (41)
	SHG member jointly with husband	0 (0)	18 (15.4)	18 (6.8)
	Elder people of the family	13 (8.7)	12 (10.3)	25 (9.4)
	SHG member jointly with family	0 (0)	12 (10.3)	12 (4.5)
	Total	**149 (100)**	**117 (100)**	**266 (100)**

Note: Figures in parentheses are percentages.
Source: *Field Survey*

A perusal of Table 5.1 also reveals that the highest percentage of members whose husbands generally make the decisions in their families is in East Godavari and the lowest is from Visakhapatnam district. However, a decrease in the role of decision making by the husbands is observed as compared to earlier times. This is a positive trend in the process of women's empowerment through income generation in association with SHG-bank. It is also observed that in Visakhapatnam district, the husbands of OC and OBC communities play a major role in decision making as compared to other communities. It is observed that among the selected districts, joint family decisions are found to be highest in East Godavari district. Overall, the participation of women in decision-making process increased after joining the SHGs. The study found that in all the selected districts, the majority of all social group members reported that they make household decisions their husbands. The percentage is found to be highest among the OCs and then by the BCs. The members of OC and BC communities are more literate and economically sound in comparison to the others.

5.3.1.2 Spending Family Income

With regard to control over money earned by women, interesting results emerged in the study. 266 SHG members were asked who generally spends the family income in their homes. As many as 50.8% of the women stated that their husbands spend the family income and about 30.1% stated that they spend it themselves (SHG members). And 13.2% stated that elder members of the family spend the money. Only 4.9% stated that the family members jointly spend the money and 1.1% stated that both the husband and wife spend the money together. It is important to note that of the 30.1% members who reported that they spent it themselves (SHG members), the highest percentage is recorded in Visakhapatnam, while lowest is recorded in East Godavari district (see Table 5.2). Further of all the social groups, the majority of the OC community members reported that their family income is used by them jointly with their husbands as compared to other community members. The OC community member husbands are highly educated and economically strong and also members are in general not interested in going outside. So, they do not the visit market. Instead they send their husband/family members for making purchases.

Further, it is observed from Table 5.2 that in East Godavari, out of 117 members, more than half 50.8% reported that their husbands play a significant role in spending the family income, and this is highest as compared to Visakhapatnam district. This is because majority of the husbands of SHG members of this district work in the non-farm sector, for instance in mandal headquarters, hence they play a major role in spending the income.

Table 5.2. District- wise Details of who Spend the Family Income in the Homes of SHG Members

Social Group	Income Spend by	District		Total
		Visakhapatnam	East Godavari	
ST	SHG member (Self)	5 (41.7)	0 (0)	5 (33.3)
	Husband	5 (41.7)	2 (66.7)	7 (46.7)
	Elder people of the family	2 (16.7)	0 (0)	2 (13.3)
	Jointly with family members	0 (0)	1 (33.3)	1 (6.7)
	Total	**12 (100)**	**3 (100)**	**15 (100)**
SC	SHG member (self)	18 (30.5)	3 (21.4)	21 (28.8)
	Husband	27 (45.8)	10 (71.4)	37 (50.7)
	Elder people of the family	14 (23.7)	0 (0)	14 (19.2)
	Jointly with family members	0 (0)	1 (7.1)	1 (1.4)
	Total	**59 (100)**	**14 (100)**	**73 (100)**
OBC	SHG member (self)	23 (38.3)	23 (31.1)	46 (34.3)
	Husband	27 (45)	37 (50)	64 (47.8)
	Jointly with husband	1 (1.7)	2 (2.7)	3 (2.2)
	Elder people of the family	9 (15)	5 (6.8)	14 (10.4)
	Jointly with family member	0 (0)	7 (9.5)	7 (5.2)
	Total	**60 (100)**	**74 (100)**	**134 (100)**
OC	SHG member (self)	4 (22.2)	4 (15.4)	8 (18.2)
	Husband	9 (50)	18 (69.2)	27 (61.4)
	Elder people of the family	5 (27.8)	0 (0)	5 (11.4)
	Jointly with family member	0 (0)	4 (15.4)	4 (9.1)
	Total	**18 (100)**	**26 (100)**	**44 (100)**
Total	SHG member (Self)	50 (33.6)	30 (25.6)	80 (30.1)
	Husband	68 (45.6)	67 (57.3)	135 (50.8)
	Jointly with husband	1 (0.7)	2 (1.7)	3 (1.1)
	Elder people of the family	30 (20.1)	5 (4.3)	35 (13.2)
	Jointly with family member	0 (0)	13 (11.1)	13 (4.9)
	Total	**149 (100)**	**117 (100)**	**266 (100)**

Note: Figures in parentheses are percentages.
Source: *Field Survey*

5.3.1.3 Visiting Market to Purchase Goods

Visiting market for purchasing of vegetable, household groceries and other items increases the ability of a woman in various ways. Her self-confidence increases because she travels, crosses busy roads, bargains, and reports complaints of defective products. Her decision-making capacity is increased because she plans her visit and uses her choice to select a product. Her ability to do calculation also improves. During market visits, meeting and conversing with other people help to increase her motivation, social relations and knowledge.

Table 5.3. District- wise Details of SHG Members who go to the Market to Buy Groceries

Social Category	Access to market	Name of the Districts		Total
		Visakhapatnam	East Godavari	
ST	SHG member (self)	7 (58.3)	0 (0)	7 (46.7)
	Husband	3 (25)	3 (100)	6 (40)
	Elder people of the family	2 (16.7)	0 (0)	2 (13.3)
	Total	**12 (100)**	**3 (100)**	**15 (100)**
SC	SHG member (self)	35 (59.3)	2 (14.3)	37 (50.7)
	Husband	21 (35.6)	10 (71.4)	31 (42.5)
	Jointly with husband	0 (0)	1 (7.1)	1 (1.4)
	Elder people of the family	3 (5.1)	1 (7.1)	4 (5.5)
	Total	**59 (100)**	**14 (100)**	**73 (100)**
OBC	SHG member (self)	31 (51.7)	15 (20.3)	46 (34.3)
	Husband	28 (46.7)	35 (47.3)	63 (47)
	Jointly with husband	0 (0)	13 (17.6)	13 (9.7)
	Elder people of the family	1 (1.7)	4 (5.4)	5 (3.7)
	SHG member jointly with family	0 (0)	7 (9.5)	7 (5.2)
	Total	**60 (100)**	**74 (100)**	**134 (100)**
OC	SHG member (self)	8 (44.4)	5 (19.2)	13 (29.5)
	Husband	8 (44.4)	14 (53.8)	22 (50)
	Jointly with husband	0 (0)	5 (19.2)	5 (11.4)
	Elder people of the family	2 (11.1)	2 (7.7)	4 (9.1)
	Total	**18 (100)**	**26 (100)**	**44 (100)**
Total	SHG member (self)	81 (54.4)	22 (18.8)	103 (38.7)
	Husband	60 (40.3)	62 (53)	122 (45.9)
	Jointly with husband	0 (0)	19 (16.2)	19 (7.1)
	Elder people of the family	8 (5.4)	7 (6)	15 (5.6)
	Jointly with family members	0 (0)	7 (6)	7 (2.6)
	Total	**149 (100)**	**117 (100)**	**266 (100)**

Note: Figures in parentheses are percentages.
Source: *Field Survey*

Women who have started their business under microfinance programme are often required to visit the market to either purchase raw materials or sell their products. It results in enhancing their self-confidence and they do not feel any hesitation to visit the market for purchasing goods. Table 5.3 shows that a majority (45.9%) of the members visit market for the purchasing goods with their husband. Of this majority, East Godavari has the highest members and Visakhapatnam the lowest. The study found that 38.7% of the members visit the market by themselves (SHG member) to purchase goods. Visakhapatnam has the highest members whereas East Godavari has the lowest. The study observed that in Visakhapatnam district the majority of members visit market to purchase goods by themselves (SHG member). Whereas in East Godavari district the husbands of the members visit market for the purchase of goods.

5.3.1.4 Permission to Visit a Friend's House

It is clear from Table 5.4 that out of 266 SHG members, the members constituting about 48.1%take permission from their husbands to visit their friends' homes.

Table 5.4. District-wise Details of SHG Members who seek Permission to Visit Market and Friend's Place.

