A Study of Concept and Growth Strategies of SHG's In Andhra Pradesh

A Doctoral Thesis Submitted In Partial Fulfillment For The Award Of Degree Of

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By

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DECLARATION

I hereby declare that the research embodied in the present thesis titled, "A study of concept and growth strategies of Self Help Groups in Andhra Pradesh" is an original work carried out by me under the supervision of Dr. P. Jyothi, professor, School of Management Studies, University of Hyderabad in partial fulfillment of the requirement for the award of degree of Doctor of Philosophy in Management.

I declare to the best of my knowledge that this thesis or a part thereof has not been earlier submitted for the award of degree at any other University or Institute.

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Place: Hyderabad

CERTIFICATE

This is to certify that the research work embodied in the present thesis entitled "A study of concept and growth strategies of Self Help Groups in Andhra Pradesh" was carried out by
A K Srinivas (Regd.No 07MBPH05) under my supervision, for the full period prescribed under the Ph.D ordinances of the University of Hyderabad.

I hereby declare that to the best of my knowledge that no part of the thesis has been submitted earlier for the award of degree at any other university or Institute.

Dean   Supervisor

School of Management Studies   (Prof. P. Jyothi)

Dedicated

To

"My beloved parents"

cooperation during data collection and in providing me with information during the course of the research

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ABBREVIATIONS

ADB	Asian Development bank
AP	Andhra Pradesh
APDPIP	Andhra Pradesh District Poverty Initiatives Project
APRPRP	Andhra Pradesh Rural Poverty Reduction Project
APL	Above Poverty Line
APM	Asst. project manager
APMAS	Andhra Padesh Mahila Abhivridhi Sangam
BC	Backward Caste
BPL	Below Poverty Line
CC	Community Coordinators
CEO	Chief executive Officer
CIF	Community Investment Fund
DO	District Organisations
DRDA	District Rural Development Agencies
DWCRA	Development of Women and Children in Rural Areas
DSL	Desired prosperity level
G20	Group of 20 nations
GDP	Gross domestic product
GKY	Ganga Kalyan Yojna
GLC	Ground Level Credit
GOI	Government of India
GPFI	Global Partnership for Financial Inclusion
GWP	Gross World product
IGA	Income Generating Activities
IKP	Indira Kranthi Pathakam
IMF	International Monetary Fund
IMO	Intermediary Micro financing Organisations
IRDP	Integrated Rural Development Program
JLG	Joint Liability Groups
MFI	Micro Finance Institutions
MFO	Micro Finance Organisations
MO	Mandal Organisations
MS	Mandal Samakhyas
MYRADA	Mysore Resettlement and Development Agency
NABARD	National Bank for Agriculture And Rural Development
NBFC	Non Banking Financial Company
NGO	Non Governmental organisation
NRLM	National Rural livelihoods Mission
PIP	Participatory Identification of Poor

PMRY	Prime Ministers Rozgar Yojana
PPK	Pala Pragati Kendram
RBI	Reserve bank of India
RMK	Rashtriya Mahila Kosh
ROSCA	Rotating Savings and Credit Associations
SC	Schedule Caste
SERP	Society for Elimination of Rural Poverty
SGSY	Swarnajayanthi Gram Swaraj Yojna
SHG	Self Help Group
SHPI	Self Help Promoting Institutions
SITRA	Supply of Improved Toolkits to Rural Artisans
ST	Schedule Tribe
STEP	Support to Training and Employment Programme
TRYSEM	Training of Rural Youth for Self Employment
VO	Village Organisations

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CHAPTERISATION OF THESIS

The research work is presented in seven chapters which are as follows:

- Introduction to the study
- Literature Review
- Research Methodology
- Data analysis
- Conclusion
- Suggestions and recommendations
- Case studies

Chapter-1: Comprises introduction to the concept of Self Help Group(SHG), history behind their formation, structure of SHG's, role, funding, movement in Andhra Pradesh, availability of various schemes, entry of micro finance, issues with the lending agencies and emergence of microfinance Bill 2011 and SHG-2.

Chapter-2: Focuses on review of literature that presents the findings of various researchers under the group headings (a) microfinance, business models and poverty eradication (b) various other aspects of micro finance (c) Self Help Groups formation and their utilization in the present context.

Chapter -3: Presents the research methodology, the research gaps identified by the researcher and the research questions that were framed to carry out the study including the pilot study results.

Chapter-4: Deals with the data analysis collected for research in the entire states of Telangana and Andhra Pradesh and is presented as:

- Factors contributing to joining the movement

- Chi squire test and regression analysis

- Scree plot

- Interviews with various stakeholders

Chapter-5: Focuses on the findings and conclusions including a model for growth strategy.

Chapter-6: Provides suggestions and recommendations based on the findings to various stakeholders for taking the concept forward.

Chapter -7: Presents select success stories of SHG members.

CHAPTER -1
INTRODUCTION

INTRODUCTION

Nations growth depends on its economic progress which most of the time of is based on the extensive aid and investments from developed countries to jump-start their economies. However, the world now sees this as not the right strategy. Growth depends on the degree of economic freedom a country enjoys, while the degree of freedom has many parameters. Two such main parameters are poverty and women empowerment. "In India there is a common perception in development literature that increased participation of women in savings and credit activities or economic attainment will empower women. Thus, Self Help Groups are seen as an important tool for empowering women. In the context of women's empowerment, it is assumed that women come together, find strength and move towards further knowledge and awareness and this process leads to further empowerment". Anil Kumar (2006)

Globally such groups are known to contribute in shaping the economies, empowerment as well as achieving Millennium Development Goals. In the year September 2000, the Heads of State and government gathered at United nations Headquarters at the dawn of Millennium adopted historic declaration, recognizing that, in addition to separate responsibilities to their individual societies, they have a collective responsibility to uphold the principles of human dignity, equality and equity at the global level. They recognized that they had a duty to world people, especially the most vulnerable (UN report-MDG-2000). All said and done still the status of women continues to be a concern not only in India but also across most of the countries in the world.

Empowerment is a multifaceted, multi dimensional and multilayered concept. Women's empowerment is a process in which women gain greater share of control over resources – material, human and intellectual like knowledge, information, ideas and financial resources like money and control over decision making in the home, community, society and nation and gain power. In order to give a fillip to empowerment of women, appropriate institutional mechanisms and interventions have been consciously built into the development design. Separate institutions for women

and child development, departments at the central and state levels, creation of national commission for women are some of the steps taken in this direction.

The principle of gender equality is enshrined in the Indian Constitution in its Preamble, Fundamental Rights, Fundamental Duties, and Directive Principles. The constitution not only grants equality to women, but also empowers to adopt measures of positive discrimination in favour of women.Within the framework of a democratic polity, our laws, development policies, Plans and programmes have aimed at women's advancement in different spheres. From the Fifth Five Year Plan (1974-78) onwards has been a marked shift in the approach to women's issues from welfare to development. In recent years, the empowerment of women has been recognized as the central issue in determining the status of women. The National Commission for Women was set up by an Act of Parliament in 1990 to safeguard the rights and legal entitlements of women. The 73rd and 74th Amendments (1993) to the Constitution of India have provided for reservation of seats in the local bodies of Panchayats and Municipalities for women, laying a strong foundation for their participation in decision making at the local levels.

However, there still exists a wide gap between the goals enunciated in the Constitution, legislation, policies, plans, programmes, and related mechanisms on the one hand and the situational reality of the status of women in India, on the other. This has been analyzed extensively in the Report of the Committee on the Status of Women in India, "Towards Equality", 1974 and highlighted in the National Perspective Plan for Women, 1988-2000, the Shramshakti Report, 1988 and the Platform for Action, Five Years After- An assessment" (National Policy for empowerment of Women (2001)

The global visibility of the process of women's empowerment has its roots in the 1960s civil rights movement of USA. A clear action plan to meet this development commitment was formulated at the Fourth World Conference on Women in Beijing, 1995. In India, the critical importance of women's empowerment has been recognized in the overall development framework of the country. The year 2001 was celebrated

as the 'Women's Empowerment Year' in India, and special policy initiatives and field projects have been undertaken for empowerment of Indian women.

According to Moser (1993) the concept of women empowerment has two dimensions:

1. Building self-reliance and internal strength of the women.

2. Ability to determine choices of life.

Kabeer (2008) advocates that women's empowerment should be measured and defined on the basis of abilities of women to make such choices. Kabeer distinguishes between strategic life choices and second-hand choices. Strategic life choices include ones such as where to live, who/whether to marry, how many children, etc., and second-hand choices are related to the quality of one's life, such as when to have dinner, when to go to the market, etc.furtheradvocates that choices should be 'evaluated in terms of their transformatory significance, the extent to which the choices made have potential for challenging and de-establishing social inequalities and the extent to which they merely express and reproduce these inequalities."

The second main parameter is poverty alleviation, a paramount objective of every nation of the world. Each nation looks out at better ways to reach out to its citizens and provide the much-needed sustenance so that the country prospers. One of the approaches that many nations followed is that of prudent macroeconomic management. The best tool to bring about a radical change across the nations was perhaps that of understanding and using of micro financing concepts. This has helped to bring in inclusive growth like never before. "The Group of Twenty" (also known as the G-20) is a group of finance ministers and central bank governors from 20 major economies. Collectively, the G-20 economies account for more than 80 percent of the gross world product (GWP),80 percent of world trade (including EU intra-trade), and two-thirds of the world population. G-20 has made financial inclusion a permanent policy priority by establishing the Global Partnership for Financial Inclusion (GPFI) to improve access to financial services for the world's unbanked. (www.g20.org/index-policy). Even other organisations like the World Bank, ADB etc, plays a pivotal role in formulating national strategies for financial inclusion, diagnoses needs and feasibility, also provide technical assistance, financing and

capacity building to ensure the resilience and sustainability of such plans. They played a catalytic role of policy and regulation.

Coming to the Asian landscape in terms of what microfinance did to bring about the inclusive growth: according to mix report on Asian region (2011) states that 62% of population in developing world are from this region. It comprises of 75% of worlds microfinance borrowers. It has 47% of world's microfinance deposit accounts, in numbers approximately 37 milliondeposit accounts. This suggests that microfinance, as a tool in alleviating poverty across the nations is a proven one. The number of active borrowers remained higher in South Asia when compared to the other regions in the world. The microfinance industry in Asia is one of the largest in the world with a huge number of microfinance service providers characterized by a strong focus on social mission. The market in India, Indonesia and the Philippines is more vibrant, where banks and non-bank financial institutions are gaining greater importance. In Nepal, Sri Lanka and Vietnam, there continues to be significant government involvement in service delivery, with micro credit used at a policy level. In India, Bangladesh, Indonesia and Philippines there was strong growth of the microfinance industry, in terms of outreach and operational and financial sustainability and efficiency, is gradually leading to the commercialization of the Microfinance Institutions. In Asia, the sheer numbers pose a challenge. The phenomenal growth in outreach of 58.6 million still leaves many, and in countries like Bangladesh, India, Pakistan and Philippines the industry faces two dilemmas, the first being sustainability versus expnsion in client base, and second being small versus larger loan sizes.

Table –1 showing the South Asian Market profile of Microfinance as on 2012

Countries reporting data in 2012	Number of MFI	45.7 million active borrowers	7.8 billion gross loan Portfolio (USD)
Afganisthan	6	116,315	127,115,315
Bangladesh	12	16,188,356	2,541,013,741
Bhutan	1	33,322	111,249,690
India	77	27,423,267	4,441,315,283
Nepal	19	641,977	149,592,049
Pakistan	10	1,065,819	236,579,305
Sri Lanka	8	190,999	185,414,113

Source: Mix Market Analysis–Asian Market prtfolio-2012

If one were to look at International Monetary Fund- world economic outlook database, fifteen micro finance markets with the largest exposure in responsibility's portfolio and these economies are set to see an increase in GDP growth to 6.2% in 2013 from a solid 4.7% in 2012. Out of which India is placed in the third place.

Table-2 showing IMF growth forecasts (Real GDP) for top most 15 important microfinance nations

Sl.No	Nation	2011	2013
1	Peru	6.0	5.8
2	Cambodia	6.5	6.7
3	India	4.9	6.0
4	Georgia	6.5	5.5
5	Ecuador	4.0	4.1
6	Armenia	3.9	4.0
7	Mongolia	12.7	15.7
8	Azerbaijan	3.9	2.7
9	Russia	3.7	3.8
10	Kyrgyzstan	1.0	8.5
11	Kenya	5.1	5.6
12	Colombia	4.3	4.4
13	Paraguay	1.5	11.0
14	Mexico	3.8	3.5
15	Bolivia	5.0	5.0
Average		**4.7**	**6.2**

Source: IMF World Economic Outlook Database, October 2012

The above table indicates that the emerging and developing nations are going strong and stable which indicatesusage of micro financing concepts for growth of countries and present a beautiful picture in development economics.

In a country like India to experiment with such an idea of using microfinance is a big challenge. If this concept needs to be applied then the most vulnerable segment of the population, the women folk of the country need to be addressed because they can act as good catalysts in the growth. But, women in India are always considered to be a part of minority since ages due to various reasons like the roots being in patriarchy system (a social system where in men have an upper hand) and more over they do not

enjoy certain privileges, like power, money, rights and opportunities. Over the years they are the "muted group" Muted Group theory was first proposed by Edwin Ardener (1987). Muted Group theory attempts to explain why certain groups in society are muted which means they are either silent or not heard. Ardener explained the Muted Group theory from a gendered perspective. Because females are constructed differently; these differences cause females to act in a different way than males. CherisKramarae (1981) in his study Human communication Theory, proposes that "women perceive the world differently from men because of women and men's different experiences and activities rooted in the division of labor"

Such a group needs to be taken care of if India needs to progress. To handle the various aspects Government of India (GOI) in the early 1980s, launched several programmes to alleviate poverty and to provide employment generation in rural areas such as Integrated Rural Development Program (IRDP), Development of Women and Children in Rural Areas (DWCRA), Training of Rural Youth for Self Employment (TRYSEM), GangaKalyan Yojna (GKY) etc., almost two decades later, in 1999 Swarnajayanthi Gram Swaraj Yojna (SGSY) came into existence duly merging the schemes of Integrated Rural Development Program (IRDP), Training for Rural Youth under Self Employment (TRYSEM) Development of Women & Children in Rural Areas (DWCRA) and Supply of Improved Toolkits to Rural Artisans (SITRA).

Training of Rural Youth for Self -Employment

The scheme - TRYSEM aimed at providing basic technical and entrepreneurial skill to the rural poor in the age group of 18-35 years enable them take up income generating activities (self/wage employment). It had been laid down that the coverage of youth from SC/ST communities should be at least 50% of rural youth trained. Out of the total beneficiaries, at least 50% should be women. The scheme had been merged into Swarnajayanti Gram SwarojgarYojana (SGSY) with IRDP, DWCRA etc. from April 1999.

Apart from the above, some of the noted schemes of GOI in terms of providing funding to the weaker sections for both youth and women are follows.

Prime Ministers RozgarYojana (PMRY)

The Govt. of India has launched PMRY scheme in 1993 to provide self-employment opportunities to the unemployed youth and women. Under the Prime Minister Rozgar Yojna, loans up to Rs. 1.00 lac for business and Rs. 2.00 lac for Industrial & Agricultural activities are advanced by the Banks to those unemployed Youth and Women who are between years 18 to 35 and 18 to 45 years of age respectively and whose income (including the income of the parents / spouse) does not exceed Rs. 40 thousand per annum and he/she should be permanent resident of the area or at least three years prior stay but in case of married women the residency criteria applies to her husband or in-laws. The educational qualifications for eligibility under the scheme are eighth standard pass.

Support to training and employment programme (step) for women

This scheme was launched as a Central Sector Scheme during 1986-87. It aims at making a significant impact on women by upgrading skills for self and wage employment. The target group includes the marginalized asset less rural Women and urban poor. This also includes wage Labourers, unpaid daily workers, female-headed households, migrant Labourers, tribal and other dispossessed groups, with special focus on SC/ST households, women headed households and families below the poverty line.

Rashtriyamahilakosh (rmk)

With a corpus of Rs.100 crore RMKextends micro-finance services to bring about the socio-economic upliftment of poor women. Credit is provided to the poor women beneficiaries through Intermediary Micro financing Organisations (IMOs) working at grass root level such as NGOs, Women Federations, Co-operatives, not for profit companies registered under Section 25 of the Companies Act and other Voluntary/Civil society organisations etc. by following a client friendly, simple, without collateral, for livelihood and income generation activities, housing and micro-enterprises.

Grameen Bank Model

Grameen Bank methodology is almost the reverse of the conventional banking methodology. Conventional banking is based on the principle that the more you have, the more you can get. As a result, more than half the population of the world is deprived of the financial services of the conventional banks. Conventional banking is based on collateral security; Grameen bank system is collateral- free. Grameen bank methodology is not based on assessing the material possession of a person; it is based on the potential of a person. Grameen bank believes that all human beings, including the poorest, are endowed with endless potential. Grameen Bank's objective is to bring financial services to the poor, particularly women and the poorest — to help them fight poverty, stay profitable and financially sound. It is a composite objective, coming out of social and economic visions.

Grameen Bank of Bangladesh Project was born in the village of Jobra, Bangladesh, in 1976. In 1983 it was transformed into a formal bank under a special law passed for its creation. The borrowers of the bank who are mostly women own it. It works exclusively for them. Borrowers of Grameen Bank at present own 95 percent of the total equity of the bank. The government owns remaining 5 per cent in Bangladesh.For adopting the Grameen bank model,

GOI has come out with the concept of organizing the rural poor who are living below the poverty line (BPL) into Self-Help Groups (SHGs) through social mobilization, capacity building and training, provision of revolving fund, making available credit and subsidy, technology, infrastructure and marketing.

The concept of SHGs was initiated two decades ago by the Govt. of India and brought in National Bank for Agriculture And Rural Development (NABARD) as the key player to strengthen the concept. It all might have originated from the understanding that every human being has tremendous potential in her/himself. This potential can be unearthed if the right environment is provided. Perhaps, this is one of the ideas that underpinned the evolution of the SHG all over the country. To unleash this hidden human possibility the concept of formation of SHG is in the opinion of the researcher "the best possible thought, well acted in time"

The Govt. machinery at central govt level at State level has realized the importance of development of rural women folk in India. The Indian constitution guarantees that there shall be no discrimination on grounds of gender. In reality the life of rural women is harder and is often discriminated against certain things like land, property rights, access to medical facilities and rural finance. Rural women are working hard by collecting water and firewood from far away places. Their nutritional levels are low and literary levels are poor when compared to men. They also command lower wages as labour: as non-agriculturallabourer's women earn Rs. 44 per day compared to men who earn Rs. 67 per day (United Nations report: 'Women in India - How free? How equal?' Data on population and literacy are based on India Census 2001)

The ideation of SHG's in India:

The Government of India has made several attempts to improve financial access and to reduce poverty. In this endeavour the policies of the Government and the intermediaries like the financial institutions play a key role. Financial access in the rural areas has become a reality through the formulation and functioning of Self Help Groups (SHG's).

Indian economy is characterized by low rate of growth, dominance of rural population, adverse land mass ratio, heavy dependency on agriculture, concentration of industries in urban areas, highly skewed distribution of income and wealth beside, high incidence of poverty and unemployment, poverty and unemployment are the two factors, that pose major challenges to the growth and prosperity of the country. In order to overcome this problem, some newly developed sectors like Micro Finance are playing vital role. Micro Finance is one of the most efficient and effective tools to fight against poverty. It is flexible in nature and it is acclaimed globally as a tool for eradicating poverty and improving the socio-economic conditions of the disadvantaged of the society. The benefits of Micro Finance reach to the beneficiaries through the mechanism of Self –Help Group (SHG). SHG is small group of poor people, who have voluntarily come forward to form a group for improvement of social and economic status of the members. The SHG (Self Help Group) – Bank Linkage Programme of NABARD has emerged as the primary model for providing

Micro Finance services in the country. Encouraged by the success of the programme, NABARD promoted the linkage of Micro- Finance Institutions (MFIs) with the banking sector.NABARD's vision of a participatory approach to development, with focus on social mobilisation and recognition of the potential of women in thrift and management, lead to the development of the self help group bank linkage model in our country.

The entire effort of the government is to eradicate poverty in the country and to have a sustainable development. Towards this goal many schemes and concepts have been put into practice. Atkinson (1989) distinguishes between two different concepts of poverty. One is the standard living concept where one is perceived as poor if one's total expenditure or consumption of specific goods falls below a given threshold. The other is the right to a minimum level of resources, where one is perceived as poor if one's income falls below a specified minimum level. The later is what concerns us when we are talking about the concept of below the poverty line (BPL). If we look a little deeper at the concept of poverty it has two dimensions- absolute and relative. The entire definition in short revolves round two things,

1. Concept of standard living

2. Concept of minimum acceptable level.

With this background it was felt that the poverty elimination programmes of the govt should address the above two key issues. Eradication of Poverty is the crucial and important issue for any country and especially for a developing country it is all the more necessary to handle it with kid gloves. Hence the entire wherewithal that India has, should work in tandem towards achieving this goal. The other objective was the empowerment of women.

We may trace the history of the evolution of this concept of empowerment, in the early 1980s, as the Government of India launched the Development of Women and Children in Rural Areas (DWCRA) program under the Integrated Rural Development Program (IRDP). Though the DWCRA program was not very successful in the rest of the country; it was successful in Andhra Pradesh. Integrated Rural Development Program, is the largest anti-poverty program implemented in India, was in place for

two decades. The Swarnajayanthi Gram Swarojgar Yojna (SGSY) is a major self-employment scheme launched in April 1999 after restructuring and combining the IRDP with allied programmes i.e. TRYSEM, DWCRA, SITRA, GKY, and MWS. It has been designed as a holistic self-employment scheme aimed at providing sustainable income to rural BPL families through income generating assets & economic activities so as to bring them out of the poverty line. It is a process oriented scheme involving processes like organization of the rural poor (BPL) into Self-Help Groups (SHGs) through social mobilization, capacity building & training, provision of revolving fund, making available credit and subsidy, technology, infrastructure & marketing.

SGSY adopts the SHG concept of group and savings, also provides capital and interest subsidy for investment loans. Unlike the SHG-based microfinance program, SGSY lending by banks is mandatory. The major change in SGSY from that of Integrated Rural Development Program is that a significant portion of the funds − both loans and grants are to be made available to SHGs rather than individuals. SHGs are supported where they exist and new ones promoted where they do not.

<u>NABARD</u>:

NABARD is set up as an apex Development Bank with a mandate for facilitating credit flow for promotion and development of agriculture, small-scale industries, cottage and village industries, handicrafts and other rural crafts. It also has the mandate to support all other allied economic activities in rural areas, promote integrated and sustainable rural development and secure prosperity of rural areas, in discharging its role as a facilitator for rural prosperity. Poor women who were finding great difficulty in their day − to-day existence have volunteered to organise themselves into a group for eradication of poverty of the members and to share their difficulties and plan their future existence and wished to grow together. This concept is referred to by and large as Self Help Groups.

As a group the members of SHG's do need money and were looking for the financial support from various sources for their sustenance basically due to their poverty. The entry of Micro Finance Organisations (MFO) provided much relief and with stepping

of NABARD has created SHG-Bank Linkage Programme that linked groups of poor women to pre existing commercial banks. Since then history is created for the big entry of Microfinance in India. NABARD is not in the business ofproviding financial services directly to SHG's and also does not involve in the process of group formation and its operations.

The SHG- Bank linkage programme was formally launched in the year 1992 as a flagship programme by NABARD that is aptly supported by Reserve Bank of India (RBI) through its policy support. The programmes objective is organisation of rural poor into SHG's for building their capacities and to manage their own finances. The poor are encouraged to contribute voluntarily small amounts regularly and lend amounts among themselves. Once they are able to handle the issues and gain maturity of such handling of resources, the bank credit can follow (Vijay Kumar 2009).

The micro finance initiative of NABARD has passed through successfully through various phases for more than two decades. The Indian experience is unique in some respects. RBI and NABARD have tried to promote 'relationship banking' i.e. improving the existing relationship between poor and the bankers with social inter mediation of NGOs. It can be mentioned that NABARD is moving in the right direction in combating poverty, unemployment and empowerment of women in the country. However, microfinance is not the only solution to all the country's problems, but is effective in encouraging entrepreneurship and increasing the income levels of the poor and help them understand the nuances of business.

DWCRA Programme:

In September 1982, the Government of India (GOI) launched the DWCRA program under the Integrated Rural Development Program (IRDP). The program was started in 50 districts (all over India) on a pilot basis. This was the first rural development program, which focused entirely on the development of women and children. In addition to implementing welfare schemes for rural women, DWCRA also aimed at involving the women in development activities by organizing them into groups. Besides, it focused on social issues such as health, education, sanitation, nutrition and safe drinking water in rural areas. It is meant to increase the opportunities for women

in the rural areas for their earnings are the bottom line. To eradicate poverty, the Government of Andhra Pradesh introduced Development of women and children in rural areas programme (DWACRA). Both the central and the state governments have funded the DWCRA program in the ratio of 75:25.

Government-owned District Rural Development Agencies (DRDA) is the primary implementing agencies for the SHG programme across the states. DRDA has traditionally been the principal organ at the district level to oversee the implementation of anti-poverty programmes of the Ministry of Rural Development. This agency was created originally to implement the Integrated Rural Development Programme (IRDP). Subsequently the DRDAs were entrusted with number of programmes of both state and central governments.

In April 1989 a separate DRDA Administration has been introduced to take care of the administrative costs which aims at strengthening the DRDAs and make them more professional in managing the anti-poverty programmes and be an effective link between the ministry and the district level.

Concept of SHGs:

Small groups of minimum 5 to maximum 20 poor rural women form a group (5 persons where there is a difficulty in getting the people owing to geographical difficulties-like in hills, deserts and scarcely populated areas) to solve their issues through regular meetings in villages. These groups are formed generally by the likeminded people having similar living conditions, same caste, and same kind of livelihood, belong to same place and live in the same community. They enjoy being part of the group and especially during the meetings; the individual members experience relief and support through the other members and come to see that they are not all alone with their problems. They learn to recognize their difficulties, to deal with them and overcome them and also learn from others who faced similar situations. The work in the group focuses on joint exchange of experience and information. The processes of forming groups take considerable period of time, which is normally around four to six months. Once the group is formed it takes 12 to 18 months to stabilize. These groups are informal groups and need not be registered. Generally one

person per family is enrolled as a member in each group. They save very small amounts for a period of 6 to12 months, and the corpus thus collected through their savings are the key for getting loans from Banks/MFI's and other govt. bodies. The purpose behind forming such groups is evidence of their "Poverty" and also to become eligible for availing government schemes and for availing bank loan facility with cheaper interest rates. The microfinance available through DWCRA helped rural women start income generating activities.

Since their savings are very little amounts, a need was felt in 1991 to provide assistance to such groups and NABARD took initiative to provide Microfinance to SHGs. This initiative is considered as the largest microfinance programme in terms of outreach in the world and many other countries are keen to replicate. The Reserve Bank of India also recognizes this as a part of priority sector lending and normal banking business. These small-unregistered SHGs are permitted to borrow money from various banks, financial institutions and Non Governmental Organisations (NGO's) to become economically self-reliant. It is pertinent to mention that all BPL families are eligible to form SHG however; there is a process for the formation of SHGs and their operation. Alleviating poverty does not end with meeting individuals'/people's material needs, their "Strategic needs" have also to be met.

All the villages in the state have at least one SHG, and 75% of the villages have 15-20 groups in each. Since the number of groups is large the government felt the necessity of building institutions for SHG at the village and Mandal level ('Mandal' is an administrative unit equivalent 1/3 size of a block). Village Organisations and Mandal samakhyas (Federations) are formed and the latter are registered under the mutually aided co-operative societies Act 1995. Such federations take up functions like providing pensions to old people, insurance services to members, procurement of raw materials and marketing of finished products, accessing community infrastructure facilities, providing market information and other services to the members.

If one looks at the concept in terms of sustainable development, it is a novel concept in developmental economics. The clarity and the approach of Self Help Groups will certainly provide the pace and direction of their development. Hence, the groups

among rural poor must focus on long-term goals rather than for short-term pecuniary gains. Some of the critical long-term benefits include:

- Sustainable access to financial services
- Stronger livelihood support systems
- Enhancement of collective bargaining power
- Self-reliance and sense of dignity
- Improvement in overall standard of living and empowerment.

Objectives of SHG:

The primary objective of the SHG is to help each other in the group who are affected by the same issues and create a platform to grow together.

- Empower the women to participate in society and be a participant in sustainable development
- Motivate members to make interest bearing small loans to one another.
- To facilitate linkages between SHGs and banks/govt. agencies/local institutions
- To have better access to development information and marketing linkages
- To resolve any conflicts that may arise within member SHGs
- To provide savings facilities, especially voluntary savings

In broader term it can be said as an economic organisation at grass root level

The structure of SHG's

Size of SHG:

The ideal size of an SHG is 10 to 20 members. Though there is no hard and fast rule as regards to the membership, it is felt that in a bigger group, members cannot actively participate and *may lead* to various issues like leadership, group dynamics and regular in fights. Also, legally it is required that an informal group should not be of more than 20 people. This group need not be registered.

Membership

i.) Only one person from a family can become a member of an SHG.

ii.) The group normally consists of women. Mixed groups (Men and women) are generally not preferred, since it may obstruct free and frank discussions and issues pertaining to women are hardly discussed when men are around.

iii.) Members should be homogenous i.e. should have the same social and financial background. This makes it easier for the members to interact freely with each other.

iv.) Members should be between in the age group of 21-60 years. (Researcher has observed that women who are of 18 years also formed part of the group)

v.) Members should be rural poor. Poor meaning one should be guided by the living conditions, generally living below poverty line (BPL). People living above poverty line (APL) can also form SHG like BPL.

Functions of Small Help Groups (SHGs)

The basic objective of a SHG is to develop a group into a well-managed Self Help Group and see that growth (financial, social and living conditions) of all the members are affected. The members should, as per the rules that are defined by them, be able to conduct themselves for the cause they have involved in. Some illustrative guidelines for the formulation of such rules and regulations are given as under-

Meeting:

The group should meet at regular intervals. Ideally, the meetings should be weekly or at least once in a month. This helps them to understand each other's difficulties better. (Researcher has observed that meetings are regularly conducted till the loan is received, thereafter is becomes infrequent)

i.) Compulsory Attendance: Full attendance in all the group meetings will make it easy for the SHG to stabilize and start working to the satisfaction of all. Every member should make herself present and express her views freely.

ii.) Membership registers; minutes register etc. is, to be kept up to date by the group by making the entries regularly.

iii.) Fixed day for meetings: The group should have a specific day or date for the meetings to help the members to plan their works in advance

iv.) Commonplace: The group should fix a common place to conduct the meetings. All members should be present in that place in time to participate in the meeting.

At these monthly meetings, groups decided on the targets regarding the amount to be saved, the rules and regulations regarding loans, and the interest rate charged on the loans. A group that successfully achieved its savings target became eligible for availing of credit from the bank for starting income generation activity. Based on their skills, the group members collectively decide on the income generation activity that they would undertake. At the monthly meetings, these women also discussed their problems and tried to find solutions. The state government deployed a gram sevika (village coordinator) for every village to oversee the implementation of the DWCRA program.

Savings:

i.) Members should contribute as per the rules on a regular basis. Also post financial support, what ever is generated, as all the members in the meeting itself should deposit income during the course of business. This will help to inculcate the habit of regular savings.

ii.) No interest will be paid to the members for their money with the group

iii.) The members will not be encouraged to adjust their savings amount.

Keeping of Accounts:

i.) Simple and clear books of accounts for all transactions to be maintained.

ii.) If no member is able to maintain the books, the SHG may take outsider help for the purpose, as this is the most vital task before the group. They generally pay a little amount on a monthly basis to the hired hand.

iii.) All registers and account books should be written and presented during the course of the meeting. This creates confidence in the minds of members who are unable to read and write.

Books to be maintained by an SHG

i.) Minutes Book: The proceedings of meetings, the rules of the group, names of the member etc. are recorded in this book.

ii.) Savings and Loan Register: Shows the savings of individual members and that of the group as a whole separately. Details of individual loans, repayments, interest collects balance etc. are entered for future record.

iii.) Weekly/Fortnightly/Monthly Register: Summary of receipts and Payments, updated every meeting are to be kept updated to know the growth and financial status of the group.

iv.) Members Pass books: Individual member's pass books in which individual's saving and loan balance outstanding is regularly entered.

Major functions of a SHG

Savings and Thrift:

i.) All SHG members regularly save a small portion for their income. The amount may be small, but saving habit should be regular and continuous with all the members.

ii.) "Savings first-Credit later" should be the motto of every SHG member. This is generally observed in all the groups across the sample for this research

iii.) (SHG members take a step towards self-dependence when they start small savings. They acquaint themselves with financial discipline through savings and internal lending.

Internal lending:

i.) The SHG should use the savings amount for giving loans to its members only.

ii.) The purpose, amounts, rate of interest (generally fixed), schedule of repayment etc. are to be decided by the group itself. It should be uniform for all members.

iii.) Proper accounts to be kept by the SHG as regards to savings, loan amount, repayment and balance after each transaction.

Mutual Agreement:

In every meeting, the SHG should be encouraged to discuss and try to find out solutions to the problems faced by the members of the group. Individually, the poor people are weak, cool and calm and lack resources to solve their majority of problems. The group should try to help its members so that, it become easier for them to overcome the difficulties and come up with solutions.

Planning:

The SHG should prepare plans for the future so that each member can collectively contribute for the achievement of the same. It should plan to get financial support from Government, Bank and NGO for its sustainability. It can take up some development programmes in the locality and all the members should involve themselves in implementation and monitoring of the programmes. That may increase their financial position to a greater extent.

Leadership:

It is very interesting to see how the leader is selected for the group and how they form a team with 3 committee members (President, Secretary and Treasurer) who take the initiative to run their group? It is noticed that whoever is capable of communicating a message clearly and bit vociferous becomes the leader of the group and there is a definite influence the leader wields in selection of other committee members. Having formed a group they start functioning with regular monthly meetings and carryout book keeping and other related activities.

Role of SHG's

SHG's and politics:

There are apparent synergies between SHGs and local politics, through membership of SHGs, or SHG clusters and federations. The prominence to which these SHG's have reached need to be probed a little to understand their affiliations or indirectly these may become a good source of campaigning for the political parties. Village women are gaining experience of certain processes (regular meetings, taking

decisions, allocating money) due to which they also become more 'visible' in the village, which is important for political campaigning. It was brought out in one such study that out of every four SHGs in the study sample, there is a woman member who ran for local political office (in the panchayat or village council), and in one out of every five SHGs, there is a woman member who has been elected. Of the 44 elected women representatives, most (34) were elected as a 'ward member' (representing a village area); nine as Sarpanch (the head of the panchayat) and one was elected to the block level. The elected representatives included ordinary members as well as group leaders. SHG membership can contribute to women's election to panchayati raj, but does not appear to influence what they can achieve if elected.

SHG's and social cause:

Indian society is always split by a caste system that has traditionally discriminated against those at the bottom – the Scheduled Castes – as well as those outside it, for example the Scheduled Tribes. Within broad caste categories too there are divisions.

The fact that the majority of SHGs are single-caste groups is based on the principle of 'affinity groups' and neighbourhood proximity (members living nearby can more easily get together, and village neighbourhoods are usually caste based). It also stems from government policies. Government benefits for SCs/STs, BCs and SGSY subsidies are easier to channel to the target population, if all members of a group belong to the same caste category. Otherwise, some benefits will go only to some members.

EVOLUTION OF SHG's

The women's SHG model is a homegrown Indian model. Based on the principles of self-help, self-management, self-responsibility and self-reliance, the groups were mobilized by promoting institutions (often NGOs).Theself-help promoting institutions found that saving and loans could be the binding factor for groups to remain active and pursue their own agenda. In the mid 1980s, there were a few pilot experiments, mostly in Andhra Pradesh and other Southern states.

The SHGsare formed with the following common objectives:

- To collectively bring about the change in socio-economic status of the poor people;
- To inculcate the habit of saving amongst villagers including village women;
- To maintain good inter-personal relationship, linkages with banks and financial institutions and build self-confidence amongst rural community;
- To save the villagers from clutches of middle men and touts and arrange for loans;
- To develop leadership qualities amongst group members;
- To manage and run collective income generating activities / ventures and common activity / commodity based groups;
- To improve literacy, general awareness level and right to equality among villagers;
- To function as an interface between the extension system and farmers for transfer of technology, sharing of market information etc.;
- To interact and exchange ideas on new initiatives.

A great deal of skills, abilities and attributes are required amongst the group members to form and run a strong and sustainable SHG. This includes the ability to:

- Listen to each other rather than carrying on with dominance of a few and non representation of others;
- Encourage group members to discuss, explore, firm up ideas and develop workable proposals;
- Communicate the ideas/opinion to others and facilitate support;
- Take along everyone/majority while taking a decision;
- Meet regularly and observe set rules; regulations while conducting the meeting;
- Record proceeding and the important decision;
- Follow up regularly on the action proposed to be taken by the group;
- Draw immediate as well as long-term objective of the group;

- Select with consensus the office bearers viz. chairperson/leaner, secretary and cashier/treasurer;
- Take up activities of common interest and emerge as a commodity based group.

