

**AN EMPIRICAL STUDY OF
SELF-HELP GROUPS AND WOMEN EMPOWERMENT
UNDER GREATER HYDERABAD
MUNICIPAL CORPORATION**

**Thesis Submitted to the University of Hyderabad in Fulfillment
of the Requirement for the Award of Degree of**

**DOCTOR OF PHILOSOPHY
IN
SCHOOL OF ECONOMICS**

**By
Y. SAROJINI**



**SCHOOL OF ECONOMICS
UNIVERSITY OF HYDERABAD
HYDERABAD – 500046
SEPTEMBER 2014**

**AN EMPIRICAL STUDY OF
SELF-HELP GROUPS AND WOMEN EMPOWERMENT
UNDER GREATER HYDERABAD
MUNICIPAL CORPORATION**

DOCTOR OF PHILOSOPHY

Y. SAROJINI



**SCHOOL OF ECONOMICS
UNIVERSITY OF HYDERABAD
HYDERABAD – 500046
SEPTEMBER 2014**

**School of Economics
University of Hyderabad
Hyderabad – 500 046**



CERTIFICATE

This is to certify that **Y. SAROJINI** has carried out the research work embodied in the present dissertation entitled “**AN EMPIRICAL STUDY OF SELF HELP GROUPS AND WOMEN EMPOWERMENT UNDER GREATER HYDERABAD MUNICIPAL CORPORATION**” submitted to the University of Hyderabad in fulfilment of the requirements for the award of degree of Doctor of Philosophy in Economics, is a original research work completed under my supervision and guidance. To the best of my Knowledge the dissertation has not been submitted to any other university or institution for the award of any degree.

A handwritten signature in black ink, reading "R/V Ramana Murthy", with a horizontal line extending to the right.

(Dr. R.V. Ramana Murthy)
Supervisor

Dean
School of Economics

School of Economics
University of Hyderabad
HYDERABD – 500 046



DECLARATION

*I hereby declare that the present thesis entitled “AN EMPIRICAL STUDY OF SELF HELP GROUPS AND WOMEN EMPOWERMENT UNDER GREATER HYDERABAD MUNICIPAL CORPORATION” is an original research work carried out by me under the supervision of **Dr. R.V. Ramana Murthy**, School of Economics, for the award of Doctor of Philosophy from University of Hyderabad. This thesis has not been submitted to any other university or institution for the award of any degree.*

Place: Hyderabad

(Signature of the candidate)

Date:

(Y. SAROJINI)

DEDICATED

TO

THE GREAT TEACHERS

WHO DISPEL IGNORANCE

AND LEAD HUMANITY

FROM DARKNESS TO LIGHT

ACKNOWLEDGEMENT

It has been my privilege to carry out this study under the supervision of Dr. R.V. Ramana Murthy, Professor, Department of Economics, University of Hyderabad. I express my profound sense of gratitude and regards to him for valuable guidance, co-operation and unstinted encouragement and inspiration throughout the period of study. He has gone through every line of the draft very patiently and contributed a lot to enable me to bring the thesis to the present standard.

I am thankful to Prof. G. Nanchariah, Dean, School of Economics, University of Hyderabad for his kind encouragement, support. I am also equally grateful to Prof. G. Haragopal and Prof. D. Narasimha Reddy, former Deans, School of Social Sciences for their useful suggestions and encouragement during various stages of my research work.

I am also thankful to Prof. B. Kamaiah for his constant support and encouragement and also for playing a crucial role in enabling me to complete the research work.

I am also grateful to all faculty members of School of Economics, Prof. J.V.M. Sharma, Prof. Naresh Kumar Sharma, Prof. J. Manohar Rao, Prof. G. Omkarnath, Prof. A.V. Raja, Prof. R. Vijaya, Dr. K. Laxminarayana, Dr. K.Y. Ratnam, Dr. P. Goyari and Dr. G. Vijaya for their kind co-operation and support.