Social Group	Permission	District		Total
		Visakhapatnam	East Godavari	
ST	Yes	6 (50)	3 (100)	9 (60)
	No	6 (50)	0 (0)	6 (40)
	Total	**12 (100)**	**3 (100)**	**15 (100)**
SC	Yes	34 (57.6)	10 (71.4)	44 (60.3)
	No	25 (42.4)	4 (28.6)	29 (39.7)
	Total	**59 (100)**	**14 (100)**	**73 (100)**
OBC	Yes	28 (46.7)	34 (45.9)	62 (46.3)
	No	32 (53.3)	40 (54.1)	72 (53.7)
	Total	**60 (100)**	**74 (100)**	**134 (100)**
OC	Yes	5 (27.8)	8 (30.8)	13 (29.5)
	No	13 (72.2)	18 (69.2)	31 (70.5)
	Total	**18 (100)**	**26 (100)**	**44 (100)**
Total	Yes	73 (49)	55 (47)	128 (48.1)
	No	76 (51)	62 (53)	138 (51.9)
	Total	**149 (100)**	**117 (100)**	**266 (100)**

Note: Figures in parentheses are percentages.
Source: *Field Survey*

The district-wise analysis reveals that 49% of the members in Visakhapatnam and 47% in East Godavari district take permission from their husbands to go to friends' homes. It is very interesting to note that among all the social groups, the majority of the OC community members reported that they go to their friends' homes without their husbands' permission. The practice of OC community members are followed by OBC, ST and SC. It is also observed that in East Godavari district, the majority of the SHG members do not take permission from their husbands to go to their friends' homes because they are engaged in non-frame activities and are earning.

5.3.1.5 Permission to Visit Market

It is clear from Table 5.5 that of the 266 SHG members, women consisting about 70.7% do not take permission from their husbands to go to market. The district-wise analysis also reveals that about 70.5% of the women in Visakhapatnam and 70.9% in East Godavari do not take permission from their husbands to go to market. It is observed that among all the social groups, the majority of the OBC community members reported that they go to the market without their husbands' permission. The reason for such majority is that few members in this community are widows; there is no need to take permission. It is also observed that in East Godavari district, the majority of the SHG members do not take permission from their husbands to go to market because the members are engaged in non-frame activities and are earning.

Table 5.5 District-wise Details of SHG Members Who Need Permission to Visit Market

Social Group	Permission	District		Total
		Visakhapatnam	East Godavari	
ST	Yes	6 (50)	3 (100)	9 60)
	No	6 (50)	0 (0)	6 40)
	Total	**12 (100)**	**3 (100)**	**15 (100)**
SC	Yes	19 (32.2)	4 (28.6)	23 (31.5)
	No	40 (67.8)	10 (71.4)	50 (68.5)
	Total	**59 (100)**	**14 (100)**	**73 (100)**
OBC	Yes	15 (25)	21 (28.4)	36 (26.9)
	No	45 (75)	53 (71.6)	98 (73.1)
	Total	**60 (100)**	**74 (100)**	**134 (100)**
OC	Yes	4 (22.2)	6 (23.1)	10 (22.7)
	No	14 (77.8)	20 (76.9)	34 (77.3)
	Total	**18 (100)**	**26 (100)**	**44 (100)**
Total	Yes	44 (29.5)	34 (29.1)	78 (29.3)
	No	105 (70.5)	83 (70.9)	188 (70.7)
	Total	**149 (100)**	**117 (100)**	**266 (100)**

Note: Figures in parentheses are percentages.
Source: *Field Survey*

5.3.1.6 Visit to Banks

An important indicator of being empowered lies in the knowledge the SHG members about basic banking operations and their ability able to handle their saving accounts on their own. It is the policy of the government that members of the group should visit the bank at least once a month and it also recommended that a minimum two women should go together to the bank. The idea behind this is that the women should not confine themselves within the four walls of the house and they should go out to get some exposures on financial matters. This engagement will improve their contacts; and they can voice their views and be acquainted with the banking system. It is clear from Table 5.6 that out of 266 SHG members, 76.3% have visited the banks, while the remaining 23.7% have never visited the banks in the selected districts. It is observed that among the members that visited the banks, the highest percentage is recorded in Visakhapatnam, while lowest is in East Godavari district. It is also found that in Visakhapatnam, the majority of all the social groups visit banks as compared to the other selected district. Further, it is interesting to note that among all the social groups, the highest percentage of SC members visit banks, followed by ST, OC and OBC members. It is found that in East Godavari district, the majority of OC and OBC members did not visit banks because most the members are housewives and their husbands are literates and financially sound.

Table 5.6. District-wise Details of SHG Members Visiting Banks

Social Group	Visited the Bank	District		Total
		Visakhapatnam	East Godavari	
ST	Yes	3 (25)	1 (33.3)	4 (26.7)
	No	9 (75)	2 (66.7)	11 (73.3)
	Total	**12 (100)**	**3 (100)**	**15 (100)**
SC	Yes	5 (8.5)	5 (35.7)	10 (13.7)
	No	54 (91.5)	9 (64.3)	63 (86.3)
	Total	**59 (100)**	**14 (100)**	**73 (100)**
OBC	Yes	11 (18.3)	26 (35.1)	37 (27.6)
	No	49 (81.7)	48 (64.9)	97 (72.4)
	Total	**60 (100)**	**74 (100)**	**134 (100)**
OC	Yes	1 (5.6)	11 (42.3)	12 (27.3)
	No	17 (94.4)	15 (57.7)	32 (72.7)
	Total	**18 (100)**	**26 (100)**	**44 (100)**
Total	Yes	20 (13.4)	43 (36.8)	63 (23.7)
	No	129 (86.6)	74 (63.2)	203 (76.3)
	Total	**149 (100)**	**117 (100)**	**266 (100)**

Note: Figures in parentheses are percentages.
Source: *Field Survey*

5.3.1.7 Improvement in Confidence Level

To assess the self-confidence level of the SHG members, data was collected to ascertain the changes in their confidence using certain criteria:(i) ability to sign; (ii) confidence to approach banks and to speak to others; (iii) improvement in communication skills; (iv) going alone for medical treatment for oneself or children; and (v) money management. Self-confidence and mobility are important constituents of empowerment. Table 5.7 depicts the changes in the level of self confidence. It can be seen from the table that there is a growth in the self-confidence of about 88% of the members after joining SHG. Majority of the members reported that after joining the SHG their self-confidence have increased. They have cited attending group meetings, communicating with others and participating in various government programs as the reasons for the growth in confidence. Now, all the members have the confidence and ability to face visitors because of their participation in discussions and decision making during group and federation meetings, trainings, and exposure visits. The comparison of the selected districts brings out significant difference. In Visakhapatnam district, 98.7% of the members reported that there is a change in their confidence level after joining the group compared to 91.5% in East Godavari.

Table 5.7. District -wise Details of Self-confidence Boost among the SHG Members

Social Group	Self- Confidence Status	District		Total
		Visakhapatnam	East Godavari	
ST	Yes	11 (91.7)	3 (100)	14 (93.3)
	No	1 (8.3)	0 (0)	1 (6.7)
	Total	**12 (100)**	**3 (100)**	**15 (100)**
SC	Yes	59 (100)	14 (100)	73 (100)
	Total	**59 (100)**	**14 (100)**	**73 (100)**
OBC	Yes	60 (100)	69 (93.2)	129 (96.3)
	No	0 (0)	5 (6.8)	5 (3.7)
	Total	**60 (100)**	**74 (100)**	**134 (100)**
OC	Yes	17 (94.4)	21 (80.8)	38 (86.4)
	No	1 (5.6)	5 (19.2)	6 (13.6)
	Total	**18 (100)**	**26 (100)**	**44 (100)**
Total	Yes	147 (98.7)	107 (91.5)	254 (95.5)
	No	2 (1.3)	10 (8.5)	12 (4.5)
	Total	**149 (100)**	**117 (100)**	**266 (100)**

Note: Figures in parentheses are percentages.
Source: *Field Survey*

The study found that among the social groups, all the members of SC community reported that there is an increase in their self-confidence after joining the group. The trend of increase in self-confidence is observed among all the communities. The SC community reported 100% growth; and this is followed by OBC with 96.3%, ST with 93.3% and OC 86.4%. It may be observed from Table 6 that very few members that is about 4.5% has reported that there is no change in their self-confidence after joining SHG. Further, it is observed that among the members who reported that there is no change in their self-confidence, the majority belong to the OC community and they are followed by ST.