The concept of SHGs builds on mutual trust and helps, shared ownership, peer pressure, emphasizing on group solidarity and togetherness. It was first introduced in India during the mid 1980's by MYRADA an NGO. MYRADA's concept was that the poor are credit worthy and that credit management loops consisting of poor people could manage their affairs efficiently. All that was required was, transfer of lessons in professional credit management, encouraging poor people to engage in networking in order to become agents of change and thereby empower themselves in a sustainable way. The credit management groups were called Self Help Groups. The growth of SHGs has been spectacular in the last few years.

The concept of SHG has emerged in a big way in the southern India compared rest of the country. The pioneer Sates in the south are Andhra Pradesh and Tamilnadu.The State of Andhra Pradesh (AP) has extensively used the SHG concept for development of poverty alleviation and for empowerment of women since the year1980 onwards. However, the potential and understanding of what this novel concept can do to a State is understood at a much later date. AP has found this SHG platform to carry out social mobilization and Inclusive growth as main tools for poverty eradication. The broad vision of the program is to enable the poor households in accessing adequate formal credit at their doorsteps through their membership in SHGs.

The objective of the program:
- Consumption smoothening or even servicing previous high cost debts
- Support existing livelihoods
- Finally, to implement Microcredit Plan (MCP), when households reach a stage where they can assume a higher degree of risk.

Table-3 showing SHGbanklinkage progress in the State of AP.

Financial Year	Achievement in Crores
2000-01	173
2001-02	262
2002-03	477
2003-04	898
2004-05	1238
2005-06	2001
2006-07	3064
2007-08	5883
2008-09	6637
2009-10	6501
2010-11	7093
2011-12	8076

Source: www. Ikp.serp.gov.in

As we observe that year on year the number of SHGs getting bank linkage had been increasing, which demonstrates the growth of SHGs in the State of AP.

In the year May 2011, there are about 10,27,930 lakhs women SHGs in Andhra Pradesh covering nearly 1,14,12,580 poor women. Andhra Pradesh alone has about half of SHGs organized in the Country. The SHGs are also popularly called DWCRA Groups, and this name became popular after the DWCRA programme (Development of Women and Children in Rural Areas) through which women's groups were assisted initially. The SHGs are not only resorting to thrift but also are taking small loans out of the corpus available with the group. The group corpus consists ofsavings, government assistance and also bank loan. Members use the loan out of group corpus

for their personal needs initially. However in the long run suchloans are to be utilized for income generation activities. Since inception an amount of Rs.1476.26 crores is given to these groups. On the whole the SHG model proved to be more effective and responsive model in financial inclusion, poverty alleviation and social capital development. SHGs are adhering to the 'saving first' principle. Another cornerstone of the SHG model is 'mutual help'.

Although all states in the country started the concept of SHG and it has become a movement across the nation linking Microfinance, the state government of AP systematically nurtured and institutionalized SHG through the use of public resources due to a number of political motives. The AP government constituted an autonomous body, named Society for Elimination of Rural Poverty (SERP), which is implementing the Indira Kranthi Pathakam (IKP) project in all the 22 rural districts of AP. The process involves mobilizing and organizing rural women in the SHGs consisting of ten to fifteen members. Activities of the SHGs revolve around regular savings by their members, credit and regular meetings (weekly excepting in case of newly-formed SHGs). The SHGs have been federated at village levels into Village Organisations (VOs). The VOs have been further federated as Mandal Samakhyas or Mandal Organisations (MOs) at mandal (sub-district) levels. All SHGs in a village contribute two members to their VO (one member in case of more than twenty SHGs in a village), while every VO in a mandal sends two of its members to the concerned MO. All the MOs have organized themselves into Zilla Samakhyas or District Organisations (DOs) at the district levels (Government of Andhra Pradesh, 2009). The SHGs, VOs, MOs, and theDOs are being increasingly involved in implementing and monitoring various governmentdevelopment programmes through IKP.

In AP, this network of SHGs at different levels is the largest such network among all the states in India and constitutes a critical infrastructural base for microfinance activities. Including those of private sector MFI's in the state. Microfinance, as a lending model plays an inherent and vital role in organizing the poor for two fundamental purposes: reducing transaction costs and Joint liability. Closely-knit social fabric in rural areas and the social tiesbetween borrowing group members translates into internal group pressure to repay loans.

Such 'peer monitoring' significantly affects the borrowing groups' performance throughStimulating intra-group insurance (see for instance, Conning 1999; Wydick 1999; De AghionandGollier (2000); Hermes and Lensink, *et al*. (2005); Setboonsarng and Parpiev (2008).The presence of such, existing organized groups of the poor resulted in the largest concentration of MFI's in AP among all the states in India.

Indira Kranthi Pathakam

The activities of DWCRA and Velugu were integrated under a programme called Indira Kranthi Pathakam. The basic objective of this integration is to implement various programmes for strengthening of self-help Groups with similar implementation strategy. The new scheme Indira Kranti Pathakam had been designed by joining Women Empowerment with Poverty alleviation.

IKP is termed by the World Bank as synonymous to local name of Andhra Pradesh rural poverty programme, which is the longest in the country funded by external agencies. The funding was provided in two installments. Of Rs. 3332 crs (out of which Rs.182 crores meant for Community Investment Fund and for capacity building initiatives) with the result indicators as given by World bank are- number of poor organized and mobilized into self help groups, number of SHG's formed and strengthened, number of SHG's linked to Banks, volume of savings generated, volume of formal sector credit obtained by SHGs through linkages with banks and benefits for the poorest of the poor. The total cost of the project was put at 276.09 million dollars. IKP has been made to work in a project management mode to build strong institutions for the poor- women SHGs and their federations. The base line was taken as year 2003 with the target as 2013. Though the programme has mobilized nearly 9 lakh SHGs initially covering almost 90% of poor in the State, but, due to slow funding and other reasons the growth has slowed down considerably by 2012.

Figure-1 showing the Institutional structure of Self Help Groups in Andhra Pradesh

Structure of IKP at district level:
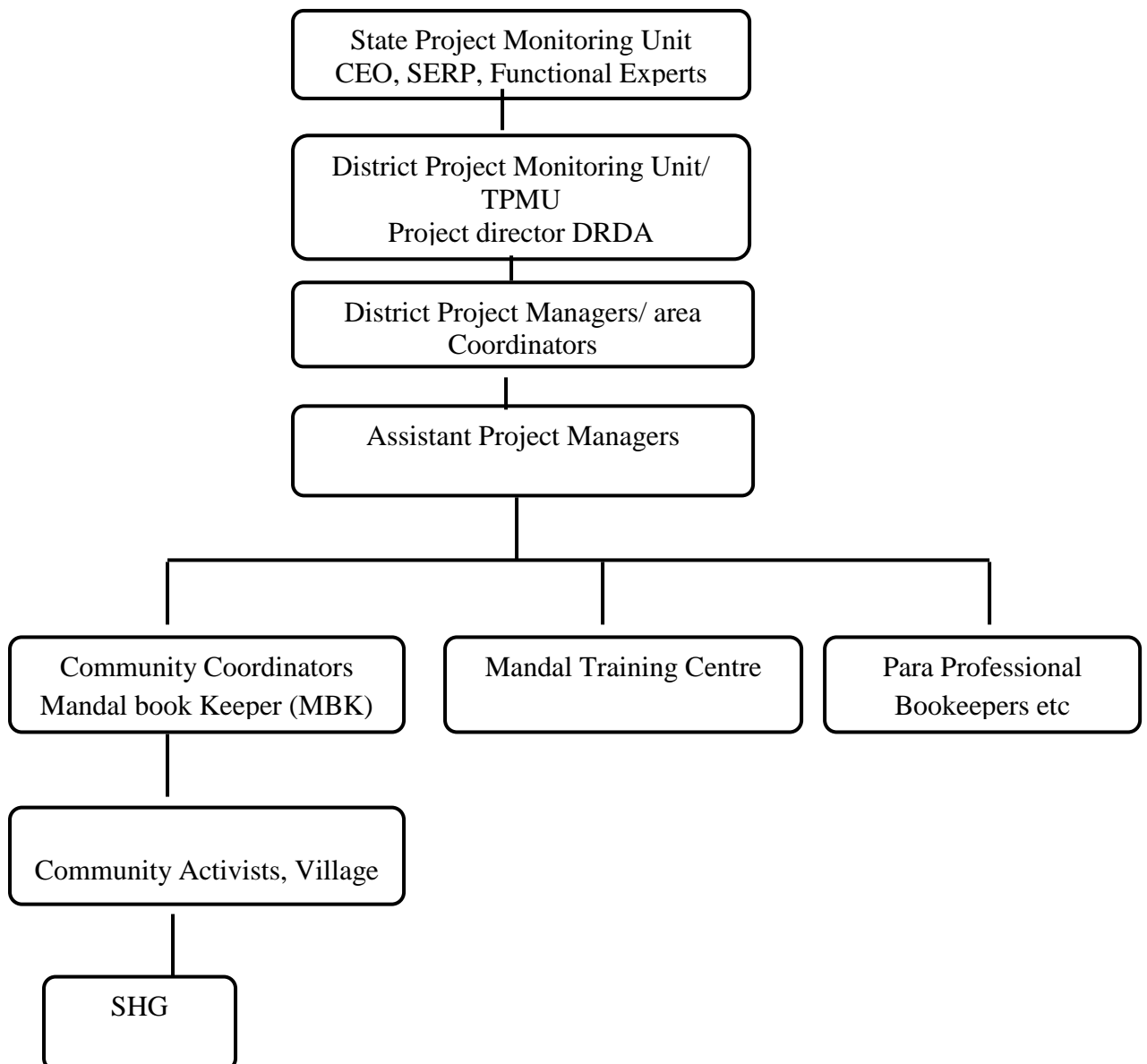
The latest figures are as shown in the Slide below: The numbers of SHG's as on 22 Sep 12 are 10,30.092, that shows that there is an increase month on month in formation of groups across the State. This is a healthy sign in women empowerment

and also can be viewed as the numbers of people who are living below the poverty line are reducing constantly.

Table -4 showing the SERP Dashboard

Home   SERP Anthem   About Us   Dashboard   Photo Gallery   RTI Act   Sitemap   Login   Contact Us

Society for Elimination of Rural Poverty
Indira Kranthi Patham

P for empanelment of training providers for placement linked training for PwD youth in A.P   Positioning of Project Professionals in the

SERP DASHBOARD

Bank Linkage(BL)

To encourage the women groups further and also to achieve 100% repayment the State Government is reimbursing the SHG members any interest paid by them over and above 3% per annum (Pavala Vaddi).

SHG Details

No. of SHGs Registered as on 22-9-2012	10,30,092
SHGs with outstanding loans (Linked)	7,38,924
SHGs without outstanding loans (UnLinked)	2,91,168

District wise Bank Linkage Data

Sl No.	District	Target for the FY 2011-12		Achievement for the FY 2011-12		Pavala Vaddi Disbursement for the FY 2010-11	
		PHY	FIN (Rs. In Crores)	PHY	FIN (Rs. In Crores)	PHY	FIN (Rs. In Crores)
1	Adilabad	11,033	206.71	10,598	198.95	22,813	8.70

If we look at loans overdue / outstanding the number of SHG which fall into this category are 8, 86, 454 and the amount is Rs. 1,124,013.36 which is shown in the table.

Table -5 showing the SERP-Bank linkage details

Society for Elimination of Rural Poverty
BANK LINKAGE

Loan O/s & Overdue>>State Level Progress

State : Andhra Pradesh   Bank Name | --All--

Amount in Lakhs | Base Report | Back | Export to Excel | Print |

Karimnagar	46728	65,471.35	5692	1,308.16	1.99	3877	5,272.00	2328	2,80
Khammam	38996	46,512.78	9240	2,693.79	5.79	6341	7,709.00	4888	5,92
Krishna	51309	68,994.31	9269	2,431.36	3.52	6272	6,149.00	4669	4,33
Kurnool	34413	43,117.63	8955	3,975.61	9.22	7747	9,222.00	6661	7,87
Mahabubnagar	33215	37,771.25	5394	1,736.82	4.59	4077	5,004.00	3178	3,71
Medak	33747	42,339.21	5087	1,811.48	4.27	3918	4,524.00	3111	3,50
Nalgonda	39929	38,227.12	5559	1,169.40	3.05	4201	3,747.00	3160	2,57
Nellore	31096	39,690.45	8784	5,006.91	12.61	7695	9,450.00	6803	8,26
Nizamabad	30933	36,075.18	3048	873.19	2.42	2380	2,384.00	1778	1,75
Prakasam	45426	56,466.09	7251	1,932.99	3.42	5558	4,879.00	4409	3,58
Ranga Reddy	26587	36,334.29	3379	1,035.59	2.85	2576	3,519.00	1781	2,26
Srikakulam	34600	42,675.09	8678	2,915.44	6.83	6441	7,396.00	5348	6,01
Visakhapatnam	32148	43,088.92	7060	2,817.13	6.53	5446	6,704.00	4309	5,13
Vizianagaram	26527	30,200.38	5720	1,400.40	4.63	3842	3,731.00	3047	2,68
Warangal	48085	50,747.97	8843	2,622.38	5.16	7166	7,830.00	5614	5,89
West Godavari	56494	71,668.63	10301	2,442.12	3.40	7455	7,469.00	5151	4,72
TOTAL	**886454**	**1,124,013.36**	**165042**	**53,392.11**	**4.75**	**126740**	**141,335.00**	**98594**	**104,642**

Table-6 showingdata on SHG bank linkages in the State of Andhra Pradesh

Year	Coverage of Groups	Amount of loan (Rs. Crores)	No. of Branches	Per group finance (Rs.)	Groups per Branch
2004-05	2,61,254	1017.7	3,853	38,954	68
2005-06	2,88,711	2001.4	3,853	69,322	75
2006-07	3,66,489	3063.87	3,950	83,601	93
2007-08	4,31,515	5882.79	4,000	1,36,329	108
2008-09	4,83,601	6684.07	4,150	1,37,498	118
2009-10	4,13,625	6501.35	4,274	1,57,180	97
2010-11	3,89,444	7092.71	4,286	1,82,123	91
2011-12	3,52,485	8084.16	4,324	2,29,347	82
2012-13	4,40,459	10,697.90	4,915	2,40,955	90

Source: www.rd.ap.gov.in

Various State govt. schemes:

The following schemes were designed by the State Govt of Andhra Pradesh with a thinking that there would be much needed impetus for better empowerment and growth of the State and were sure that many women from various walks of life would be interested and would participate whole heartedly and that the desired prosperity level would be achieved over a period of time.

Velugu scheme:

Velugu's mandate is to facilitate 67 lakh rural poor women to have sustainable livelihoods. This is in two phases and the scheme has been provided funding form World Bank. The total project cost is Rs 1,486 crore and the World Bank is extending an assistance of Rs 805 crore. The state government, commercial banks and the beneficiaries will meet the remaining amount. The Phase II will be spread over for a period of five years ending in June 2008.

The Livelihoods Enhancement Program is one of the most important interventions being made by Velugu. A Community Investment Fund (CIF) funds these people's projects to enhance the incomes of the rural poor and improve their quality of life.

The State govt. of AP has been trying to promote very effectively the cause of SHG's through their flagship programme called Indira Kranthi Pathakam (IKP). Under IKP, the implementation agency is Society for Elimination of Rural Poverty (SERP) that monitors the progress of SHG programme in the state. It works exclusively by bringing and nurturing SHG's, further works on a comprehensive multi-dimensional poverty alleviation strategy by focusing on building institutions of the poor, leveraging resources through commercial banks, Livelihood Value Chain, Human Development Value Chain and to reduce the risks faced by the poor women through social safety nets and entitlements.

State of A.P has provided Rs. 2173.83 crores of Bank loans under bank linkage programme. Under "VaddileniRunalu" Rs.49.86 crores were released to 5, 08,494 SHGs as on August 2012. This scheme is applicable to those SHG's who repay their installments promptly and need not pay interest on the loan, as govt. will repay that portion. To access the credit facility from project side an amount of Rs.1088.07 crores is given to 29, 98,906 beneficiaries as Community Investment Fund. Total savings & corpus of SHG members by the end of June 2012 is Rs.3657.45crores and Rs.5333.48crores respectively. Social capital created during the project period up to August 2012 is 1,73,841. Under another scheme of State govt of AP that addresses the social safety needs called "Dr. Y.S.R. AbhayaHastham" which is a contributory pension cum Insurance scheme about 50.0 lakh SHG members enrolled and 5.12 lakh pensions distributed till Aug 2012. Source: (www.rd.ap.gov.in).

PavvalaVaddi Incentive:

Government of Andhra Pradesh introduced Pavalavaddi Scheme (Interest Subsidy) during the year 2004-05 with an objective to provide interest subsidy on the Bank loans taken by the Self Help Groups in Andhra Pradesh to reduce the financial burden on them. Under this Incentive the State Govt. of AP which came into existence w.e.f 01 Jul 2004, has thought of reducing the burden of interest on the self help groups by

reimbursement of interest above 3% per annum on loans taken by SHG's. Under pavvalavaddi incentive Rs. 895.37 crores is given to 19, 83,319 SHG groups during 2011-12, thus totaling to Rs.1967.42 Crores since inception of the scheme. This scheme is also known as Interest Subvention. With a view to incentivize prompt payment and to make the rural enterprises more remunerative, under which interest on all Bank loans over and above 3% per annum has been sub- vented post facto directly to SHGs. From 1st Jan 2012, this scheme has been converted into 'VaddilLeniRunalu' under which total interest reimbursement is being made by the Government to further strengthen the viability of rural enterprises. From July 2012 onwards, SHGs are asked to pay only the principal portion, called SHG portion of the EMI, and the rest of the EMI is credited directly by the Government into loan accounts of SHGs.

Table -7 showing YEAR WISE PAVALA VADDI RELEASES (Rs.in crores)

Year	Budget released by the Govt	Expenditure	Physical Achievement (Groups)
2004-05	10.00		
2005-06	48.00	52.67	475164
2006-07	56.25	50.02	290825
2007-08	100.00	112.3	554359
2008-09	250.00	195.3	714930
2009-10	100.00	143.47	426611
2010-11	564.83	534.78	1133269
2011-12	710.34	895.37	1983319
Total	1839.42	1983.91	

**State Milk Mission:**

The State has been trying its level best to the SHG's together and sees that Social development takes place across the State. In tune with various scheme that were already launched another scheme is launched on the 17 Jan 2012 with an outlay of Rs.

5332 crores to be spent in 4 years starting from 2011-12. This scheme is envisaged in anticipation to doubling the milk production in the State with the help of SHG's. This scheme facilitates the SHG's to take up community Dairy farming by rearing milch animals in a group; this has been named as Pala PragathiKendram (PPK's). So far 135 PPK's have been set up in the State.

Training

The SHG's were initially provided some hand holding training by various organisations like the NGO's, Govt and some of the Banks' themselves. But, this training is only to the extent of making them understand forming of groups and what advantages one gets in a group. But, by far while interviewing them in the course of data collection out of 900 respondents 612 respondents felt that training was not at all adequate and hardly they benefited from it. They also opined that training on how to do business and on what to do as a group were missing leaving them to fend for themselves with the amounts in the group. The groups are too dependent on somebody planning for them and guiding them constantly. It should be understood that traditionally women never ever gone out of the four walls of the house to do any kind of activity themselves and here we are looking at them as budding entrepreneurs and make them self sufficient and grow out of poverty. The State Govt. of AP has been trying their best to provide training to all the groups through various methods like direct group to group through Village Assistant or Asst Project Manager (APM).

The number of Assistant Project Managers are insufficient to meet the demands of SHG even though the programme is aimed for women, the desired levels of improvement of training is not yet found for the following reasons.

There are a number of factors that influence sustainable behavioural change among the rural women folk. Some of them are as follows:

1. Lack of access to information

2. Work load

3. Literacy levels

4. Decision making powers

5. Terrain

6. Attitudes

7. Economic Power

8. Lack of confidence

9. Lack of skills

10. Religious beliefs/traditional beliefs

11. Expectations

12. Lack of community support

13. Alcoholism

In order to have sustained behavioral change among the rural women, there is a need for adopting a multi -sectoral approach to address issues. Once these are addressed it would become easy for the State to tread on a path of sustained development.

<u>Challenges</u>

Though there are weak market linkages in the context of income-generating activities, it is found that there are also a few other concerns in relation to women's empowerment.

(i) First is the capacity building of self-help groups, which are in need of support in accounting, financial management, and organisational development.

(ii) The second concern is about the gender focus in rural financial services. Despite the focus in project design, there were gaps during implementation. In Maharashtra Rural Credit Project, women tended to be small borrowers and were able to capture only 32 per cent of the bank credit that was provided. Therefore gender focus in designing and implementing rural microfinance services should be enhanced.

(iii) The third challenge is about how to link self-help groups to agricultural activities, which are of key importance for the livelihoods of small farm holders in India, but at the moment self-help groups have not taken much agricultural activities, as the decisions on agriculture are mainly taken by men. (IFAD publication- Evaluation Reports-Insight N-Mar 13)

(iv) Limited financial strength hence limited borrowing capacity

(v) Lack professionalism because the members are less qualified

(vi) Marketing of production poses a major challenge for the SHGs

(vii) Consumers reluctance to buy the products when the products produced by the MNCs are available in the market

(viii) Best Practice not much visible

(ix) Too much male interference noticed.

(x) In the absence of access to innovative and beneficial financial products, the SHG members may not be able to make the most efficient use of the inculcated savings habits and financial inclusion.

Concept of Micro finance linkage/Financial support

Micro finance means providing small amounts of money as loans to the poor people to help them organise themselves to be productive by doing petty or tiny businesses. But, this concept has grown over the time to include broader range of services like credit, savings, Insurance and other loans.

The very word micro credit and micro finance came into circulation in the 1980s, though there are few experiments that date back 30 years in Bangladesh, Brazil and a few other countries. India has borrowed the Bangladesh model and adapted it to the local needs. One of the early models in the country were "women and micro finance" started by SEWA in Ahmedabad. The other is by MYRADA (Karnataka) that promoted Credit Management Groups which are similar to self-help groups. The important difference with that of microcredit was that it avoided the pitfalls of an earlier generation of targeted development lending, by insisting on repayment, by charging interest rates that could cover the costs of credit delivery, and by focusing on

client groups (SHG's) whose alternative source of credit was the informal sector as traditional formal sector was not made accessible to them. Emphasis shifted from rapid disbursement of subsidized loans to prop up targeted sectors towards the building up of local, sustainable institutions to serve the poor. Microcredit has largely been a private (non-profit) sector initiative that avoided becoming overtly political, and as a consequence, has outperformed virtually all other forms of development lending. The difference between Micro finance and micro credit is that Micro credit is a sub set of micro finance.

The biggest boost to the movement of SHG's is the entry of NABARD promoting the SHG's through its bank linkage programme. The small beginning of linking only 500 SHGs to banks in 1992, had grown to over 0.5 million SHGs by March 2002 and further to 8 million SHGs by March 2012. The initiative of 1992 to make the traditional and formal banks to extend financial services to deprived sections through informal Self Help Groups (SHGs), has now blossomed into a "monolith" micro Finance initiative. It has been recognized as a decentralized, cost effective and fastest growing Micro Finance initiative in the world, enabling over 103 million poor households' access to a variety of sustainable financial services from the banking system by becoming members of nearly 8 million SHGs. (Nabard Report- Status of Micro Finance in India- 2011-12)

The SHG – Bank linkage programme helped the Public sector, private sector banks, cooperative banks, RRB's and NGO's to use these SHG's groups as basic retail level platforms to provide financial services. In 1993, the Reserve Bank of India also allowed SHGs to open saving accounts in banks. Facility of availing bank services was a major boost to the movement.

The Bank linkage programme was started in 1992 when RBI/NABARD circulated guidelines to banks for financing informal Self Help Groups (SHGs). This was one of the most pioneering acts in target group oriented rural banking in Asia. In fact, the SHGs benefitedfrom the comparative advantages of these three strategic elements but to consider SHG as a sound investment opportunity was a bold innovative step. And it was found later that the Linkage Banking-model was by far the most cost effective

approach in lending to poverty groups. In 1996 Reserve Bank of India decided to include Linkage Banking as a mainstream activity of the banks under their priority sector lending. The Government of India awarded national priority to the programme through its recognition in the Union Budget 1999.

RBI has issued a master circular vide RBI/2011-12/82 RPCD. FID. BC.No. 06/12.01.001/2011-12, July 2011 (corporate law reporter-09 Jul 11) in order to enable the banks to have instructions at one place, a Master Circular incorporating the existing guidelines/instructions on the subject has been updated and enclosed. This Master Circular consolidates and updates the circulars issued by Reserve Bank on the subject up to June 30, 2011, where in Instructions to all commercial banks and regional rural banks, permitting them to open SB A/c's of registered or unregistered SHGs.

This way SHG concept links informal groups of women in rural areas to the mainstream banking system. As these women are illiterate and lack self-confidence to transact with commercial banks, Non-government organizations and social welfare agencies step in as intermediaries. A number of private Microfinance Institutions (MFI's) have emerged in this space and are doing well for themselves. Women SHGs in rural areas of India have brought several thousands of uneducated women out of the confines of their homes and enabled them to gain not only considerable economic independence, but also an identity and collective voice. The linkages for financial support are provided for the first loan amount. Repeat loans from the banks/financial Institutions are subject to the regular repayments and their group's sustainability.

Credit lending models as in Grameen Bank model of BanglaDesh

1.**Associations**: Here the target community forms an association through which various microfinance (and other) activities are initiated. Such activities may include savings. Associations or groups can be composed of youth, or women; they can form around political/religious/cultural issues; can create support structures for microenterprises and other work-based issues.

2. **Bank Guarantees:**

As the name suggests, a bank guarantee is used to obtain a loan from a commercial bank. This guarantee may be arranged externally (through a donor/donation, government agency etc.) or internally (using member savings). Loans obtained may be given directly to an individual, or they may be given to a self-formed group. Bank Guarantee is a form of capital guarantee scheme. Guaranteed funds may be used for various purposes, including loan recovery and insurance claims.

3. **Community Banking:**

The Community Banking model essentially treats the whole community as one unit, and establishes semi-formal or formal institutions through which microfinance is dispensed. Such Institutions are usually formed by extensive help from NGOs and other organizations, who also train the community members in various financial activities of the community bank.

4. **Cooperatives:**

A co-operative is an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly owned and democratically controlled enterprise.

5. **Credit Unions:**

A credit union is a unique member-driven, self-help financial institution. It is organized by and comprised of members of a particular group or organization, who agree to save their money together and to make loans to each other at reasonable rates of interest.

6.**Grameen:**

The Grameen model emerged from the poor-focused grassroots institution, Grameen Bank, started by Prof. Mohammed Yunus in Bangladesh. It essentially adopts the following methodology: A bank unit is set up with a Field Manager and a number of bank workers, covering an area of about 15 to 22 villages. The manager and workers

start by visiting villages to familiarize themselves with the local milieu in which they will be operating and identify prospective clientele, as well as explain the purpose, functions, and mode of operation of the bank to the local population. Groups of five prospective borrowers are formed; in the first stage, only two of them are eligible for, and receive, a loan. The group is observed for a month to see if the members are conforming to rules of the bank. Only if the first two borrowers repay the principal plus interest over a period of fifty weeks do other members of the group become eligible themselves for a loan. Because of these restrictions, there is substantial group pressure to keep individual records clear. In this sense, collective responsibility of the group serves as collateral on the loan.

7. **Group:**

The Group Model's basic philosophy lies in the fact that shortcomings and weaknesses at the individual level are overcome by the collective responsibility and security afforded by the formation of a group of such individuals. The collective coming together of individual members is used for a number of purposes: educating and awareness building, collective bargaining power, peer pressure etc.

8. **Individual:**

This is a straightforward credit-lending model where micro loans are given directly to the borrower. It does not include the formation of groups, or generating peer pressures to ensure repayment.

9. **Intermediatories:**

Intermediary model of credit lending position is a 'go-between' organization between the lenders and borrowers. The intermediary plays a critical role of generating credit awareness and education among the borrowers (including, in some cases, starting savings programmes.

10. **Non-Governmental Organisations:**

NGOs have emerged as a key player in the field of microcredit. They have played the role of intermediary in various dimensions. NGOs have been active in starting and

participating in microcredit programmes. This includes creating awareness of the importance of microcredit within the community, as well as various national and international donor agencies.

11. **Rotating and Savings Credit Associations:**

Rotating Savings and Credit Associations (ROSCAs) are essentially a group of individuals who come together and make regular cyclical contributions to a common fund, which is then given as a lump sum to one member in each cycle. For example, a group of 12 persons may contribute Rs. 100 (US$33) per month for 12 months. The Rs. 1,200 collected each month is given to one member. Thus, a member will 'lend' money to other members through his regular monthly contributions. (http://www.grameen-info.org)

Various Models of Micro finance linkages in India

Model -1: Banks directly finance the SHG's. In this model the commercial banks directly fund the groups based on the micro planning of the groups business document.

Model-2: Banks finance microfinance Institutions (MFI) who in turn finance the SHG's. In this model the banks indirectly fund the SHG's using existing MFI and lending them the money that in turn have a business model for grass root funding and recovery.

Model-3: Banks finance the Non governmental organisations (NGO's), who act as self help promoting Institutions (SHPI) and finance the micro credit borrowers. In this case the NGO's also monitor and provide the necessary capacities.

Model-4: Banks directly finance the individual upon the recommendation of SHG or NGO, where in NGO monitors and recover the loan amount.

Growth of Micro Finance in India

It has been observed and seen that the growth of Micro Finance Industry in India is very aggressive and showed tremendous potential. However this growth is said to be

in pockets and not uniformly spread through out the country. Hence, there seems to be a lot more potential for this Industry to survive in the country. The number of borrowers has increased from Rs. 69,36,294 lakhs in the year 2006 to Rs. 3,17,09,335 crores in the year 2010. Similarly the gross loan portfolio during the same period has increased from Rs.7, 577,32,493 to about Rs.52, 511,14,052 billions of rupees.

Table 8 shows the growth pattern as given by NABARD. It is observed that the total number of SHG's have grown by about 7.3% from 2010 to 2011and the amount disbursed has also gone up by 13.2 %, where as on 31 March 2009, there were more than 61.21 lakh savings-linked SHGs and more than 42.24 lakh credit-linked SHGs and, thus, about 8.6 crore poor households have been covered under the programme. The share of SHG loan to Ground Level Credit (GLC) increased from 3.8 per cent in 2007-08 to 4.07 percent in 2008-09.

Table-8 showing -Overall progress under SHG bank linkage

		2008-09		2009-10		2010-11	
	Particulars	No. of SHGs	Amount	No. of SHGs	Amount	No. of SHGs	Amount
SHG Savings with Banks as on 31 March	Total SHG Nos.	61.21 (22.2 %)	5545.62 (46.5%)	69.53 (13.6%)	6198.71 (11.8%)	74.62 (7.3%)	7016.30 (13.2%)
	Of which SGSY Groups	15.06 (25.1%)	1563.38 (93.1%)	16.94 (12.5%)	1292.62 (-17.3%)	20.23 (19.4%)	1817.12 (40.6%)
	% of SGSY Groups to Total	24.6	28.1	24.4	20.9	27.1	25.9
	All women SHGs	48.64 (22.0%)	4434.03 (42.6%)	53.10 (9.18%)	4498.66 (1.46%)	60.98 (14.8%)	5298.65 (17.8%)
	Percentage of Women Groups	79.5	80.0	76.4	72.6	81.7	75.5
Loans Disbursed to SHGs during the year	No. of SHG extending loans	16.10 (31.1%)	12253.51 (38.5%)	15.87 (-1.4%)	14453.3 (17.9%)	11.96 (-24.6%)	14547.73 (0.01)
	Of which SGSY Groups	2.65 (7.3%)	2015.22 (8.5%)	2.67 (1.0%)	2198 (9.1%)	2.41 (-9.9%)	2480.37 (12.8%)
	% of SGSY Groups to Total	16.4	16.4	16.9	15.2	20.1	17.0
	All women SHGs	13.75 (32.0%)	10527.38 (40.8%)	12.94 (5.8%)	12429.37 (18.1%)	10.17 (-21.4%)	12622.33 (1.6%)
	Percentage of Women Groups	85.4	85.9	81.6	86	85	86.8
Loans Outstanding against SHGs as on 31 March	Total No. of SHGs linked	42.24 (16.5%)	22679.84 (33.4%)	48.51 (14.8%)	28038.28 (23.6%)	47.87 (-1.3%)	31221.17 (11.4%)
	Of which SGSY Groups	9.77 (6.5%)	5861.72 (21.7%)	12.45 (27.5%)	6251.08 (6.6%)	12.86 (3.4%)	7829.39 (25.2%)
	% of SGSY Groups to Total	23.1	25.8	25.7	22.3	26.9	25.1
	No. of all Women SHGs linked	32.77 (12.3%)	18583.54 (39.4%)	38.98 (18.9%)	23030.36 (23.9%)	39.84 (2.2%)	26123.75 (13.4%)
	Percentage of Women SHGs	77.6	81.9	80.3	82.1	83.2	83.7

(Amount ₹ in crore/ Numbers in lakhs)

Source: NABARD report on status of microfinance 2011

There were more than 69.53 lakhs savings-linked SHG and more than 48.51 lakhs credit-linked SHG covering 9.7 crores poor households, as on 31 March 2010, under the microfinance programme. The share of outstanding bank loans to SHG as a percentage of bank loans to weaker sections by scheduled commercial banks (31 March 2010) was 16.3 per cent, compared to 15.8 per cent in the previous year. Under the Microfinance Development and Equity Fund, ` 47.38 crores was released during 2010- 11, of which ` 29.95 crores was grant support for promotional activities and ` 17.43 crores for Capital Support / Revolving Fund Assistance to Micro Finance Institutions, as against ` 20.49 crores and ` 60.42 crores, respectively, in the previous year. During the year, grant assistance of ` 37.86 crores was sanctioned to various agencies for promoting and credit linking 81,890 groups, taking the cumulative assistance sanctioned to ` 146.22 crore for 5.81 lakh groups. Grant assistance of ` 51.06 crore was released during the year for the formation of 4.01 lakh SHG. Nearly 2.60 lakh SHG were credit linked. Under the Rajiv Gandhi MahilaVikasPariyojana, 25,571 SHG were promoted, of which 14,979 were credit linked by end March 2011. In addition, 951 Cluster Level Federations and 26 Block Level Federations have been formed. During the year (2011-12), 7.3 lakh SHGs have been promoted by NABARD and linked with banking system in terms of savings accounts as against about 6 lakh SHGs promoted during last year, taking total number of SHGs promoted and saving linked with banks to 82 lakh.

As on Mar 2010, the share of bank loans outstanding to SHG as a percentage to loans outstanding to weaker sections by scheduled commercial banks improved marginally to 16.3 % from 15.8 % in the previous year as shown below

Table-9 showing progress of Micro finance programme

Sl. No.	Particulars	Self-Help Groups				Micro-Finance Institutions (MFI)*			
		2009		2010		2009		2010#	
		Number	Amount	Number	Amount	Number	Amount	Number	Amount
1	Loans disbursed during the year	16,09,586 (2,64,653)	12,253.51 (2,015.22)	15,86,822 (2,67,403)	14,453.30 (2,198.00)	581	3732.33	779 [88]	10728.49 [2665.75]
2	Loans Outstanding	42,24,338 (9,76,887)	22,679.84 (5,861.73)	48,51,356 (12,45,394)	28,038.28 (6,251.08)	1915	5009.09	1659 [146]	13955.74 [3808.20]
3	Savings Accounts with Banks	61,21,147 (15,05,581)	5,545.62 (1,563.39)	69,53,250 (16,93,910)	6,198.71 (1,292.62)	–	–	–	–

Table 2.4: Progress of the Micro-Finance Programme
(As on 31 March)
(₹ crore)

Figures in parentheses indicate the share of SHG covered under SGSY
* : Actual Number of MFI provided with bank loans would be lower, as several MFI availed loans from more than one bank
 # : Figures in parentheses indicate the assistance of SIDBI to MFI

(NABARD report 2011)

With financial inclusion emerging as a major policy objective in the country, Microfinance has occupied centre stage as a promising conduit for extending financial services to unbanked sections of population. At the same time, practices followed by certain lenders have subjected the sector to greater scrutiny and need for stricter regulation.

Majority of the microfinance loans are disbursed on group lending concept and a past record of the group plays an important role in getting new loans either through SHG-Bank linkage or through MFI's. The two major problems with the group concept are dropouts (when one or more members leave the group) and migration (when one or more members move to another group). Most MFI's lend on the basis of the past record of the group i.e. SHG and also on the individuals repayment performance. In absence of a decent past record, members are deprived of getting bigger loan amounts and additional services.

Crises in lending

Multiple lending by MFI 's had led to poor understanding of financial literacy and unethical practices of grabbing the market led to decline in MFI lending. Poor transparency and inadequate regulation has created lawlessness in this space of operation. If we look at the growth of Microfinance and that of SHG's in Andhra Pradesh, the story is same as that of else where the growth is phenomenal in spite of MF crises that hit the state of Andhra Pradesh twice and once in Karnataka.