I am greatly indebted to University Grants Commission (UGC) for selecting me for faculty improvement programme. I am equally grateful to College authorities, Dean, Prof. Mutyam Reddy, my former teacher Prof. Tippa Reddy, Honorary Secretary of the R.B.V.R.R. Women's College, Narayanaguda, Hyderabad,

I am extremely thankful to the NABARD, Andhra Pradesh Regional Office, Hyderabad, the Government agency SERP, the Organisation of MEPMA, Department of Census, the Center for Economic and Social Studies, The Bureau of Economics and Statistics, Indira Gandhi Memorial Library, University of Hyderabad for permitting me to collect data and sufficient information.

I am grateful to the officials of University of Hyderabad – Prof. I. Ramabrahmam, Controller of Examinations and Mr. Devesh Nigam, Deputy Registrar for their co-operation in all academic activities of the Ph.D. scholars.

I am also thankful for the co-operation and constant support given by the Principal, Dr. Mrs. M.V. Lakshmi Devi, and my friends and faculty members at the College, Mrs. Kalyani, Mrs. Nandini, Mrs. Geeta, Mrs. Jaya and Mrs. Vimala. I express my sincere and heartfelt thanks to all the respondents of Self-Help Groups in the selected Circles of Greater Hyderabad Municipal Corporation,

I wish to sincerely thank Mr. B. Ravi and Mr. T.V. Gopal for copy editing, who not only carried out corrections in page proofs meticulously but diligently kept to a light time schedule.

On a personal note, I am extremely grateful to my beloved parents, Sri Y. Venkateshwara Rao and Smt. Y. Rukmini who have been my pillars of strength and a constant source of inspiration and encouragement. My humble salutations to my parents for their endless faith in me and for all the sacrifices they have made in life.

I take this opportunity to deeply acknowledge the encouragement given right from the beginning by my husband, my brothers and sister and sisters-in-law, and finally my daughter K. Lakshmi Sneha for helping me in computer work.

Above all I am thankful to God who blessed me with capability and strength to do this work.

Y. Sarojini

ABBREVIATIONS

Ag. Labour	Agricultural Labourer
AP	Andhra Pradesh
APL	Above Poverty Line
APMAS	Andhra Pradesh Mahila Abhivrudhi Society
APRPRP	Andhra Pradesh Rural Poverty Reduction Project
BC	Backward Class
BIDS	Bangladesh Institute of Development Studies
BPL	Below Poverty Line
CB	Commercial Bank
CD	Credit Deposit Ratio
CIF	Community Investment Fund
CRI	Critical Rating Index
DPAP	Drought Prone Area Programme
DRDA	District Rural Development Agency
DRP	District Resource Person
DWCRA	Development of Women and Children in Rural Area
EGS	Employment Guarantee Scheme
F	Frequency
FD	Fixed Deposit
FFW	Food for Work
FGD	Focus Group Discussion
GB	Grameen Bank
HDI	Human Development Index
IAY	Indira Awas Yojana
IF	Idle Fund
IGA	Income Generating Activity
IKP	Indira Kranti Patham
JRY	Jawahar Rozgar Yojana
KCC	Kisan Credit Card
LEAD	Leadership for Environment & Development

LIC	Life Insurance Corporation of India
MACS	Mutually Aided Cooperative Society
MBK	Master Book Keeper
MCP	Micro Credit Programme
MDGs	Millennium Development Goals
MDMP	Mid-day Meal Programme
MDO	Mandal Development Officer
MEPMA	Mission for Elimination of Poverty in Municipal Areas
MFI	Microfinance Institution
MG	Matching Grant
MI	Minorities
Mn	Million
MS	Mandal Samakhya
MYRADA	Mysore Resettlement and Development Authority
NABARD	National Bank for Agriculture and Rural Development
NBFC	Non-Bank Finance Companies
NGDO	Non-Governmental Development Organization
NGO	Non-Governmental Organization
NMBS	National Maternity Benefit Scheme
NOAPS	National Old Age Pension Scheme
NPA	Non-Performing Assets
NREGS	National Rural Employment Guarantee Scheme
NREP	National Rural Employment Programme
NSSO	National Sample Survey Organization
OC	Open Category/Other Castes
PDS	Public Distribution System
PRADAN	Professional Assistance for Development Action
RBI	Reserve Bank of India
RF	Revolving Fund
RLEGP	Rural Landless Employment Guarantee Programme
RRB	Regional Rural Bank
SAP	Standard Accounting Package
SAPAP	South Asia Poverty Alleviation Programme