5.3.1.8 Social Problem

This indicator represents the awareness and self-confidence of a woman. A self-confident woman who is awareness about her rights does not tolerate the undue troubles created by other members of the society. She is able to raise her voice in the village Gram-Sabha/Panchayat against any kind of exploitation and even bring social problems and challenges to the fore.

Table 5.8 District-wise Details of SHG Members Facing Social Problems

Social Group	Problem	District		Total
		Visakhapatnam	East Godavari	
ST	No	12 (100)	3 (100)	15 (100)
	Total	**12 (100)**	**3 (100)**	**15 (100)**
SC	Yes	5 (8.5)	0 (0)	5 (6.8)
	No	54 (91.5)	14 (100)	68 (93.2)
	Total	**59 (100)**	**14 (100)**	**73 (100)**
OBC	Yes	4 (6.7)	4 (5.4)	8 (6)
	No	56 (93.3)	70 (94.6)	126 (94)
	Total	**60 (100)**	**74 (100)**	**134 (100)**
OC	Yes	1 (5.6)	0 (0)	1 (2.3)
	No	17 (94.4)	26 (100)	43 (97.7)
	Total	**18 (100)**	**26 (100)**	**44 (100)**
Total	Yes	10 (6.7)	4 (3.4)	14 (5.3)
	No	139 (93.3)	113 (96.6)	252 (94.7)
	Total	**149 (100)**	**117 (100)**	**266 (100)**

Note: Figures in parentheses are percentages.
Source: *Field Survey*

It is clear from Table 5.8 that out of 266 SHG members, 94.7% of the members did not face any problem (abuse of physical and mental nature or demands for dowry, etc) from family members or others, while the remaining 5.3% of the members reported that they face various problems from different persons in the selected districts. Of the members who are facing problems, the majority are from Visakhapatnam and the lowest from East Godavari. The study found that among the social groups, the SC community members consisting of 6.8%, OBC of 6% and OC of 2.3% reported that they face problems from family members especially for dowry. The study also observed that among the social groups, the ST community members reported that they do not face any problem. ST community members reported that their lives are good and they enjoy with family members.

5.3.1.9 Awareness and Liberty to Engage in Family Planning

It can be observed from Table 5.9 that about 86.8% of the members reported that they have the liberty to plan for the family on matters such as pregnancy, child birth, and family planning issue. The highest percentage is recorded in Visakhapatnam, while the lowest is recorded in East Godavari.

Table 5.9 District-wise Details of SHG Members who are Aware and have the Liberty to Engage in Family Planning

Social Category	Do you have the liberty to plan your family?	District		Total
		Visakhapatnam	East Godavari	
ST	Yes	11 (91.7)	3 (100)	14 (93.3)
	No	1 (8.3)	0 (0)	1 (6.7)
	Total	**12 (100)**	**3 (100)**	**15 (100)**
SC	Yes	56 (94.9)	12 (85.7)	68 (93.2)
	No	3 (5.1)	2 (14.3)	5 (6.8)
	Total	**59 (100)**	**14 (100)**	**73 (100)**
OBC	Yes	53 (88.3)	63 (85.1)	116 (86.6)
	No	7 (11.7)	11 (14.9)	18 (13.4)
	Total	**60 (100)**	**74 (100)**	**134 (100)**
OC	Yes	15 (83.3)	18 (69.2)	33 (75)
	No	3 (16.7)	8 (30.8)	11 (25)
	Total	**18 (100)**	**26 (100)**	**44 (100)**
Total	Yes	135 (90.6)	96 (82.1)	231 (86.8)
	No	14 (9.4)	21 (17.9)	35 (13.2)
	Total	**149 (100)**	**117 (100)**	**266 (100)**

Note: Figures in parentheses are percentages.
Source: *Field Survey*

Further, it is observed that among all the social groups, the highest percentage of members who reported that they have the liberty to plan for family on matters related to pregnancy, child birth, family planning issue, etc. belong to the ST community, and they are followed by SC, OBC and OC community. It is observed that in Visakhapatnam district, almost all the communities reported that they have the liberty to plan for family regarding pregnancy, child birth, and family planning issue.

5.3.1.10 Freedom to Exercise Voting Right in Elections

Political participation, especially at the local level, is seen as a key factor in the empowerment of women. A look at the level of political activity of the respondents would be insightful. In all the villages, the majority of the members are active voters at all electoral levels. Table 5.10 shows that 95.5% of the members in all the districts had voted in the last election. Of the 95.5%, the highest percentage voters are found in Visakhapatnam while East Godavari district recorded the lowest. However, among the social groups, the members of SC community participation in the last election recorded at 100%, OBC at 96.3%, ST at 93.3%, and OC at 86.4%. Of the only 4.5% members who did not vote in the last election, the community-wise division shows that highest percentage is observed in the OC community at 13.6%, followed by ST at 6.7%% and OBC at 3.7%.

Table 5.10 District-wise Details of SHG Members who Participated in Voting in Last Election

Social Group	Participation in voting	District		Total
		Visakhapatnam	East Godavari	
ST	Yes	11 (91.7)	3 (100)	14 (93.3)
	No	1 (8.3)	0 (0)	1 (6.7)
	Total	**12 (100)**	**3 (100)**	**15 (100)**
SC	Yes	59 (100)	14 (100)	73 (100)
	Total	**59 (100)**	**14 (100)**	**73 (100)**
OBC	Yes	60 (100)	69 (93.2)	129 (96.3)
	No	0 (0)	5 (6.8)	5 (3.7)
	Total	**60 (100)**	**74 (100)**	**134 (100)**
OC	Yes	17 (94.4)	21 (80.8)	38 (86.4)
	No	1 (5.6)	5 (19.2)	6 (13.6)
	Total	**18 (100)**	**26 (100)**	**44 (100)**
Total	Yes	147 (98.7)	107 (91.5)	254 (95.5)
	No	2 (1.3)	10 (8.5)	12 (4.5)
	Total	**149 (100)**	**117 (100)**	**266 (100)**

Note: Figures in parentheses are percentages.
Source: *Field Survey*

5.3.1.11 Equal or Discriminating Treatment among SHG Members

Regarding the issue of change in the level of awareness about social discrimination (members treated equally or unequally) during the period of membership, the data shows that a substantially percentage of respondents have a positive perception. Table 5.11 shows that 81.6% of the members mentioned that there is no discrimination among the SHG members. It is observed that East Godavari has the highest whereas Visakhapatnam has the lowest. The study found that 18.4 % of the members reported that there is social discrimination among the members even after joining the SHGs. Here, we observed that government officials and bankers are conducting various motivation programmes even though some of the members didn't change their outlook. Among the social groups, 26% of SC members and 20% of ST members reported that they are not treated equally. The members of these communities do not feel free among other members.

Table 5.11 District-wise Details of Social Discrimination of the Members

Social Group	Discrimination	District		Total
		Visakhapatnam	East Godavari	
ST	Yes	9 (75)	3 (100)	12 (80)
	No	3 (25)	0 (0)	3 (20)
	Total	**12 (100)**	**3 (100)**	**15 (100)**
SC	Yes	40 (67.8)	14 (100)	54 (74)
	No	19 (32.2)	0 (0)	19 (26)
	Total	**59 (100)**	**14 (100)**	**73 (100)**
OBC	Yes	48 (80)	65 (87.8)	113 84.3)
	No	12 (20)	9 (12.2)	21 (15.7)
	Total	**60 (100)**	**74 (100)**	**134 (100)**
OC	Yes	16 (88.9)	22 (84.6)	38 (86.4)
	No	2 (11.1)	4 (15.4)	6 (13.6)
	Total	**18 (100)**	**26 (100)**	**44 (100)**
Total	Yes	113 (75.8)	104 (88.9)	217 (81.6)
	No	36 (24.2)	13 (11.1)	49 (18.4)
	Total	**149 (100)**	**117 (100)**	**266 (100)**

Note: Figures in parentheses are percentages.
Source: *Field Survey*

5.3.1.12 Nutritional Status

Taking nutritious food is very important for a person's health. Out of the selected samples, 86.1% reported that their nutrition status has significantly improved after joining the SHGs (for details see Table 5.12). It is important to note that in the two selected districts, the majority of the members reported that there is a significant improvement in their nutritional status after joining the SHGs. It is observed that in

Visakhapatnam about 90.6% and in East Godavari about 80.3% of the members agreed that their nutrition level improved. Further, it can be deduced from Table 5.12 that the majority of the members of SC consisting of 91.8%, ST of 86.7%, OBC of 85.1% and OC of 79.5%reported significant improvement in their nutritional status after joining the groups. Further, it can be seen that 13.9% of the members reported that there is no change in their nutritional status even after joining SHGs. It was further observed that in East Godavari district30.8% of the OC members reported that there is no change in their nutritional status because of their poor economic condition even after joining SHGs.