In the year 2005-06, these practices did result in the closure of some of the MFI branches in Krishna district. This is the Koneru crisis of microfinance. During the crisis, MFI's evolved a voluntary common code of conduct, promised to reduce interest rates and not engage in multiple lending and coercive collection practices. But the NBFC MFI's did not learn their lessons from the 2005-06 crisis and pursued their growth more aggressively as funds became more easily available to them from banks and other financial institutions.

Followed by the Koneru crises, in the year 2009 it is Kolar, crises in Karnataka. Here it is the religious angle that added fuel to the crises, as 60-70% of its microfinance clients were Muslims. Here the women were provided training by men, which were considered to be against their religious traditions. The issue grew bigger and bigger till it reached a peak point when the local Anjuman Committee issued a 'fatwa' against MFI's operating in the area for the removal of such customs. Communication between the clients and the MFI's came to a standstill and also affected the process of loan repayments. This led to a lot of disturbance in the MF sector in Kolar and eventually the adjoining areas. The main causes of the crisis in Kolar are believed to be the following:

> 1.Multiple borrowings by clients and in some cases use of phantom customers by fraudsters in order to increase borrowings

> 2. Other issues such as gender equations in families, down turn of silk industry, vested business interest and communal organization, also played a major role.If we look at the impact on MFI post this crises, due to the hold of

local religious leaders (and their youth committees) over their community, the fire of delinquency spread fast. It was provoked by the overheated lending environment created by competition amongst the many registered MFI's and an unknown number of unregistered lenders. In some slums in Bangalore, local leaders provoke similar crisis in other critical areas used the "Kolar trouble" almost merrily. The crisis in silk industry in Sidlaghatta, and Ramanagaram, the business rivalry, communal riots, economic distress and delinquency in Mysore were all fuelled by the Kolar crisis.

The 2010 Andhra Pradesh (AP) micro finance crises (supposed to be the dark side of the entire micro finance industry) have checked the rapid expansion of the Indian microfinance market, making microfinance institutions in AP to become unsustainable. Observation by Malcolm Harper is that "For Microfinance Institutions, getting people indebted and keeping them in debt is always profitable". His experience further shows that" profit motive, competition and crave for numbers is driving many MFI's to take harsh measures in terms of Interest rates and forceful recollection drives- they are just turning into banks." The point is where to draw a line between microfinance and loan sharking? The researcher observes that if the MFI's are meant to woo only the poor then the regulation should be imposed on the amount of funds to be generated, and the interest rates, where in if

The limit is crossed it can be said that it is loan sharking. Transparency in pricing is still a long way to go. So there seems to be slow down of the industry at least for the present. One could not find any evidence of putting the agreed codes of conduct into practice. On the contrary, MFI's pursued multiple lending and coercive recovery practices even more vigorously. Profiteering took priority over the mission of "poverty reduction."

Emergence of Micro finance Bill 2011

The Andhra Pradesh MFI Ordinance 2010 has created a much-needed debate on responsible microfinance and what is needed for poverty alleviation in India. Looking back as far as 2003, there have been concerns about certain practices of MFI's in Andhra Pradesh: splitting Self Help Groups (SHGs) to form Joint Liability Groups

(JLGs), charging unreasonable interest rates, carrying-out multiple lending and coercive recovery practices. There was no coordination with the State Government and instead an unhealthy competition brewed between MFI's.

In August and September(2011), nineteen microfinance borrowers in Andhra Pradesh (A.P.) took their lives because of over indebtedness blamed on microfinance – some reports say more than 30. Then, in early October(2011), the debt-driven suicide of a fruit vendor in Kurnool, southern A.P., triggered public outcry and attacks on several MFI offices.

On 14 Oct 2010, the A.P. state government "brought an ordinance making it compulsory for MFI's to " *register themselves, declare the effective rate of interest they charge, ensure that no security is sought for loans and no coercion is used for recovery. Non-compliance will be punished with a three-year prison term and a fine of Rs 1 lakh"*

The draft Micro Finance Bill 2011 gives sweeping power to the RBI by bringing all aspect of microfinance under its oversight. "The Bill achieves the golden mean between affordability for the borrowers and sustainability for the providers," says Vijay Mahajan (2012), the founder of Basix, one of India's leading micro finance institutions. As per the bill every MFI, including the existing ones, will have to register with the RBI within three months of the commencement of the Act, which will allow for better regulation. The bill has not put any cap on the interest rates charged by the MFI's, but gives the RBI sweeping powers to regulate lending rates and margins apart from fixing prudential norms. "The aim of the bill is to provide protection to the borrowers and develop MFI's that will play a large role in financial inclusion," In nutshell this bill views MFI's as an extended arm of banks and Financial services" and proposes to create advisory councils to guide development of the Industry; place registration and micro prudential regulatory functions upon RBI; and create new redressal mechanism for handling consumer grievances.

Experience of microcredit interest rates in AP suggests that an absence of regulations on the interest rate charged by MFI's tends to lead them towards charging exploitative interest. MFI's in AP charged an effective interest rate of 50 percent to 84 percent per

annum if all the hidden charges are duly accounted for (India Microfinance Business News, 2010). The Economic Survey of India for 2010-2011 also expressed concerns for non-transparency in declaring terms and conditions of loans extended by MFI's (Times of India, 2011). The funding has come down post AP crisis of 2010, where in the Sate Govt. has come out with an Ordinance.

Erstwhile enthusiastic donors, including bi-laterals and multi-laterals have either ceased operations in India or have been attracted by 'the fortune at the bottom of the pyramid'. Instead it has been up to Governments at Centre and in the States to invest in increasing quality of SHG institutions. While NABARD remains a major donor to NGOs, SHG institutions have been receiving a fraction of required funds for their development.

The microfinance sector in the country has shrunk by about 40 per cent exactly a year after the crisis began to unfold in Andhra Pradesh. While the drop in portfolios and operations are quite discernible in major microfinance institutions (MFI's), many smaller ones are on the verge of disappearing, according to industry sources. For example take SKS Microfinance Ltd's gross loan portfolio has decreased from Rs 5,434 crore in September 2010 to Rs 3,450 crore as on June 30, 2011. It also posted Rs 219-crore loss due to losses in Andhra Pradesh. SpandanaSphoorty Financial Ltd's portfolio has come down from Rs 4,200 crore last year to Rs 2,200 crore now.

The complete halt of fresh disbursals in the State (which accounted for 30 per cent of the Rs 33,000-crore portfolio last year), led to a dip in business significantly. Lack of recoveries of old loans in the State and hesitation among banks to lend to MFI's adversely impacted growth in other States.

NABARD vide Ref.no. NB.MCID/1563/SHG-1 (Policy)/ 2011-12:Circular No: 65(A)/ MCID-04 / 2011-12 dated 27 March 2012 has issued guidelines for creation of **SHG 2** scheme As per the document "Characteristic features of Self-Help Groups (SHGs) and the norms for their linkage with banks were first enumerated in the guidelines of NABARD circular dated 26 February 1992. Two decades hence the SHG-Bank Linkage Programme (SHG-BLP) continues to be the mainstay of the Indian microfinance scene with 74 lakh SHGs covering over 10 crore households

saving with the formal banking system with savings balance of over Rs. 7, 000 crore as on 31 March 2011. About 49 lakh of these SHGs have also accessed bank credit and have over Rs 31,000 crore as outstanding credit from the banking system. In other words, the SHG-BLP has so far been the most preferred and viable model for financial inclusion of the hitherto unreached poor. "

Issues affecting the SHGs

However, despite the unique characteristics of SHGs and noteworthy accomplishments, the following issues continue to affect the programme in many areas;

- Inadequate outreach in many regions,

- Delays in opening of SHG accounts and disbursement of loans,

- Impounding of savings by banks as collateral,

- Non-approval of repeat loans even when the first loans were repaid promptly,

- Multiple membership and borrowings by SHG members within and outside SHGs and

- Limited banker interface and monitoring

If these issues were attended to then it would pave way for better handling of things and perhaps allow the women empowerment in real terms and also the idea of poverty reduction may actually happen.

NABARD-SHG 2 Guidelines

Revisiting the SHG-Bank linkage guidelines issued two decades back, NABARD, issued revised guidelines after holding numerous rounds of discussions with various stakeholders. The key changes in the guidelines include allowing voluntary savings for SHG members either by opening individual bank accounts/reviving existing "no frill accounts" or by depositing the voluntary savings within the SHG corpus without any additional entitlements. The approach is intended to facilitate SHG members to

steadily graduate from community banking to individual banking. The second key feature of SHG 2 is about extending initial loans to SHG as flexible cash credit facility instead of term loans. The limits are granted based on the estimated savings potential of the SHG for the ensuing 3-5 years while actual operation of the limit is to be based on actual savings harnessed. The guidelines also suggests creation of enterprise/ livelihood based groups (JLGs) within the SHGs as a separate entities without disturbing the functioning of SHGs; while higher loan requirements for a few enterprising members could be accessed through JLGs. The guidelines also suggest risk mitigation mechanisms like audits, ratings and also about leveraging active members of SHGs to serve as Business Facilitators for helping the bank monitor the functioning of SHGs. (NABARD Report- Micro Finance in India-2011-12)

The 2010 crisis in Andhra Pradesh (AP) halted the rapid expansion of the Indian microfinance market, causing a high concentration of microfinance institutions in AP to become unsustainable. Growth rates for both loan portfolios and clients in fiscal year 2010 were a mere 17 percent, compared to growth rates of 95 percent and 57 percent in 2009. Although sector growth did not stop completely by March 2011, it did slow down dramatically. Even in AP itself, where no fresh loans have been issued since the crisis began, year-on-year growth was still positive through March 2011."With the promulgation of the Andhra Ordinance regulating MFIs in 2010, the industry found itself in an environment of heightened regulatory and political risks that resulted in bank funding coming to a virtual halt in 2011," said Alok Prasad, CEO, Microfinance Institutions Network. "However, with consistent signals of support from the RBI and the finance ministry, risk perceptions have improved and in the last quarter of 2011-12, there was a significant inflow of fresh bank funds, albeit to select MFIs."(Hindustan times-15 Aug 2012)

It was decided by the Ministry of Rural Development has decided to re-design and re-structure the on going Swarnjayanti Gram SwarojgarYojana (SGSY) into National Livelihood Mission (NRLM). The idea has been conceived as a cornerstone of national poverty reduction strategy. The objective of the Mission is to reduce poverty between rural BPL by promoting diversified and gainful self-employment and wage employment opportunities that would lead to an appreciable increase in income on

sustainable basis. The Rural Livelihoods Mission is proposed to have a three-tier interdependent structure. At the apex of the structure will be the National Rural Livelihoods Mission, under the Ministry of Rural Development, Govt. of India. At the State level, there will be an umbrella organization under the State Department of Rural Development/ Department that is responsible for implementing self-employment/rural livelihoods promotion programs. The State level Mission with dedicated professionals and domain experts under the State department of Rural Department will be guided financially, technically and supported by the NRLM on need basis. The National and the State Mission will have a symbiotic relationship. They will have mutual access to the knowledge and services in the area of rural livelihoods. (Press Information Bureau – May 13)

In order to financially strengthen Women Self Help Groups (SHGs) across India, the Union Cabinet has approved key changes to the National Rural Livelihoods Mission (NRLM), aiming to eradicate poverty in villages by empowering women. Ministry of Rural Development stated that over 25 lakh Women SHGs will now be provided bank loans at an interest rate of seven per cent.

In accordance with the announcement made by earlier Finance Minister P. Chidambaram in the 2012-13 Budget, the Union Cabinet on May 1 approved the provision of interest subvention for Women SHGs operating under the NRLM, ensuring that they shall avail loans up to Rs. three lakh at an interest rate of seven per cent per annum.

Initially, the scheme will be started as a pilot project in 150 districts, including the 82 Integrated Action Plan districts affected by naxal violence; and in the rest of the States, 75 per cent of the cost would be borne by the Central government and 25 per cent by the States.

"In 150 districts, all Women SHGs, which are now getting bank loans at 11.5 to 14 per cent rate of interest, will now get it at seven per cent rate of interest," The total cost of the project is around Rs.1, 650 crore for 2013-14, out of which, Rs.1, 400 crore shall be borne by the Central government and Rs. 250 crore by the States. In order to improve targeting, the Cabinet has decided to do away with the BPL (below

poverty line) category in the NRLM, and instead identified target groups through the Participatory Identification of Poor (PIP) process, at the community-level.

The NRLM was launched by Sonia Gandhi in June 2011 —a poverty reduction programme based on employment generation by adoption of a multi-pronged strategy. The program aims at creating efficient and effective institutional platforms of the rural poor, thereby enabling them to increase household income through sustainable livelihood enhancements and improved access to financial services.In the light of the above background there is a need to look at SHG concept, growth and sustainability in a different perspective.

CHAPTER -2
REVIEW OF LITERATURE

REVIEW OF LITERATURE

The subject of Self Help Groups is very interesting to various people pursuing studies inSociology, Management, political administration, Public policy students, economists and even students of financial studies. It provides enough knowledge to understand from various points of view. Though the subject is being in vogue for almost a decade now, most of research on this subject is done in the fields of Finance and economy and very less from the management perspective. This research is aimed to look from the management perspective.

While the amount of published literature points at various aspects of the concept of the Self Help Groups and micro managing the same through the micro finance aspect, it rarely pointed out at the growth strategy and way forward. The present review of literature focuses on understanding these various aspects mostly pertaining to Micro finance entry into India, their business models, how they laid foundation to SHG concept, ills of such funding and few studies on women empowerment and poverty reductions aspects – an economic condition.

Studies pertaining to Micro finance, business models, financial inclusion and poverty eradication.

VaishAgarwal (2013) analyses the impact of recent global economic crises on MFIs in terms of their business activities, holding of their loan portfolios and availability of resources to them. They also suggest ways of reducing the risk in resource mobilization to the microfinance institutions so as to reduce possible negative impacts of the financial crisis on the low-income households.

Marakkath and Ramanan (2012)paper on 'Assessing the efficient and sustainable performance of Indian microfinance institutions' aims to identify a set of efficient and sustainable Indian microfinance institutions (MFI's) whose best practices can be emulated by other MFI's operating in the industry

Sane and Thomas (2012) review the facts and recent experiences about Indian microfinance. They also analyze the puzzle of financial regulation in microfinance field from first principles and argue that the mainstream mechanisms of consumer

protection and micro-prudential regulation need to be modified owing to joint-liability groups. Looking from this perspective the authors suggest regulatory strategies that need to be adopted for dealing with micro-credit and financial distribution that focuses on the poor.

According to Vijay Mahajan, (2012) founder and chairman of Basix social enterprises group, India's oldest MFI, MFI's should be allowed to sell other financial products such as insurance and mutual funds. Besides, they need access to small deposits. Currently, MFI's only give money to borrowers but they are not allowed to raise deposits. Unless and until they are allowed access to small deposits, their cost of money will remain high as banks and they will not be able to bring down the cost of tiny loans that they offer to poor people.

Chakrabarty (2012) states that "Microfinance is a very emotional word and small credit plays an important role in taking small farmers and entrepreneurs out of poverty. But microfinance cannot bring the financial inclusion because in our system we don't allow microfinance firms to accept deposits. For financial inclusion there should be three services together—deposit, transfer of money and credit. He is of the view that microfinance firms can definitely facilitate financial inclusion at least in the next 10-12 years because the access of the banking facility is very limited. The limitation of microfinance institutions is that they can work very efficiently in a small and midmarket set up but if they are talking of growing at the rate of 50-60% year after year and having a return on equity 15-20 times, they cannot survive. They are very efficient in small market but cannot work in a large one."

Deepthi (2012) in a study tried to understand MFI's opinion on how venture capitalist would act after the recent development in sector. Yet, the study shows that MFI representatives are not too optimistic about getting funds from private equity firms as 60% of NBFC-MFI and 35% of NGO-MFI representatives mentioned that Venture Capitalist would decrease their investment now. As observed, one of the main reasons behind the decline is the high cap or net capital requirement of at least 5 crores rupees for NBFCs.Almost all MFI representatives expressed that the microfinance sector could survive if the banks start lending money so that they could disburse fresh loans.

One key question that was raised by almost all MFI representatives was to ask why they were still not getting money from the banks even though they had already acted in accordance with all the RBI regulations

Padala (2011) evaluates the nature of business (micro enterprises) and its performance carried out by women through SHGs in Andhra Pradesh.

2011, Centre for Micro Finance (CMF) researchers interviewed 15 NBFC-MFI's and 17 NGO-MFIs, a total of 32 MFIs in 7 states to understand practitioners" perspectives on the effect of Malegam Committee's recommendations and recent Reserve Bank of India (RBI) guidelines for MFI's to qualify for priority sector loans. The study found that out of 32 MFI's, only 18 MFI's raised funds after October 2010.

NABARD (2011-12) highlightsSHG-Bank linkage Programme -During the year (2011-12), 7.3 lakh SHGs have been promoted by NABARD and linked with banking system in terms of savings accounts as against about 6 lakh SHGs promoted during last year, taking total number of SHGs promoted and saving linked with banks to 82 lakh.

Arputhamani and Prasannakumari (2011) in a study on financial inclusion through microfinance states that micro finance has emerged as a powerful tool for financial inclusion, which links low income groups with banks. In the study all the beneficiaries of microfinance accept that they have gained greater economic and social security due to the access to micro finance services. The study provides ample evidence to the fact that financial inclusion through micro finance, laid the seeds for rural development because; the all round economic development depends upon rural development.

Rai (2011)in an article mentioned that microfinance has not only improved the economic well being of women in India. She believes that economically empowered women in society introduce elements of peace in the community in which they reside. By nature, women have closer bonds with their children and given the basic economic necessities, would like to provide the protective umbrella of nutrition, education and basic health care. Their economic independence also ensures that they can withstand the challenge of exploitation once they have the confidence to be able to withstand

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oppression due to their newfound economic independence. Seeing such core strength the men in the society will see deterrence in the further exploitation. Such deterrence will lead to more harmonious family existence and a more cohesive community, there by bringing peaceful coexistence.

Philip Mader (2011) critically evaluates attempts to create public goods via microfinance loans in reference to the specific example of water and sanitation.Two cases, from Vietnam and India, are presented and evaluated. Despite their dissimilar settings and designs, evidence is found that both projects encountered similar and comparable problems at the collective level that individual microfinance loans could not address. The problems encountered warn against an emergent micro-privatization of water and sanitation through microfinance.

Pawar and Chary (2011) analyses the impact of microfinance on development through self help groups through micro credit and presented the findings of study on how the microfinance has been increasing access to finance, reducing rural poverty and creating employment in general and tribal communities in particular. Though SHGs are helping the poor inform problems and they are facing, problems like capacity constraints and sustainability due to illiteracy. As there is no rural banking network, the transaction boasts of dealing with formal banks are high.

Milford Bateman (2011)in his paper "Micro finance as a development and poverty reduction policy" - mentioned in his paper what do impact evaluations of micro finance tell us and why has microfinance not worked as hoped

Panda (2010) gives an insight into the poverty concepts and how public Distribution system in India is addressing it.

Thomas Fisher and Sriram (2010) suggests the microfinance industry to go beyond a narrow focus of looking as an instrument for development, rather to look at the range of development goals for which microfinance can be used.

Santosh Kumar (2010) talks about the Kudumbhsree linked micro enterprises in some part of the Ernakulum district of Kerala revealed the general and economic prospects of the enterprises along with the different problems confronted by the micro

entrepreneurs.Poor people can be empowered through collective action. Self Help Groups are one example where people from below poverty line can come together and fight for their common cause.

Mahmoodi et al (2010) states that self help group members can have the opportunity to learn new attitudes and behaviour both through general information sharing in the meetings at the community level.

Sudipto and Ghosh (2010)review the organisational structure of MFI's so as to deliver better social service and economic benefits to the poorest of the poor.

Karunaiathal (2010) in a study pointed out that microfinance has gained a lot of significance and place and niche in global microfinance through the promotion of SHGs and SHG-BLP. It is felt that by providing micro credit to the poorest of the poor, the gap in the formal rural credit sector can be filled. Although micro-finance through the network of SHGs has expanded in a big way, but it's still a minuscule player in the rural credit scene. Microfinance is not a panacea, but it is one of the effective tools to help poor people. In order to further strengthen the role of these institutions in rural finance, there is a need for the development of more effective management information system, more focus on training and capacity building of SHG members, further strengthening the information system, more focus on training and capacity building of SHG members.

Sunil Kumar (2010) in his study on SHG federations – Challenges and opportunities-, Bankers Institute of Rural development- Lucknow. Mentioned about various issues and challenges being faced by federations in his report to term of reference on behalf of BIRDL

Khan (2009) discusses the state of SHG-based microfinance in India with special reference to Jawan block of Aligarh district. With traditionally loss-making rural banks shifting their portfolio away from the rural poor in the post-reform period, SHG-based microfinance, nurtured and aided by NGO's have become an important alternative to traditional lending in terms of reaching the poor without incurring a fortune in operating and monitoring costs.

Rosenberg, Gonzalez, and Narain (2009) investigated whether the poor are being exploited by the high microcredit interest rates charged by MFI's Attaining efficiency is crucial for MFI's to achieve their social goal of providing financial access at reasonable cost to the poor. Using data from 555 MFI's across the world,.

Singh & Singh (2009) talks about the performance of different micro finance models used by NGOs in Manipur in terms of their institution and management, client outreach and growth, operating efficiency and portfolio quality, Asset-liability Management, Profitability and sustainability.

Padmanabhan (2009), states that the Indian postal service with its 3.5 lakhs Gram DakSevak can play a pivotal role in linking SHG groups with credit.

Magoni and Powers (2009) comment that there is anecdotal evidence of a gradual deterioration in asset quality of MFIs in some countries though hard data are not yet available for most MFIs portfolios for 2008.

Kumar (2009), conducted a study on Kutumbshree mission in Kerala and observed that even though the microenterprises generated profits, they still faced several problems like high market competition, improper management, scarcity of capital, high cost of raw material, lack of education and training, etc.

Nigel Biggar (2009) in his article "measuring Poverty outreach: how different Microfinance institutions used the progress out of poverty index' demonstrates how two Grameen foundation partners, operating in very different contexts, have been able to reach a large scale of very poor clients and maintain profitability.

Mahendra Kumar and Srinivas (2009) state that access to credit for the poor from conventional banking is often constrained by lack of collaterals; information asymmetry and high transaction costs associated with small borrower accounts. NABARD has played a key role in the development and promotion of SHGs and other microfinance institutions and in providing refinance at special rates. As the moneylenders are still dominant in the rural credit sector, it is pragmatic to institutionalize them with adequate safeguards to prevent exploitation of the poor. There is also a need to shift the focus from the quantity of credit to quality of credit so

as to safe guard the interest of the downtrodden. In order to achieve this, emphasis should be given to creation of adequate infrastructure efficient extension services, processing and marketing facilities in the rural credit sector.

Ganaraj and Lazar (2009) talk about messianic role of micro credit to the self-help groups in eradicating/ mitigating the economic hardships of rural women.

Mahalekshmi(2009), in her article on micro-finance- a poverty measurement tool seeks to explain its impact on savings and borrowings of SHG members in Kanyakumari district and suggests that there is need to look at the concept for sustainable micro-finance and enterprises.

Microfinance Banana Skins 2009 surveystates that"Far from being insulated from the economic mainstream as traditionally thought, microfinance could face a fall in growth and funding because of the global recession and declining investor confidence."-

Crabb, P. (2008) studied the relationship between the success of microfinance institutions and the degree of economic freedom in their host countries. Many microfinance institutions were currently not self-sustaining and research suggested that the economic environment in which institution operated was an important factor in the ability of institution to reach this goal, furthering its mission of outreach to the poor.

Giberto .M. Llanto and Jocelyn Alma R.Badiola quotes "Wellen and Mulder (2008) observe that microfinance institutions and their clients have proven to be fairly stable during previous Asian, rouble and Peso Crises at the end of the last millennium.

John Wooley (2008) while analyzing microfinance sector, as an investment tool, finds out that the empirical tests do not show any exposure of microfinance institutions to global capital markets, but the significant exposure regarding domestic GDP, Suggesting that microfinance investments may have useful portfolio diversification value for international investors, not for domestic investors lacking significant country risk diversification options.

Alex Counts (2008) in the book Small loans Big dreams presents the stories of women benefiting from Yunus's micro credit in rural Bangladesh and Urban Chicago, and recounts the experiences of different borrowers in each country, interspersing them with stories of Yunus, his colleagues, and their counterparts in Chicago.

Krauss and Walter (2008) suggest that microfinance may also provide attractive opportunities for portfolio diversification since the risk-adjusted returns exhibit low correlations with other assets.

Ahlin and Jiang (2008) identified that India's SHG movement has many of the elements, such as "saver graduation" and a built-in tendency towards membership expansion, that have been identified as key to make micro-finance sustainable. Indeed, a large and growing literature discusses SHGs' evolution, their role in the broader financial system (Basu and Srivastava 2005, Sinha 2006, Shah et al. 2007) and recent innovative practices (Nair, 2005). Despite considerable interest in promoting SHGs that spawned many tools to help with implementation, evidence on economic impacts has been very limited.

Kappel and Nadel (2008) talks about the effect in repayment capacity of the borrowers do affect supply side of the funds by the MFI's. Similarly the poor recovery also hurts the liquidity and asset quality of MFI's and consequently hurts the bottom line of the MFI's. As a result of this, availability of funds for onward lending to MFI industry gets reduced. Making matters worse, managers of Indian MFI's have also reported that besides inflation, clients of microfinance are also affected by economic downturn in developed countries as job losses in the United States and Europe have led to fewer remittances from relatives and friends abroad.

Lucie Gadenne and VeenaVasudevan (2007) studied the credit behaviour of Self-help group members over time. The authors find that surveyed Self Help Group members use their loans for consumption purposes, indicating Self Help Group livelihood may not be effective in inducing members to spend more of their loans on productive assets. They found that members value the saving component of Self Help Group membership, but at the same time, continue to use alternative savings options such as banks and chit funds.

Karuna (2007) in her study on competition in microfinance found that increased microfinance competition has brought with it a number of positives. It has also led to concerns about unethical competitive practices, reckless lending by Microfinance Institutions without suitable assessment of clients' credit absorption capacities and multiple memberships leading to over-indebtedness and defaults. The analysis, estimated the extent of multiple borrowing between Microfinance Institution clients in a competitive state in India, and found that multiple borrowers equal or better repayment records than their single borrowing peers in the same villages.

Sinha Francis (2007) examined the social performance in Indian Microfinance. He stated that social rating can be seen as a good predicator of impact and an assessment of whether the MFI is on track to achieve its social goals or not. He also found that most of the MFIs rated are below average.

Hermes and Lensink (2007),state that access to credit can contribute to a long lasting increase in income by means of a rise in investments in income generating activities and to possible diversification of sources of income; it can contribute to an accumulation of assets; it can reduce the vulnerability due to illness, drought and crop failures and it can contribute to a better education, health and housing of the borrower. In addition, microfinance can contribute to an improvement of the social and economic situation of women.

Mersland, Roy & Strom, ReidarOystein, (2007) in their paper "Performance and corporate Governance in Microfinance Institutions" state about relation between the performance and corporate governance in MFI using third party data sets and understanding the broad characters and ownership.

Dr.C.Rangarajan (2006) in the introductory part of the book, 'Microfinance and its future directions' outline the evolution of SHG through microfinance in three stages. First, to meet survival requirement need, in the second stage is to meet the subsistence level through investing in tradition activities and in the final stage by setting up of enterprises for sustainable income generation.

Robert Peck Christen (2006) in his paper "Microfinance and Sustainable International Experience and lesson for India", articulates the changing general perception of bankers, that SHGs are profitable clients or bank.

Guitierrez-Nito, Serrano-Cinca and Molinero (2006) applied data envelopment analysis to measure the efficiency of 30 Latin America MFI's and then explored the multivariate analysis of DEA results. They developed 21 specifications using two inputs and three outputs. They identified an NGO and a non-bank financial institution (Findesa) as the most efficient among the group of 18 MFI's.

Thorat (2005) describes the issues and challenges in Indian Microfinance and he states that the first challenge is the skewed distribution of SHGs across states. About 60% of the total SHG credit linkages in the country are concentrated in the southern states. The second challenge is that addressing the investment capital requirements of matured SHGs, which have met their consumption, needs and are now on the threshold off into "Enterprise." The third challenge is ensuring the quality of SHGs in an environment of exponential growth. Due to the fast growth of the SHG bank linkage program, the quality of SHGs has come under stress. This is reflected particularly in indicators such as the poor maintenance of books and accounts etc. emergence of federations is another challenge. On one hand such federations represent the aggregation of collective bargaining power, economies of scale, and are for addressing social & economic issues; on the other hand there is evidence to show that every additional tier, in addition to increasing costs, tends to weaken the primaries. There is a need to study the best practices in the area and evolve a policy by learning from them.

Kabeer (2005) examined the impact of micro finance and concluded that the variety of basic of basic need have been met and an improvement in standard of living has also been promoted.

Sinha (2005) examined the impact of micro finance services on client's dependence on informal sources of credit. The study found the lower incidence of borrowing from informal sources and percentage of households borrowed at high interest rates is comparatively lower.

Lafourcade, Isern, Mwangi and Brown (2005) show that African MFI-staffs are highly productive as the borrowers and savers numbers per staff member are highest. This high productivity may reflect their extensive use of group lending as a means of achieving economies of scale. The Grameen bank in Bangladesh provides credit to group-borrowers and such lending mechanism may help to increase MFI staff productivity.

Panwar (2004) in a study on Training guide for Microfinance Practioners has found that microfinance through SHGs has made a significant contribution in poverty-alleviation and empowerment of poor, especially women in rural areas of the country.

Sharma (2004) in a case study examines the scaling-up experiences of two microfinance institutions: the NirdhanUtthan Bank Limited (NUBL) in Nepal and the Self-Help Group-Bank linkage program of the National Agricultural Bank for Agriculture and Rural Development (NABARD) in India.

Dawood (2003) in a study "Microfinance and Rural development" pointed out that the overall performance of SHG-bank linkage programme of NBARD is remarkable as it is the largest microfinancing programme in the world and it is moving towards the right direction in combating poverty, unemployment and empowerment of women. Need of the hour is that this pace of growth and development of micro financing must be continued through SHGs without any obstacle for achieving the long-cherished objective of poverty alleviation and rural development.

Bansal (2003) in a study reviews the performance of SHG bank linkage programme in India in different states of India and across three major institutions-commercial banks, cooperatives, and the regional rural banks. The study also presents vital information about the leading NGOs with major credit linkages in Indian states. In the study it is found that the linkage programme was predominant in the Andhra Pradesh, Tamil Nadu, Karnataka and Uttar Pradesh states of India. Further, among these four states the program was heavily concentrated in Andhra Pradesh.

Galab et al (2003) examined various projects like DWCRA, South Asian Poverty Alleviation programme and concluded "Participation in SHGs has improved the access of women to credit. This has helped women in reducing their dependence on

moneylenders. The women have invested the credit obtained from SHGs in new economic activities."

Desrochers and Lamberte (2003)have used parametric approaches to study the efficiency of cooperative rural banks in the Philippines. They found that cooperative rural bank with good governance were more efficient than their counters laced by bad governance.

Naarayan (2003) in order to bring out the deficiencies in participatory approach analyzed few case studies and he identified two main issues that is firstly, the use of participatory tools in them falls short of bringing about real participation; instead of challenging the power relationship, it may promote participation in the existing power structure. It does not also mean that these tools have to be discarded, but they have to be modified and supplemented with mobilization of people to instill awareness and confidence in them to take part in an autonomic manner. Secondly the state led participatory approaches may provide institutions and mechanisms of participation, but their effectiveness depends on the proper understanding of local community level power structures.[41]Unless, the excluded sections within a community are empowered, their productive participation cannot be ensured and sustained.

Kropp and Suran (2002) reviews the progress and impact of the overall strategy for scaling up the SHG Bank Linkage Programme and also on commercial aspects of impact of SHG-bank linkage programme on bank branches.

Naik (2002) undertook a study on IRDP in Silchar. The programme lifted 85 percent of the beneficiaries above the poverty line. The standard of living improved. However, the performance of repayment of loan was not satisfactory because of political interference and laxity in adherence of rules.

Deepa (2002)examinedthe role of Micro credit, as a tool to foster economic and social empowerment among women has been a subject of research over the years. Successful efforts to empower poor people will mean increasing their freedom of choice and action in different contexts that include access to information, inclusion and participation.

Bell, Harper and Mandivenga (2002) undertook a study of two commercial banks in Zimbabwe and Kenya that made a decision to start microfinance operations. They were able to establish that these banks relied heavily on donor funded technical assistance to overcome resistance and obstacles in their microfinance operations.

Rao (2002) maintain that a review of the genesis and development of Self Help Groups in India reveals that the existing formal financial institutions have failed to provide finances to landless, marginalized and disadvantaged groups. The origin of Self Help Groups could be treated to mutual aid in Indian village community. Self Help Groups encourage savings and promote income -generating activities through small loans. The experience available in the country and elsewhere suggests that Self Help Groups are sustainable to have replicability, stimulate savings, and in the process help borrower to come out of vicious circle of poverty.

Bharat (2002) studied women Self Help Groups as kindling spirit of entrepreneurship and examined with the results of many credit programmes. He found that the dissatisfaction with the experiences has demanded new modalities to provide effective financial services to rural poor. Research in various countries have brought to light the fact that SHGs play a significant role in mobilizing substantial amount of savings.

Robinson, M. (2001). In his approach paper distinguishes between "poverty lending "and microfinance institutions. How successful was the combination, the importance of outreach and fighting poverty.

Park and Ren (2001) examined "The impact of Micro finance in China". The study reported increase in consumptions by about 97 percent of the sample indicating that credit access could help increase the ability of the households to smooth consumptions when incomes are variable.

Laxmi R.K (2001) studied Self Help Groups as innovations in financing the poor and revealed that a large number of institutions are at present providing credit to the rural and tribal poor. Yet it is inadequate. The SHGs can create unique alternative, need-based credit delivery mechanisms by pooling their meager resources for catering to their consumption and occupational requirements.

Zaman Hassan (2001) examined the extent to which microcredit reduces poverty and vulnerability through a case study of BRAC, in Bangladesh. The data collected from 1072 households found that there are several channels by which microcredit services can reduce vulnerability and also poverty.

Leon (2001) reported that productivity of resources; governance and business environment were the contributing factors for the cost-efficiency of the Peruvian municipal banks. Parametric approach includes stochastic frontier approach, flexible profit function etc and non-parametric approach includes data envelopment analysis.

Bhatia and Bhatia (2000) highlighted that recovery of SHGs is higher than other credit extended to borrowers. They observed that there have been perceptible changes in the standards of living in terms of ownership and asset building.

Nagayya (2000) maintains that an informal arrangement for credit supply to the poor through SHG's is fast emerging as a promising tool for promoting income-generating enterprises. He has reviewed the initiatives taken at the national level with a view of institutional arrangements to support this programme for alleviation of poverty among the poor, with focus on women. He called for an imperative need to enlarge the coverage of SHG's in advance portfolio of banks as part of their corporate strategy, to recognize perceived benefits of SHG's financing in terms of reduced default risk and transaction costs.

Dasgupta (2000) in his paper on informal journey through Self Help Groups observed that micro-financing through informal group approach has effected quite a few benefits viz.: (i) savings mobilized by the poor; (ii) access to the required amount of appropriate credit by the poor; (iii) matching the demand and supply of credit structure and opening new market for FI's; (iv) reduction in transaction cost for both lenders and borrowers; (v) tremendous improvement in recovery; (vi) heralding a new realization of subsidy less and corruption less credit, and (vii) remarkable empowerment of poor women. He stressed that SHG's should be considered as one of the best means to counter social and financial citizenship not as an end in itself.

A study by Puhazhendi and SatyaSai (2000) on the NABARD impact evaluation of SHGs covered by the bank –linkage programme reveals the changes in socio-

economic conditions of 560 members of 223 SHGs in 11 states before and after (spanning a three year period) their association with the SHG. The study findings also reveals that social impact was found to be stronger in the case of groups promoted by NGOs than in groups promoted by banks. Other positive impacts experienced by SHG members related to increase in self-worth communication skills, and desire to protest social evils, improved response to problem situations and decrease in family violence. A consistent increased access to various amenities such as water health and sanitation, schools and markets is also indicated.

Malhotra (2000) in his study of 174 women beneficiaries in Raibareily of the state of Uttar Pradesh, drawn and covered randomly from four formal agencies of credit institutions revealed that less than half a percent of female population against 3.5 percent of male population in the study area were clients of the banks. Furthermore, only 7.64 percent of the total member of the cases financed and only 6.96 percent of the total quantum of credit extended by RFIs have gone to women. It was observed that 83 percent of loan cases availed by women; male members were primarily responsible for the end user of credit.

Datta and Raman (2000) highlighted that Self Help Groups are characterized by heterogeneity in terms of social and economic indicators. The success of Self Help Groups in terms of high repayment is mostly related to the exploitation of prevailing social ties and cohesion found among women members. Social cohesiveness among members spring not only from their diverse background of knowledge base, skills occupations and income levels, but also due to the dynamic incentive system of progressive lending to the groups on the successful completion of loan repayment. However, Self Help Groups are heavily dependent on external financial agencies for their lending operations.

David Hulme (2000) reviews the methodological options for the impact assessment of microfinance.Following a discussion of the varying objectives of impact assessment it examines the choice of conceptual frameworks and presents three paradigms of impact assessment: the scientific method, the humanities tradition and participatory learning and action. Key issues and lessons in the practice of microfinance impact

assessments are then explored and it is argued that the central issue in impact assessment design is how to combine different methodological approaches so that a "fit" is achieved between impact assessment objectives, program context and the constraints of impact assessment costs, human resources and timing. The conclusion argues for a greater focus on internal impact monitoring by microfinance institutions.

Ahmed (1999) through a case study on thrift groups in Assam highlighted that women are coming to administration directly for their rights and to address their grievances. It proved that SHGs are successful to disperse micro-credit and for encouraging them into entrepreneurial activities.

K.G Karmakar (1999) in his book Rural credit and Self-Help Groups- Microfinance needs and concepts in India talks about the various factors which have been instrumental in weakening rural credit agencies and the disappointing performance of the rural credit system has led to the emergence of alternative and innovative efforts known as self-help groups, and examples of these initiatives are examined in this book.

Dhillon (1999) conducted a study in Punjab that most of the beneficiaries were illiterates and adequate loan assistance was not given to cover the entire cost of the asset to be generated.

Studies on various other aspects other than Micro finance aspects Including Self Help groups

A number of studies conducted on the importance of factors that led to growth of these Groups across the country and how Microfinance helped them bring out better lifestyle among them. Most of the studies looked into issues and challenges from various single point outlook as each of these are good pointers for the concept of growth of SHGs.

Newaz (2011) in a case study that examines the activities of third sector organizations, particularly NGOs and their relations with and potentials of advocacy and social change by promoting political participation of rural women in Bangladesh. This study, based on real life stories of rural women in the southwest region of

Bangladesh, explains the way in which NGO approach of credit-plus- mobilization eventually led to the active participation of rural women in the political process. It reviews the dynamics of NGO working with rural women and the subsequent participation of women in the direct local level elections in which a significant number of women won rural peoples verdict as contestants.

Gaonkar (2010) conducted a study on "Role of Self Help Groups in empowerment of women" in Goa. The study concludes that the SHG organizations save regularly and utilize saving in a productive purposes. Besides focusing on entrepreneurial development of the beneficiaries, the SHGs also undertook the responsibility of delivering non-credit services such as literacy, health and environmental issues

Swaminathan (2009) in another study undertaken at Madurai revealed that 25 percent of beneficiaries were not eligible for assistance. Common factor underlined the failure of specific schemes was the absence of serious and imaginative local level planning.

Mayoux (2009) stated that increased access to microfinance contributed to poverty reduction and financial sustainability, economic empowerment, increased well-being and social and political empowerment thereby addressing goals of gender equality and empowerment

Deininger, Liu, (2009) found that Microfinance has an economically significant impact on female social capital, economic empowerment and political participation, frequent attendance in village meetings, intake of protein and consumption

Ahsan, Barua (2009) recommended a set of regulatory guidelines that include the broad parameters of what an eligible micro insurance product is, such that only eligible products may be marketed by micro insurance

Panigrahi and Acharya (2009) examined the different factors that determine the empowerment of women through watershed management programmes. The study found that factors like members in the group, education, training, mass media and the income of the respondent significantly raise the empowerment of the respondent. On the other hand a youth respondent family size education of the husband has less influence in the empowerment variables of the clients.

Pati and Lyngdoh (2009) studied the linkage between the economic transformation and social transformation in northeastern regions. It was found that micro finance increased income expenditure and saving of clients better than the control group, transformed individual well-being like it led to the transformation of the family and society as a whole with significant changes in education, decision making, health status, capacity building and mobility. Overall the study establishes that micro finance intervention leads to positive and meaningful socio-economic outcomes.

Bhagat (2009) studied the factors determining the selection of income generating activities by self-help groups engaged in agro-based activities in Assam. It has been observed that socio economic variables like education, age, market perception, economic motivation, and attitude towards self-employment, risk orientation, influenced the members regarding the selection of the enterprise. The study highlighted the need for providing training on management aspect and technical aspect as well as provision of market infrastructure to the SHG so that they could become competitive in environment with an enterprise they have selected. It is also noteworthy that the poor often remain poor not because of lack of access to credit but for their relative powerlessness. The success of a micro finance scheme hinges critically on the social context and the particular set of power relations that prevail. Several problems are associated with the micro credit schemes in India. Several studies confirmed the same.

Chandrasekhar and Lokesh (2009) describe the power of SHG in creating socio-economic revolution. His observation lists out the factors influencing the power of SHG in creating socio-economic progress of the society. He studies the changes in the social status, decision making and increased women participation in outdoor activities. The author explores changes in the outer form of a community or a society but also the social institutions as well as ideas of the people living in the society. It concludes with the changes in the material aspects of life as well as in the ideas, value and attitudes of the people.

Joy et al (2008) In their study assumed the following factors to have impact on the SHGs enterprise selection-

i.) Education: it is assumed that higher is the education, higher will be the members understanding of the technicalities of any enterprise. So, education was taken as a variable

ii.) Age: among the SHG/member characteristics influencing the decision of their participation in enterprise selection, experience and managerial skills play a major role. So, the age of the members was taken as a proxy for experience and managerial skill.

iii.) Market perception: refers to the degree of perception of SHG-members about up to date market knowledge.

iv.) Economic motivation: refers to the extent to which a respondent was oriented towards profit maximization and the relative value placed in the monetary gains.

v.) Attitude towards self-employment: refers to the degree of positive or negative perception of SHG-members towards self-employment. In the present context of extreme unemployment, one of the alternatives for income generating was to take up self –employment.

vi.) Management orientation: refers to the managerial skills of SHG members

vii.) Knowledge about processing: is derived from the training exposure organized by agencies

viii.) Risk-orientation: is the degree to which the respondent was oriented towards risk-encountering price uncertainty, market condition and technology.

ix.) Innovativeness: depicts the degree to which a respondent was relatively ready to adopt new ideas.

x.) Information-seeking behaviour: refers the extent to which a SHG member was seeking information from different sources

Kumaresan and Chitrakala (2008) in their study pointed out that microfinance is not a solution to all worlds' problems, but seems to be effective in encouraging entrepreneurship, increasing the income of the poorest and helping them to build viable businesses.

Osmani (1998) examined the impact of credit on women's relative well being in Grameen Bank credit programmes by using the capacity criteria and concluded that credit has partially succeeded in improving the relative well being of women.

Andersen and Nina (1998) identified that there are several advantages of the group lending setup. It was found that borrowers themselves undertook the task of credit evaluation which created a peer screening effect and reduces the transaction costs as community members had much better information than banks and the peer monitoring effect induces group members to use their loans in productive ways.

Mousley and Hulme (1993) compared the changes in household incomes from each of 13 MFIs in 7 countries. The study found that all schemes have positive measured effects on income.

McCarty and Yaiswarng (1993) apply two stage analyses where the MFIs have controllable and uncontrollable inputs. It is one of those pioneering this is first such study that applies two-stage method on MFIs

Singh (1991) conducted a study in Bihar and attributed the failure of the programme in a state/ district to inadequacy of loan amount in creating asset but also delay in disbursement of subsidy attached to loan.

Shanker (1991) conducted a study in Allahabad and concluded that fairly large numbers of beneficiaries were not eligible for assistance because selections were not made in open general meeting of the villagers.

Stiglitz (1990), Varain (1990), and Banerjee and Newman (1994) have developed models that illustrate the working of the peer monitoring effect and the desire to preserve valuable social ties that induces borrowers to spend extra effort if necessary to secure timely payments.

The Impact Studies on Microfinance

Rajyalaxmi (2012) on Rural women empowerment and entrepreneurship development through self help groups deals with empowerment of rural women through entrepreneurship and the advantages among the rural women.

Savitha&Jyothi (2012) studied the role of self-help groups in bringing about social empowerment in Andhra Pradesh. The study focused on determining the factors that contributed to the socio economic status of these members.

Sriram (2011) talks about how India could quickly understood the Grameen Bank model and adopted itself to fuel the growth of concept of SHG's.

R. Malleshwari (2011) researched as to how the concept of SHG and its strategy is assisting marginalized people to create their own non-profit organisations.

APMAS conducted a study (2011) on SHG movement in Adilabad, Cuddapah and Visakhapatnam districts of Andhra Pradesh. The study focused on identifying the constraint in the effective implementation of the SHG programme.The study also meant to understand the capacity building needs of the promoting agencies, bankers, and other stakeholders in the movement. In this study it was found that though 78% of the groups save regularly and they are weak in terms of functioning and systems.The groups are still at a nascent stage when it comes to lending activities, productive utilization of credit and micro enterprises development. Idle funds are high at 33% of the total funds. Micro enterprise development through SHG led micro credit is practically absent. Credit for domestic consumption received high priority. (www.apmas.org)

Gaonkar (2010) conducted a study on "Role of Self Help Groups in empowerment of women" in Goa. The study concludes that the SHG organizations save regularly and utilize saving in a productive purposes. Besides focusing on entrepreneurial development of the beneficiaries, the SHGs also undertook the responsibility of delivering non credit services such as literacy, health and environmental issues.

Panda (2010) talks about concept of poverty and the role of govt in defining poverty line and the acceptability of line in terms of country's definition and how this can be associated with SHG concept.

Garikapati(2008) conducted a study to state that microfinance may not empower the women concerned. Study conducted *by*in two villages of Andhra Pradesh on impact of microfinance on women indicates that lending to women is likely to strengthen the

household ability to cope with vulnerability across income groups, but that the women themselves are not likely to see consistent improvements in their households. The study also finds that the money given to women is mainly diverted into productive or consumption needs of their households. This suggests that programs aimed at building the group's economic capabilities must accompany credit. It is likely that lack of focus on group building activities within the SHG scheme is one of the main reasons for its ineffectiveness in empowering women.Self help groups have emerged as an efficient mechanism of empowerment and development of women as well as being an efficient mode of promoting group action and technology dissemination.

Meena et al (2008)attempts to assess the attitudinal changes in women SHG's as a result of training. The study indicated that there was a significant change in attitude of the participants in the area of socio-economic upliftment, education and training, marketing and entrepreneurship qualities, technology adoption and banking aspects. The authors also state that self-help groups can promote participatory extension and development.

Eyben, Kabeer, Cornwall, (2008) proposed a framework to enable the empowerment of the poor to be conceptually understood and operationally explored. It examines the different facets of 'social', 'economic' and 'political' empowerment.

Dutta and Raman (2000) highlighted that SHGs are characterized by heterogeneity in terms of social and economic indicators. Success of SHGs in terms of high repayment is mostly related to the exploitation of prevailing social ties and cohesiveness among women. Social cohesiveness emerges due to the dynamic incentive system of progressive lending to the groups on the successful completion of loan repayment.

Kabeer (2008) advocates that women's empowerment should be measured and defined on the basis of abilities of women to make such choices. Kabeer distinguishes between strategic life choices and second-hand choices. Strategic life choices include ones such as where to live, who/whether to marry, how many children, etc., and second-hand choices are related to the quality of one's life, such as when to have dinner, when to go to the market, etc. She advocates that choices should be 'evaluated

in terms of their transformatory significance, the extent to which the choices made have potential for challenging and de-establishing social inequalities and the extent to which they merely express and reproduce these inequalities."

Randhawa and SukhdeepKaur Mann (2007) in their study focused on tracing the genesis and structure and evaluated the functional aspects of SHGs in Punjab region, as the concept was new to the State and tried to understand how capacity building is being done.

Asis Kumar (2007) describes in his study that women comprise almost 50 percent of the world population, live in abject poverty and utter distress. It is evident that in Pakistan and Maldives women are still disempowered a lot. But in case of Bhutan, empowerment of women has been found to be more or less equitable.

BhaskaraRao (2007) in a report analyses the increase in different set of empowerment indicators, viz. awareness, access to resources and control over resources, decision making, mobility, political participation and social concern which vary from nominal to average.

Tesoriero (2006) conducted a study on "Self Help Groups in South India" and evaluated them in terms of their success in contribution to gender development. According to Tesoriero the role of SHGs in a democratic processes, and the community development processes made a modest but significant contribution to broader transformation of oppressive structures.

ACCION InSight (2006) in Guidelines to Achieve Social Performance' suggested that every MFI can and should measure its social performance. It also stated that social performance reporting enables microfinance institutions to focus on fulfillment of social goals in same way they focus on financial goals.

Reddy &Manak (2005) describes the need for coordinated and comprehensive support strategy which is very important as the financial management issues of SHGs need to be addressed otherwise the benefits of civil society impacts will be lost as SHGs will become overburden and un-sustainable.

Ajai Nair (2005) talks about how the SHG's quickly federated and the problem of their sustainability was constrained by several factors both Internal as well as external.Findings of a study on SHG – Bank linkage programme for the rural poor in Orissa, Chhattisgarh, and Jharkhand reveal a positive impact of SHGs. It was observed that there was an increase in the family income among the SHG members and 45 percent of the household's accumulated assets after joining the SHG. As far as the social impact was concerned there was a significant improvement in the status of women in aspects such as joint decision-making, decreasing domestic violence and increased exposures. However, contrary results have been observed by APMAS (2005) among 400 SHGs and stated that employment opportunities had not increased after the SHG interference. The study also pointed out that realization of improvement in family income was better for upper caste people than that of backward and scheduled caste people.

CGAP, The Ford foundation and Argidus Foundation (2005) created the social performance taskforce in March 2005. The Task force includes three main areas for monitoring social performance; these are intent i.e. whether institutions have already defined social mission achievements and results i.e. whether institutions track achievements on their social achievements and results i.e. whether institutions are reaching poorer and more marginalized populations and whether clients are experiencing positive social and economic changes.

Srivastava (2005), in a study conducted in Lakhipur village of Assam found that the women members of SHGs were empowered and this enabled them to purchase assets like cows, goats and buffaloes.

Sitaraman (2005) assessed the socio-economic impact of SHG through field level data. The study revealed that the loans availed had a significant impact on the overall economic status of the group members.

Joy Deshmukh-Ranadive (2004) describes how Andhra Pradesh has chosen social mobilization and inclusiveness as methods of addressing poverty alleviation by adopting SHG concept and strides it has made.

Renukarya (2004) conducted a research on "Integrated Quantitative analysis to assess the performance of SHGs in India". The study developed three quantitative techniques in an integrated way to quantitatively measure the performance of SHGs in India. (1) Discriminate functional analysis which can be used to discriminate between well performing and poorly performing SHGs on the basis of their performance. (2) Step wise linear regression analysis (3) Principle component analysis and factor analysis. The above methodology was tested effectively in 44 SHGs of Karnataka state in India. It was found that the methodology could be used with great facility to SHGs all over.

Makuwira (2004) studied on "Partnership between non-governmental organizations and government in basic education in Malawi". The areas highlighted in the study were partnership building, with a focus on poverty alleviation. The document states that the major role of the state is to provide a favourable environment for the implementation of poverty alleviation programmes, the success of which is dependent upon a strong partnership with NGOs, donors and the private sector.

Nirmala, singhetal.,Kamaraja and Muralidaran, (2004) state that SHG will lead income-generating activities that will provide employment opportunities and will lead to socioeconomic development of families of the members.

Holvet (2004) conducted a study to examine the impact of microfinance in schooling and literacy, how the credit enters the household, and who brings it. Comparing the effects of slightly diverging credit programs that are operational in South India leads to the conclusion that in the case of direct bank-borrower credit it does not matter for children's education whether credit is in the hands of mothers or fathers. The survey also indicated that women's group membership strongly affects girls schooling and literacy while it leaves that of boys largely unchanged

Galab et al (2003) assessed different developmental programmes like DWCRA - development of women and children in rural areas, SAPAP-South Asia poverty alleviation programme and other developmental programmes. The impact assessment covered two aspects mainly poverty alleviation and women empowerment mainly in the dimensions of 'power to', 'power with' and 'power with in.'[35] in all the three

models women SHGs are promoted as basic entities. Among all the developmental models it is found that there are more number of women SHG's under DWCRA programme and they have entered in to non-traditional practices like marketing and it is also observed that the women's control on reproductive choice has increased and are able to take independent decisions regarding their lives. Further highlighted that SHG's are characterized by heterogeneity in terms of social and economic indicators. The success of SHGs in terms of high repayment is mostly related to the exploitation of prevailing social ties and cohesion found among women members. Social cohesiveness among members spring not only from their diverse background of knowledge base, skills occupations and income levels, but also due to the dynamic incentive system of progressive lending to the groups on the successful completion of loan repayment. However, SHG are heavily dependent on external financial agencies for their lending operations.

MYRADA (2002) in a study conducted by themrevealed that being a part of SHG seems to have changed the lives of the members, especially in the older groups, in a significant way. As for its influence on the financial status of these women, in the old groups, 89% interviewees agree that their financial position has changed for the better since they joined the SHG, as against only 71% in the younger groups.

Choudhry (2002 unpublished)in a study conducted in Jharkhand state reveals the role of women in Indian economy and their contribution towards the family. Empowerment of women has taken place to some extent in the groups covered under the study. The study concluded with the socio-economic and psychological changes associated with SHG activity.

Kim Wilson (2002) describes about the ability of SHGs to mobilize poor families and communities to work together in order to reduce vulnerabilities at many levels. Vulnerability refers to the extent to which a natural disaster can negatively affect communities and families. Shepherd – Self-Help Emergency Prevention model an approach which sequentially engages two proven models: Self help bank linkage by NABARD and the community-based disaster preparedness model where the two models can help in prevention of community-based emergency. The program relies on

the community, through a variety of participatory exercises, to identify potential vulnerabilities and to develop plans to block a natural shock from becoming a wholesale emergency.

Vijayanthi (2002)In her study on SHG's of CDD WATSAN concluded that formation of women's groups, their savings and income, new knowledge and consciousness raising and group mobilization can together make women to create their ability to speak out and earn higher status. Women's role in development is indispensable and community development is incomplete without women's participation and contribution, but women are not always involved in the process of activities that affect their lives. The resource base of these groups has been strengthened, leading to increasing self-reliance.

AjayTankha (2002) study addresses three main issues: Efficiency, Effectiveness and Sustainability- in terms of cost of promotion of SHG monitoring of indicators that impact the costs and finally, exit strategies for NGO's / SHPI's.

Borbora and Mahanta (2001) assessed the role of SHG's in inculcating saving habits among the poor and the contributions of the program in the social and economic empowerment of the poor. 80 percent of the beneficiaries could also expand their income generating activities.

Manimeklai and Rajeshwari (2001) highlighted that provision of micro-finance by the NGO's to women SHG's has helped the groups to achieve a measure of economic and social empowerment. It has developed a sense of leadership, organizational skill, management of various activities of a business, rights for acquiring finance, identifying raw material, market and sustainable diversification and modernization.

Hassan and Tufte (2001) using a parametric approach found that Grameen bank's branches staffed by the female employees operated more efficiently than their counterparts staffed by male employees.

Satish (2001) in his paper raised certain issues related to the functioning of SHG's. Adequate care should be taken to ensure homogeneity of socio-economic status of the members, while forming SHG's. The process of SHG formation has to be systematic

whether a Bank or an N.G.O forms it. He emphasized that SHG's experiment has to be spread throughout rural India rather than being concentrated in a few pockets of the country. NGO's are more suited for forming and nurturing of the SHG's, and therefore, it is essential to strengthen them and their resources so that they should increasingly undertake this work.

Puhazhendhi, and Satyasai (2001) in their paper attempted to evaluate the performance of SHG's with special reference to social and economic empowerment. The findings of the study revealed that the SHG's as institutional arrangement could positively contribute to the economic and social empowerment of rural poor and the impact on the later was more pronounced than on the former.

Sharma (2001) maintained that through Self Help Groups women empowerment is taking place. Their participation in the economic activities and decision-making at the household and society level is increasing and making the process of rural development participatory, democratic, sustainable and independent of subsidy, thus, macro-financing through Self Help Groups is contributing to the development of rural people in a meaningful manner.

Mayoux (2000), Rahman (1986) established that "active" women borrowers had higher consumption standards and a role in household decision-making, either on their own or jointly with their husbands, than 'passive' female borrowers. Both in turn had significantly higher consumption standards and were more likely to partake in household decision- making than women from male loanee households or from households who had not received credit.

Gurumoorthy (2000) maintained that SHG is a viable alternative to achieve the objectives of rural development and to get community participation in all rural development programmes.

Harper (1998) in a study of 72 SHGs undertaken by in Orissa, UP, Maharashtra and Karnataka proves improvement in member's diet, assets and education. Studies highlighted that the benefits to the poor were less or delayed when compared to better off.

Osmani (1998) examined the impact of credit on women's relative wellbeing in Grameen Bank credit programmes by using the capacity criteria and concluded that credit has partially succeeded in improving the relative well being of women.

Kabeer (1998) found that many women continue to register land and productive assets in their husband's name, because of inheritance laws: assets will be inherited by sons if registered in the husband's name, and by daughters if registered in the wife's name.

Ali (1998) conducted a study in Andhra Pradesh and found that the programme led to moderate increase in income and employment in Andhra Pradesh.

Goetz and Sen Gupta (1996); Mayoux (1998) shows that only a minority of women receiving credit from poverty-oriented microfinance programmes are controlling their loans; many women often pass on the full amount of their loans directly to their husbands, sons or sons-in-law, with little or no access to the income generated and receiving back only enough money to make weekly loan repayments.

Buvinic (1996) states thatthe most straightforward vehicle to 'empower' poor women is to increase their productivity in home and market production and the income they obtain from work." The ILO (2002, Kessides, 2005) has proposed various strategies to combat this problem, such as increasing women's access to land and other assets.

The United Nations Development Programme's (UNDP) 1995 Human Development Report introduced the gender-related development index (GDI), which reflects gender disparities in basic human capabilities, and the gender empowerment measure (GEM), which measures progress towards gender equity in economic and political power. The GEM measures empowerment through three factors: (1) economic participation and decision-making power, (2) political decision making and power, and (3) power over economic resources (UNDP, 1995).

Goswami (1986) identified the various shortcomings of IRDP and its implementation in Assam. Political biasness in the selection of beneficiaries, lack of involvement of officers, absence of horizontal and vertical integration, lack of supervision and follow up action, inertia and immobility of the people delay red-tapism and corruption in disbursement of funds etc.

"Economic empowerment is thought to allow poor people to think beyond immediate daily survival and to exercise greater control over both their resources and life choices. For example, it enables households to make their own decisions around making investments in health and education, and taking risks in order to increase their income. There is also some evidence that economic empowerment can strengthen vulnerable groups' participation in the decision-making. Microfinance programmes have been shown to bolster women's influence within the household and marketplace. The evidence also suggests that economic power is often easily 'converted' into increased social status or decision-making power." (Source: Governance and Social Development Resource centre, United Kingdom). Strategies will be designed to enhance the capacity of women and empower them to meet the negative social and economic impacts, which may flow from the globalization process. Role of women in agriculture and industry and the provision of support services to women at workplaces in order to provide an enabling environment received special mention as important components of economic empowerment in the Women empowerment policy, 2001.

Findings of a study on SHG – Bank linkage programme for the rural poor in Orissa, Chhattisgarh, and Jharkhand reveal a positive impact of SHGs. It was observed that there was an increase in the family income among the SHG members and 45 percent of the household's accumulated assets after joining the SHG. As far as the social impact was concerned there was a significant improvement in the status of women in aspects such as joint decision- making, decreasing domestic violence and increased exposures.

The literature on economic empowerment is vast, and a large part of this focuses on the economic empowerment of women - a key strategy in addressing gender inequality. More generally, economic empowerment centres around four broad areas: (a) the promotion of the assets of poor people; (b) transformative forms of social protection; (c) microfinance; and (d) skills training.

Thus the previous studies highlighted the functioning of SHGs' , impact of micro lending on omen and the degree of empowerment experienced by women. However a need is felt and research gap identified the new perspective to be given to the

sustenance of SHG model for future success.Hence, the present study focuses on the growth strategies to be adapted by SHG's for sustainability.

CHAPTER -3
RESEARCH METHODOLOGY

RESEARCH METHODOLOGY

The present chapter describes the research methodology applied for this study. It includes the research purpose, approach, strategy, sample selection, data collection, and research variables and data analysis methods. It also considers validity and reliability issues that will be discussed to follow the quality standards of the research.

The broad objective of the study is as follows:

"To study the concept and growth strategies of SHG's in Andhra Pradesh"

The specific objectives of the present study are formulated as follows:

- To study the relationship between SHG membership and the rise in the standard of living

- To analyze the reach of microfinance among Self Help Groups

- To study the degree of empowerment among SHG women members

- To understand the sustainability issues and challenges of Self Help Groups

- To suggest a perspective/ model for sustainability and growth of Self Help Groups.

Tools used for data collection

Data was collected from two sources; primary sources and secondary sources. Questionnaires were designed separately for SHG members and bank officials.

Sources of primary data:

Primary data was collected by interacting with women members of Self Help groups across the 21 districts of State of Andhra Pradesh, through specially designed and validated questionnaires to elicit information from SHG members and the degree of empowerment of women. Data was also collected from Government officials on socio economic aspects including sustainability of SHG'. A specially designed questionnaire was also administered to the bankers to elicit information on their understanding of way forward of the concept.

Sources of secondary data:

- Review of books on relevant areas for the research such as microfinance, women empowerment, economics (poverty related areas), human resource management, Macro -economics, Self Help Groups and on banking.

- Digital libraries, journals and online databases

- Proceedings of various seminars/ workshops and conferences

- Interviews as appeared in journals and newspapers on various subject matter by experts

- Websites dealing with self help groups and microfinance.

- Libraries of Central university of Hyderabad, National Institute of Rural Development and Indian school of business

Pilot Study

Figure- 2 showing the map of Telangana region
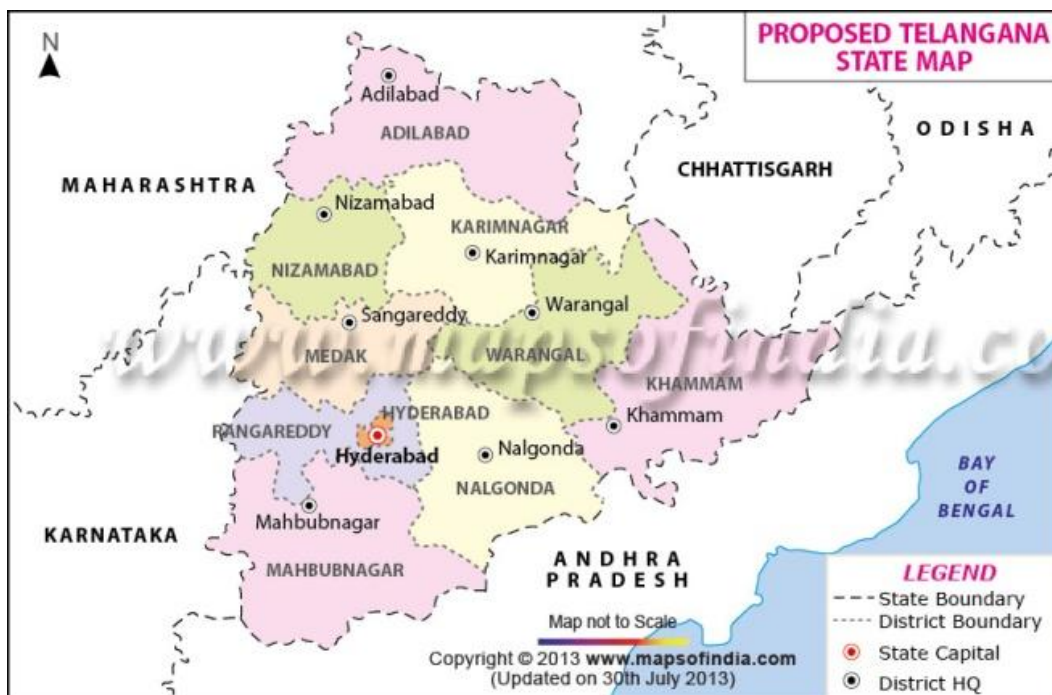
The pilot for study was the region of Telangana and now it has a formed into a State.

Telangana, which literally means "land of the Telugu people ", was ruled by the Nizams. It is bordered by the states of Maharashtra to the north and northwest, Karnataka to the west, Chattisgarh to the northeast and Orissa to the east. The erstwhile Andhra Pradesh State had three main cultural regions of which Telangana is one; others include Coastal Andhra region in the east and Rayalaseema region in the south. The Telangana region has an area of 114,840 square kilometers (44,340 sq mi), and a population of 35,286,757 (2011 census) that is 41.6% of Andhra Pradesh state population.

The region experienced its golden age during the reign of the Kakatiya dynasty, a Telugu dynasty from Warangal that ruled most parts of what is now Andhra Pradesh from 1083 to 1323 AD. Ganapatideva was known as the greatest of the Kakatiyas, and the first after the Satavahanas to bring the entire Telugu area under one rule.

The Telangana Region comprises of 10 districts namely; Hyderabad, Adilabad, Karimnagar, Khammam, Mahabubnagar, Medak, Nalgonda, Nizamabad, Rangareddy and Warangal. The rivers Musi, Krishna and Godavari flow from west to east through this region.

Telangana is a semi-arid region of Andhra Pradesh and has a predominantly hot and dry climate. Summers start in March, and peak in May with average high temperatures in the 42 °C (108 °F) range. The Monsoon arrives in June and lasts until September with about 550 mm (22 in) of precipitation. A dry, mild winter starts in late November and lasts until early February.

Description of the sample:

Table 10- showing the sample size.

Sl.No	Region	Total number of responses
1	Telangana	129

The sample size for the pilot was 129 comprising of entire Telangana. The Govt. officials were contacted at Vijayawada for the Andhra region and at Karimnagar for Telangana region for identification of the SHG groups. For the Rayalseema region assistance was mainly sought from the Bankers. The questionnaire was translated into Telugu language and then administered to all the women SHG members. The first part of the questionnaire had statements eliciting data on the demographic details like age, gender, education, family details, type of dwelling, household income etc, the second part consisted of loan details, utilization of loans etc.

In order to validate the questionnaire, a pilot study was conducted in two districts of Telangana. These districts are Warangal and Karimnagar, which are bigger districts and have large number of SHGs and are part of Telangana region.The sample was carefully chosen as the Govt officials and SHG members were forth coming to share the information. The researcher had contacted the DWACRA officials and Andhra Bank officials in providing information of SHG's so they can be contacted. Since contacting each and every SHG was becoming difficult due to non-availability of leaders at the agreed time, it was suggested that during their monthly meetings one could reach out to them. The study was thus conducted in these two districts.

Validation of the questionnaire and the reliability is concerned with estimates of the degree to which a measurement is free of random or unstable error. Different methods are available to measure the reliability such as retest method, split- half method, parallel (equivalence) method, Richardson method and, Cronbach's alpha coefficient method. The popular and commonly used method to assess internal consistency is Cronbach's alpha.

Hair (2007) has provided rules of thumb for interpreting alpha values. They mentioned an alpha of .60 or higher as an appropriate range to measure the reliability. To assess the reliability of the questionnaire during this research, Cronbach's alpha was used. Result from the analysis of questionnaire reliability by using SPSS software for the foremost 310 samples questionnaire is .63 that is more than the minimum level (60%). However the questionnaire was reviewed and later brought down to 41 questions, where the cronbach's Alpha showed .76 (76%).

The alpha value were calculated to ensure reliability of the questionnaire (measure) which shows 0.63 for the pilot study indicating more than acceptable limit, alpha limit

of 0.60 (Sekaran, 1992). The final questionnaire had 41 questions, which was utilized for the entire study.

Table- 11 showing Cronbach's Alpha pre test:

Cronbach's Alpha	N of items
.63	44

Table-12 showing the Cronbach's Alpha Post Test:

Cronbach's Alpha	N of items
.76	41

The sample size was 129 for the pilot. Data was collected from the members of SHG's over a period of two months. The questionnaire was subjected to reliability test and found fit for further analysis. The findings of the pilot study suggested further analysis.

Table- 13 Showing the KMO Bartlett's Test

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.748
Bartlett's Test of Sphericity	Approx. Chi-Square	4705.623
	Df	300
	Sig.	.000

From the above table: Kaiser-Meyer-Olkin (KMO) measure of adequacy at a measure of .748 indicates the sample can subject itself to factor analysis. The Bartlett's test of sphericity indicates the chi-square value is significant at 0.000 and therefore there exists significant relationship between the variables.

The following hypotheses that were put to test in the pilot study were:

Hypothesis of the Study:

(H1): There exists a significant relationship between occupation of householder and the total assets of the family

(H2): There exists a significant relationship between householder's income level and the SHG member's education of their children

(H3): There exists a significant improvement in health condition of SHG members and family

(H4): There exists a significant increase in household assets of SHG member

(H5): There exists a significant rise in employment opportunity on joining SHG

(H6): There is a significant increase in Income level of SHG member.

(H7): There exists a significant influence on skill development

(H8): There exists a significant impact on networking by SHG members

(H9): There has been significant increase in the savings of SHG members

(H10): There exists a positive relationship between availability of resources and utilization of resources

(H11): There exists is a significant difference in knowledge level of the SHG member before and after joining the SHG

(H12): There exists a significant relationship in utilizing the govt. schemes by the SHG members.

The pilot study showed the desired results while analyzing the data in terms of the various hypotheses that were deducted. This led to a research strategy for the complete State. The problems to be faced by the researcher and the environment in which the questionnaire can be administered was also understood. Following the pilot study where the statistical tests were proved adequate the complete study for the entire three regions was conducted and the interpretation of the data is presented in the next chapter.

CHAPTER -4
DATA ANALYSIS AND INTERPRETATION

DATA ANALYSIS AND INTERPRETATION

Since Andhra Pradesh is one of the leading States in formation of Self Help Groups, the study was conducted in three regions namely Andhra, Rayalaseema and Telangana. The lead bankers Andhra Bank, Regional bank- Deccan Grameen Bank, State Bank of India were approached and the list of SHGs linked to the bank were obtained. From among the total lists, SHG-Bank linked, NGO linked groups were identified for data collection. Thus the total data was collected from 170 SHG groups leaders (6 from each district) that came to 1257 questionnaires, out of which 905 was the total that could be utilized for the complete study.

Table- 14 showing region wise respondents for the entire study is given below.

Sl.No	Region	Total number of responses
1	Andhra	666
2	Rayalseema	110
3	Telangana	129
Total		905

Population Size: State: Andhra Pradesh: Number of SHG's-10, 27,930

The final study was conducted in the erstwhile State of Andhra Pradesh.. The State has three distinct regions namely Andhra region, Rayalaseema region and Telangana region. All three regions are different in their topography, culture and lifestyle. Hence understanding how the women function and think in these regions is important to study as they clearly bring out how the sustainability factor is coming from and how beneficial it is for them to form groups etc.,

Figure-3 showing the map of Andhra Pradesh
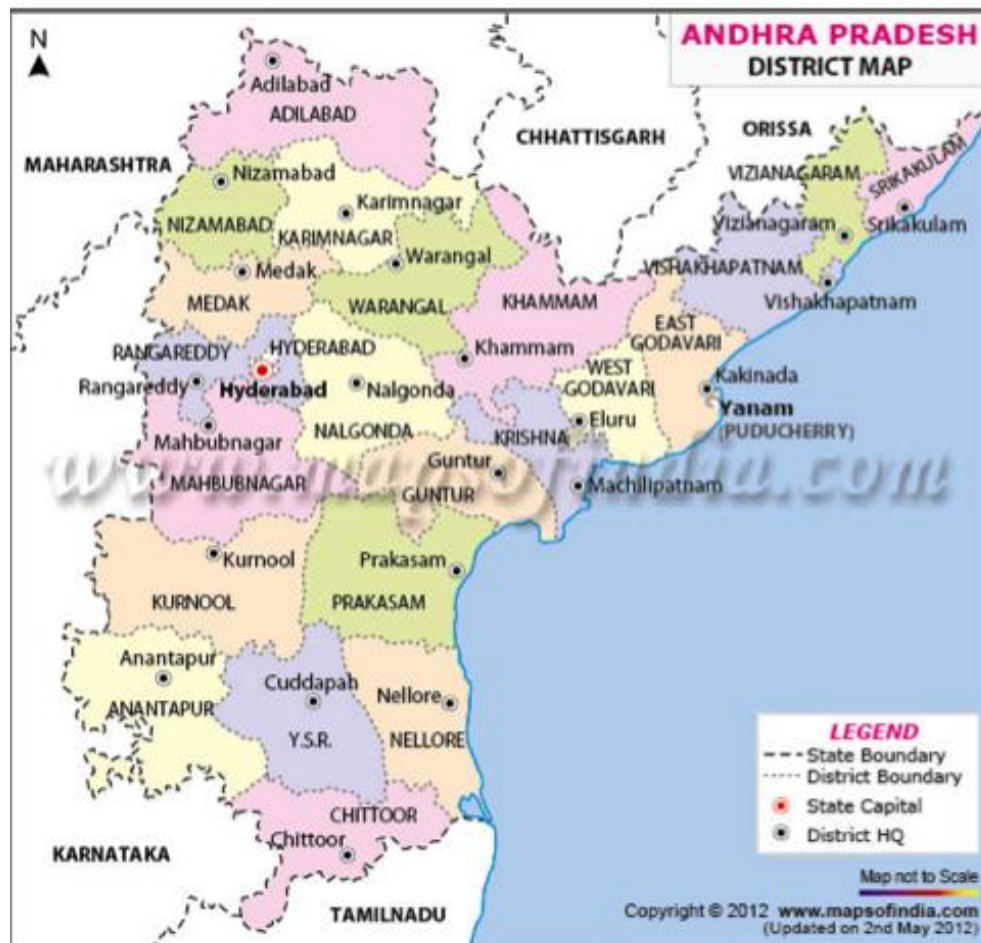
Description of geographical areas:

Andhra Region:

The earliest mention of the Andhras is said to be in AitereyaBrahmana (2000 BC). It indicates that the Andhras, originally living in north India migrated to south of the Vindhyas. Regular history of Andhra Desa, according to historians, begins with 236 BC, the year of Ashoka's death. During the following centuries, Satavahanas, Sakas, Ikshvakus, Eastern Chalukyas, Kakatiyas ruled Andhra country. It is also called as Coastal Andhra, which is on the eastern coast of India in the state of Andhra Pradesh. This region consists of the following districts: Srikakulam, Vijayanagaram,

Vishakapatanam, East Godavari, West Godavari, Krishna, Guntur, Prakasam and Nellore. Coastal Andhra comprises nine districts. Unlike Telangana and Rayalaseema, Coastal Andhra does not have unique cultural and linguistic identities throughout the region.