Table 5.12 District-wise Details of Nutritional Improvement of SHG Members

Social Group	Status of Nutrition betterment	District		Total
		Visakhapatnam	East Godavari	
ST	Same	2 (16.7)	0 (0)	2 (13.3)
	Increased	10 (83.3)	3 (100)	13 (86.7)
	Total	**12 (100)**	**3 (100)**	**15 (100)**
SC	Same	5 (8.5)	1 (7.1)	6 (8.2)
	Increased	54 (91.5)	13 (92.9)	67 (91.8)
	Total	**59 (100)**	**14 (100)**	**73 (100)**
OBC	Same	6 (10)	14 (18.9)	20 (14.9)
	Increased	54 (90)	60 (81.1)	114 (85.1)
	Total	**60 (100)**	**74 (100)**	**134 (100)**
OC	Same	1 (5.6)	8 (30.8)	9 (20.5)
	Increased	17 (94.4)	18 (69.2)	35 (79.5)
	Total	**18 (100)**	**26 (100)**	**44 (100)**
Total	Same	14 (9.4)	23 (19.7)	37 (13.9)
	Increased	135 (90.6)	94 (80.3)	229 (86.1)
	Total	**149 (100)**	**117 (100)**	**266 (100)**

Note: Figures in parentheses are percentages.
Source: *Field Survey*

5.3.1.13 Improved Sanitation

Regarding the changes in the awareness about health and hygiene during the period of membership, the data shows that there is a positive perception from the respondents. Table 5.13 shows that 74.4% of the members agreed that their sanitation has improved after joining the group. It is observed to be highest in Visakhapatnam, and lowest in East Godavari. It is found that in East Godavari, the majority of the members reported that there is no improvement in their awareness about sanitation even after joining SHGs. In this district, the majority of the SC and ST members reported that there is no significant increase in their awareness about sanitation after joining SHGs. Before joining SHGs, the SC and ST members mainly worked as agricultural laborers, daily wager, and they were economically very poor. In the case of BC community, the majority of the members reported that there is a significant increase in their awareness about sanitation after joining SHGs. Table 13 also indicates that among all social groups, the SC members consisting of 87.7%, OBC of 75.4%, ST of 66.7% and OC of 52.3% reported that there is a significant increase in their awareness about sanitation after joining SHGs.

Table 5.13. District-wise Details of Sanitary Awareness / Improvement among SHG Members

Social Group	Status of sanitation Awareness	District		Total
		Visakhapatnam	East Godavari	
ST	Same	2 (16.7)	3 (100)	5 (33.3)
	Increased	10 (83.3)	0 (0)	10 (66.7)
	Total	**12 (100)**	**3 (100)**	**15 (100)**
SC	Same	2 (3.4)	7 (50)	9 (12.3)
	Increased	57 (96.6)	7 (50)	64 (87.7)
	Total	**59 (100)**	**14 (100)**	**73 (100)**
OBC	Same	3 (5)	30 (40.5)	33 (24.6)
	Increased	57 (95)	44 (59.5)	101 (75.4)
	Total	**60 (100)**	**74 (100)**	**134 (100)**
OC	Same	1 (5.6)	20 (76.9)	21 (47.7)
	Increased	17 (94.4)	6 (23.1)	23 (52.3)
	Total	**18 (100)**	**26 (100)**	**44 (100)**
Total	Same	8 (5.4)	60 (51.3)	68 (25.6)
	Increased	141 (94.6)	57 (48.7)	198 (74.4)
	Total	**149 (100)**	**117 (100)**	**266 (100)**

Note: Figures in parentheses are percentages.
Source: *Field Survey*

5.3.1.14 Level of Women's Mobility and Empowerment

Table 5.14 shows that 39.4% of the members reported that they have confidence to visit and participate in activities outside their homes and villages but 66.6% of the members corresponded that they did not participation outside the villages or the nearby villages. Of the 39.4% of the members who are quite confident to go outside their homes, the majority belongs to Visakhapatnam district. This establishes that women empowerment is directly influenced by their confidence and social mobility. The study observed that among the social groups, the majority of the SC members go outside their villages.

Table 5.14. District -wise Details of Women's Mobility and Empowerment

Social Category	Mobility	District		Total
		Visakhapatnam	East Godavari	
ST	Same	7 (58.3)	2 (66.7)	9 (60)
	Increased	5 (41.7)	1 (33.3)	6 (40)
	Total	**12 (100)**	**3 (100)**	**15 (100)**
SC	Same	32 (54.2)	2 (14.3)	34 (46.6)
	Increased	27 (45.8)	12 (85.7)	39 (53.4)
	Total	**59 (100)**	**14 (100)**	**73 (100)**
OBC	Same	42 (70)	50 (67.6)	92 (68.7)
	Increased	18 (30)	24 (32.4)	42 (31.3)
	Total	**60 (100)**	**74 (100)**	**134 (100)**
OC	Same	11 (61.1)	15 (57.7)	26 (59.1)
	Increased	7 (38.9)	11 (42.3)	18 (40.9)
	Total	**18 (100)**	**26 (100)**	**44 (100)**
Total	Same	92 (61.7)	69 (58.9)	161 (60.6)
	Increased	57 (38.3)	48 (41.1)	105 (39.4)
	Total	**149 (100)**	**117 (100)**	**266 (100)**

Note: Figures in parentheses are percentages.
Source: *Field Survey*

5.3.1.15 Role of Women in Household Financial Decision Making.

Women who are involved in the household financial decision-making are definitely more empowered because men generally dominate the financial decision-making area of the family. The respondents were asked about their independence and contribution in making financial decisions like budget allocation, when to get a loan, amount and source of loan, saving, buying and selling of household durables, etc. Table 5.15 shows the role of women in the household financial decision-making.

A perusal of the table shows that the majority of the members consisting of 75.2%have reported that SHG members are making household financial decisions and thus their power is increased. The remaining 24.8% reported that there is no change in their power to make financial decisions. However, in a majority of cases, both husband and wife jointly take the household decisions. The study observed that in Visakhapatnam the majority of the members reported that after joining SHG their decision making power in household finances has increased. Here SHGs function in a democratic manner.

Holding regular meeting among the group members is one of the activities of the SHGs that have ensured effective participation of members. The number of meetings held per month by SHGs, attendance of the members and participation of members in the group meetings are indicators of the effective functioning of the SHGs. These are generally looked into by banks before deciding on extending credit facilities to the SHGs. Ideally, the meetings should be held on weekly or at least monthly basis, so that the members could meet frequently which helps in establishing a bond and understanding towards each other and their difficulties in life. By attending meetings and participating in discussions, the members gain knowledge about the rules and regulations of the SHG, which in turn empower the members to take part in decision-making process. In this way, microfinance programme raises the economic status of women and they feel more empowered within their families.

Table 5.15. District- wise Details of SHG Members Engaged in Financial Decision Making

Social Group	Status of decision making	Name of the Districts		Total
		Visakhapatnam	East Godavari	
ST	Same	2 (16.7)	2 (66.7)	4 (26.7)
	Increased	10 (83.3)	1 (33.3)	11 (73.3)
	Total	**12 (100)**	**3 (100)**	**15 (100)**
SC	Same	4 (6.8)	6 (42.9)	10 (13.7)
	Increased	55 (93.2)	8 (57.1)	63 (86.3)
	Total	**59 (100)**	**14 (100)**	**73 (100)**
OBC	Same	7 (11.7)	27 (36.5)	34 (25.4)
	Increased	53 (88.3)	47 (63.5)	100 (74.6)
	Total	**60 (100)**	**74 (100)**	**134 (100)**
OC	Same	1 (5.6)	17 (65.4)	18 (40.9)
	Increased	17 (94.4)	9 (34.6)	26 (59.1)
	Total	**18 (100)**	**26 (100)**	**44 (100)**
Total	Same	14 (9.4)	52 (44.4)	66 (24.8)
	Increased	135 (90.6)	65 (55.6)	200 (75.2)
	Total	**149 (100)**	**117 (100)**	**266 (100)**

Note: Figures in parentheses are percentages.
Source: *Field Survey*

5.3.1.16 Impact of Microfinance on Income of the SHG Members.

In any agriculture or non-agriculture activity, the relationship between generation of income and employment opportunity can be ascertained based on the amount of income generated. The increase in employment opportunities leads to increase in earnings. Puhazehdhi and Satya (2000) conducted a survey of 223 SHGs functioning in 11 states representing four different regions of the country. For assessing the impact of the program, the survey looked at two periods: one, prior to the introduction of the SHG, and two, after the introduction of the SHG. The study found that the average net income of each household increased from ₹ 2,077 to 26,889**.** In other words, the net income increased 33% following the arrival of the SHG. The study concluded that SHG as an institutional arrangement could positively contribute to the economic and social empowerment of the rural people. Another study was conducted by Puhazehdhi (2000) in Tamil Nadu that covered 70 SHGs and 1,041 members. It found that net increment in the income due to the program implementation was ₹ 2,424 for all the groups. And it was relatively more in groups that performed well earning ₹ 1,650 and ₹ 1,299 respectively. Sebastian (2001) conducted a survey of 340 SHG members engaged with NGOs in Central Tamil Nadu. It found that the overall average increment in income for all households that took loans for productive purpose was ₹ 376.75 per month. The study also found that more than 60% of the members reported a monthly increase in their incomes of above ₹300 after engaging in income-generating activities.

Table 5.16. District -wise Details of Monthly Income of SHG Members

Social Group	Individual income (₹)	District		Total
		Visakhapatnam	East Godavari	
ST	Same	2 (16.7)	1 (33.3)	3 (20)
	Increased	10 (83.3)	2 (66.7)	12 (80)
	Total	**12 (100)**	**3 (100)**	**15 (00)**
SC	Same	1 (1.7)	2 (14.3)	3 (4.1)
	Increased	58 (98.3)	12 (85.7)	70 (95.9)
	Total	**59 (100)**	**14 (100)**	**73 (100)**
OBC	Same	3 (5)	9 (12.2)	12 (9)
	Increased	57 (95)	65 (87.8)	122 (91)
	Total	**60 (100)**	**74 (100)**	**134 (100)**
OC	Same	1 (5.6)	1 (3.8)	2 (4.5)
	Increased	17 (94.4)	25 (96.2)	42 (95.5)
	Total	**18 (100)**	**26 (100)**	**44 (100)**
Total	Same	7 (4.7)	13 (11.1)	20 (7.5)
	Increased	142 (95.3)	104 (88.9)	246 (92.5)
	Total	**149 (100)**	**117 (100)**	**266 (100)**

Note: Figures in parentheses are percentages.
Source: *Field Survey*

The distribution of monthly income of the SHGs members shows that before the implementation of SHGs, the monthly income of the members in the region was very low and most of them were living in the below poverty line category. However after the introduction of SHGs, the monthly income of the members has increased significantly. Table 5.16 shows the details of the monthly income of the members of the SHGs. The table shows that the income of 92.5% of the members increased, while 7.5% of the member reported that the monthly income did not change even after joining the SHGs. It is interesting to note that the majority of the members in Visakhapatnam reported that after becoming the members of the SHG the monthly income of all most all members increased because of their engagement in income generation activities and their growth is better compared to East Godavari district.

5.3.1.17 Acquisition of Skills:

In the selected districts, 74.1% of the members reported that they have acquired new skills or improved their skills. And 25.9% of the members reported that their skills remained the same with no sign of change (the SHG members are participated various development programme). The details regarding acquisition of skills are presented in Table 5.17. The district wise analysis shows that the growth in acquisition of skills is highest in Visakhapatnam with 87.2%.It is observed that the majority of the members attended the grouping meeting regularly. The category wise distribution shows that the members of SC community have reported the most cases of change or increase in acquisition of skills and they are followed by ST, OBC and OC.

Table 5.17: District -wise Details of Acquisition of Skills by SHG Members

Social Group	Acquisition of skills	Name of the Districts		Total
		Visakhapatnam	East Godavari	
ST	Same	3 (25)	1 (33.3)	4 (26.7)
	Increased	9 (75)	2 (66.7)	11 (73.3)
	Total	**12 (100)**	**3 (100)**	**15 (100)**
SC	Same	5 (8.5)	7 (50)	12 (16.4)
	Increased	54 (91.5)	7 (50)	61 (83.6)
	Total	**59 (100)**	**14 (100)**	**73 (100)**
OBC	Same	10 (16.7)	28 (37.8)	38 (28.4)
	Increased	50 (83.3)	46 (62.2)	96 (71.6)
	Total	**60 (100)**	**74 (100)**	**134 (100)**
OC	Same	1 (5.6)	14 (53.8)	15 (34.1)
	Increased	17 (94.4)	12 (46.2)	29 (65.9)
	Total	**18 (100)**	**26 (100)**	**44 (100)**
Total	Same	19 (12.8)	50 (42.7)	69 (25.9)
	Increased	130 (87.2)	67 (57.3)	197 (74.1)
	Total	**149 (100)**	**117 (100)**	**266 (100)**

Note: Figures in parentheses are percentages.

Source: *Field Survey*

5.3.1.18 Attitude towards Female Education:

This indicator represents the thinking, awareness, psychology and authority of a woman. The sense of gender equality in a woman reflects in her idea to send the girl child to school. A woman is considered socially empowered if she can take decisions for the well-being of her family against the general social customs. It is found that almost all the children up to the age of 10 are going to school without discrimination on the basis of sex. And even in higher education level, female children are enrolled in different schools. The reason may be that the members are more able to bear the expenditure for higher education. Table 5.18 shows that 40.2% of the members are sending their girl children to school. Of the members who send the girls to school, the percentage is highest in Visakhapatnam whereas it is lower in East Godavari district. Field observation shows that 59.8% of the members do not sending their girl child to school. Of these members, the majority belongs to OBC, and they are followed by OC, SC and ST (which have the lowest).

Table 5.18. District-wise Details of SHG Members' Female Children Attending School

Social Category	Girls attending school	District		Total
		Visakhapatnam	East Godavari	
ST	Yes	6 (50)	2 (66.7)	8 (53.3)
	No	6 (50)	1 (33.3)	7 (46.7)
	Total	**12 (100)**	**3 (100)**	**15 (100)**
SC	Yes	27 (45.8)	6 (42.9)	33 (45.2)
	No	32 (54.2)	8 (57.1)	40 (54.8)
	Total	**59 (100)**	**14 (100)**	**73 (100)**
OBC	Yes	23 (38.3)	23 (31.1)	46 (34.3)
	No	37 (61.7)	51 (68.9)	88 (65.7)
	Total	**60 (100)**	**74 (100)**	**134 (100)**
OC	Yes	11 (61.1)	9 (34.6)	20 (45.5)
	No	7 (38.9)	17 (65.4)	24 (54.5)
	Total	**18 (100)**	**26 (100)**	**44 (100)**
Total	Yes	67 (45)	40 (34.2)	107 (40.2)
	No	82 (55)	77 (65.8)	159 (59.8)
	Total	**149 (100)**	**117 (100)**	**266 (100)**

Note: Figures in parentheses are percentages.
Source: *Field Survey*

5.4. Concluding Remarks

The impact of microfinance on women is analyzed using various indicators. It is observed that the impact is evident in the changes in asset, income, consumption pattern and above in savings level and thrift planning. These growths were minimal or absent in the post SHG period. Apart from economic empowerment, the SHG members have attained social empowerment, which may be solely attributed to SHGs and the concept of micro financing.

It is also observed that there are changes in the attitude against social issues such as gender discrimination, dowry, equal property right, right to equal nutrition, health attention and education in treatment of girl child, widow remarriage, participation in decision making within the households affairs such as deciding about the education of the children, the schools to be considered, the standard up to which the children are to be educated, the course to be chosen, the mode of transportation, age of marriage, and marriage of the children. Women are now taking great interest in matters like purchase of land, jewelry and consumer durables, sources of borrowing and savings, participation in community affairs, membership in village development councils, representing the problems to the concerned authorities, traveling outside without the support of anyone, participation in local elections.

Women have also started questioning the non-performance of the chosen local government, questioning the revenue and expenditure structure, presenting the problems of their villages such as shortage of drinking water, construction of overhead tanks or other sources to improve the base of the drinking water, desalting of tanks. They also show interest in education sector as they address the attendance of the school teachers, the teacher-pupil ratio, and the quality of the mid-day meal. Their interest is every increasing as they look into the infrastructure of schools and villages such as road, transport and communication, banks, post office, school buildings, hospitals, regular visit of doctors or the health assistants. And as proud women they observe women's day and also celebrate other honorable days. Given the progress, social empowerment is more pronounced than economic empowerment.