Coastal Andhra has rich agricultural land, owing to the delta of the Godavari and Krishna rivers. The prosperity of Coastal Andhra can be attributed to its rich agricultural land and an abundant water supply from these two rivers. Rice grown in paddy fields is the main crop, with pulses and coconuts also being important. The fishing industry is also important to the region.

Rayalaseema Region:

Rayalaseema is a geographic region in the state of Andhra Pradesh in India. It includes the districts of Ananthapur, Chittoor, Kadapa and Kurnool Districts. It has a total area of $67,299$ km^2. These Telugu speaking districts were part of erstwhile Madras presidency until 1953 when Telugu speaking districts of Madras Presidency were carved out to form Andhra State. Between 1953 and 1956, this region was part of Andhra State. In 1956, Sri Krishna Devaraya ruled The Rayalaseema. Rayalaseema was the original home of Eastern Chalukyas. They gradually extended their sway over Karnataka because of the pressure from Cholas kings. Although Rayalaseema is a small region compared to the rest of Telugu speaking regions, its contribution to arts, culture and literature is immense.

Earlier this region was known as DattaMandalalu. At the beginning of the 20th century many intellectuals of this region were under the opinion that this name was insulting to the prestige of the public at large. On 17th and 18 November 1928 the Andhra MahaSabha meeting was held in Nandyal town. Here a serious discussion came about on the naming of this region among the participant leaders. ChilukuriNarayanaRao suggested the name Rayalaseema as the Rayala Dynasty of the Vijayanagara Empire ruled mainly this region and a culture with a proud heritage had flourished.

Telangana Region:

Telangana, which literally means "land of the Telugu people ", is a region in the present state of Andhra Pradesh and formerly was part of Hyderabad State, which was

ruled by the Nizams. It is bordered by the states of Maharashtra to the north and northwest, Karnataka to the west, Chattisgarh to the northeast and Orissa to the east. Andhra Pradesh State has three main cultural regions of which Telangana is one; others include Coastal Andhra region in the east and Rayalaseema region in the south. The Telangana region has an area of 114,840 square kilometers (44,340 sq mi), and a population of 35,286,757 (2011 census) that is 41.6% of Andhra Pradesh state population.

The region experienced its golden age during the reign of the Kakatiya dynasty, a Telugu dynasty from Warangal that ruled most parts of what is now Andhra Pradesh from 1083 to 1323 AD. Ganapatideva was known as the greatest of the Kakatiyas, and the first after the Satavahanas to bring the entire Telugu area under one rule.

The Telangana Region comprises of 10 districts namely; Hyderabad, Adilabad, Karimnagar, Khammam, Mahabubnagar, Medak, Nalgonda, Nizamabad, Rangareddy and Warangal. The rivers Musi, Krishna and Godavari flow from west to east through this region.

Description of sample:

The study was conducted in 21 districts of Andhra Pradesh where more than 1300 questionnaires were administered to the women members of SHGs. The entire data was collected over a period of 6 months. Apart from this a questionnaire was also administered to Government officials and Bankers and their views and understanding was also elicited. From among 1300 questionnaires administered, only 905 questionnaires were completely filled and were fit for analysis. The data thus collected was subjected to SPSS analysis.

Table- 15 showing the number of respondents in three regions

Region	Frequency	Percent	Valid Percent	Cumulative Percent
A; Andhra	666	74%	74%	74%
R: Rayalaseema	110	14%	14%	88%
T: Telangana	129	12%	12%	100%
	905	100.0	100.0	

Figure- 4 showing the distribution of population
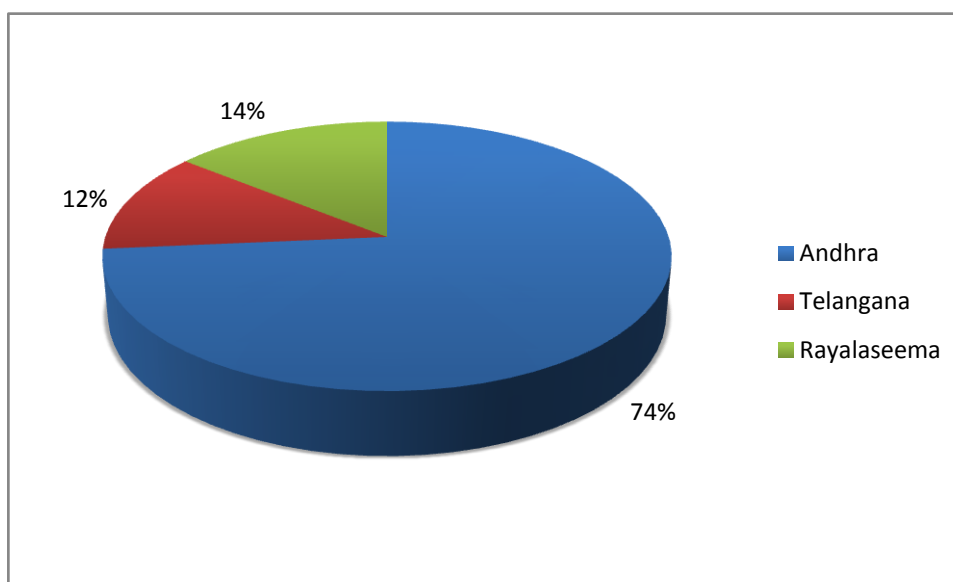
Among the 905 respondents who were considered for the study, 666 of them belong to Andhra region. 110 of them (12.% of the sample) belong to Rayalseema region. 129 of them (39.4% of the sample) belong to Telengana region.The sample population for the study from Andhra region is more as they were forth coming to answer the questions and also ready to discuss issues. Where as in the Rayalseema region, women were not ready to share information and participate in the survey as freely as

Andhra region people. The Telangana region is the region where the pilot study was conducted. There is a distinct observation noticed by the researcher while meeting the members of SHG in three regions that of women are more conservative in Rayalseema, and more outgoing in Telangana, where as in Andhra region they come out with male members and most of the time the male members do not allow the women to talk free.

Table- 16 showing"Education of the family head of SHG member"

EDUCATION OF FAMILY HEAD

ASPECTS	ANDHRA	PERCENTAGE	RAYALSEEMA	PERCENTAGE	TELENGANA	PERCENTAGE	TOTAL	PERCENTAGE
Graduate	22	5.01	13	11.93	52	14.57	87	9.61
High School	33	7.52	25	22.94	47	13.17	105	11.60
Inter	22	5.01	8	7.34	24	6.72	54	5.97
No education	100	22.78	18	16.51	100	28.01	218	24.09
Not specified	72	16.40	1	0.92	28	7.84	101	11.16
Primary School	82	18.68	22	20.18	64	17.93	168	18.56
SSC	108	24.60	22	20.18	42	11.76	172	19.01
Total	439	100.00	109	100.00	357	100.00	905	100.00

In order to find out if the head of the family was educated, data was collected on this aspect. It was found that nearly 25% of the sample were not educated.18.56% of them have completed primary education. 19.01% of them have completed their tenth standard. 11.6% of them have completed their high schooling. 9.61% of them have completed their Graduation and only 5.97% of them have completed their Intermediate education.

Considering them region wise, 22.78% of the sample from Andhra, 16.51% of the sample from Rayalseema and 28.01% of the sample from Telengana are "Not Educated". 5.% from Andhra, 11.93% from Rayalseema and 14.57% from Telengana are Graduates.

Education of SHG member

The education profile of the SHG members of the entire study is given below:

Table-17 showing the education of the SHG member "

Graduate, Intermediate, SSC, High school, Primary school, No education, Not specified

	Frequency	Percent	Valid Percent	Cumulative Percent
Not Specified	170	18.8	18.8	18.8
Graduate	32	3.5	3.5	22.3
Inter	121	13.4	13.4	35.7
S.S.C	96	10.6	10.6	46.3
High School	48	5.3	5.3	51.6
Primary School	226	25.0	25.0	76.6
No Education	212	23.4	23.4	100.0
Total	905	100.0	100.0	

Figure- 5 showing the distribution of data on education of the SHG member
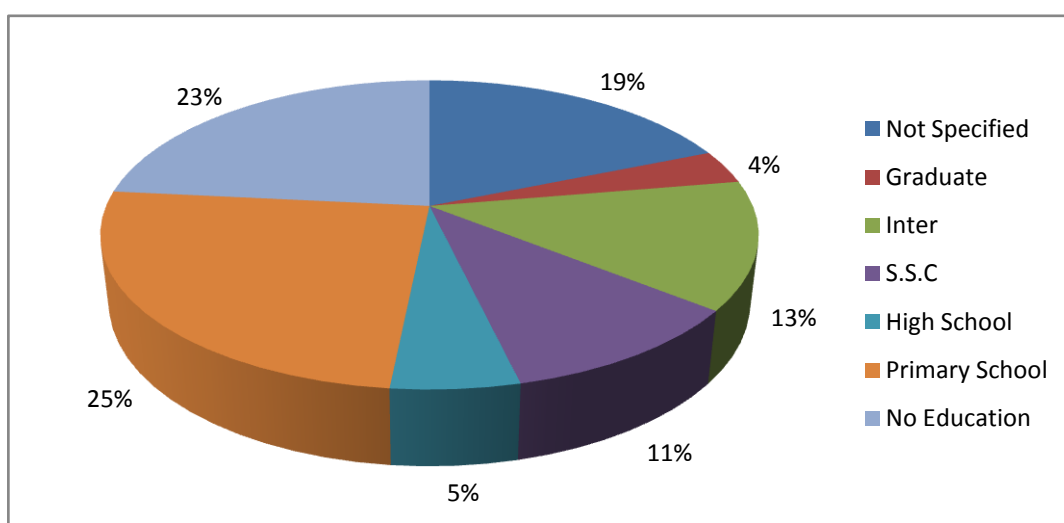
Data was collected to find out if the SHG member (herself) is literate or not. It was observed that 25% of the total sample have completed their primary schooling;

23.40% of them are not literate; 13.4% of them have completed their Intermediate; 10.6% of them have completed their tenth standard; 5.3% of them have completed their high schooling and 3.5% of them are graduates.

It is evident that majority of the population of the study are having primary education only. They have studied up to fifth standard in their respective Villages and in Govt. schools. 23% of the sample is illiterate and does not even had primary education. The silver lining is that 28% of the sample has studied up to tenth standard upwards and most of the leaders of SHG come from this category of sample, who are driving some of the entrepreneurial ventures which was observed in the Andhra region.

Occupation of Head of the Household

The occupation of the Head of the family shows that 50.8% are carrying out farming activities where they plough the lands and work as farm hands in the farms. Another 31 % are employed in various unskilled jobs in the villages on a daily wages basis. Some of them are doing small businesses, like selling fruits and vegetables etc, by having small shops.

Table- 18 showing the "OCCUPATION OF THE FAMILY HEAD"

 Occupation of Head of the House hold

	Frequency	Percent	Valid Percent	Cumulative Percent
Not Specified	27	3.0	3.0	3.0
Farming	460	50.8	50.8	53.8
Business	55	6.1	6.1	59.9
Employed	82	9.1	9.1	69.0
Other	281	31.0	31.0	100.0
Total	905	100.0	100.0	

Figure- 6 showing the data of the occupation of the head of the family
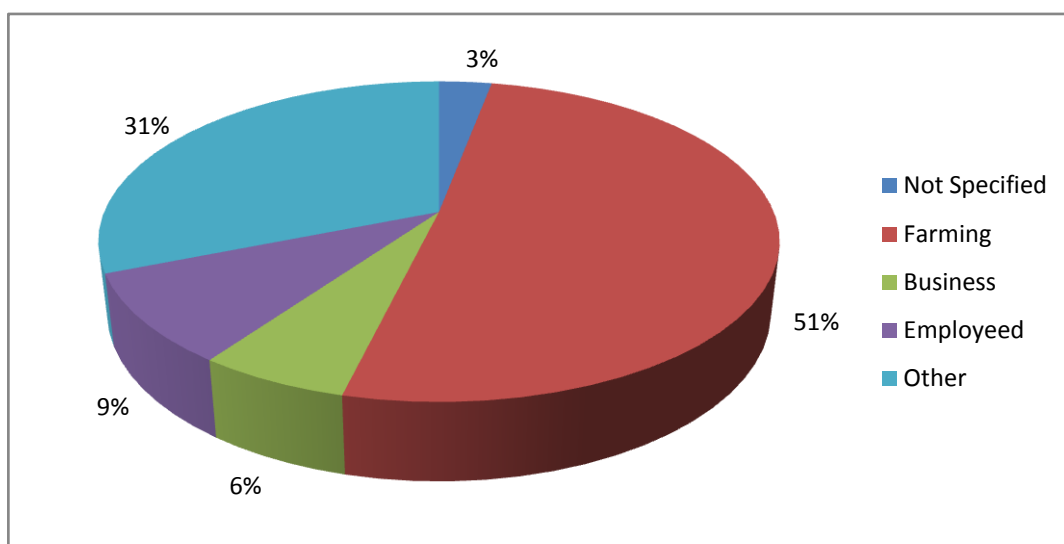
It is observed that almost 66% of the families do earn income and with their spouses joining them in income generating activities and the standard of living has increased.

Education of the children

Data was elicited about the education of the children of the SHG members. It was also noticed that education of children plays an important role in the lives of people. Every SHG member want their children to be educated and to lead a successful life. 38.7% of the children of the SHG members are going to school and 27.6% are going to college. This shows clearly that there is a concern for education of all the children in all classes of sample and are willing to spend on education of their wards.

Table- 19 showing the "Education of children of SHG member"
 Education of Children of SHG

Type of Education	Frequency	Percent	Valid Percent	Cumulative Percent
Not Specified	95	10.5	10.5	10.5
School Going	350	38.7	38.7	49.2
College	250	27.6	27.6	76.8
Not going to School	26	2.9	2.9	79.7
Working/Employed	184	20.3	20.3	100.0
Total	905	100.0	100.0	

Figure-7showing the distribution of education of children of SHG members
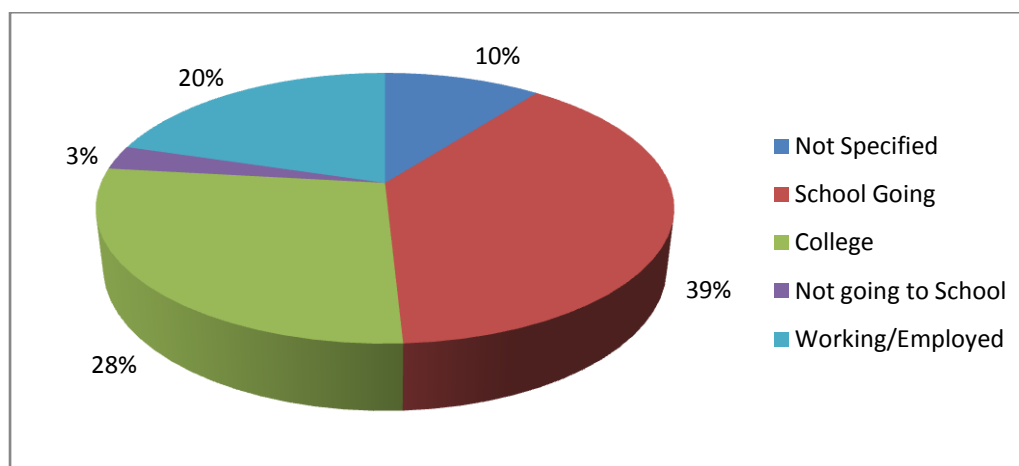
There are some children who are also employed (20.3%) as they are school dropouts and are into daily wages jobs. Statistics also shows that percentage of children going to school across the study is about 38.7%, followed by college going which is 27.6%. However, region wise these are differing and can be seen in further analysis.

Employment of SHG member

60% of the SHG members are self- employed and are having small businesses selling fruits, vegetables, sweets etc.,

Table-20 showing the "EMPLOYMENT OF SHG MEMBER"

Employment of SHG Member

Job Type	Frequency	Percent	Valid Percent	Cumulative Percent
Not specified	120	13.3	13.3	13.3
Self employed	543	60.0	60.0	73.3
Working	242	26.7	26.7	100.0
Total	905	100.0	100.0	

Figure-8 showing the distribution of employment of SHG member
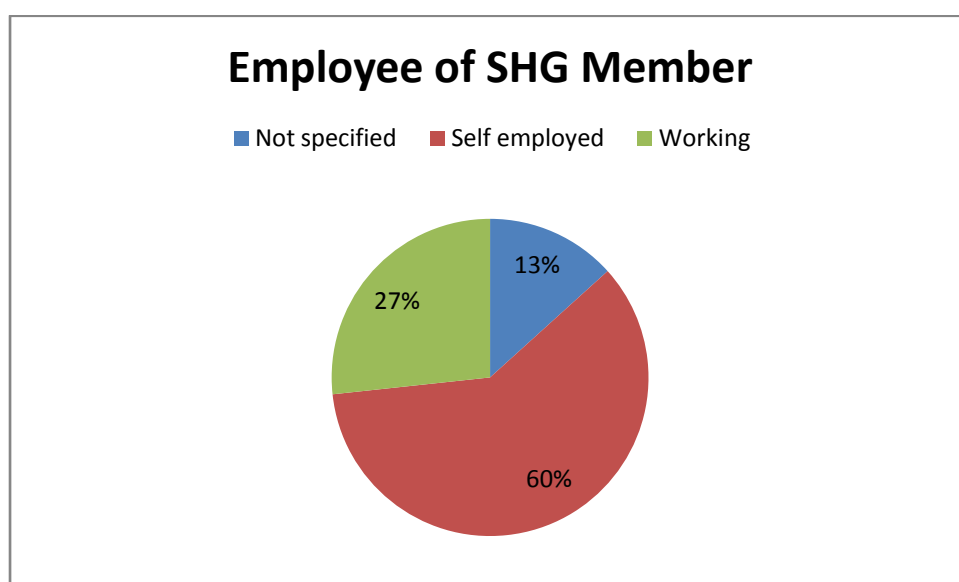
It was observed through classification that, 543(60.%) members of the total sample are Self-Employed; 242 (26.7%) members of the total sample are into specific Jobs like doing labour work in the fields, working in rice mills, as farm hands in the fields, where as 120 (13.3%) members of the total sample are not specific about their jobs that is to say that they earn their livelihood by doing odd jobs of some time labour job, selling fruits, selling beedis etc which are either seasonal or need based.

Average Income of the Household:

It is observed from the data that average household income across the study shows that 66.4% are drawing income over Rs. 3000 per month from jobs like regular farm hands, selling milk, selling groceries, rotation of money etc., as they have created some assets for themselves.

Table- 21 showing the distribution of average income of the household

Average income of the total house per Month

Income Range	Frequency	Percent	Valid Percent	Cumulative Percent
Not specified	125	13.8	13.8	13.8
Below 1000	6	.7	.7	14.5
1000 – 2000	173	19.1	19.1	33.6
2000 – 3000	252	27.8	27.8	61.4
3000 above	349	38.6	38.6	100.0
Total	905	100.0	100.0	

Figure- 9 showing the data of average income
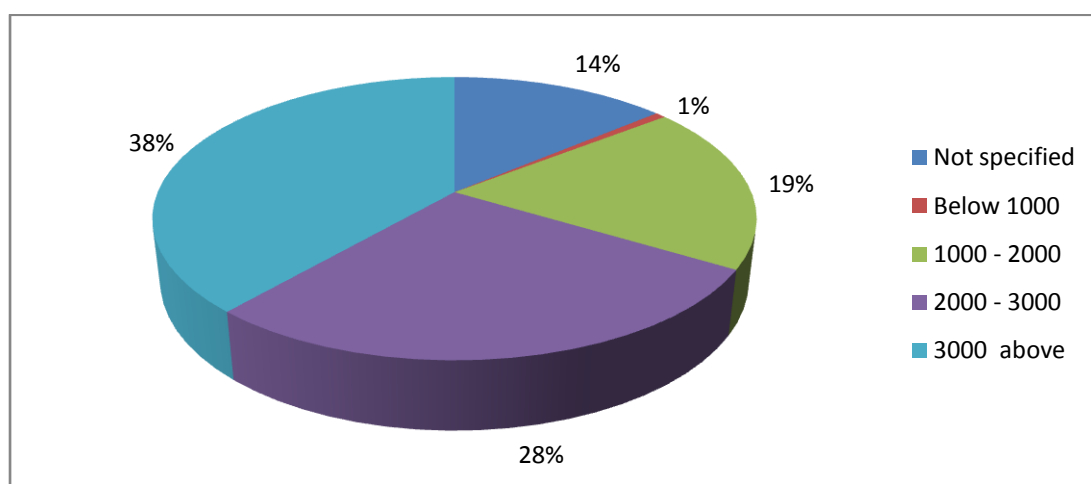
Finding out the average income per family would provide us with a clear picture of the economic status of the sample. A maximum of 38.6% of the total sample falls in the "above Rs. 3000" category; 27.8% of the sample falls in the Rs "2000 to 3000" category; 19.1% of the sample falls in the Rs. "1000 to 2000" category.13. 8% of them have not specified the income and a minimum of 0.7% falls in the "below Rs. 1000" category.

Type of dwelling:

It is observed from the data that almost 53 % of the population of the study live in thatched houses, some of them having roof made out of tiles, tin and asbestos sheets also.

Table-22 showing the distribution of type of dwelling.

Type of the home

House Type	Frequency	Percent	Valid Percent	Cumulative Percent
Not Specified	18	2.0	2.0	2.0
Non Construction/Hut	194	21.4	21.4	23.4
Non Construction/Tiled roof	289	31.9	31.9	55.4
Partially Constructed house	88	9.7	9.7	65.1
Construction under EWS house	47	5.2	5.2	70.3
Construction house	269	29.7	29.7	100.0
Total	905	100.0	100.0	

Figure- 10 showing the data spread in form of a pie chart
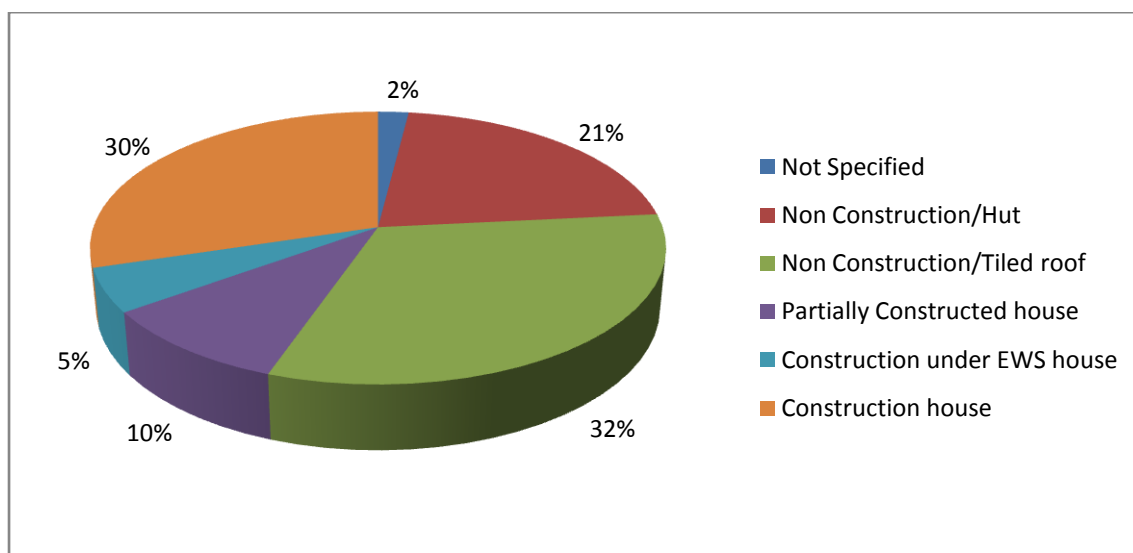
To observe in which type of houses does the sample live, which again would help us to find out their economic status. It was observed that 31.9% of the total sample live in tiled roof houses; 29.7% of them live in constructed house; 21.4% of them live in huts; 9.7% of the sample live in partially constructed houses; 5.2% of them live in houses constructed under Economically Weaker Sections scheme and 2.0% of them have not specified anything clearly.

Availability of food for the whole year:

It is observed that the families have an understanding of their needs. There is enough food that is available with the families that can take care of them through out the year. This is an encouraging development; at least they know that they have sufficient food available with them. This thinking is noticed across all regions. There is a need to know this as most the families depend on daily wages and the amount generated is also meager. Hence, in the event of non-availability of job they are prudent enough to understand their needs.

Table- 23 showing the availability of food

Food for Whole Year

Food Status	Frequency	Percent	Valid Percent	Cumulative Percent
Not Specified	171	18.9	18.9	18.9
Yes	707	78.1	78.1	97.0
Not	27	3.0	3.0	100.0
Total	905	100.0	100.0	

Figure-11 showing the distribution of food

Food for Whole Year

■ Not Specified ■ Yes ■ Not
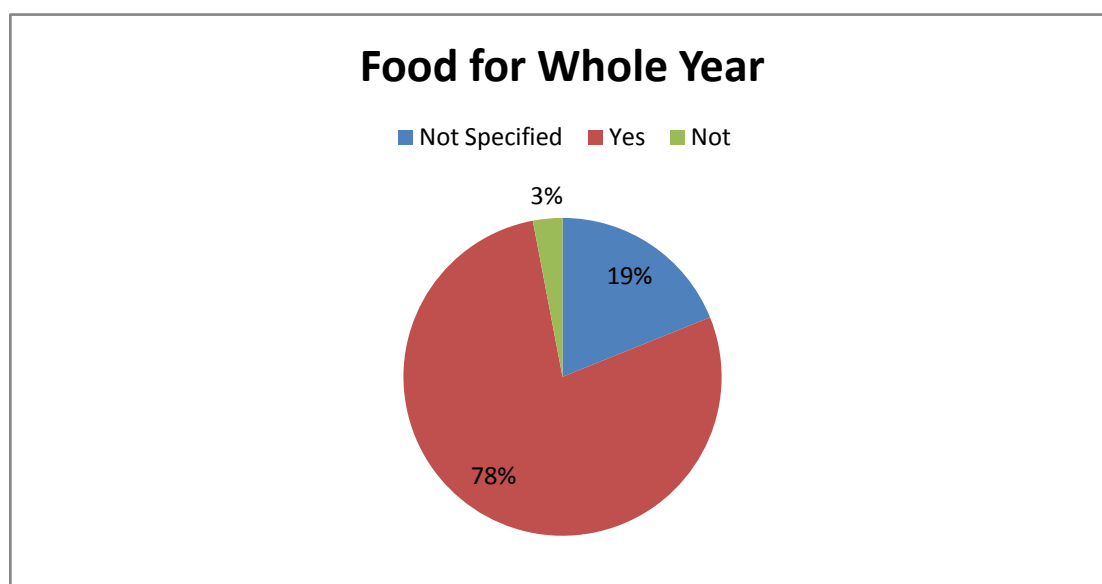
78.1% of the total sample stated that they are in a position to have food throughout the year; 18.9% of the total sample has not specified and 3.0% of them have stated that they do not get food throughout the year.

Household Assets

It is also observed from the data that most the families (84.3%) created various assets in the family. These assets, which they own, are bicycles, two-wheelers, TV sets and various utensils in the kitchen. This again proves the point that many of the poor families trying to rise above the poverty lines.

Table- 24 showing the distribution of assets

Assets of the SHG Members

Status	Frequency	Percent	Valid Percent	Cumulative Percent
Not Specified	9	1.0	1.0	1.0
Yes	763	84.3	84.3	85.3
No	133	14.7	14.7	100.0
Total	905	100.0	100.0	

Figure- 12 showing the distribution in a pie chart

Assets of the SHG Members
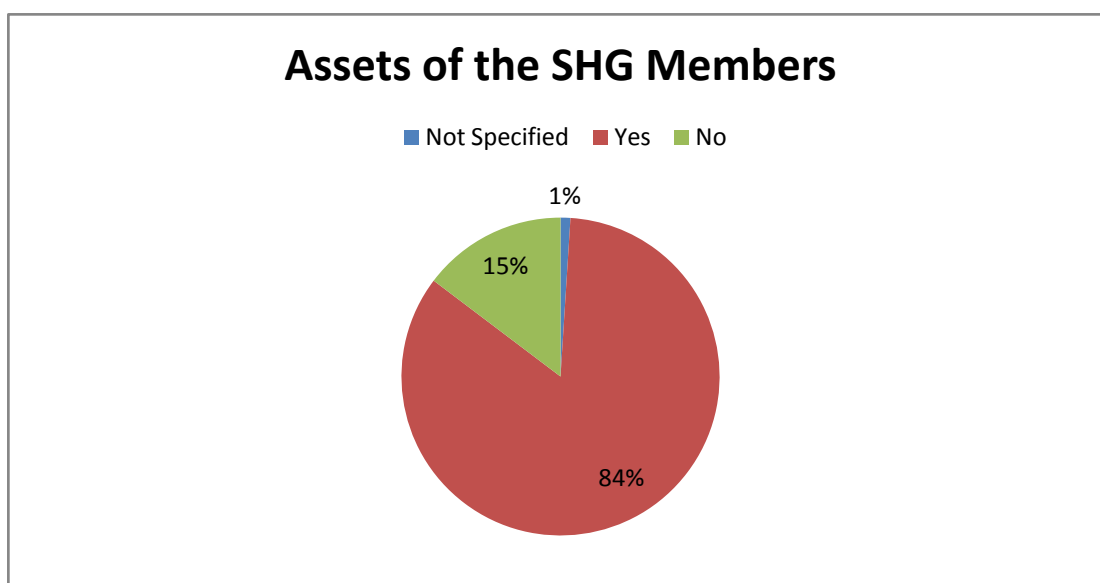
'Assets' are important indicators of economic status of the family. Information was elicited, whether they had any assets before joining SHG. 84.3% of the sample said

that they have acquired assets after joining SHG. 14.7% of the sample said that they have no assets. 1.0% of the sample has not specified it.

Usage of loan amounts:

Data shows that about 60% of the members of SHG reinvest the money which they receive into various businesses or in purchase of land. It is observed that their husbands play a very vital role in handling all the extra money that the SHG members get. Husbands dominate over their spouses in deciding as to how to spend the money. This is more observed by the researcher in the Andhra and Rayalaseema, where as in the Telangana region husbands do not interfere as much in the activities of the women.

Table- 25 showing usage of loan amounts

Usage of the profits gained through the SHG				
Profit	Frequency	Percent	Valid Percent	Cumulative Percent
Not Specified	39	4.3	4.3	4.3
Saving the Profit	200	22.1	22.1	26.4
Reinvesting in Business	547	60.4	60.4	86.9
Use it for householder purpose	111	12.3	12.3	99.1
Other	8	.9	.9	100.0
Total	905	100.0	100.0	

Figure-13 showing the distribution of usage of loan amount of SHG members
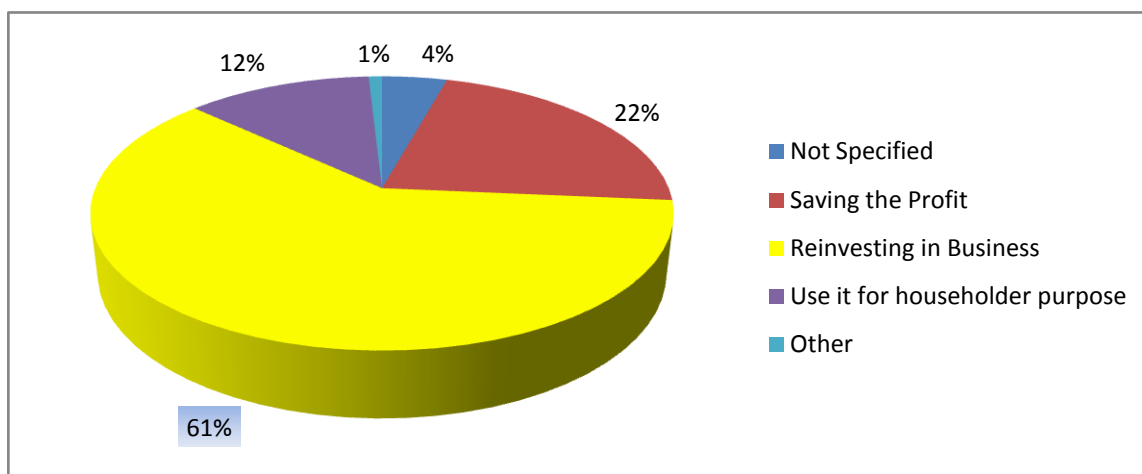
To understand how the SHG members utilize the amounts of loan for furthering their income generating activities, it was observed that 60.4% reinvest the money received into further investments basically money lending activity.22.1% retain the amount considering it as profit. 12.3% use the money to buy household items.4.3% of the respondents did not specify any reason.

Difficult to get finance:

Though the microfinance is available for the SHG's, members did feel that getting money is quite difficult. 87% of respondents echoed the same sentiment. The GOAP has been carrying out a yeoman service in getting the groups linked to banks and to other schemes. The members feel that the govt. should play a more interactive role and get them what they wanted in the shortest possible time.

Table-26 showing the data on difficulty in getting the finance

Difficulties in getting micro credit

Status	Frequency	Percent	Valid Percent	Cumulative Percent
Not Specified	32	3.5	3.5	3.5
Yes	795	87.8	87.8	91.4
No	78	8.6	8.6	100.0
Total	905	100.0	100.0	

Figure-14 showing the distribution micro credit
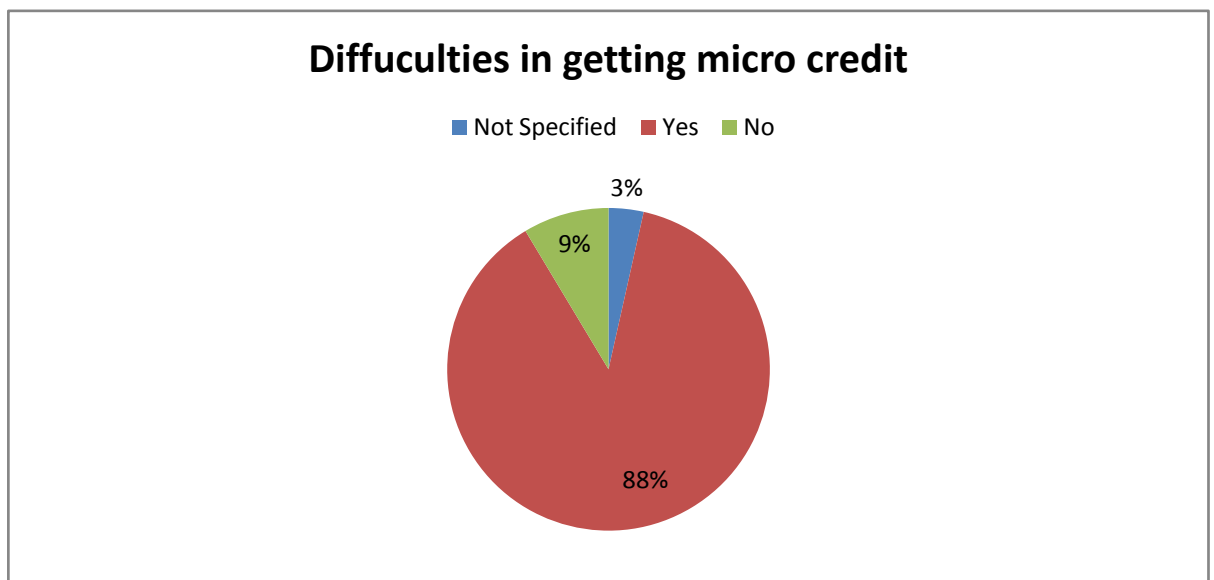
It was also studied whether getting the amount of loan is easier or not for the respondents, as itwould provide a clear picture of growth and further importance of the concept and its sustainability also was checked and found that 87.8% said that it is difficult to get loan. 8.6% found no difficulty and 3.5% did not specify at all.

Thus the demographic variables provided us information on the number of families members, living standards, type of dwelling etc. The inference that may be drawn is that there is a good understanding of SHG formation and processes; women are gaining from SHG membership. Their standard of living had increased after joining SHG, and areinvesting in their children's education intelligently.