Apart from these achievements, they are confident to participate in meetings and to make decisions regarding loans, savings, repayment norms and installments. They have also started attending various seminars which is in the best interest of the group. In the decision-making process, women's participation increased after joining SHGs. With OC communities being the highest and ST communities being the lowest, in line with the better socio -economic indicators of the former. Interestingly across all the communities, husbands (including that of SHG members) play a majority role in spending the income. However, the role of women in household financial decision making increased positively.

Microfinance increases the ability of women to visit the market by improving their self-confidence. Thus, majority of women go to market to buy groceries irrespective of their community strata. In fact increase in confidence level was highest among the SC communities SHGs followed by OBC, OC and ST SHG groups. Consequently, they were able to raise their voice against social problems and exploitation. For instance, attitude towards female education also improved. This in turn enhanced female world view and authority. Heightened social awareness also led to increase in positive perception about social discrimination. Similarly, SHG group members voting participation in local level elections improved for SC and ST communities indicating positive political empowerment.

SHGs also equip members with newer Skill acquisition like negotiation, financial literacy etc. Thereby there is a significant increment in income as well as loans for productive purposes due to SHG program implementation.SC women of SHG group constitute the highest percentage group visiting the bank, indicating the highest level of economic empowerment gain.

No wonder less than 50% SHG women take permission from their husband to visit a friend's place. Interestingly, liberty to engage in family planning was highest among ST communities followed by SC, OBC and OC communities. Moreover, significant gain observed in nutritional status and sanitation awareness across the board.

Thus, microfinance improves the social standing, self-esteem and greater decision-making participation in communities leading to holistic women empowerment not just on economic, social and political front but on personal/ psychological front too.

Chapter VI

SUMMARY, MAIN FINDINGS AND POLICY IMPLICATIONS

6.0. Introduction

The current study aims to analyse the impact of microfinance on women empowerment in select districts of the Indian state of Andhra Pradesh. The impact with respect to bank funded Self-Help Groups (SHGs) is assessed, while also reviewing the past studies presenting the link between microfinance and empowerment of women. The socio-economic characteristics of SHGs in the districts under study are also analysed.

Microfinance could be visualized as an operational tool to help the poor and disadvantaged women population, especially in the rural and semi-urban areas, along with those in the urban slums to earn sustainable livelihood by ensuring that they can access and use formal financial services. Microfinance also exerts a positive impact on investment in human and physical capital, besides alleviating the effects of poverty on households. To our knowledge, there is no study till date that has investigated the performance and impact of microfinance through SHGs in economically diverse and critical districts of the state of Andhra Pradesh post the state's bifurcation in 2014. In the light this, the present attempts to present an overview and review of the link between microfinance activities and women empowerment, and then to assess the socio-economic characteristics of women members of SHGs in selected districts of the bifurcated state of Andhra Pradesh and then to assess the impact of microfinance on women empowerment.

6.1. Need for the present study

There is a need to investigate the living standards and status of empowerment of women. Though there are several studies on SHGs, there has not been a comprehensive study to focus on aspects such as nutrition, sanitation, female literacy, decision making, mobility, skill acquisition, financial independence and to assess the trends and status of SHG women in AP as to whether there is an improvement in living standards and empowerment. The current study positions itself in this context to inquire into the living conditions of SHG women, especially in respect of Women empowerment.

6.2. Objectives of the Study

The present study refers to the state of Andhra Pradesh. The broad objectives of the study are as follows:

- To have an overview of bank funded microfinance activities
- To present a compressive review of the link between microfinance and women empowerment.
- To assess the socio-economic characteristics of Self-Help Groups members.
- Assessing the impact of microfinance on women empowerment

6.3. Hypotheses of the Study

The study aims to test the following hypotheses in an empirical framework:

1. Bank Funded Self Help Groups have made a significant impact on the overall wellbeing of SHG families.
2. There is an Improvement in nutritional status in the SHGs families
3. Members of SHGs have achieved financial independence.
4. There has been a significant improvement in female literacy among the children of SHG families.
5. Participation in SHGs has promoted entrepreneurial qualities among SHG members.

6.4. Study Area

The study is confined to state of Andhra Pradesh. Reasons for selecting AP are as follows:

The first and foremost reason for choosing to study the performance and impact of SHGs in Andhra Pradesh is the slowing down of the state economy post-bifurcation in 2014. Thus, against the background of a retarding economy, it is felt that the incremental impact of microfinance may be evaluated in a more critical academic environment, since greater economic adversities present more challenges to their operational capabilities.

At current prices, Andhra Pradesh's Gross State Domestic Product (was Rs. 9,72,782,11 crore (US 138.19 billion) in 2019-20. The GSDP increased at a CAGR of 12.64% from 2015-16 to 2019-20. The state’s per capita GSDP in 2019-20 was Rs

1,88,370.33 (US $2,675.9). Per capita GSDP increased at a CAGR of 11.98 between 2015-16 and 2019-20. In 2019-20 the services sector accounted for 41.80% in the total GVA of the state, followed by agriculture and allied 39.99% and industry 18.21%. The agriculture and allied sector grew at the fastest rate at 15.89% between 2011-12 and 2019-20 followed by services sector 12.52% and industry sector 6.27%.

In Andhra Pradesh, 83.53 lakh rural women have been institutionalized into 8.35 lakh SHGs. A total of 28,185 Village Organizations (662 Mandal Samakhyas (MS) and 13 Zilla Samakhyas (ZS) have come into existence across AP. The total savings by the members is Rs. 8,564.43 Crore. The corpus available with SHG members is close to Rs. 10,655.01 Crores. Out of 83.53 lakh rural SHG members, 100% of the members have their individual member SB accounts in banks Climatic uncertainties vagaries of monsoon along the coast have led to agrarian distress. This pushed people, especially women from agriculture to allied activities. Since women have lower levels of skill sets and cannot migrate to far off places, they are compelled to relocate themselves in allied commercial activities such as kirana shops, knitting, tailoring, handicrafts, diary, poultry, goat rearing etc. In order to get into these activities, women have the only choice to actively participate in SHGs.

The present study is confined to coastal Andhra Pradesh. Two districts are chosen for study purposes: Visakhapatnam and East Godavari. Visakhapatnam is chosen since the district has a contrast wherein the developed urban segment co-exists with underdevelopment areas. In Visakhapatnam, in the urban space allied activities are concentrated, uneven distribution of growth enables to study the contrast in living conditions of women. On the other hand, East Godavari is a majorly agrarian district with evenly distributed allied activities. There is greater functional literacy in the district, while the technical skill set of women is lesser. Another important factor that has presented a strong case for East Godavari to be included in the study area is its distinctive entrepreneurial atmosphere.

6.5. Major Findings

A total of 60 villages were selected from Vishakhapatnam and East Godavari districts for the study (30 from each district). 200 respondents were identified in Vishakhapatnam district and an equal number of respondents from East Godavari district. After conducting the field survey, it was observed that there are partial response cases, which resulted in sample being reduced to 149 in Vishakhapatnam district and 117 in East Godavari district. Finally, a total of 266 respondents are considered for the study. The average number of respondents for the study is 5 and 4 per SHG in Vishakhapatnam and East Godavari districts, respectively.

To understand as to who the decision-maker in the family is, data was collected on purchase/sale of household assets, family savings, children's education, and marriage. There has been increase in decision making by women after joining in SHG groups. About 48.1% take permission from their husbands to visit their friends' homes. The district-wise analysis reveals that 49% of the members in Visakhapatnam and 47% in East Godavari district take permission from their husbands to go to friends' homes. About 86.8% of the members reported that they have the liberty to plan for the family on matters such as pregnancy, childbirth, and family planning issue. The highest percentage is recorded in Visakhapatnam, while the lowest is recorded in East Godavari Taking nutritious food is very important for a person's health. Out of the selected samples, 86.1% reported that their nutrition status has significantly improved after joining the SHGs. It is important to note that in the two selected districts, majority of the members reported that there is a significant improvement in their nutritional status after joining the SHGs. It is observed that in Visakhapatnam about 90.6% and in East Godavari about 80.3% of the members agreed that their nutrition level improved.

Regarding changes in awareness about health and hygiene during the period of membership, the data shows that there is a positive perception from the respondents. 74.4% of the members agreed that their sanitation has improved after joining the group. It is observed to be higher in Visakhapatnam as compared to East Godavari. It is found from the study that they have confidence to visit and participate in activities outside their homes and villages. This establishes that women empowerment is directly influenced by their confidence and social mobility. The study observed that among the social groups, most of the SC members go outside their villages.

In the selected districts, 74.1% of the members reported that they have acquired new skills or improved their skills. "The district wise analysis shows that the growth in acquisition of skills is highest in Visakhapatnam with 87.2%. It is observed that most of the members attended the SHG meetings regularly. This indicator represents the thinking, awareness, psychology and authority of a woman.

The sense of gender equality in a woman reflects in her idea to send the girl child to school. A woman is considered socially empowered if she can take decisions for the well-being of her family against the general social customs.

Significant positive results were found from the study. It is found from that there has been an improvement in nutritional status among SHGs family members. From the results, we can infer that woman who participated in the SHGs have achieved financial independence. It is also observed that there is improvement in self-confidence and reduced insecurity among women after participation in SHGs. From the results we can also infer that participation in SHGs has promoted the entrepreneurial qualities among SHG members. It is observed that there is significant improvement in women empowerment, especially economic and social empowerment. It is found that bank funded SHGs have made a significant impact on the overall wellbeing of SHG families.

6.6 Policy Recommendations

Following the results of the study, several relevant policy implications arise. These policy implications may be categorized into those relating to the social and economic empowerment of women in the study area. The districts of Vishakhapatnam and East Godavari bear out striking implications regarding the welfare effects of participation in SHGs by women, the most important among which are summarized in the paragraphs below.

6.6.1 Social Empowerment

Though government is providing nutritional support but still there is a scope to improve by adding sufficient measures like adding other nutritional supplements apart from rice and pulses in the daily diet. There is a need to improve sanitation and hygiene facilities by creating more awareness and involving civil society and volunteering organizations. Encouraging women to be an active participant in the democratic processes and facilitating active leadership by women is one of the core needs of today/s governance. To provide safe and secure environment for mobility and psychological security for women by addressing concerns of crime against women, active initiation by police department, civil society organizations, human rights commissions, and awareness through media are the need of the hour.

6.6.2 Economic Empowerment

A woman with a voice is, by definition, a strong woman. Empowering the girl child and women to voice their views and opinions in all forums is the crux of women empowerment. Skill improvement programmes should be strengthened by periodically conducting programmes exclusively for women in order to improve skill acquisition. There is a scope for the Government to concentrate on women focussed programmes. To improve the financial independence among women there is a scope for the government to increase the base and corpus of SHGs. There is a need to improve to create more awareness regarding the allied activities to improve the entrepreneurship among women. Financial awareness programmes should be conducted in villages to improve the financial decision making particularly in women. Counselling for men along with women will help the families emerge from the conservative shackles. Government along with civil society can play a bigger role to improve empowerment through quality-of-life improvement for women in the society.

For any individual, especially for a rural woman, being socially and economically empowered plays a crucial role in ensuring that her esteem in the society rises along with the standard of living of her family. Hence, it is felt that the recommendations mentioned above, which follow directly from the study, could possibly help in realizing the potential of rural women in taking control of their own lives as well as steering their families out of unforeseen economic hardships, besides contributing positively to the economy at large.

Hence, it is felt that participation of women in economic activity through SHGs is a transformatory tool to ensure that rural women, and by extension, their households, are able to ably fight the twin evils of poverty and unemployment, while ensuring that there is a palpable increase in their income earning capacity. Such an involvement with SHGs is also observed to lead to strengthening of peer-to-peer relations, develop skills that can help them earn livelihood and build credit histories for those involved in microcredit.

Annexure I

Microfinance and Empowerment of Women: A Study of SHGs in Select Districts of Andhra Pradesh

<u>QUESTIONNAIRE</u>

Contents

Section 1: Respondent Details

1.1	Respondent code number (from list):		
1.2	Respondent Name:		
1.3	Place of Stay:		
1.4	Gender of respondent. [Observation only]	Female	
		Male	
1.5	Respondent Age:		
1.6	What is your marital status?	Married	
		Single	
		Widow	
1.7	What is your religion		
1.8	What caste do you belong to?		
	General		
	OBC		
	SC		
	ST		
	Others, please specify		
1.9	What educational level have you achieved at the moment?		
	Illiterate		
	Elementary (Class 5)		
	Middle (Class 8)		
	High School		
	Intermediate		
	Technical college graduate		
	University graduate		
	Post-graduate		
	Other [Specify]		
1.10	Are you employed? 1) Yes 2) No If yes, where		

First, I would like to ask some questions about you. If you do not wish to answer a particular question, please feel free to say.

Section 2: Household Information

2.1	How many people stay at your home?	
2.2	What is the principal occupation of the household?	
2.3	How many of them are earning members?	
2.4	What does your husband/ father do for a living?	
2.5	What is the education level of members in your family?	
2.6	Are any other women of your household employed? 1) Yes 2) No If yes, where?	
2.7	Are your children going to school? 1) Yes 2) No	
2.8	Are girls in your family going to school? 1) Yes 2) No	
2.9	Does your household use any land or property (for farming/livestock/renting out etc.)? 1) Yes 2) No	
2.10	Are you staying in your own home or is it leased?	
2.11	Do you have access to water/ electricity/ roads? 1) Yes 2) No	
2.12	Does the household own a scooter or motorcycle or any other mode of transport?	
2.13	What appliances does your household have? (Television, refrigerator, stove)	
2.14	Can you tell me out of 100 rupees of your household expenditure how much do you think is spent on the following in an average month?	

2.14	1	Food	
	2	Rent and housing costs	
	3	Water and electricity bills	
	4	Clothing	
	5	Loan repayment	
	6	Livelihood related expenses	
	7	Education fees/costs	
	8	Healthcare expenses	
	9	Savings	
	10	Entertainment	

Section 3: Economic Activity

Table 3.1 Income sources in the family

<table>
<tr><th colspan="3" rowspan="2">3.1 Source of income</th><th colspan="3">Income earned (previous year) Rs</th></tr>
<tr><th>SHG Member</th><th>Other Family Member</th><th>Total Income</th></tr>
<tr><td rowspan="5">Agricultural</td><td colspan="2">Cultivator</td><td></td><td></td><td></td></tr>
<tr><td colspan="2">Agricultural labor</td><td></td><td></td><td></td></tr>
<tr><td colspan="2">Animal husbandry/ dairy</td><td></td><td></td><td></td></tr>
<tr><td colspan="2">Fishery</td><td></td><td></td><td></td></tr>
<tr><td colspan="2">Forestry</td><td></td><td></td><td></td></tr>
<tr><td rowspan="3">Non-agricultural</td><td>Self-employment</td><td>Business (shop, trade, tailor, barbers, petty shop, hotel, handicrafts, artisans, laundry/dobby, cloth shop, kirana shop., etc)</td><td></td><td></td><td></td></tr>
<tr><td rowspan="2">Non-Agricultural</td><td>Regular employment</td><td></td><td></td><td></td></tr>
<tr><td>Wage labour</td><td></td><td></td><td></td></tr>
<tr><td rowspan="3">Government</td><td colspan="2">Policies (pension, drought relief, etc.,)</td><td></td><td></td><td></td></tr>
<tr><td colspan="2">Regular employment on wage/ salary</td><td></td><td></td><td></td></tr>
<tr><td colspan="2">Temporary/ contract employment on wage/ salary</td><td></td><td></td><td></td></tr>
<tr><td rowspan="4">Any other source of income</td><td colspan="2">Leased out land</td><td></td><td></td><td></td></tr>
<tr><td colspan="2">Leased out livestock</td><td></td><td></td><td></td></tr>
<tr><td colspan="2">Renting out of machinery/ house</td><td></td><td></td><td></td></tr>
<tr><td colspan="2">Interest and dividends</td><td></td><td></td><td></td></tr>
<tr><td colspan="3">Grand total</td><td></td><td></td><td></td></tr>
</table>