Hypotheses testing and data analysis of erstwhile State of Andhra Pradesh

The hypotheses formulated for the study were tested and analysed and are presented in this section. Here, the data is subjected to statistical analysis that includes measures of central tendencies, chi- square tests, correlation and regression analysis and ANOVA tests. The SPSS version 17 was utilized to understand and interpret the data.

Besides the demographic variables, the questionnaire also elicited information on several aspects of lives of SHG members like education, skill building level, networking, usage of medical facilities, loan amounts and awareness of govt. schemes.

First analysis is presented for the entire sample on the variables studied. The total sample used in the study was 905 from three regions.

Table- 27 shows all variables for the entire sample.

Descriptive Statistics				
Variables	N	Maximum	Mean	Std. Deviation
Type of Water Resources	905	2	.90	.433
Distance to school	905	6	1.51	.957
Distance to Primary health care	905	6	2.02	1.248
Distance to Rly Station	905	6	2.91	1.875
Distance to main road	905	6	1.35	1.166
Health issues	905	2	1.28	.939
Food for whole year	905	2	.84	.440
Total Assests	905	2	1.14	.372
Employment of SHG Members	905	2	1.56	.575
Loan avail Recently	905	2	1.09	.371
Loan availed from	905	2	1.49	.732
Raise in Income	905	2	.96	.232
Assets after joining SHG's	905	2	.97	.254
New skills gained	905	2	1.75	.644
Medical Loan	905	2	1.00	.418
Networking	905	2	.04	.204
Any new house hold items	905	2	.01	.120
Any useful information gathered	905	2	.01	.100
Mode of repayment of loan	905	2	.00	.094
Loan availed other than MFI	905	5	1.94	1.612
Saving Schemes	905	4	1.64	1.351
Savings in the group	905	4	1.93	.411
Facilities given by the group	905	2	.84	.417
Knowledge on Govt. Schemes	905	5	1.2	.959
Govt Schemes Utilization	905	2	1.04	.327

The measures of the central tendencies give us an indication as to the distribution of the scores and the distance from mean. It is observed that the results are homogenous in nature.

Chi-square test used for testing hypothesis on discrete data.

H1: There exists a significant relationship between occupation and total assets.

Table -28 showing occupation of the householder VS total assets for the entire sample

Occupation of Head Code * Code Cross tabulation

| | | | Code | | | |
			0	1	2	Total
Occupation of Head Code	Not Specified	Not specified	3	14	10	27
			11.1%	51.9%	37.0%	100.0%
	1	Farming	2	434	24	460
			.4%	94.3%	5.2%	100.0%
	2	Business	0	41	14	55
			.0%	74.5%	25.5%	100.0%
	3	Employed	2	54	26	82
			2.4%	65.9%	31.7%	100.0%
	4	Other	2	220	59	281
			.7%	78.3%	21.0%	100.0%
Total		Count	9	763	133	905
		% Within Occupation of Head	1.0%	84.3%	14.7%	100.0%

Table-29 showing the Chi-Square test

Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	111.104[a]	8	.000
Likelihood Ratio	94.343	8	.000
Linear-by-Linear Association	29.199	1	.000
N of Valid Cases	905		

The 3 X 5 matrix cross-tabulated values relating to occupation of head of the family vs. total assets of the family shows the chi − square value is 111.104 at 5% level of significance and 8 degrees of freedom ((3-1) X (5-1)= 2X4)). The asymptotic value is .000 that is lower than 0.05, which strengthens the alternate hypothesis statement and discards the null hypothesis. This indicates that there is a significant relationship between occupation of the householder and the total assets of the family. The higher the income of the householder the more are the no. of assets that have increased in the family.

Hence Hypothesis is accepted.

H2: There exists a significant relationship between head of the householder income and Education of Children for the entire sample.

Table -30 showing head of householder's income VS education of the children for the entire sample

Code * Code Crosstabulation

			Code					Total
			0	1	2	3	4	
Code	0	Count	24	48	25	4	24	125
		% Within Code	19.2%	38.4%	20.0%	3.2%	19.2%	100.0%
	1	Count	1	2	0	0	3	6
		% Within Code	16.7%	33.3%	.0%	.0%	50.0%	100.0%
	2	Count	23	59	57	6	28	173
		% Within Code	13.3%	34.1%	32.9%	3.5%	16.2%	100.0%
	3	Count	22	99	70	7	54	252
		% Within Code	8.7%	39.3%	27.8%	2.8%	21.4%	100.0%
	4	Count	25	142	98	9	75	349
		% Within Code	7.2%	40.7%	28.1%	2.6%	21.5%	100.0%
Total		Count	95	350	250	26	184	905
		% Within Code	10.5%	38.7%	27.6%	2.9%	20.3%	100.0%

Table-31 showing the Chi-square test

Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	27.498[a]	16	.036
Likelihood Ratio	27.463	16	.037
Linear-by-Linear Association	4.102	1	.043
N of Valid Cases	905		

a. 7 cells (28.0%) have expected count less than 5. The minimum expected count is .17.

The 5 X 5 matrix cross-tabulated values relating to Income of head of the family vs children education shows the chi − square value is 27.498 at 5% level of significance and 16 degrees of freedom ((5-1) X (5-1)= 4X4)). The asymptotic value is .036 that is lower than 0.05, which strengthens the alternate hypothesis statement and discards the null hypothesis. This indicates that there is a significant relationship in terms of income generated by the head of family and the education levels of their children. The inference is they are able to spend and invest money in the education of their children.

Hence, Hypothesis is accepted.

H3: There exist a significant relationship between Regions Vs Health issues of the entire sample.

Table-32 showing significant improvement in health in the regions VS family health issues for the entire sample

Crosstab

			Code			
			0	1	2	Total
Region	A	Count	177	21	241	439
		% Within Region	40.3%	4.8%	54.9%	100.0%
	R	Count	18	2	89	109
		% Within Region	16.5%	1.8%	81.7%	100.0%
	T	Count	112	14	231	357
		% Within Region	31.4%	3.9%	64.7%	100.0%
Total		Count	307	37	561	905
		% within Region	33.9%	4.1%	62.0%	100.0%

Table -33 showing the Chi-Square test

Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	5.558[a]	4	.235
Likelihood Ratio	5.568	4	.234
N of Valid Cases	905		

a. 3 cells (33.3%) have expected count less than 5. The minimum expected count is 1.08.

The 3 X 3 matrix cross-tabulated values relating to region vs health shows the chi − square value is 5.558 at 5% level of significance and 4 degrees of freedom ((3-1) X (3-1)= 2X2)). The asymptotic value is .235 that is higher than 0.05, which strengthens the null hypothesis statement and discards the alternate hypothesis. This indicates that there is no significant relationship with reference to their income levels and health conditions of SHG members even though the hypothesis is rejected, the members continue to avail health benefits from several govt. schemes which are available across the State (for eg. Arogyasree scheme). It only indicates that SHG money need not be utilized for health purposes, as other avenues are available.

Hence, the Hypothesis is rejected.

H4: There exist a relationship among the regions and Overall improvement in assets for the entire sample.

Table -34 showing the relationship among three regions VS overall improvement in assets of households.

Crosstab

			Code			Total
			0	1	2	
Region	A	Count	4	358	77	439
		% Within Region	.9%	81.5%	17.5%	100.0%
	R	Count	1	95	13	109
		% within Region	.9%	87.2%	11.9%	100.0%
	T	Count	4	310	43	357
		% within Region	1.1%	86.8%	12.0%	100.0%
Total		Count	9	763	133	905
		% within Region	1.0%	84.3%	14.7%	100.0%

Table -35 showing the Chi-Square test

Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	28.399[a]	4	.000
Likelihood Ratio	30.252	4	.000
N of Valid Cases	905		

a. 1 cells (11.1%) have expected count less than 5. The minimum expected count is 4.46.

The 3 X 3 matrix cross-tabulated values relating to region vs overall assets in the households shows the chi − square value is 28.399 at 5% level of significance and 4 degrees of freedom ((3-1) X (3-1)= 2X2)). The asymptotic value is .000 that is lower than 0.05, which strengthens the alternate hypothesis statement and discards the null hypothesis. This indicates that there is significant relationship in household assets after joining SHG. Members have purchased bicycles, two wheelers, livestock, television sets etc.

The Hypothesis here is accepted.

H5: There is a relationship between region and Raise in employment opportunity for the entire sample.

Table-36 showing the relationship between three regions VS Raise in employment

Opportunities.Crosstab

			Code			
			0	1	2	Total
Region	A	Count	28	387	24	439
		% within Region	6.4%	88.2%	5.5%	100.0%
	R	Count	2	105	2	109
		% within Region	1.8%	96.3%	1.8%	100.0%
	T	Count	9	324	24	357
		% within Region	2.5%	90.8%	6.7%	100.0%
Total		Count	39	816	50	905
		% within Region	4.3%	90.2%	5.5%	100.0%

Table -37 showing the Chi-Square test

Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	12.844[a]	4	.012
Likelihood Ratio	14.056	4	.007
N of Valid Cases	905		

a. 1 cells (11.1%) have expected count less than 5. The minimum expected count is 4.70.

The 3 X 3 matrix cross-tabulated values relating to region vs rise in employability shows the chi – square value is 12.844 at 5% level of significance and 4 degrees of freedom ((3-1) X (3-1)= 2X2)). The asymptotic value is .012 that is lower than 0.05, which strengthens the alternate hypothesis statement and discards the null hypothesis. This indicates that there is significant rise in the employment opportunities upon joining the SHG's.

Hence, the Hypothesis is accepted.

H6: There is a relationship between the Regions and Raise in income in the families for the entire sample.

Table- 38 showing the relationship between the three regions VS raise in income in the individual households.

Crosstab

			Code			
			0	1	2	Total
Region	A	Count	23	385	31	439
		% within Region	5.2%	87.7%	7.1%	100.0%
	R	Count	1	107	1	109
		% within Region	.9%	98.2%	.9%	100.0%
	T	Count	6	315	36	357
		% within Region	1.7%	88.2%	10.1%	100.0%
Total		Count	30	807	68	905
		% within Region	3.3%	89.2%	7.5%	100.0%

Table -39 showing the Chi-Square test

Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	20.371[a]	4	.000
Likelihood Ratio	24.563	4	.000
N of Valid Cases	905		

a. 1 cells (11.1%) have expected count less than 5. The minimum expected count is 3.61.

The 3 X 3 matrix cross-tabulated values relating to region vs raise in income shows the chi – square value is 20.371 at 5% level of significance and 4 degrees of freedom ((3-1) X (2-1)= 2X2)). The asymptotic value is .000 that is lower than 0.05, which strengthens the alternate hypothesis statement and discards the null hypothesis. This indicates that there is significant difference with reference to the raise in income level of the families on joining SHG's

Hence, Hypothesis is accepted.

H7: There is relationship between Region and New experience and skills gained by the members of SHG's for the entire sample.

Table -40 showing the relationship between Region VS New experience and skills gained.

Crosstab

			Code			Total
			0	1	2	
Region	A	Count	23	413	3	439
		% within Region	5.2%	94.1%	.7%	100.0%
	R	Count	4	101	4	109
		% within Region	3.7%	92.7%	3.7%	100.0%
	T	Count	14	332	11	357
		% within Region	3.9%	93.0%	3.1%	100.0%
Total		Count	41	846	18	905
		% within Region	4.5%	93.5%	2.0%	100.0%

Table -41 showing the Chi-Square test

Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	8.443[a]	4	.077
Likelihood Ratio	9.114	4	.058
N of Valid Cases	905		

a. 2 cells (22.2%) have expected count less than 5. The minimum expected count is 2.17.

The 3 X 3 matrix cross-tabulated values relating to region vs new experience and skills gained shows the chi – square value is 8.443 at 5% level of significance and 4 degrees of freedom ((3-1) X (3-1)= 2X2)). The asymptotic value is .077 that is higher than 0.05, which strengthens the null hypothesis statement and discards the alternate hypothesis. This indicates that there is no significant difference in relation to new experiences and any new skills gained by the members of SHG across the sample.

Hence, the Hypothesis is rejected.

H8: There is a significant relation between Region and Networking opportunities gained by SHG members for the entire sample.

Table -42 showing the relationship between three regions VS new opportunities gained.

Crosstab

			Code			Total
			0	1	2	
Region	A	Count	437	1	1	439
		% within Region	99.5%	.2%	.2%	100.0%
	R	Count	108	0	1	109
		% within Region	99.1%	.0%	.9%	100.0%
	T	Count	356	0	1	357
		% within Region	99.7%	.0%	.3%	100.0%
Total		Count	901	1	3	905
		% within Region	99.6%	.1%	.3%	100.0%

Table-43 showing the Chi-Square test

Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	2.365[a]	4	.669
Likelihood Ratio	2.399	4	.663
N of Valid Cases	905		

a. 6 cells (66.7%) have expected count less than 5. The minimum expected count is .12.

The 3 X 3 matrix cross-tabulated values relating to region vs networking gained shows the chi − square value is 2.365 at 5% level of significance and 4 degrees of freedom
((3-1) X (3-1)= 2X2)). The asymptotic value is .669 that is higher than 0.05, which strengthens the null hypothesis statement and discards the alternate hypothesis. This indicates that there is no significant difference in relation to gaining high levels of network by the members of SHG.

Hence, the Hypothesis is rejected.

H9: There is a relationship between Region and Savings in the group by members of SHG for the entire sample.

Table-44 showing the relationship between region VS Savings by SHG members.

Crosstab

			Code			Total
			0	1	2	
Region	A	Count	104	332	3	439
		% within Region	23.7%	75.6%	.7%	100.0%
	R	Count	13	94	2	109
		% within Region	11.9%	86.2%	1.8%	100.0%
	T	Count	43	300	14	357
		% within Region	12.0%	84.0%	3.9%	100.0%
Total		Count	160	726	19	905
		% within Region	17.7%	80.2%	2.1%	100.0%

Table -45 showing the Chi-Square test

Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	29.592[a]	4	.000
Likelihood Ratio	30.149	4	.000
N of Valid Cases	905		

a. 1 cells (11.1%) have expected count less than 5. The minimum expected count is 2.29.

The 3 X 3 matrix cross-tabulated values relating to region vs savings in the group shows the chi – square value is 29.592 at 5% level of significance and 4 degrees of freedom ((3-1) X (3-1)= 2X2)). The asymptotic value is .000 that is lower than 0.05, which strengthens the alternate hypothesis statement and discards the null hypothesis. This indicates that there is significant increase in the savings of the SHG members after joining the group and is found in all three regions. It is observed that compulsion of repaying money back as an installment drove the members to save. They were found saving a little more than their repayment money and that extra money saved is being used for children education and purchase of utensils during festivals.

Hence, the Hypothesis is accepted.

H10: There is a relationship between region and facilities provided by the group to all the members for the entire sample.

Table -46 showing the relationship between three regions VS facilities provided by the group

Crosstab

			Code						Total
			0	1	2	3	4	5	
Region	A	Count	14	315	70	21	16	3	439
		% within Region	3.2%	71.8%	15.9%	4.8%	3.6%	.7%	100.0%
	R	Count	3	72	34	0	0	0	109
		% within Region	2.8%	66.1%	31.2%	.0%	.0%	.0%	100.0%
	T	Count	10	178	103	30	19	17	357
		% within Region	2.8%	49.9%	28.9%	8.4%	5.3%	4.8%	100.0%
Total		Count	27	565	207	51	35	20	905
		% within Region	3.0%	62.4%	22.9%	5.6%	3.9%	2.2%	100.0%

Table-47 showing the Chi-Square test

Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	68.933[a]	10	.000
Likelihood Ratio	80.694	10	.000
N of Valid Cases	905		

a. 3 cells (16.7%) have expected count less than 5. The minimum expected count is 2.41.

The 3 X 6 matrix cross-tabulated values relating to region vs facilities provided shows the chi − square value is 68.933 at 5% level of significance and 10 degrees of freedom ((3-1) X (6-1)= 2X5)). The asymptotic value is .000 that is lower than 0.05, which strengthens the alternate hypothesis statement and discards the null hypothesis. It indicates that there exists a significant difference in the availability and utilization of resources among the three regions. It was observed that each region has some strong points like in Telangana region the members are a little more empowered than the other two regions and they voice out opinions and concerns openly and the leaders would tell the members to carry out activities good for the group and not bother about any scheme. For example it was seen that in one of the meetings the leader informed of starting a bottled water business with the members of the same group. In Andhra region the group members collectively think and would attempt activities that allow them to grow as well as community growth. Here, it was seen in a meeting that they were talking about manufacturing baskets and were saying that at least three SHG groups should join in this venture. In Rayalseema region it is seen that they quietly carry out what their spouses advise to the group.

Hence, the Hypothesis is accepted

H11: There is relation between Region and having gained knowledge about government schemes by the members of SHG for the entire sample.

Table-48 showing the relation between region VS knowledge in govt. schemes

Crosstab

			Code			Total
			0	1	2	
Region	A	Count	34	393	12	439
		% within Region	7.7%	89.5%	2.7%	100.0%
	R	Count	11	83	15	109
		% within Region	10.1%	76.1%	13.8%	100.0%
	T	Count	32	271	54	357
		% within Region	9.0%	75.9%	15.1%	100.0%
Total		Count	77	747	81	905
		% within Region	8.5%	82.5%	9.0%	100.0%

Table-49 showing the Chi-Square test

Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	42.731[a]	4	.000
Likelihood Ratio	46.840	4	.000
N of Valid Cases	905		

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 9.27.

The 3 X 3 matrix cross-tabulated values relating to regions vs knowledge of govt schemes shows the chi – square value is 42.731 at 5% level of significance and 4 degrees of freedom ((3-1) X (3-1)= 2X2)). The asymptotic value is .000 that is lower than 0.05, which strengthens the alternate hypothesis statement and discards the null hypothesis. This indicates that there is significant difference in terms of regions in relation to the knowledge of govt. schemes within the groups. Here also it was observed that in Telangana much awareness is not found as far as availability and utilization of govt schemes. Whereas, in Andhra region they were found to have more knowledge about the govt. schemes and from which source they can get money and the same is shared across the groups also. Rayalseema region was found to be a little different, as they depended more on their men folk to inform and decide on things.

Hence, the hypothesis is accepted.

H12: There is relation between Region and utilization of schemes by the members of SHG for the entire sample.

Table-50 showing the relationship between regions VS utilization of schemes

Crosstab

			Code			Total
			0	1	2	
Region	A	Count	24	410	5	439
		% within Region	5.5%	93.4%	1.1%	100.0%
	R	Count	4	104	1	109
		% within Region	3.7%	95.4%	.9%	100.0%
	T	Count	14	341	2	357
		% within Region	3.9%	95.5%	.6%	100.0%
Total		Count	42	855	8	905
		% within Region	4.6%	94.5%	.9%	100.0%

Table-51 showing the Chi-Square test

Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	2.118[a]	4	.714
Likelihood Ratio	2.159	4	.706
N of Valid Cases	905		

a. 3 cells (33.3%) have expected count less than 5. The minimum expected count is .96.

The 3 X 3 matrix cross-tabulated values relating to region vs utilization of schemes shows the chi – square value is 2,118 at 5% level of significance and 4 degrees of freedom ((3-1) X (3-1)= 2X2)). The asymptotic value is .714 that is higher than 0.05, which strengthens the null hypothesis statement and discards the alternate hypothesis. This indicates that there is no significant difference with regard to region in the utilization of govt. schemes by the members of SHG. All the SHG members belonging to different regions utilize govt. scheme benefits. It was observed that mostly Andhra region is found to utilize govt schemes to the maximum, Telangana and Rayalseema were not completely aware of schemes and their awareness was found to be on lower side. Only scheme that they all understand is " PavvalaVaddi";Arogyasree and Velugu schemes.

Hence, the hypothesis is rejected.

Individual regions – data analysis

<u>Andhra Region Hypothesis</u>

H1. There exists a significant relation between the occupation and total assets

Table -52 showing occupation of the householder VS total assets for Andhra region

Occupation of Head Code * Code Crosstabulation

Count

		Code			
		0	1	2	Total
Occupation of Head Code	0	2	14	7	23
	1	0	276	15	291
	2	0	37	8	45
	3	1	35	17	53
	4	2	197	55	254
	Total	5	559	102	666

Table -53 showing the Chi-Square test

Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	71.240[a]	8	.000
Likelihood Ratio	63.426	8	.000
Linear-by-Linear Association	21.555	1	.000
N of Valid Cases	666		

a. 6 cells (40.0%) have expected count less than 5. The minimum expected count is .17.

The 3 X 5 matrix cross-tabulated values relating to occupation of head of the family vs total assets of the family shows the chi – square value is 71.240 at 5% level of significance and 8 degrees of freedom ((3-1) X (5-1)= 2X4)). The asymptotic value is .000 that is lower than 0.05, which strengthens the alternate hypothesis statement and discards the null hypothesis. This indicates that there is a significant relationship between occupation of the householder and the total assets of the family. The higher the income of the householder the more are the no. of assets that have increased in the family.

Hence Hypothesis is accepted.

H2. There exists a significant relationship between head of the householder income and Education of Children for the Andhra region

Table-54 showing head of householder's income VS education of the children

Code * Code Crosstabulation

Count

		Code					
		0	1	2	3	4	Total
Code	0	24	42	15	4	22	107
	1	1	2	0	0	3	6
	2	23	44	18	6	20	111
	3	20	64	38	7	41	170
	4	24	108	65	9	66	272
	Total	92	260	136	26	152	666

Table -55 showing the Chi-Square test

Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	26.297[a]	16	.050
Likelihood Ratio	26.860	16	.043
Linear-by-Linear Association	5.966	1	.015
N of Valid Cases	666		

a. 7 cells (28.0%) have expected count less than 5. The minimum expected count is .23.

The 5 X 5 matrix cross-tabulated values relating to householders income vs children education shows the chi – square value is 26.297 at 5% level of significance and 16 degrees of freedom ((5-1) X (5-1)= 4X4)). The asymptotic value is .050 that is as per confidence level 0.05, which strengthens the alternate hypothesis statement and discards the null hypothesis. This indicates that there is a significant relationship in terms of income generated by the head of family and the education levels of their children.

Hence, Hypothesis is accepted.

H3: there is a relation between joining SHG vs. Health issues of the members of family in Andhra region.

Table-56 showing significant improvement in health VS joining SHG

Crosstab

Count

		Code			
		0	1	2	Total
Code	0	25	3	23	51
	1	4	0	3	7
	2	235	28	345	608
	Total	264	31	371	666

Table-57 showing the Chi-Square test

Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	3.672[a]	4	.452
Likelihood Ratio	3.930	4	.415
Linear-by-Linear Association	2.824	1	.093
N of Valid Cases	666		

a. 4 cells (44.4%) have expected count less than 5. The minimum expected count is .33.

The 3 X 3 matrix cross-tabulated values relating to joining the group vs health issues shows the chi – square value is 3.672 at 5% level of significance and 4 degrees of freedom ((3-1) X (3-1)= 2X2)). The asymptotic value is .452 that is higher than 0.05, which strengthens the null hypothesis statement and discards the alternate hypothesis. This indicates that there is no significant relationship with reference to their income levels and health conditions of SHG members even though the hypothesis is rejected, the members continue to avail health benefits from several govt. schemes which are available across the State (for eg. Arogyasree scheme). It only indicates that SHG money need not be utilized for health purposes, as other avenues are available.

Hence, the Hypothesis is rejected.

H4. There exist a relationship between Overall improvements in assets after joining SHG

Table-58 showing the relationship between joining SHG VS overall improvement in assets of household's.

Crosstab

Count

		Code			Total
		0	1	2	
Code	0	3	32	16	51
	1	0	6	1	7
	2	2	521	85	608
	Total	5	559	102	666

Table -59 showing the Chi-Square test

Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	31.635[a]	4	.000
Likelihood Ratio	19.570	4	.001
Linear-by-Linear Association	4.588	1	.032
N of Valid Cases	666		

a. 4 cells (44.4%) have expected count less than 5. The minimum expected count is .05.

The 3 X 3 matrix cross-tabulated values relating to joining the group vs overall Improvements in the Asssets shows the chi – square value is 31.635 at 5% level of significance and 4 degrees of freedom ((3-1) X (3-1)= 2X2)). The asymptotic value is .000 that is lower than 0.05, which strengthens the alternate hypothesis statement and discards the null hypothesis. This indicates that there is significant relationship in household assets after joining SHG. Members have purchased bicycles, two wheelers, livestock, TV etc.

The Hypothesis here is accepted.

H5: There is a relationship between raise in employment opportunity after joining SHG

Table -60 showing the relationship between raise in employment Opportunities VS joining SHG

Crosstab

Count

		Code			
		0	1	2	Total
Code	0	30	21	0	51
	1	1	6	0	7
	2	0	603	5	608
	Total	31	630	5	666

Table-61 showing the Chi-Square test

Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	368.466[a]	4	.000
Likelihood Ratio	176.297	4	.000
Linear-by-Linear Association	316.864	1	.000
N of Valid Cases	666		

a. 5 cells (55.6%) have expected count less than 5. The minimum expected count is .05.

The 3 X 3 matrix cross-tabulated values relating to joining the group vs raise in employment opportunities shows the chi – square value is 368.466 at 5% level of significance and 4 degrees of freedom ((3-1) X (3-1)= 2X2)). The asymptotic value

is .000 that is lower than 0.05, which strengthens the alternate hypothesis statement and discards the null hypothesis. This indicates that there is significant rise in the employment opportunities upon joining the SHG's.

Hence, the Hypothesis is accepted.

H6: There is a relationship between raise in income after joining SHG

Table-62 showing the relationship between raise in income in the individual households VS Joining SHG

Crosstab

Count

		Code			Total
		0	1	2	
Code	0	31	20	0	51
	1	0	7	0	7
	2	0	600	8	608
	Total	31	627	8	666

Table -63 showing the Chi-Square test

Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	392.288[a]	4	.000
Likelihood Ratio	183.097	4	.000
Linear-by-Linear Association	305.600	1	.000
N of Valid Cases	666		

a. 4 cells (44.4%) have expected count less than 5. The minimum expected count is .08.

The 3 X 3 matrix cross-tabulated values relating to joining the group vs rise in income shows the chi – square value is 392.288 at 5% level of significance and 4 degrees of freedom ((3-1) X (3-1)= 2X2)). The asymptotic value is .000 that is lower than 0.05, which strengthens the alternate hypothesis statement and discards the null hypothesis. This indicates that there is significant difference with reference to the raise in income level of the families on joining SHG's

Hence, Hypothesis is accepted.

H7: There is relationship between new experience and skills gained by the members of SHG's after joining SHG

Table-64 showing the relationship between new experience and skills gained. VS joining SHG

Crosstab

Count

		Code			Total
		0	1	2	
Code	0	38	7	6	51
	1	1	6	0	7
	2	13	585	10	608
	Total	52	598	16	666

Table -65 showing the Chi-Square test

Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	371.925[a]	4	.000
Likelihood Ratio	204.497	4	.000
Linear-by-Linear Association	182.095	1	.000
N of Valid Cases	666		

a. 4 cells (44.4%) have expected count less than 5. The minimum expected count is .17.

The 3 X 3 matrix cross-tabulated values relating to joining the group vs new experiences and skills being gained shows the chi – square value is 371.925 at 5% level of significance and 4 degrees of freedom ((3-1) X (3-1)= 2X2)). The asymptotic value is .000 that is lower than 0.05, which strengthens the alternate hypothesis statement and discards the null hypothesis. This indicates that there is a significant relation by joining the group in relation to new skills being gathered by the members of SHG.

Hence, The Hypothesis is accepted.

H8: There is a significant relation between networking opportunities gained by SHG members in the Andhra region

Table -66 showing the relationship between new opportunities gained VS Joining SHG

Crosstab

Count

		Code			Total
		0	1	2	
Code	0	51	0	0	51
	1	7	0	0	7
	2	605	1	2	608
	Total	663	1	2	666

Table -67 showing the Chi-Square test

Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	.287[a]	4	.991
Likelihood Ratio	.548	4	.969
Linear-by-Linear Association	.257	1	.612
N of Valid Cases	666		

a. 6 cells (66.7%) have expected count less than 5. The minimum expected count is .01.

The 3 X 3 matrix cross-tabulated values relating to joining the group vs overall Improvements in the Asssets shows the chi − square value is .287 at 5% level of

significance and 4 degrees of freedom ((3-1) X (3-1)= 2X2)). The asymptotic value is .991 that is higher than 0.05, which strengthens the null hypothesis statement and discards the alternate hypothesis. This indicates that there is no significant difference in relation to gaining high levels of network by the members of SHG.

Hence, the Hypothesis is rejected.

H9: There is a relationship between savings in the group by members of SHG

Table-68 shows the relationship between savings by SHG members. VS Joining SHG

Crosstab

Count

		Code			Total
		0	1	2	
Code	0	21	29	1	51
	1	1	6	0	7
	2	118	477	13	608
	Total	140	512	14	666

Table -69 showing the Chi-Square test

Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	13.841[a]	4	.008
Likelihood Ratio	12.114	4	.017
Linear-by-Linear Association	10.984	1	.001
N of Valid Cases	666		

a. 3 cells (33.3%) have expected count less than 5. The minimum expected count is .15.

The 3 X 3 matrix cross-tabulated values relating to joining the group vs savings in the group shows the chi – square value is 13.841 at 5% level of significance and 4 degrees of freedom ((3-1) X (3-1)= 2X2)). The asymptotic value is .008 that is lower than 0.05, which strengthens the alternate hypothesis statement and discards the null

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hypothesis. This indicates that there is significant increase in the savings of the SHG members after joining the group and is found in all three regions.

Hence, the Hypothesis is accepted.

H10: There is a relationship between facilities provided by the group to all the members of SHG's

Table -70 showing the relationship between facilities provided by the group VS joining SHG

Crosstab

Count

		Code						Total
		0	1	2	3	4	5	
Code	0	9	21	18	2	0	1	51
	1	1	1	5	0	0	0	7
	2	9	423	79	46	35	16	608
	Total	19	445	102	48	35	17	666

Table -71 showing the Chi-Square test

Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	89.752[a]	10	.000
Likelihood Ratio	63.320	10	.000
Linear-by-Linear Association	1.854	1	.173
N of Valid Cases	666		

a. 10 cells (55.6%) have expected count less than 5. The minimum expected count is .18.

The 3 X 6 matrix cross-tabulated values relating to joining the group vs facilities given by the group shows the chi − square value is 89.752 at 5% level of significance

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and 4 degrees of freedom ((3-1) X (6-1)= 2X5)). The asymptotic value is .000 that is lower than 0.05, which strengthens the alternate hypothesis statement and discards the null hypothesis. It indicates that there exists a significant difference in the availability and utilization of resources among the three regions.

Hence, the Hypothesis is accepted.

H11: There is relation between knowledge gained about government schemes by themembers of SHG

Table -72 showing the relation between knowledge in govt. schemes VS joining SHG

Crosstab

Count

		Code			Total
		0	1	2	
Code	0	9	36	6	51
	1	0	7	0	7
	2	18	535	55	608
	Total	27	578	61	666

Table -73 showing the Chi-Square test

Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	28.134[a]	4	.000
Likelihood Ratio	18.680	4	.001
Linear-by-Linear Association	5.337	1	.021
N of Valid Cases	666		

a. 4 cells (44.4%) have expected count less than 5. The minimum expected count is .28.

The 3 X 3 matrix cross-tabulated values relating to joining the group vs knowledge of agriculture and non agriculture schemes of the govt. shows the chi – square value is

28.134 at 5% level of significance and 4 degrees of freedom ((3-1) X (3-1)= 2X2)). The asymptotic value is .000 that is lower than 0.05, which strengthens the alternate hypothesis statement and discards the null hypothesis. This indicates that there is a significant difference in terms of regions in relation to the knowledge of govt. schemes within the groups.

Hence, the hypothesis is accepted.

H12: There is relation between utilization of schemes by the members of SHG

Table-74 showing the relationship between utilization of schemes VS joining SHG

Crosstab

Count

		Code			Total
		0	1	2	
Code	0	10	37	4	51
	1	0	7	0	7
	2	25	548	35	608
	Total	35	592	39	666

Table-75 showing the Chi-Square test

Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	24.370[a]	4	.000
Likelihood Ratio	17.041	4	.002
Linear-by-Linear Association	7.453	1	.006
N of Valid Cases	666		

a. 4 cells (44.4%) have expected count less than 5. The minimum expected count is .37.

The 3 X 3 matrix cross-tabulated values relating to joining the group vs utilization of schemes shows the chi – square value is 24.370 at 5% level of significance and 4

degrees of freedom ((3-1) X (3-1)= 2X2)). The asymptotic value is .000 that is lower than 0.05, which strengthens the alternate hypothesis statement and discards the null hypothesis. This indicates that there is a significant difference by joining the group in relation to utilization of various govt. schemes by the members of SHG.

Hence, the hypothesis is accepted

Telangana Region hypothesis

H1: There exists a significant relation between the occupation and total assets

Table-76 showing occupation of the householder VS total assets after joining SHG for Telangana region

Occupation of Head Code * Any of the assets Crosstabulation

Count

		Any of the assets			
		0	1	2	Total
Occupation of Head Code	0	0	0	2	2
	1	1	84	7	92
	2	0	3	3	6
	3	1	11	4	16
	4	0	11	2	13
	Total	2	109	18	129

Table -77 showing the Chi-Square test

Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	26.514[a]	8	.001
Likelihood Ratio	19.544	8	.012
Linear-by-Linear Association	.668	1	.414
N of Valid Cases	129		

a. 10 cells (66.7%) have expected count less than 5. The
minimum expected count is .03.

The 5 X 3 matrix cross-tabulated values relating to householders occupation Vs total assets in the household shows the chi – square value is 26.514 at 5% level of significance and 8 degrees of freedom ((5-1) X (3-1)= 4X2)). The asymptotic value is .001 that is lower than 0.05, which strengthens the alternate hypothesis statement and discards the null hypothesis. This indicates that there is a significant relationship between occupation of the householder and the total assets of the family. The higher the income of the householder the more are the no. of assets that have increased in the family.

Hence Hypothesis is accepted.

H2: There exists a significant relationship between head of the householder income and Education of Children for the Telangana region

Table -78 showing head of householder's income VS education of the children

Crosstab

		Edu SHG Member Code					
		0	1	2	3	4	5
Average Income of the house per month	0	4	0	6	0	0	0
	2	27	0	1	2	0	1
	3	35	1	5	1	1	1
	4	5	1	6	2	2	18
	Total	71	2	18	5	3	20

Table-79 showing the Chi-Square test

Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	86.277[a]	15	.000
Likelihood Ratio	82.685	15	.000
Linear-by-Linear Association	11.523	1	.001
N of Valid Cases	129		

a. 19 cells (67.9%) have expected count less than 5. The minimum expected count is .16.

The 6 X 4 matrix cross-tabulated values relating to householders average income Vs staus of education shows the chi – square value is 86.277 at 5% level of significance and 15 degrees of freedom ((6-1) X (4-1)= 5X3)). The asymptotic value is .000 that is lower than 0.05, which strengthens the alternate hypothesis statement and discards the null hypothesis. This indicates that there is a significant relationship in terms of income generated by the head of family and the education levels of their children.

Hence, Hypothesis is accepted.

H3: There is a relation between joining SHG vs. Health issues of the members of family in Telangana region.

Table-80 showing significant improvement in health VS joining SHG

Crosstab

Count

		Any emergency ailment of health in the family for the last 3 years			
		0	1	2	Total
Assets after SHG joining	0	9	0	26	35
	1	3	0	6	9
	2	13	4	68	85
	Total	25	4	100	129

Table -81 showing the Chi-Square test

Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	4.683[a]	4	.321
Likelihood Ratio	5.784	4	.216
Linear-by-Linear Association	1.246	1	.264
N of Valid Cases	129		

a. 4 cells (44.4%) have expected count less than 5. The minimum expected count is .28.

The 3 X 3 matrix cross-tabulated values relating to joining the SHG Vs spending money on health related issues shows the chi – square value is 4.683 at 5% level of significance and 4 degrees of freedom ((3-1) X (3-1)= 2X2)). The asymptotic value is .321 that is higher than 0.05, which strengthens the null hypothesis statement and discards the alternate hypothesis This indicates that there is no significant relationship with reference to their income levels and health conditions of SHG members even though the hypothesis is rejected, the members continue to avail health benefits from several govt. schemes which are available across the State (for eg. Arogyasree scheme). It only indicates that SHG money need not be utilized for health purposes, as other avenues are available.

Hence the Hypothesis is rejected.

H4: There exist a relationship between Overall improvements in assets after joining SHG

Table -82 shows the relationship between joining SHG VS overall improvement in assets of household's.

Crosstab

Count

		Any of the assets			
		0	1	2	Total
Assets after SHG joining	0	2	31	2	35
	1	0	6	3	9
	2	0	72	13	85
	Total	2	109	18	129

Table-83 showing the Chi-Square test

Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	10.014[a]	4	.040
Likelihood Ratio	9.690	4	.046
Linear-by-Linear Association	3.264	1	.071
N of Valid Cases	129		

a. 5 cells (55.6%) have expected count less than 5.
The minimum expected count is .14.

The 3 X 3 matrix cross-tabulated values relating to joining the group Vs overall improvement of assets in the household shows the chi – square value is 10.014 at 5% level of significance and 4 degrees of freedom ((3-1) X (3-1)= 2X2)). The asymptotic value is .040 that is lower than 0.05, which strengthens the alternate hypothesis statement and discards the null hypothesis. This indicates that there is significant relationship in household assets after joining SHG. Members have purchased bicycles, two wheelers, livestock, TV etc.