Information of Household Credit

<table>
<tr><td rowspan="2">3.2</td><td colspan="2" rowspan="2">Did you borrow in the recent past?</td><td>1.</td><td>Yes</td><td></td></tr>
<tr><td>2.</td><td>No</td><td></td></tr>
<tr><td rowspan="11">3.3</td><td colspan="5">Purpose of loan:</td></tr>
<tr><td>1</td><td>Repayment of debt</td><td colspan="3"></td></tr>
<tr><td>2</td><td>Consumption</td><td colspan="3"></td></tr>
<tr><td>3</td><td>Children education</td><td colspan="3"></td></tr>
<tr><td>4</td><td>Medical</td><td colspan="3"></td></tr>
<tr><td>5</td><td>Marriage</td><td colspan="3"></td></tr>
<tr><td>6</td><td>Festivals</td><td colspan="3"></td></tr>
<tr><td>7</td><td>Agricultural</td><td colspan="3"></td></tr>
<tr><td>8</td><td>Non-agricultural</td><td colspan="3"></td></tr>
<tr><td>9</td><td>Dairy</td><td colspan="3"></td></tr>
<tr><td>10</td><td>Livestock</td><td colspan="3"></td></tr>
</table>

	11	Small business			
	12	Household Asset			
	13	Migration			
	14	House repair			
	15	Others			
3.4	Rate of Interest:		1)	Free loan	
			2)	Interest percentage	
3.5	Mode of Payment:				
	A	1	Cash		
		2	Kind		
		3	Cash & Kind		
		4	Labour services (Number of days)		
		5	Others		
	B	a	Weekly		
		b	Monthly		
		c	Quarterly		
		d	Half yearly		
		e	Yearly		
		f	Harvesting season		
3.6	Collateral/mortages:				
3.7	Reason for loan:				
	1	Low interest rate			
	2	Less time to obtain loan			
	3	Fixable repayment schedule			
	4	Getting other services			
	5	Repay at any time			

About SHGs Loan

3.8	Total amount received from the bank on your group account?		
3.9	How did you distribute loan amount among the members?	1.Uniform/equal	
		2.Not uniform	
3.10	What is the minimum amount of present loan per member?	(Rs)	
3.11	What is the maximum amount of present loan per member?	(Rs)	
3.12	Did you start any income and employment generating activity? 1) Yes 2) No		
3.13	Registered/ recognized by Government?		
3.14	How much money did you need to start the business?		
3.15	Out of that how much was your own money?		

3.16	Was the SHGs loan amount sufficient for business? 1) Yes 2) No	
3.17	If no, where did you get the money?	
3.18	Do you participate in this work as a worker? 1) Yes 2) No	
3.19	If yes, how many hours do you work per day?	
3.20	How many days do you work per month and what was your profit?	

Loan Repayment and Training Programme Awareness

3.21	Source of repayment of previous loans	
3.22	Did you follow your repayment-schedule? 1) Yes 2) No	
3.23	If no, what is the reason?	
3.24	If you fail to repay, who will be held responsible?	
3.25	Did you attend any training programme? 1) Yes 2) No	
3.26	If yes, who organized the programme?	
3.27	What was the duration of training?	
3.28	Did you pay anything for the training?	
3.29	What are the benefits you gain from the programme? (please specify)	
3.30	Any specific problems you want to highlight which you might have encountered?	

Section 4: Social Capital

4.1	Which of these public service delivery apparatuses do you have access to?		
	1	Primary schools	
	2	Secondary schools	
	3	Medical clinic	
	4	Hospital	
	5	Agricultural extension	
	6	Transportation	
	7	Water supply	
	8	Sanitation services	
	9	Waste disposal services	
	10	Electricity supply	
	11	Other [Specify and add code:	

4.2	In which activities in your community are you allowed to participate?		
	1	None	
	2	Elections	
	3	Religious Festivals	
	4	Temple Functions	
	5	Marriages	
	6	Government School Functions	
	7	Local area community Meetings	
	8	Ward Meetings	
	9	Resident Welfare Association Meetings	
	10	Any other, please specify	
3.2	If you are not allowed, what could be the reason?		
	1	None	
	2	Poverty	
	3	Occupation	
	4	Lack of education	
	5	Gender	
	6	Age	
	7	Religion	
	8	Political affiliation	
	9	Ethnicity or language spoken/race/caste/tribe	
	10	Other [Specify and add code]:	
4.4	How often have you met with and talked to people from other social groups outside your home in the last month?		
4.5	Are you a beneficiary of any government schemes? If so, what are they?		

Section 5: Quality of Life Indicators

5.1	Which of these strata of the society do YOU consider yourself?		
		Below Poverty Line	
	2	Above Poverty Line	
	3	Middle class	
	4	Upper Middle class	
	5	Rich	
5.2	Does your home have a separate kitchen, bed, bathroom? 1) Yes 2) No		
5.3	Are you facing any financial difficulties? 1) Yes 2) No If yes, what are they?		
5.4	Do you have health services in your village/ town? 1) Yes 2) No If yes, what kind of hospital, access to ANMS, maternity and geriatric services)		
5.5	Do you get regular health check-ups? 1) Yes 2) No If so, how often?		
5.6	Does your village have a school? 1) Yes 2) No If yes, is it a primary, secondary or high school?		
5.7	Is there equality in education for boys and girls according to you? 1) Yes 2) No		
5.8	What are your plans for your children?		
5.9	Are you in a position to take your family for tours, religious functions, marriages, other events? 1) Yes 2) No		
5.10	Do you watch news? 1) Yes 2) No Do you discuss news and with whom?		
5.11	Have you encountered a situation which warranted you to go to a police station? 1) Yes 2) No		
5.12	Do you feel safe and secure at your home? 1) Yes 2) No		

5.13	Do you feel anxious while travelling during day/ night? Any particular reason, incident you may want to share?	
5.14	Do you feel alcohol consumption is causing turmoil in your life/ lives of others around you? 1) Yes 2) No	
5.15	Do you avail your right to vote? 1) Yes 2) No	
5.16	Do you have any political aspirations? 1) Yes 2) No	
5.17	What are the social care services available to you?	
5.18	What do you want to achieve in life?	
5.19	What are your efforts towards your goal?	
5.20	Do you feel you get social support from your family and friends? 1) Yes 2) No	

Section 6: Indicators of Empowerment

6.1	Who takes the decision in your family on a regular basis?		
	1	SHG member (self	
	2	Husband	
	3	SHG member jointly with husband	
	4	Elder people of the family	
	5	SHG member jointly with family	
6.2	Who takes decisions regarding property/ assets/ investments?		
6.3	Who goes to the market to buy groceries etc?		
6.4	Do you need permission to go to the market? 1) Yes 2) No		
6.5	Do you need permission to visit friends / relatives house? 1) Yes 2) No		
6.6	Are you facing harassment/ abuse- physical or mental/ dowry demands etc and how are you able to resolve them? 1) Yes 2) No		
6.7	Do you have liberty to plan your family (pregnancy, child birth, family planning)? 1) Yes 2) No		
6.8	Do you feel you can make your own personal decisions regarding Household Expenditure, Education and Health issues if you want to? 1) Yes 2) No		
6.9	Do you think other groups of people get better equal or worse treatment systems of justice compared to yourself? 1) Yes 2) No		

<table>
<tr><td rowspan="13">6.10</td><td colspan="4">Impact of financial inclusion on socio-economic status of the family members

1). Same 2). Increased 3). Decreased</td></tr>
<tr><td>Mobility</td><td></td><td>Recognition in family</td><td></td></tr>
<tr><td>Recognition in community</td><td></td><td>Interaction with --------------------</td><td></td></tr>
<tr><td>Literacy / education</td><td></td><td>Access to health service</td><td></td></tr>
<tr><td>Access to immunization</td><td></td><td>Access to sanitation facility</td><td></td></tr>
<tr><td>Asset building</td><td></td><td>Access to credit facilities</td><td></td></tr>
<tr><td>Family income</td><td></td><td>Acquisition of skills</td><td></td></tr>
<tr><td>Family planning awareness</td><td></td><td>Nutrition awareness</td><td></td></tr>
<tr><td>Decision making related to child centred</td><td></td><td>Girl child development awareness</td><td></td></tr>
<tr><td>Participation in development programmes</td><td></td><td>Decision making related to money matters</td><td></td></tr>
<tr><td>Income generation (Rs)</td><td></td><td>Individual income (Rs)</td><td></td></tr>
<tr><td>Employment generation (Numbers of days)</td><td></td><td>Others (specify)</td><td></td></tr>
</table>

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Microfinance and Empowerment of Women: A Study of SHGs in Select Districts of Andhra Pradesh

by Ajitha Vejendla

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