The Hypothesis here is accepted.

H5: There is a relationship between raise in employment opportunity after joining SHG

Table -84 showing the relationship between raise in employment Opportunities VS joining SHG

Crosstab

Count

		Raise in Employment Opportunities			
		0	1	2	Total
Assets after SHG joining	0	6	28	1	35
	1	0	8	1	9
	2	0	81	4	85
	Total	6	117	6	129

Table -85 showing the Chi-Square test

Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	17.807[a]	4	.001
Likelihood Ratio	17.172	4	.002
Linear-by-Linear Association	8.587	1	.003
N of Valid Cases	129		

a. 6 cells (66.7%) have expected count less than 5. The minimum expected count is .42.

The 3 X 3 matrix cross-tabulated values relating to joining the group Vs rise in employment opportunities shows the chi – square value is 17.807 at 5% level of significance and 4 degrees of freedom ((3-1) X (3-1)= 2X2)). The asymptotic value is .001 that is lower than 0.05, which strengthens the alternate hypothesis statement and discards the null hypothesis. This indicates that there is a significant rise in the employment opportunities upon joining the SHG's.

Hence, the Hypothesis is accepted.

H6: There is a relationship between raise in income after joining SHG

Table-86 showing the relationship between raise in income in the individual households VS Joining SHG

Crosstab

Count

		CodeRaise in Income			
		0	1	2	Total
Assets after SHG joining	0	6	29	0	35
	1	1	8	0	9
	2	0	83	2	85
	Total	7	120	2	129

Table-87 showing the Chi-Square test

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	15.639[a]	4	.004
Likelihood Ratio	17.519	4	.002
Linear-by-Linear Association	14.267	1	.000
N of Valid Cases	129		

a. 6 cells (66.7%) have expected count less than 5. The minimum expected count is .14.

The 3 X 3 matrix cross-tabulated values relating to women joining the group Vs rise in Income level shows the chi – square value is 15.639 at 5% level of significance and 4 degrees of freedom ((3-1) X (3-1)= 2X2)). The asymptotic value is .004 that is lower than 0.05, which strengthens the alternate hypothesis statement and discards the null hypothesis. This indicates that there is significant difference with reference to the raise in income level of the families on joining SHG's

Hence, Hypothesis is accepted.

H7: There is relationship between new experience and skills gained by the members of SHG's

Table-88 showing the relationship between Region VS New experience and skills gained.

Crosstab

Count

		New experience or skills			
		0	1	2	Total
Assets after SHG joining	0	11	2	22	35
	1	0	3	6	9
	2	3	60	22	85
	Total	14	65	50	129

Table-89 showing the Chi-Square test

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	50.785[a]	4	.000
Likelihood Ratio	55.934	4	.000
Linear-by-Linear Association	.836	1	.361
N of Valid Cases	129		

a. 4 cells (44.4%) have expected count less than 5. The minimum expected count is .98.

The 3 X 3 matrix cross-tabulated values relating to women joining the SHG Vs gaining new skills and experiences shows the chi – square value is 50.785 at 5% level of significance and 4 degrees of freedom ((3-1) X (3-1)= 2X2)). The asymptotic value is .000 that is lower than 0.05, which strengthens the alternate hypothesis statement and discards the null hypothesis. This indicates that there is a significant difference noticed in women joining the SHG and gaining new skills and experiences.

Hence the Hypothesis is accepted.

H9: There is a relationship between savings in the group by members of SHG

Table-90 shows the relationship between savings by SHG members. VS Joining SHG

Crosstab

Count

		Saving in the group			
		0	1	2	Total
Assets after SHG joining	0	1	34	0	35
	1	0	8	1	9
	2	6	77	2	85
	Total	7	119	3	129

Table-91 showing the Chi-Square test

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	5.260[a]	4	.262
Likelihood Ratio	5.174	4	.270
Linear-by-Linear Association	.271	1	.603
N of Valid Cases	129		

a. 6 cells (66.7%) have expected count less than 5. The minimum expected count is .21.

The 3 X 3 matrix cross-tabulated values relating to women joining the SHG vs savings in the group shows the chi – square value is 5.260 at 5% level of significance

and 4 degrees of freedom ((3-1) X (3-1)= 2X2)). The asymptotic value is .262 that is higher than 0.05, which strengthens the null hypothesis statement and discards the alternate hypothesis. This indicates that there is no significant difference noticed in women joining the SHG in relation to their savings in the group.

Hence, the Hypothesis is rejected.

H10: There is a relationship between facilities provided by the group to all the members of SHG's

Table-92 showing the relationship between facilities provided by the group VS joining SHG

Crosstab

Count

		Facilities given by the Group are?					
		0	1	2	3	5	Total
Assets after SHG joining	0	2	4	27	1	1	35
	1	0	1	8	0	0	9
	2	3	42	36	2	2	85
	Total	5	47	71	3	3	129

Table-93 showing the Chi-Square test

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	20.170[a]	8	.010
Likelihood Ratio	22.888	8	.004
Linear-by-Linear Association	5.389	1	.020
N of Valid Cases	129		

a. 11 cells (73.3%) have expected count less than 5. The minimum expected count is .21.

The 5 X 3 matrix cross-tabulated values relating to women joining the SHG Vs facilities given by the group shows the chi − square value is 20.170 at 5% level of significance and 8 degrees of freedom ((5-1) X (3-1)= 4X2)). The asymptotic value is .010 that is lower than 0.05, which strengthens the alternate hypothesis statement and discards the null hypothesis. It indicates that there exists a significant difference in the availability and utilization of resources among the three regions.

Hence, the Hypothesis is accepted.

H11: There is relation between knowledge gained about government schemes by the members of SHG

Table-94 showing the relation between knowledge in govt. schemes VS Joining SHG

Crosstab

Count

		Knowledge on Agriculture & Nonagricultural programmes by the govt?			
		0	1	2	Total
Assets after SHG joining	0	0	32	3	35
	1	0	9	0	9
	2	2	80	3	85
	Total	2	121	6	129

Table -95 showing the Chi-Square test

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	2.899[a]	4	.575
Likelihood Ratio	3.739	4	.443
Linear-by-Linear Association	2.036	1	.154
N of Valid Cases	129		

a. 6 cells (66.7%) have expected count less than 5. The minimum expected count is .14.

The 3 X 3 matrix cross-tabulated values relating to women joining the SHG Vs gaining knowledge about agriculture and non agriculture related govt. schemes shows the chi – square value is 2.899 at 5% level of significance and 4 degrees of freedom ((3-1) X (3-1)= 2X2)). The asymptotic value is .575 that is higher than 0.05, which strengthens the null hypothesis statement and discards the alternate hypothesis. This indicates that there is no significant difference noticed in women joining the SHG in relation to their gaining knowledge on various schemes.

Hence, the Hypothesis is rejected

H12: There is relation between utilization of schemes by the members of SHG

Table-96 showing the relationship between utilization of schemes VS joining SHG

Crosstab

Count

		Did you ever utilize the schemes?			Total
		0	1	2	
Assets after SHG joining	0	0	30	5	35
	1	0	8	1	9
	2	2	80	3	85
	Total	2	118	9	129

Table-97 showing the Chi-Square test

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	5.582[a]	4	.233
Likelihood Ratio	5.878	4	.208
Linear-by-Linear Association	5.398	1	.020
N of Valid Cases	129		

a. 5 cells (55.6%) have expected count less than 5. The minimum expected count is .14.

The 3 X 3 matrix cross-tabulated values relating to women joining the SHG Vs gaining new skills and experiences shows the chi – square value is 5.582 at 5% level of significance and 4 degrees of freedom ((3-1) X (3-1)= 2X2)). The asymptotic value is .233 that is higher than 0.05, which strengthens the null hypothesis statement and discards the alternate hypothesis. This indicates that there is no significant difference with regard to region in the utilization of govt. schemes by the members of SHG. All the SHG members belonging to different regions utilize govt. scheme benefits.

Hence, the hypothesis is rejected

Table-98 showing complete hypothesis of Telangana region

S. No	Hypothesis	Degree of Freedom	Pearson Chi-square test	Results
1	H1. Head of the house holder occupation Vs total assets	8	.001	ACCEPTED
2	H2. Head of the house holder income Vs. SHG member education	18	.000	ACCEPTED
3	H3. After joining SHG vs. Health issues	4	.321	**REJECTED**
4	H4. After joining SHG vs. Overall Assets improvements	4	.040	ACCEPTED
5	H5. After joining SHG vs. Raise in Employment Opportunities	4	.001	ACCEPTED
6	H6. After joining SHG vs. Raise in Income	4	.004	ACCEPTED
7	H7. After joining SHG vs. New experience or Skills	4	.000	ACCEPTED
8	H8. After joining SHG vs. Networking/Social Resources	2	.001	ACCEPTED
9	H9. After joining SHG vs. Savings in the group	4	.262	**REJECTED**
10	H10. After joining SHG vs. Facilities given by the group	8	.010	ACCEPTED
11	H11. After joining SHG vs. Knowledge on agricultural programmes by the govt	4	.575	**REJECTED**
12	H12. After joining SHG vs. Utilization of the Schemes	4	.233	**REJECTED**

H1: There exists a significant relation between the occupation and total assets

Table-99 showing occupation of the householder VS total assets for Andhra region

Crosstabulation

Count

		Code			
		0	1	2	Total
Occupation of Head Code	0	1	0	1	2
	1	0	74	2	76
	2	0	1	3	4
	3	0	8	5	13
	4	0	12	2	14
	Total	1	95	13	109

Table-100 showing the Chi Square test

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	87.927[a]	8	.000
Likelihood Ratio	36.214	8	.000
Linear-by-Linear Association	7.814	1	.005
N of Valid Cases	109		

a. 11 cells (73.3%) have expected count less than 5. The minimum expected count is .02.

The 3 X 5 matrix cross-tabulated values relating to householders occupation SHG Vs total assets gained shows the chi – square value is 87.927 at 5% level of significance and 8 degrees of freedom ((3-1) X (5-1)= 2X4)). The asymptotic value is .000 that is lower than 0.05, which strengthens the alternate hypothesis statement and discards the null hypothesis.

This indicates that there is a significant relationship between occupation of the householder and the total assets of the family. The higher the income of the householder the more are the no. of assets that have increased in the family.

Hence Hypothesis is accepted.

H2: There exists a significant relationship between head of the householder income and Education of Children for the Rayalseema region

Table-101 showing head of householder's income VS education of the children

Code * Code Crosstabulation

Count

		Code				Total
		0	1	2	4	
Code	0	0	4	4	0	8
	2	0	5	17	2	24
	1	0	19	11	5	35
	4	1	19	17	5	42
	Total	1	47	49	12	109

Table-102 showing the Chi-Square test

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	12.145[a]	9	.205
Likelihood Ratio	13.534	9	.140
Linear-by-Linear Association	.003	1	.954
N of Valid Cases	109		

a. 10 cells (62.5%) have expected count less than 5. The minimum expected count is .07.

The 4 X 4 matrix cross-tabulated values relating to householders Income Vs education of children shows the chi − square value is 12.145 at 5% level of significance and 9 degrees of freedom ((4-1) X (4-1)= 3X3)). The asymptotic value is .205 that is higher than 0.05, which strengthens the null hypothesis statement and discards the alternate hypothesis. This indicates that there is no significance difference noticed in householder's income in relation to education of children.

Hence, the Hypothesis is rejected.

H3: There is a relation between joining SHG vs. Health issues of the members of family in Andhra region.

Table-103 showing significant improvement in health VS joining SHG

Crosstab

Count

		Code			
		0	1	2	Total
Code	0	7	0	10	17
	1	0	0	3	3
	2	11	2	76	89
	Total	18	2	89	109

Table-104 showing the Chi-Square test

Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	9.498[a]	4	.050
Likelihood Ratio	8.696	4	.069
Linear-by-Linear Association	6.937	1	.008
N of Valid Cases	109		

a. 6 cells (66.7%) have expected count less than 5. The minimum expected count is .06.

The 3 X 3 matrix cross-tabulated values relating to women joining the SHG Vs money being spent on health issues shows the chi – square value is 9.498 at 5% level of significance and 4 degrees of freedom ((3-1) X (3-1)= 2X2)). The asymptotic value is .050 that is equal to 0.05, which strengthens the alternate hypothesis statement and discards the null hypothesis. This indicates that there is a significant difference observed in women joining the SHG in relation to spending money on health related issues. It is observed that not many members are aware of Govt health schemes.

Hence, the Hypothesis is accepted.

H4: There exist a relationship between Overall improvements in assets after joining SHG

Table-105 shows the relationship between joining SHG VS overall improvement in assets of household's.

Crosstab

Count

		Code			
		0	1	2	Total
Code	0	0	17	0	17
	1	0	2	1	3
	2	1	76	12	89
	Total	1	95	13	109

Table-106 showing the Chi-Square test

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	4.084[a]	4	.395
Likelihood Ratio	5.901	4	.207
Linear-by-Linear Association	1.377	1	.241
N of Valid Cases	109		

a. 6 cells (66.7%) have expected count less than 5. The minimum expected count is .03.

The 3 X 3 matrix cross-tabulated values relating to women joining the SHG Vs overall improvements in assets of the family the shows the chi – square value is 4.084 at 5% level of significance and 4 degrees of freedom ((3-1) X (3-1)= 2X2)). The asymptotic value is .395 that is higher than 0.05, which strengthens the null hypothesis statement and discards the alternate hypothesis. This indicates that there is no significant difference noticed in women joining the SHG in relation to their overall improvements in the assets. It is observed that monies availed are utilized in improving assets rather to pay back hand loans.

Hence, the Hypothesis is rejected.

H5: There is a relationship between raise in employment opportunity after joining SHG

Table-107 showing the relationship between rise in employment Opportunities VS joining SHG

Crosstab

Count

		Code			
		0	1	2	Total
Code	0	3	14	0	17
	1	1	2	0	3
	2	0	88	1	89
	Total	4	104	1	109

Table-108 showing the Chi-Square test

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	20.410[a]	4	.000
Likelihood Ratio	14.961	4	.005
Linear-by-Linear Associati8 n	13.447	1	.000
N of Valid Cases	109		

a. 7 cells (77.8%) have expected count less than 5. The minimum expected count is .03.

The 3 X 3 matrix cross-tabulated values relating to women joining the SHG Vs rise in employment opportunities shows the chi – square value is 20.410 at 5% level of significance and 4 degrees of freedom ((3-1) X (3-1)= 2X2)). The asymptotic value is .000 that is lower than 0.05, which strengthens the alternate hypothesis statement and discards the null hypothesis. This indicates that there is significant rise in the employment opportunities upon joining the SHG's .

Hence, the Hypothesis is accepted.

H6: There is a relationship between raise in income after joining SHG

Table-109 showing the relationship between raise in income in the individual households VS Joining SHG

Crosstab

Count

		Code			
		0	1	2	Total
Code	0	4	12	1	17
	1	0	3	0	3
	2	0	86	3	89
	Total	4	101	4	109

Table-110 showing the Chi-Square test

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	23.068[a]	4	.000
Likelihood Ratio	16.440	4	.002
Linear-by-Linear Association	8.316	1	.004
N of Valid Cases	109		

a. 7 cells (77.8%) have expected count less than 5. The minimum expected count is .11.

The 3 X 3 matrix cross-tabulated values relating to women joining the SHG Vs rise in income level shows the chi – square value is 23.068 at 5% level of significance and 4 degrees of freedom ((3-1) X (3-1)= 2X2)). The asymptotic value is .000 that is lower

than 0.05, which strengthens the alternate hypothesis statement and discards the null hypothesis. This indicates that there is significant difference with reference to the raise in income level of the families on joining SHG's

Hence, Hypothesis is accepted.

H7: There is relationship between new experience and skills gained

Table-111 showing the relationship between Region VS New experience and skills gained.

Crosstab

Count

		Code			Total
		0	1	2	
Code	0	9	1	7	17
	1	1	1	1	3
	2	1	81	7	89
	Total	11	83	15	109

Table-112 showing the Chi-Square test

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	66.323[a]	4	.000
Likelihood Ratio	59.229	4	.000
Linear-by-Linear Association	2.052	1	.152
N of Valid Cases	109		

a. 5 cells (55.6%) have expected count less than 5. The minimum expected count is .30.

The 3 X 3 matrix cross-tabulated values relating to women joining the SHG Vs gaining new skills and experiences shows the chi – square value is 66.323 at 5% level of significance and 4 degrees of freedom ((3-1) X (3-1)= 2X2)). The asymptotic value is .000 that is lower than 0.05, which strengthens the alternate hypothesis statement and discards the null hypothesis. This indicates that there is a significant difference noticed in women joining the SHG in relation to their gaining new skills and experiences.

Hence, the hypothesis is accepted.

H8: There is a significant relation between networking opportunities gained by SHG members

Table-113 showing the relationship between new opportunities gained VS Joining SHG

Crosstab

Count

	Code		Total
	0	2	Total
Code 0	17	0	17
1	3	0	3
2	88	1	89
Total	108	1	109

Table-114 showing the Chi-Square test
Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	.227[a]	2	.893
Likelihood Ratio	.407	2	.816
Linear-by-Linear Association	.215	1	.643
N of Valid Cases	109		

a. 4 cells (66.7%) have expected count less than 5. The minimum expected count is .03.

The 3 X 2 matrix cross-tabulated values relating to women joining the SHG Vs getting networked shows the chi – square value is .227 at 5% level of significance and

2 degrees of freedom ((3-1) X (2-1)= 2X1)). The asymptotic value is .893 that is higher than 0.05, which strengthens the null hypothesis statement and discards the alternate hypothesis. This indicates that there is no significant difference in relation to gaining high levels of network by the members of SHG.

Hence, the Hypothesis is rejected.

H9: There is a relationship between savings in the group by members of SHG

Table-115 shows the relationship between region VS Savings by SHG members.

Crosstab

Count

		Code			
		0	1	2	Total
Code	0	2	15	0	17
	1	0	3	0	3
	2	11	76	2	89
	Total	13	94	2	109

Table-116 showing the Chi-Square test

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	.903ᵃ	4	.924
Likelihood Ratio	1.618	4	.805
Linear-by-Linear Association	.009	1	.923
N of Valid Cases	109		

a. 6 cells (66.7%) have expected count less than 5. The
minimum expected count is .06.

The 3 X 3 matrix cross-tabulated values relating to women joining the SHG Vs savings in the group shows the $chi-square$ value is .903 at 5% level of significance and 4 degrees of freedom ((3-1) X (3-1)= 2X2)). The asymptotic value is .924 that is higher than 0.05, which strengthens the null hypothesis statement and discards the alternate hypothesis. This

indicates that there is no significant difference noticed in women joining the SHG in relation to their savings in the group.

Hence, the Hypothesis is rejected.

H10: There is a relationship between facilities provided by the group to all the members of SHG's

Table-117 showing the relationship facilities provided by the group VS joining SHG

Crosstab

Count

		Code			Total
		0	1	2	
Code	0	1	3	13	17
	1	0	1	2	3
	2	2	68	19	89
	Total	3	72	34	109

Table-118 showing the Chi-Square test

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	23.879[a]	4	.000
Likelihood Ratio	23.159	4	.000
Linear-by-Linear Association	15.707	1	.000
N of Valid Cases	109		

a. 5 cells (55.6%) have expected count less than 5. The minimum expected count is .08.

The 3 X 3 matrix cross-tabulated values relating to women joining the SHG Vs facilities given in the group shows the chi – square value is 28.879 at 5% level of significance and 4 degrees of freedom ((3-1) X (3-1)= 2X2)). The asymptotic value is .000 that is lower than 0.05, which strengthens the alternate hypothesis statement and discards the null hypothesis. It indicates that there exists a significant difference in the availability and utilization of resources among the three regions.

Hence, the Hypothesis is accepted.

H11: There is relation between knowledge gained about government schemes by the members of SHG

Table-119 showing the relation between knowledge in govt. schemes VS Joining SHG

Crosstab

Count

		Code			
		0	1	2	Total
Code	0	0	17	0	17
	1	0	3	0	3
	2	1	87	1	89
	Total	1	107	1	109

Table-120 showing the Chi-Square test

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	.458[a]	4	.977
Likelihood Ratio	.819	4	.936
Linear-by-Linear Association	.000	1	1.000
N of Valid Cases	109		

a. 7 cells (77.8%) have expected count less than 5. The minimum expected count is .03.

The 3 X 3 matrix cross-tabulated values relating to women joining the SHG Vs knowledge gained on agri and non-agri related schemes shows the chi – square value is .458 at 5% level of significance and 4 degrees of freedom ((3-1) X (3-1)= 2X2)). The asymptotic value is .977 that is higher than 0.05, which strengthens the null hypothesis statement and discards the alternate hypothesis. This indicates that there is no significant difference noticed in women joining the SHG in relation to their gaining knowledge on agri and non-agri related schemes.

Hence, the Hypothesis is rejected.

H12: There is relation between utilization of schemes by the members of SHG

Table-121 showing the relationship between utilization of schemes VS joining SHG

Crosstab

Count

		Code			
		0	1	2	Total
Code	0	0	17	0	17
	1	0	3	0	3
	2	2	85	2	89
	Total	2	105	2	109

Table-122 showing the Chi-Square test

Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	.933[a]	4	.920
Likelihood Ratio	1.656	4	.799
Linear-by-Linear Association	.000	1	1.000
N of Valid Cases	109		

a. 7 cells (77.8%) have expected count less than 5. The minimum expected count is .06.

The 3 X 3 matrix cross-tabulated values relating to women joining the SHG Vs utilization of schemes shows the chi – square value is .933 at 5% level of significance and 4 degrees of freedom ((3-1) X (3-1)= 2X2)). The asymptotic value is .920 that is higher than 0.05, which strengthens the null hypothesis statement and discards the alternate hypothesis. This indicates that there is no significant difference with regard to region in the utilization of govt. schemes by the members of SHG. All the SHG members belonging to different regions utilize govt. scheme benefits.

Hence, the hypothesis is rejected

Correlation

Correlation is a statistical technique that can show whether and how strongly pairs of variables are related. Correlation refers to any of a broad class of statistical relationships involving dependence.

A correlation analysis was attempted to establish relationship between the variables that are presented in the table below:

Table-123 showing the correlations

Correlations

		Occupation of Head Code	Any emergency ailment of health in the family for the last 3 years	Any of the assets	Raise in Employment Opportunities	CodeRaise in Income	Assets after SHG joining	New experience or skills	Networking/Social resources	Saving in the group	Facilities given by the Group are?	Knowledge on Agriculture & Non agricultural programmes by the govt?	Did you ever utilize the schemes?
Occupation of Head Code	Pearson Correlation	1	.077	.072	-.072	-.003	.032	-.090	.ᵃ	.035	.001	-.039	-.154
	Sig. (2-tailed)		.385	.416	.419	.977	.715	.313	.	.694	.987	.659	.080
	N	905	905	905	905	905	905	905	905	905	905	905	905
Any emergency ailment of health	Pearson Correlation	.077	1	.097	.000	-.078	.099	-.044	.ᵃ	-.165	-.121	-.013	-.036

in the family for the last 3 years	Sig. (2-tailed)	.385		.276	1.000	.379	.266	.619	.	.062	.172	.885	.682
	N	905	905	905	905	905	905	905	905	905	905	905	905
Any of the assets	Pearson Correlation	.072	.097	1	.136	.905	.160	-.015	.[a]	.112	-.037	.042	.010
	Sig. (2-tailed)	.416	.276		.124	.146	.071	.867	.	.206	.677	.634	.915
	N	905	905	905	905	905	905	905	905	905	905	905	905
Raise in Employment Opportunities	Pearson Correlation	-.072	.000	.136	1	.681[**]	.259[**]	.354[**]	.[a]	.184[*]	.096	.103	.266[**]
	Sig. (2-tailed)	.419	1.000	.124		.000	.003	.000	.	.037	.279	.246	.002
	N	905	905	905	905	905	905	905	905	905	905	905	905
CodeRaisein Income	Pearson Correlation	-.003	-.078	.905	.681[**]	1	.334[**]	.385[**]	.[a]	.198[*]	.084	.019	.028
	Sig. (2-tailed)	.977	.379	.146	.000		.000	.000	.	.025	.342	.834	.752
	N	905	905	905	905	905	905	905	905	905	905	905	905
Assets after SHG joining	Pearson Correlation	.032	.099	.160	.259[**]	.334[**]	1	-.081	.[a]	-.046	-.205[*]	-.126	-.205[*]

	Sig. (2-tailed)	.715	.266	.071	.003	.000		.363	.	.605	.020	.154	.020
	N	905	905	905	905	905	905	905	905	905	905	905	905
New experience or skills	Pearson Correlation	-.090	-.044	-.015	.354[**]	.385[**]	-.081	1	.[a]	.135	.235[**]	.140	.044
	Sig. (2-tailed)	.313	.619	.867	.000	.000	.363		.	.127	.007	.114	.623
	N	905	905	905	905	905	905	905	905	905	905	905	905
Networking/Social resources	Pearson Correlation	.032	.099	.160	.259[**]	.334[**]	1	-.081	.[a]	-.046	-.205[*]	-.126	-.205[*]
	Sig. (2-tailed)	.715	.266	.071	.003	.000		.363	.	.605	.020	.154	.020
	N	905	905	905	905	905	905	905	905	905	905	905	905
Saving in the group	Pearson Correlation	.035	-.165	.112	.184[*]	.198[*]	-.046	.135	.[a]	1	.268[**]	.127	.119
	Sig. (2-tailed)	.694	.062	.206	.037	.025	.605	.127	.		.002	.150	.180
	N	905	905	905	905	905	905	905	905	905	905	905	905
Facilities given by the Group are?	Pearson Correlation	.001	-.121	-.037	.096	.084	-.205[*]	.235[**]	.[a]	.268[**]	1	.371[**]	.219[*]

	Sig. (2-tailed)	.987	.172	.677	.279	.342	.020	.007	.	.002		.000	.013
	N	905	905	905	905	905	905	905	905	905	905	905	905
Knowledge on Agriculture & Non agricultural programmes by the govt?	Pearson Correlation	-.039	-.013	.042	.103	.019	-.126	.140	.[a]	.127	.371[**]	1	.523[**]
	Sig. (2-tailed)	.659	.885	.634	.246	.834	.154	.114	.	.150	.000		.000
	N	905	905	905	905	905	905	905	905	905	905	905	905
Did you ever utilize the schemes?	Pearson Correlation	-.154	-.036	.010	.266[**]	.028	-.205[*]	.044	.[a]	.119	.219[*]	.523[**]	1
	Sig. (2-tailed)	.080	.682	.915	.002	.752	.020	.623	.	.180	.013	.000	
	N	905	905	905	905	905	905	905	905	905	905	905	905

a. Cannot be computed because at least one of the variables is constant.

**. Correlation is significant at the 0.01 level (2-tailed).

*. Correlation is significant at the 0.05 level (2-tailed).

Correlations are useful because they can indicate a predictive relationship that can be exploited in practice. Here all the variables of the study show relationships between statistical dispersion within and across the whole sample. The correlation ratio eta(n) takes values between 0 and 1. The limit eta(n)=0 represents the special case of no dispersion among the means of the different categories, while eta(n)=1 refers to no dispersion within the respective categories .eta(n) is undefined when all data points of the complete population take the same value

<u>Factor analysis</u>

Factor analysis is a proven statistical method used to describe variability among the observed variables in terms of potential lower number of unobserved variables called factors.

The main aim of factor analysis is:

(i) To reduce the number of variables

(ii) To detect the structure in relationship between variables, which means classifying the variables.

Therefore factor analysis is data reduction or structure detection methodwhich determines a number of factors to be retained for further analysis.

To identify how far the present data is suitable for running the factor analysis the researcher has run **Kaiser-Meyer-Olkin (KMO)** measure of sample adequacy and **Bartlett's** test of Sphericity. Unless the two tests get satisfied the factor analysis is inadequate. According to KMO measure, if the sum of the partial correlations is larger relative to sum of correlations, there exists diffusion in pattern of correlation. Hence factor analysis is likely to be inappropriate. A value close to 1.0 indicates that patterns of correlations are relatively strong. For the present study data, the KMO value is indicated at 0.748 (from the table shown below) was found to be appropriate.

Factor

The key concept of factor analysis is that multiple observed variables have similar patterns of responses because of their association with an underlying latent variable, the factor, which cannot easily be measured. In every factor analysis, there is the same number of factors as there are variables. Each factor captures a certain amount of the overall variance in the observed variables, and the factors are always listed in order of how much variation they explain.

Eigen value

The eigenvalue is a measure of how much of the variance of the observed variables a factor explains. Any factor with an eigenvalue ≥ 1 explains more variance than a single observed variable.

Factor loadings

The relationship of each variable to the underlying factor is expressed by the so-called factor loading.

Table-124 showing the KMO and Bartlett's test

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.748
Bartlett's Test of Sphericity	Approx. Chi-Square	4705.623
	Df	300
	Sig.	.000

Table-125 showing the communalities

Communalities

	Initial	Extraction
Code	1.000	.539
Code	1.000	.728
Code	1.000	.593
Code	1.000	.712
Code	1.000	.591
Code	1.000	.646
Code	1.000	.478
Code	1.000	.775
Code	1.000	.735
Code	1.000	.509
Code	1.000	.639
Code	1.000	.551
Code	1.000	.801
Code	1.000	.724
Code	1.000	.693
Code	1.000	.575
Code	1.000	.671
Code	1.000	.685

Code	1.000	.584
Code	1.000	.623
Code	1.000	.419
Code	1.000	.333
Code	1.000	.564
Code	1.000	.736
Code	1.000	.711

Extraction Method: Principal Component Analysis.

To analyze variance in linear components (factors) Eigen values are used. The total column gives the Eigen values or amount of variance in the original variables accounted for by each component.

Before extraction 15 linear components are displayed as there are many components as variables and in a correlations analysis the sum of the Eigen values equals the number of components. The study has given the command to extract the Eigen values that are greater than 0.5.

Table-126 showing the variances

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.107	12.429	12.429	3.107	12.429	12.429	2.556	10.225	10.225
2	2.143	8.570	20.999	2.143	8.570	20.999	2.135	8.541	18.766
3	1.970	7.881	28.879	1.970	7.881	28.879	1.952	7.809	26.575
4	1.832	7.330	36.209	1.832	7.330	36.209	1.841	7.363	33.938
5	1.713	6.854	43.063	1.713	6.854	43.063	1.679	6.715	40.653
6	1.485	5.941	49.004	1.485	5.941	49.004	1.634	6.537	47.190
7	1.235	4.942	53.945	1.235	4.942	53.945	1.362	5.447	52.638
8	1.087	4.348	58.293	1.087	4.348	58.293	1.256	5.023	57.661
9	1.043	4.173	62.466	1.043	4.173	62.466	1.201	4.805	62.466
10	.957	3.829	66.296						
11	.892	3.567	69.863						

12	.860	3.438	73.301						
13	.819	3.275	76.576						
14	.783	3.133	79.709						
15	.708	2.834	82.543						
16	.585	2.340	84.883						
17	.570	2.279	87.162						
18	.525	2.102	89.264						
19	.498	1.991	91.255						
20	.453	1.812	93.067						
21	.411	1.642	94.710						
22	.393	1.570	96.280						
23	.387	1.550	97.830						
24	.286	1.143	98.972						
25	.257	1.028	100.000						

Extraction Method: Principal Component Analysis.

Table-127 showing FACTOR LOADINGS:

	S.No	Variable	Factor1	Factor2	Factor3	Factor4	Factot5
Financial Benefit	1	Raise in Income 23	.889				
	2	Raise in employment opportunities 24	.838				
	3	Overall house hold appliances	.725				
	4	New experience / Skills gaining 26	.578				
Public Relationship	5	Facilities given by group		.593			
	6	Networking 28		.779			
	7	Any new assets creation 29		.739			
	8	Any useful info. Gathered 30		.755			
Growth in Infrastructure	9	Construction of Toilet 8			.662		
	10	Type of Toilet 7			.835		
	11	Floor of House 6			.671		
Scope for Future Benefits	12	Knowledge of Govt. schemes 37				.824	
	13	Utilization of Govt. scheme. 38				.836	
Life style enhancement	14	Fuel for cooking 10					.738
	15	Water resources 11					.695

Figure-14 also displays the Eigen values in terms of percentage of variance explained by each factor. The Eigen values associated with these factors are again displayed in the columns labels 'Extraction sum of squared loading'. The extracted values in this part of the table are the same as the value before extraction, except that the values for the discarded factor are ignored. Rotation has the effect of optimizing the factor structure and one consequence for these data is that the relative importance of the four factors is equalized. It can be seenthat the factors with lesser correlation (less than 0.5) have been dropped from the analysis to find suitable factors in the process.

All these three factors have been mentioned in the form of a Scree plot as depicted below. It can be seen from the diagram that after the three major variables the curve becomes parallel to the horizontal line and the variables on it are negligibly contributing to the dependent variable.

Figure-15 showing the scree plot
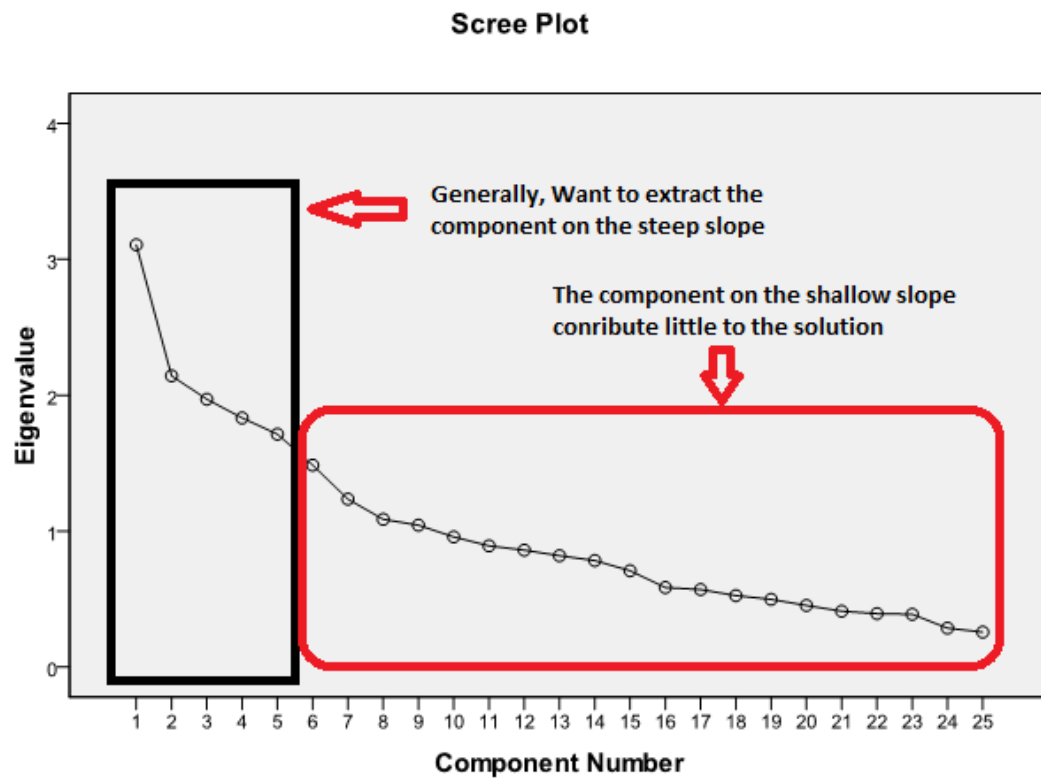
Scree Plot

Scree plot helps us to determine the optimal number of components. While extracting a component from scree plot, we generally extract the component on the steep slope. The components on the shallow slope contribute little to the solution as said above. The last drop occurs between the fifth and sixth components. So using the first five components is an easy choice.

The study concluded that financial benefit, relationship with in the group, growth of infrastructure at their end, financial benefits and scope for future benefits are the main components for joining the groups and also for sustaining the concept. These are considered.

Regression Analysis

Regressionanalysisattempts to describe the dependence of a variable on one (or more) explanatory variables; it implicitly assumes that there is a one-way causal effect from the explanatory variable(s) to the response variable, regardless of whether the path of effect is direct or indirect.

Table-128 showing the regression summary

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.820[a]	.673	.668	.214	1.717

Table – 129 showing the ANOVA[b]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	84.115	13	6.470	140.788	.000[a]
	Residual	40.857	889	.046		
	Total	124.972	902			

a. Dependent Variable: After joining Self Help Group improvement in their prosperity

In Table 135- R represents the correlation between the observed values and the predicted values (based on the regression equation obtained) of the dependent variable. R Square is the square of R and gives the proportion of variance in the dependent variable accounted for by the set of independent variable (IV) are able to predict the dependent variable (DV).

The R-squared of the regression is the fraction of the variation in the dependent variable that is accounted for (or predicted by) independent variables (In regression

with a single independent variable, it is the same as the square of the correlation between the dependent and independent variable.) The R-squared is generally of secondary importance; unless main adjusted R-Square makes accurate predictions.

In this study, the above table describes the model summary and indicates coefficient of multiple determinations (R) is 0.820. The variation in the dependent variable is explained by 67.3 percent through quadratic relationship with the predictor which appears to be significant for making predictions and Durbin-Watson value is 1.717, selected variables represent R square value as 67.3 (67%); remaining 33% value is not represented by the selected variables.

While looking at ANOVA Table-129, which was carried out for regression, the dependent variable (after Joining SHG's improvement in their prosperity level) is statistically significant with the mean of the independent variables mentioned above. The regression row displays information about the variation accounted for by the model. The Residual row displays information about the variation that is not accounted for the model. This ANOVA table is a useful test of the model's ability to explain any variation in the dependent variable; it does not directly address the strength of that relationship. The importance of the independent variables can be realized from the coefficient table of the "Multiple Regression test" mentioned below.

Table-130 showing the coefficient values

Coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	.589	.144		4.103	.000
Growth in Infrastructure	**-.025**	**.019**	**-.043**	**-1.328**	**.014**
Financial Benefit	**-.040**	**.010**	**-.122**	**-3.989**	**.000**
Life style enhancement	**.044**	**.047**	**.026**	**.933**	**.035**
Scope for Future Benefits	**-.337**	**.052**	**-.194**	**-6.451**	**.000**
Public Relationship	**.428**	**.212**	**.062**	**2.021**	**.044**

The five factors mentioned above are the key factors why the women join the SHG and these are also the key factors for sustainability of the concept. All the factors have emerged significant in the present study.

CHAPTER -5
CONCLUSION

Conclusions

A comparative study of the three regions (Andhra, Rayalaseema and Telangana) in the State of Andhra Pradesh was carried out to understand and know "how well the concept of SHG helped the people of the State of Andhra Pradesh in transitioning from people living below the poverty line to a desired prosperity level, the growth strategies and beyond SHG's- what?"

Findings of the study:

The present research on SHG's had pointed out various reasons for the women interested in joining SHG's and their aspirations which formed a baseline for thinking about the growth strategies and also thinking beyond the concept. The following hypothesis showed why and what made the women join the movement called SHG. The table below provides the overall status of State of erstwhile Andhra Pradesh.

Table-131 showing the complete hypothesis of the study

S. No	Hypothesis	Telangana	Andhra	Rayalaseema	Complete Study
1	H1. Head of the house holder occupation Vs total assets	Accepted	Accepted	Accepted	Accepted
2	H2. Head of the house holder income Vs. children education and SHG member education	Accepted	Accepted	**Rejected**	Accepted
3	H3. After joining SHG vs. Health issues	**Rejected**	**Rejected**	Accepted	**Rejected**
4	H4. After joining SHG vs. Overall Assets improvements	Accepted	Accepted	Accepted	Accepted
5	H5. After joining SHG vs. Raise in Employment Opportunities	Accepted	Accepted	Accepted	Accepted
6	H6. After joining SHG vs. Raise in Income	Accepted	Accepted	Accepted	Accepted
7	H7. After joining SHG vs. New experience or Skills	Accepted	Accepted	Accepted	**Rejected**
8	H8. After joining SHG vs. Networking/Social Resources	Accepted	**Rejected**	**Rejected**	**Rejected**
9	H9. After joining SHG vs. Savings in the group	**Rejected**	Accepted	**Rejected**	Accepted
10	H10. After joining SHG vs. Facilities given by the group	Accepted	Accepted	Accepted	Accepted
11	H11. After joining SHG vs. Knowledge on agricultural programmes by the govt	**Rejected**	Accepted	**Rejected**	Accepted
12	H12. After joining SHG vs. Utilization of the Schemes	**Rejected**	Accepted	**Rejected**	**Rejected**

For this movement to be successful, introduction of microfinance and its availability to the non-banked population in the rural areas has been very vital and has an impact on the members of SHG's. This is substantiated by the study, by looking at the factors (Financial benefit, Growth of assets, life style improvement) that suggests financial linkage has facilitated them. Further the hypothesis (H1, H4, H6) were proved and accepted. All three regions showed significant differences on these variables. Hence,

it may be concluded that microfinance has made a significant impact on the SHG members.

So if we have to have a sustenance plan or growth strategy, one of the key ingredients should be provision of finance. In terms of savings in the group, overall for the three regions showed significant results (H9 proved) where as in Rayalseema and Telangana it showed insignificant. The reason as observed was mainly due to the prevailing cultureThe sample of these regions appear to take things as they come and do not appear to be thinking in a long- term perspective.

Life has become comfortable for many households, as assets have increased which can be seen from H1. It proves that once the loan is available they are actually buying assets rather than use the loan to carryout income generation activities. While gathering data the researcher observed that many households have at least a bicycle in the house. It was also noticed that mopeds are a common feature across Andhra region and Telangana regions as a mode of transport.

Looking at H2. "Head of the house holder income Vs children education" It is proved that there is an impact in terms of householders income, which has definitely increased leading to educating the children. This was a common feature observed across the State. If we look at H3, to understand the health parameters of the family members and whether the members were willing to spend on health related issues, it was noticed that spending is hardly found; the reason is that State of Andhra Pradesh had come up with a programme called "Aarogyasri" where in all their health needs are getting covered including tertiary care. Hence, these members are not spending their incomes on health issues, but utilizing the existing scheme for education and other purposes.

Rajiv "Aarogyasri" is the flagship scheme of all health initiatives of the State Government with a mission to provide quality healthcare to the poor. The aim of the Government is to achieve "Health for All" in Aarogya Andhra Pradesh (Healthy Andhra Pradesh state).

Another interesting observation was that of understanding whether there is increase in the member's income levels up on joining SHG (H5). It was obsessed that there was an increase in the standard of living.

A peculiarity that was noticed was that in spite of having various benefits the members could neither enhance nor learn new skills, and there was hardly any networking among the members with other groups within and outside the village, also, they could not understand or utilize Govt. schemes as is evident from H7, H8 and H12. Here again there was not much support provided from any of the agencies. However, the members could get some information on agriculture related programmes and subsidies from the group members themselves, the same are proven by H10 and H11.

Specific observations from each region:

Andhra region:

People in this region are forth coming and were able to understand and articulate ably and the maximum number of responses are also from this region. In this region SHG concept proved to be very useful to the people and were able to enhance their living conditions. The hypotheses H1, H2, H4, H5, H6, H7, H9, H10, H11, H12 are all accepted showing that there is a significant difference after joining SHG.

Rayalaseema region:

People in this region were not forth coming with the details and help was sought from the bankers and researcher had interacted with them through the bank employee. In this region hypothesis H1, H3, H4, H5, H6H7 and H10 showed significant differences in the region where as H2, H8, H9, H11 and H12 showed no significant differences.

Telangana region:

People of this region were forth coming to provide information not individually but in groups. For the sample study two large districts were considered. The region showed significant difference for the hypotheses H1, H2, H4, H5, H6, H7, H8 and H10. It can be inferred that joining SHG has helped the members. , However H3, H9, H11 and H12 showed that there is no significant difference after joining SHG.

Certain other observations:

Certain other observations as noticed by the researcher while carrying out the data collection are as follows:

- It was observed that most of the rural women are happy to be part of SHG's and they enjoy making friends.

- Women feel that they gained some importance in the family. This is mostly observed in Andhra region. The same is not much observed in other two regions.

- Women were very clear as to why they joined and formed SHG's. It is not only for getting loans and also for availing other govt. schemes.

- Their living standards improved after joining SHG.

- Families in Telangana region have higher standards of living (many house hold appliances) than in Rayalseema region.

- It was observed that women in general areempowered.As they are now participating in decision making of the household.

- Women want to grow in different dimensions, but there is no proper direction from any side and they feel helpless.

- They are more of followers than leaders.

- Some members expressed the burden of rearing their children and handling the newfound lifestyle of SHG membership.

Sustainability, issues and challenges:

Concept related issues of SHG's

1.*Funding for the concept*-The SHG's on their own in the present state may not be able to sustain themselves as the success stories are far too less (only 8 success stories across the sample size in terms of becoming an entrepreneur). Many SHG's are unable to pursue the business for which they have been provided loan. It can be seen from the study that the money received from the Banks/ MFI's are quickly shared among the members. Each individual member decides how to spend the money. This defeats the very purpose for which the loan is availed. The rural poor are not in a position to look beyond receiving loan from MFI's/Govt. Researcher has observed that husbands of these SHG members play a very important role in such decisions.

Present funding to the Govt. was in form of various grants by funding agencies and they have utilized them completely. Govt. is looking at many ways to sustain this movement. There are funds with the Zilla samakhyas but then there is no organized

method of making the Zilla samakhyas members understand and utilize the same for community development. This would leave the Govt. to bank upon some others funds and funding agencies to maintain the momentum of the concept.

2.*Leadershipfactor*- leadership of the group is a major issue. Only a handful of leaders are literate to take the group forward. Most of the time the leader does not know how to handle the group. In case of any arguments in the group, it was observed that the leader is not taking charge of the problem and solving it, rather would be a mute spectator. It was also observed by the researcher that many problems do crop up and they cannot be amicably sorted out among themselves and has to be sorted out by a male person who would be spouse and who has some clout in the group. It is still a male dominated society. Leadership of SHG should be strengthened to make them aware of what is needed for them to keep the group together. The basics of team building and behavior identification tools have to be given to the chosen leader by NGO's, Academic Institutions or Govt agencies. This aspect was found be a big challenge. They are unable to plan for future, as they do not understand the How and what of planning.

3. *Capacity building:* capacity building is needed for the sustainability of movement, which is found missing. Most of the groups do not know why SHG's are important and what is expected of the group. All that they know is by joining the group they would be eligible for loan and they may get some employment opportunity. In the model that is proposed by the researcher it is shown that Academic Institutions if leveraged by the Govt. can really help this concept grow vibrantly. They are dependent on Govt. and other SHPI's even today after two decades of the concept in existence to take them forward. Many researchers working in this domain noted this point.

4. *Federation:* federations can play a very vital role in creating a very good sustainability model, provided they are made to understand the dynamics of community development. They are not playing an active role as of now as observed by the researcher. Federations feel that money would flow through various schemes to them and it is the responsibility of the Govt. to think about way forward and provide sustainability. It was observed that the monies saved so far by the federations is huge but they feel it is theirs and they should not spend it on community development

rather use it for their better lifestyle. There are peculiar issues and challenges faced by these organisations. It is observed that while interacting with two such federations in Karimnagar and Vijayawada that some leaders lack clarity of objectives, are unable to discharge their functions properly like appointment of leaders for newly formed SHG's, providing credit linkage support on time, absence of creation of second line leadership and low financial stability.

From the Government's perspective

Based on the interviews with various Govt. officials who are involved in implementing the programme, it is observed that the concept is strong and has reached the target groups.

The officials agree that capacity building is necessary to take the SHG's to next level and also understand what is happening as desired initially.

- An issue for slowing of the movement is that of MFI (Development and Regulation) bill 2011, which is yet to be passed. This has slowed down the Commercial bank and MFI linkages to the SHG's.

- However growth of SHG's is still seen in numbers.

Government officials state that without institutional support the SHG's may fail. Sustainability cannot be spoken at present, as the model has not matured to that extent.

From the Banker's perspective

Based on the interactions with various bank officials following perspective on the SHG movement is captured.

- Bankers say that since they are mandated to carry out provision of loans, they have to continue these efforts. They find that the concept is good but feel that one should look into cost overruns in such schemes.

- They are of the opinion that NPA's would increase over a period of next two years as repayments are not as expected.

- To an extent the bankers also feel that change in political circles did have an impact on the repayment factor.

- Regarding providing second time loan – they did provide recurring loans to groups where they found the credit history of the group being good.

Sustainability issues

Sustainability is proving to be a major challenge as the capacity building has not taken place. Leadership issue still remains. No training is taking place in the income generating activities.

The *Challenges faced in implementation of SHG's at present are:*

- Overstaffing by DRDA.

- Issues of salary payments to staff employed by govt to monitor the entire programme (IKP).

- Funding has stopped since the year 2012. Presently govt is trying to meet some of the expenses through financial adjustments.

- Inflow from SHPI's/ NGO's is waning.

- Introduction of Micro finance ordinance in the year 2011

Future of SHG's

Success for the SHG in future would mean to get into a Public Private Partnership (PPP) model. The SHG movement has come a long way since the experiment by Grameen Bank of Bangladesh. Unless and until the whole concept is viewed holistically and bringing in more partners, in a PPP mode, the future at present is observed to be bleak. The best methodology is to bring in various players into rural economic development along with improving skills of the members.

Role of Federations in sustainability

At present there are around 26 Federations, both govt sponsored and otherwise in the State and have their own agenda in creating wealth. Federations feel the money saved is theirs and hence they would utilize for their benefit and govt. should take care of all other developmental activities. This was clear from the voices of SHG supported in the study. Federation itself is a big challenge. Not many federations are formed over the last two years, which goes to say that effort required in creating federations is time consuming and many SHG's are not in favour of it. Federations in existence are not

coming forward to carry out the functions as decided. The clarity of objectives with which they were formed got lost over the period. It is also noticed that Leaders are not rotated as was initially thought of.

Empowerment of SHG members:

As a consequence of joining SHG, the women members have transformed in the following lines.

- Women were in general found to be empowered and gained confidence after their association with Self Help groups.
- As the groups' performance increased, understanding among the members improved and the women's roles was highly appreciated.
- Awareness about savings had increased after joining the group.
- Increase in the economic condition of the families after joining the SHG.
- Some of the members had started individual businesses like selling fruits, eateries and vegetables.
- Families are able to support their children's' higher education.
- Women are enthusiastic to do businesses that require support in marketing of their products.
- The independent income from the SHG had made the women more assertive and majority of them acknowledge greater decision-making power experienced by them. First and foremost, an attitudinal change has been observed, whereby their productive role has been enhanced and associating with the SHG has also increased the mobility of the women in their place of residence.
- Women also now have increased access to livelihood activity, specific information, information related to governmental schemes etc. In some of the groups, domestic violence also seems to have been reduced.
- Enhanced participation of members has been reported in traditional institutions and panchayat raj institutions

Recommendations

Researcher has proposed a model that would help SHG sustain and grow beyond the present concept that is discussed below:

Growth Strategy and Model

The study pointed out several factors as to why women join the SHG's. Looking at these factors growth strategy can be formulated with the help of following inputs.

      1. Money/PPP

      2. Capacity building

      3. Team building

      4. Leadership

Providing a sustainable model while monitoring the entire group activity through focused project management methodology would give a much-needed boost for sustainability. The proposed model can suggest the growth strategy.

<div align="center">**Management Model:**</div>

Figure-16
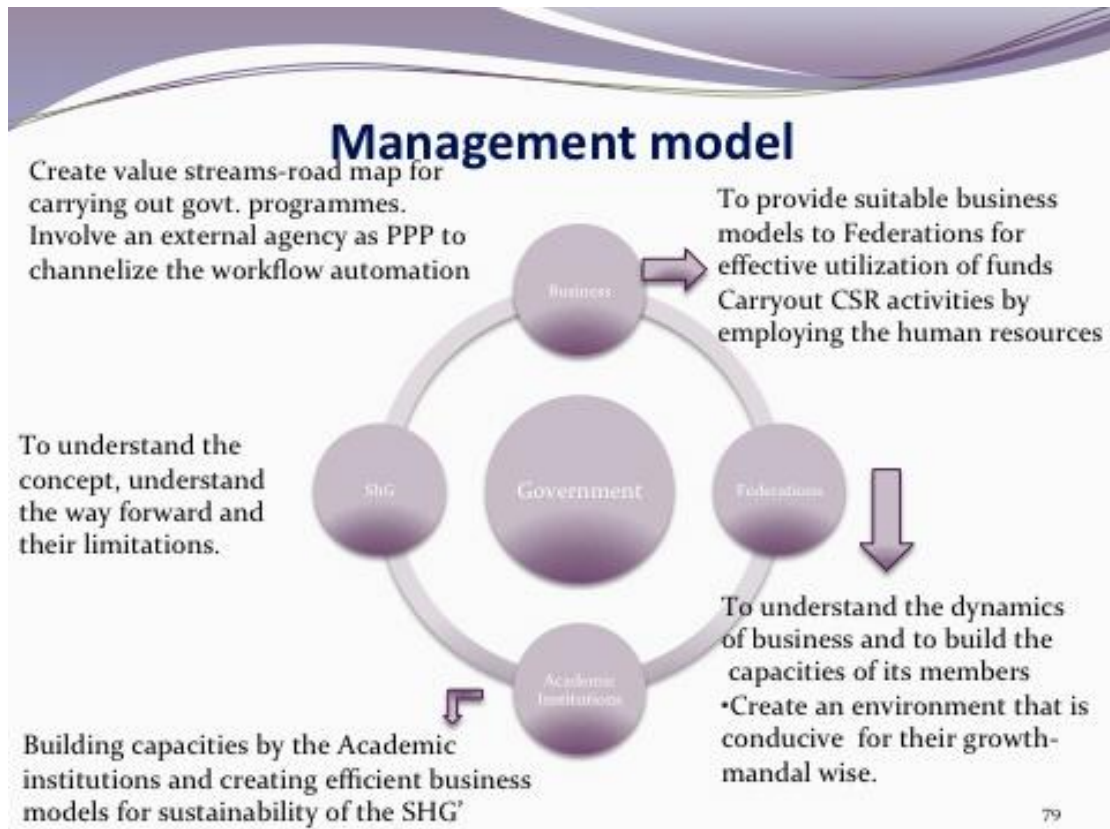
The model suggests that Government should play a key role in creating a sustainable model by acting as a pivot for the entire eco system of sustainability. They need to create a road map while involving private players using Public private partnership (PPP) model. PPP is quite successful in our country.Somebusiness houses can be involved to bring in their Corporate Social Responsibilityplans to work along with the SHG's as this would be a win –win situation to both the parties and would prove to be very useful in creation of value stream to the govt. Having done that the govt. may think about a suitable business model to attract private players, who in turn would work at Mandal samakhyas and Federation level in creating projects and monitoring them right from day one. Professional people who are working in social sector should be brought into the fold to work. There are several professionals in our country who provide various support services to organisations and those people can be involved for this exercise and their fees could be paid through the funds generated by the Federations. Government may enter into a dialogue with various Academic Institutions for the support in building capacities to make the SHG's understand the

business dynamics, team building, leadership and also creation of evaluation frameworks. If all these agencies work together in harmony there would be a good model for sustainability and growth to the movement. While all these activities are going on SHG's need to be actively engaged in a dialogue as to what they should be expecting in times to come.

In conclusion it may be said that the crucial component of the entire study revolves round the availability of finance in any form to the members of SHG's. In absence of it the movement would not scale up. The factors that influenced most for the success of the present movement are:

1. Financial benefit

2. Public relationship/ Group behaviour

3. Growth in Infrastructure

4. Scope for future

5. Life style enhancement

Having carried out the research and interviews with various stakeholders, the researcher has understood that the concept of SHG's is very vital to the growth of Indian economy and has really taken off over a period of 10 years in the state of Andhra Pradesh. However, presently there seems to be a status quo on the concept and the movement of SHG's. The members of SHG's understand the concept in only one way as a vehicle to get loans.. Initial enthusiasm of SHPI's and other agencies is not visible to a large extent these days.

If this movement has to sustain and grow, concerted efforts must be put by various agencies as a one-time effort and make these SHG's self -sustaining. A model has been suggested involving various players to make this concept become sustainable. It is thought that once the growth strategies are in place one can think beyond SHG's that could be a concept of VLPE (Village level private enterprises or even public enterprises), where in the federations can actively participate and create a better community. The most important factors for sustainability are summed up as

1. Capacity building in the right direction

2. Govt. to create a robust model while looking into the suggested model by the researcher.

3. Development of leadership for the SHG.

4. Involving other stakeholders in the movement.

5. Creation of excellent role model federations.

Hence one can conclude that to make this concept vibrant a concerted effort from all the stakeholders is needed to make it sustainable.

There needs to be proper creation of awareness and capacity building in terms of self-growth. If they are provided an opportunity to handle issues relating to social causes and be made part of the last mile supply chain. (eg; of like carrying out mid day meal schemes, marketing the products of various multinational companies etc.,) a lot can be achieved collectively.

Limitations of the study

The study is limited to the erstwhile Andhra Pradesh state. In some regions in depth information could not be collected by the researcher.

Future research directions

The scope for future research may take the directions as follows:

1.Implementation of the model suggested in the research

2. Providing framework for building capacities by the Academic Institutions and creating efficient business models for the SHGs

3.How grass root level democracy can be strengthened by proper utilization SHG by federating.

CHAPTER -6
SUGESSTIONS

Suggestions

This chapter provides some suggestions based on the study conducted. It is noticed through out the study, that the concept of SHG though very well accepted by the people living below the poverty line, had elevated them to reach a desired level of prosperity, meaning that they have means to sustain themselves which left alone to themselves would not reach to this level is not understood in its entirety.

Certain suggestions are provided for the different stakeholders in the scenario.

1.To the SHG's:

Understand the concept of SHG and its intention: An effort must be made by all the members of SHG's or the Mandal Samakhyas to understand why this movement has started and what is the objective behind this concept.

Trust the leadership:

Actual role of leadership is not understood nor seen or practiced. Hence there is a need to develop this concept.

*Belief in the idea of entrepreneurship***:** The members should believe that they could actually transform into entrepreneurs. It is suggested that mandal samakhyas and Zilla samakhyas need to take active participation in creating this awareness within their areas and providing the support mechanisms.

2. To the Government:

Create support systems: Govt. need to create support systems to evaluate the programme in terms of how to take this concept forward. Sustainability is the key factor which the govt need to focus now.

Focus on community development: The best way to utilize the federations' to strengthen the concept, would be to make them part of progress of the State, using Public Private Partnership (PPP) model. Many State govt.'s are thinking in these lines, like State Govt. of Chattisgarh, Tamil Nadu, Bihar and Madhya Pradesh with novel ways of handling Mid day meal scheme, Public distribution outlets- Fair price shops etc.,

Create value chain: Since involvement by the govt. at every step may not be possible, they need to build capacities to hand hold them by creating a road map where these SHG's can start utilizing the loans properly by creating value chain whereby, these people can be part of end of the road supply chains for various agencies, programmes of the govt. and dissemination of information.

Engage the human potential: The groups are a real wealth in terms of human potential and govt. can plan small area development works through these groups. Govt. can initiate and replicate eGovernance projects in rural areas, and various models are presently available in the country, for e.g.Rural e-Seva, MeeSeva, Business Correspondent by banks.

Mobile Governance: Govt. can look into mobile governance and provide voiced based portals for the rural people as most of members of SHG's have only primary education and the mobile penetration is huge in all the areas. It was observed that many illiterates also have mobiles and they know how to operate these low-end sets for their advantage.

*Academic Institutions***:** Academic Institutions may be included in by the Govt. as they can contribute in enhancing the skills and productivity of the SHG's by taking up various assignments. These Institutions can carry out research in areas of behavioral sciences where in the members are made to understand what unity means and how they need to understand each other's needs and what is expected of them as part of family and society.

It is recommended that if efforts from all the stakeholders are put in a positive manner with the bottom line of improving these Institutions that got created by this concept like Mandal Samakhyas and Federations would definitely turn out to be fruitful.

The researcher during his data-gathering period has come out with few individual success stories and these are documented in the following pages.

CHAPTER -7
CASE STUDIES

Case Studies

Story- 1

Name of the Beneficiary: B Laxmi,

District: SPSR Nellore

Village: Venkatachalam

Occupation: Fruit-seller in Venkatachalam Bus-Stand

I am a member of the PadmavathiPodupuLaxmi Savings Group since 2007. Till date, I was able to save around Rs.3000. Our group holds a bank account in the Bank of Baroda. I was granted an amount of Rs.25, 000 towards group and bank loan. I had started the business of selling fruits in the local bus stand. The profits raised out of the sales of the fruits on a regular basis, could meet the household expenses in addition to the part repayment of the above-mentioned loan.

With the help of my experience, I am able to encourage my family and friends to be a part of the savings schemes being introduced by my savings group.

Story- 2

Name of the Beneficiary: B Radhamma,

District: SPSR Nellore

Village: Venkatachalam

Occupation: Fruit-seller in Venkatachalam market

I am a member of the SravantiPodupuLaxmi Savings Group since 2005. Till date, I was able to save around Rs.4300 by contributing Rs.50 per month in the scheme. Our group holds a bank account in the Bank of Baroda. I was given a loan amount of Rs.20, 000, by group and a further amount of Rs.20, 000 by the Bank. With this amount, I had started the business of selling fruits in the market. The profits raised out of the sales of the fruits on a regular basis, could meet the household expenses in addition to the part repayment of the above-mentioned loan.

With the help of my experience, I am able to encourage my family and friends to be a part of the savings schemes being introduced by my savings group.

Story- 3

Name of the Beneficiary: VangapatiRamanamma,

District: SPSR Nellore

Village:Kasumuru

Occupation: Coconut & Eatery Stall in Kusumuru

I am a member of the MahalaxmiPodupuLaxmi Savings Group since 2007. Till date, I was able to save around Rs.3000 by contributing Rs.50 per month in the scheme. Our group holds a bank account in the Andhra PragathiGrameena Bank in Kasumuru. I was lent an amount of Rs.20, 000 by group and a further amount of Rs.20, 000 by the Bank. With this amount, I had started the business of selling coconuts and eateries in the market. The profits raised out of the sales of the fruits on a regular basis, could meet the household expenses in addition to the payment of loan installments regularly.

With the help of my experience, I am able to encourage my family and friends to be a part of the savings schemes being introduced by my savings group.

Story- 4

Name of the Beneficiary: TammuluriShyamalaKumari

District: Prakasham

Village: Jagarlamudi; EddanapudiMandalam

 I have been an agriculture laborer till the year 2003 and it was very difficult to manage running the house just by being a farm hand. In the year 2003, I was introduced to the DWACRA scheme called SandhyaMahila Group through which I could take a loan enough to setup a small-time grocery store which helps me in earning around Rs.10, 000 per month at present. The income being generated through this store has not only helped me in repaying the loan amount but also enabled me own a small house in the village.

Earlier, people like us used to take hand loans at huge interest rates around Rs.5 and Rs.10 per every Rs. 100 that we loan. However, post the dwacra experience, it has become quite easy for us to repay the nominal interests being charged under this scheme and also save from the revenue earned by the investment done by us. Any further help by the DWACRA schemes will enable us to benefit more and settle in our lives.

I am sure that if we are further encouraged in a similar manner through small time loans with nominal interest charges, many people will be benefited in the near future.

Story- 5

Name of the Beneficiary: ValeruKotamma (W/o Johson)

District: Prakasham

Village: Jagarlamudi; EddanapudiMandalam

 I hail from a Hindu Madiga caste and my entire household was run by the meagre wages earned by my husband. Later in the year 2005, I joined the DWACRA scheme called Anita Mahila Group through which I could take a loan enough to setup a dairy farm.   The income of Rs.7000 which is being generated through this farm products not only helped me in repaying the loan amount but also enabled me own a small house in the village. I am also able to provide better education facilities for my children through this income, which was not possible earlier.

Thanks to the dwacra experience, it has become quite easy for us to repay the nominal interests being charged under this scheme and also save from the revenue earned by the investment done by us.

I am sure that if we are further encouraged in other similar ways, we shall be able to further benefit in the near future.

Story- 6

Name of the Beneficiary: Kalinta Jhansi (W/o Ratnaraju)

District: Prakasham

Village: Jagarlamudi; EddanapudiMandalam

 I hail from a Hindu Mala caste and was the sole breadwinner of my house, which also constituted of the upbringing of 2 children and taking care of the entire household needs. I had faced many difficulties in meeting the expenses through my wages as an agriculture laborer.   Later, I joined the DWACRA scheme called AmbedkarMahilaMandali. Through the group, I used to save money on regular intervals. Slowly, I could take a loan enough to setup a Dish TV Network in the village. The income of Rs.10,000 which is being generated through this service provision helped me in repaying the loan amount and also enabled me own a small house in the village. I am also able to provide better education facilities for my children through this income, which was not possible earlier.

Thanks to the dwacra experience, it has become quite easy for us to repay the nominal interests being charged under this scheme and also save from the revenue earned by the investment done by us.

I request for some more benefits from the DWACRA schemes from time to time.

Story- 7

Name of the Beneficiary: BonduSingama (W/o Samson)

District: Prakasham

Village: Jagarlamudi; EddanapudiMandalam

 I hail from a Hindu Mala caste and was working as an agriculture laborer along with my husband. It was very difficult to meet the needs of the house which also constituted of the upbringing of 3 children and taking care of the entire household needs.   In the year 2000, I joined the DWACRA scheme called JayalaxmiMahila Group. Through the group, I used to save money on regular intervals. Slowly, I could take a loan enough to start a dairy farm I could generate an income of Rs.8000 through this setup which helped me in repaying the loan amount and also enabled me to meet the expenses of my daughter's marriage. I am also able to provide better education facilities for my children through this income, which was not possible earlier. I request for some more benefits from the DWACRA schemes from time to time.

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Beneficiary Questionnaire/Interview Schedule

Interview Dated:	Block
District	
Village:	
Name of Beneficiary	Father/Husband

(A) Present Socio economic status
1. Religion   2. Caste

3) Beneficiary family details:

Name:	Age
a)	
b)	
c)	
d)	

a) Relationship with Head of the family

b) Age:

c) Education:

d) Occupation (If student mention studying, else put the occupation like homemaker, farmer, small scale businessman, or Jobless)

Pl. mention if not studying and you are below 16 years old – left school/studies or unemployed, prolonged illness

e) Details of the school going children

     (i) Total number of children

     (ii) Number of Children going to school

     (iii) Children who left school

     (iv)) Highest education qualification

(v)Age

4)Total household income (monthly)- Rs.

5) Do you Own farm? if "yes"…… acres

6)Asset Particulars

a)Type of Property (House)- Rented/ own

(i) PuccaHouse/Hut/ Thatched/mud /tiled-

(ii) House through a Govt. Scheme

(iii)Number of rooms.

(iv) Approximate cost of the house.

b)Type of Floor in the house

(i) Mud floor

(ii)Brick

(iii)Cement

(iv) Any other

c)What type of latrine (Indian Commode)

(i) No Latrine available

(ii)With Flush

(iii)Septic Tank

(iv)Service Latrine

(v)Any other

7.   a)Tick the option most suitable (the manner in which the latrine constructed)

`   (i)Self-made

(ii)Government help

b) Year of construction (Latrine)

8. .The source of material used for lighting in the house

a)No Lights

b)Electricity

      c) Gober Gas

      d)Oil, Kerosene

      e)Others

9. The source of material used for cooking

      a)Gas Cylinder

      b)Electricity

      c)Wood

      d)Cowdung

      e)Coal

      f)Kerosene

      g)Any other

10. Source of drinking watea

      a. Tap

      b.Well

      c.Hand pump

      d.Pond

      e.River

      f. Any other

11.The type of drinking water source and other facilities.

      a) Self made   b) Community Pump

      c)other facilities

Facility	Distance in KM
School	
Primary health centre	
Railway station	
Permanent Road	

12. Occurrence of any ailment in the past 3 years to any of the family members.

     a) Did you spend money from your own sources?

     b) Did you use Govt facilities?

13. Is sufficient food available though out the year for the entire family.   (Yes/No)

14. If no, how many times do you have insufficient food in a year/month

     Mention the name of months you face hunger crisis

Month	How many times

15. The items available in the house

A.

Item name	No. of items	Approx. Cost	Year of purchase
Radio/ Cassette Player			
Camera			
Cycle			
Motor Cycle/Moped			
Refrigerator			
Phone			
B/W Television			
Colour Television			
Pressure Lamp/Petromax lamp			
Telephone			
Sewing Machine			

Pressure Cooker			
Watches			

B. Financial activities: the problem areas

16. What is the main source of Income

17. Give the details of any small/medium business ventures if you carry out.

    A. Brief Description

    B. Income through ……Regular job amounting to …………………..per month/year

    C. Investment

Item	Obtained through	Approx. Value	Financial Source

Suggestions:

18. If farming is the main job, give the details below.

a)Own agriculture land   b) Agriculture land

c)Agriculture land given for tilling purpose   d) Amount received for
                                                 giving the land for tilling

e)The land taken for tilling purpose   e) Amount paid for taking
                                                 the land for tilling

f)Agriculture expenditure for a year:

Harvested Crop	Size of land (acres)	Seed	Manure	Water flow	Fertiliz ers	Daily labour	Other	Family members worked as labours	Status	Value

19.a) If income is generated with live stock

Animals	Quantity/Number	Approx. Value	Average Monthly Cost	Net Monthly income	Remarks
Cow					
Buffaloes					
Goat					
Sheep					
Donkey					
Oxen					
Any other animal					
Poultry/Birds					

b) Source of income through any other occupation

The working family member name	The agency where the family member is working	Salary
1.		
2.		
3.		

20.Have you taken any loan in the recentpast

      a)Loan taken from micro finance agencies   Yes/No

      b) Other agencies   Yes/No

21.Loan Details

Source	Total Loan Taken	Date of loan taken	Purpose of loan	Interest rate	Terms and conditions	Repayment type	Amount repaid	Outstanding amount
Micro finance agency								
Other agencies								

22. Self-help groups

      a) Date of joining self-help group

      b) Total members in the group

      c) Any reason for joining and SHG the group

      e) Qualification for taking loan (education/experience/skill)

23. Name of the micro finance agency

24. Your role in Self help group

Year	Loan amount	Loan repayment details	Loan amount /asset usage	Loan usage decision maker	Any default	Savings

Suggestion: a) give brief details about the job undertaken, investment, benefit

      b)The decision maker for investment

25. Details of the occupation

    a) The occupation started with the help of micro finance

    b) Expanded with the help of micro finance

    c) Skill developed with the help of Micro finance

26. Impact of micro finance

    a) Improvement in the earnings (percentage)

    b) Improvement in occupation

    c) Procuring additional assets

    d) Net working/Socio consolidated assists (Government officials/Employees, Govt. organisations/Help groups/skills developed/networking with probable marketing agencies

    d) Did the group members or Mandal group members provide you Innovative ideas

    e) Any other important matters that helped you in associating with SHG

27. Details about the micro and any other such finance need.

Source	Percentage of availed loan	Duration	Months	Rate of interest	Guarantee	Penalty if defaulted	Purpose of loan	Any other expenditure	Funding agency	Remarks
Micro finance										
Cooperation Society										
Bank										
Local Loan vendors										
City Loan vendors										
Others										

Suggestions: a) Yes/No: if yes, how much was the requirement

       b) Simple interest or Compound interest

       c) Details of Assets kept as guarantee. The others signed as guarantors

       d) The purpose of loan

       e) Give ranking as per the details provided. Most liked will be given Rank in ascending order. Capture the order of liking. Most liked doesn't mean that it is cheap or economical. Hence record all the feedback.

28. What would you have done if you didn't get any support from Self Help Groups…

29.Did you any time default the loan instalment   Yes /No

    If yes, give reasons ----------------------------------

30. What are the actions taken by the loan lending agency ……………………..

31. How would you repay the loan amount…………………………….

32.Do you have access to save money in the same lending agency   Yes/No

33. The timelines for saving

    a) Weekly once   ……………………..

    b) Monthly once   …………………….

    c) Quarterly once   …………………..

    d) Yearly   ……………………

34.Rate of interest accrued on savings …………………….

35. How would you use the profit if total loan amount is invested in the business.

    a) For the purpose of savings ……………

    b) Reinvest in the business ………….

    c) Use it for own/family needs

    d) Others

36. If incurred losses in the business, how would you plan to repay the loan amount?

37. Why did you shift from regular loan system to micro finance system

38. What is your opinion about the quality of services provided by the lending agency

     a) Very Good

     b) Good

     c) Average

     d) Not satisfactory

     e) No Comments

39. Are you aware of the Government support schemes on agriculture and other similar occupation

     Yes/No

     a) If yes, pl. give details in brief.(Scheme, usefulness, any issues or problems faces. Pl. share your feedback on the usefulness of such scheme)

     b) If no, Give reasons …

40. According to you, do you think SHG concept is helpful to you in future aswell?

     a) Very useful

     b) Somewhat useful

     c) Not so helpful

     d) No use at all

41.What are the challenges faced for availing loans from Self Help Groups

Annexure-2

Questionnaire to Government officers

1. What is the progress made by the SHGs programme in the state?
2. Since there is a change in the Leadership in the State, did it affect the programme? If yes, in what way?
3. Are there enough funds to continue the programme?
4. What in you opinion should be done at this juncture?
5. What is the percentage of growth of these SHGs in the state in the last three years?
6. Do you think the programme can sustain itself?
7. How many successful entrepreneurship ventures yielded as per your knowledge?
8. Do you think we have created a better model to bring out the People living BPL to a desired level of prosperity?
9. Are the repayments accruing in the manner thought off?
10. What other schemes are available to the poor (BPL) and in what way they are different from these?
11. Did the govt. provide any training to these SHGs?

Annexure-3

Questionnaire to Bankers

The way forward as perceived by bankers (personal reflections)

1. What in your view is the future of SHG concept?
2. How is the programme going on?
3. Are you able to collect the interest timely?
4. Is there a change in last year repayments to this year? If yes, how is the change?
5. Do you find the political will is the cause behind the growth/fall in repayments?
6. Are there multiple loan issues to SHGs in any district? If yes, how many such groups are there?
7. In your opinion what should be the way to approach recovery of bad debts?
8.   What is the need of the hour?
9. What is the way forward for the banks?