SBLP	SHG-Bank Linkage Programme
SC	Scheduled Caste
SEC	School Education Committee
SEPW	Support for Training and Employment Program for Women
SERP	Society for Elimination of Rural Poverty
SEWA	Self-Employed Women's Association
SGSY	Swarnajayanti Gram Swarozgar Yojana
SHARE	Society for Helping and Awakening Rural Poor through Education
SHG	Self-Help Group
SHG-BLM	SHG-Bank Linkage Model
SHG-BLP	SHG-Bank Linkage Programme
SHGMC	SHG Micro Credit
SHGPIs	Self-Help Group Promoting Institutions
SHPI	Self-Help Promoting Institution
SIDBI	Small Industries Development Bank of India
SM	Social Mobilization
ST	Scheduled Tribe
TV	Television
UNDP	United Nations Development Program
UT	Union Territory
VAO	Village Administrative Officer
VO	Village Organisation
ZS	Zilla Samakhya

CONTENTS

Declaration

Certificate

Acknowledgement

List of Tables

List of Figures

Abbreviations

CHAPTER – 1	Page No.
SELF-HELP GROUPS AND WOMEN EMPOWERMENT	1-41
1.1 Introduction	1
1.2 Micro Finance and Rural Poor	3
1.3 Theoretical Background of Micro Financing in India	7
1.4 Women's Empowerment - A Conceptual Framework	11
1.5 Received views on Women's Empowerment	15
1.6 Gaps and Limitations of the Earlier Studies	30
1.7 Poor, Informal Sector and Credit Market	31
1.8 Micro Finance Interventions versus Poverty Alleviation	32
1.9 Poverty Scenario in India	33
1.10 Research Problem	35
1.11 Objectives of the Study	36
1.12 Hypothesis	37
1.13 Research Methodology	38
1.14 Sample Design	39
1.15 Data Collection	39
1.16 Primary Data	39
1.17 Secondary Data	40
1.18 Period of the Study	40
1.19 Approach of the Study	40
1.20 Tools and Techniques	40
1.21 Limitations of the Study	40
1.22 Chapterization	41

CHAPTER – 2

MICRO CREDIT AND SELF-HELP GROUPS	42-72
2.1 The Genesis	42
2.2 Definition and Structure of SHG	47
2.3 Features of Self-Help Groups	49
2.4 Functions of SHGs	50
2.5 Evolution of Self Help Group Movement in Andhra Pradesh	51
2.6 Emergence of ‘Podupulaxmi’ Groups	53
2.7 South Asia Poverty Alleviation Programm	54
2.8 Promotion of SHGs and NGOs	56
2.9 Indira Kranthi Patham Project	57
2.10 Key Features of IKP	58
2.11 Participatory Identification of Poor	59
2.12 Best Practices in Self-Help Groups	62
2.13 Micro Credit Plan	69
2.14 Summary	70

CHAPTER – 3

STRUCTURE OF SHGS IN ANDHRA PRADESH	73-94
3.1 Resource of SHGs	74
3.2 Regional Spread of SHG Movement in AP	75
3.3 Quality of SHGs	76
3.4 Book Keeping in SHGs	76
3.5 Rating of SHGs	76
3.6 Promotion of Income Generating Activities	77
3.7 SHGs Federation in Andhra Pradesh	79
3.8 Village Organization	80
3.9 Mandal Samakhya	81
3.10 Zilla Samakhya	82
3.11 Resources of Federations	82
3.12 Community Investment Fund (CIF)	82
3.13 Non-Financial Functions Performed by SHG Federation	84
3.14 Rice Credit Line	86
3.15 AP Rural Employment Guarantee Scheme	86

3.16	Disbursement of Pension	87
3.17	Propagation of Organic Farming	87
3.18	Focal Point for Spreading Awareness about Govt. Programmes	87
3.19	Financial Intermediation by SHG Federations	87
3.20	SHG Federation - Bank Linkage	87
3.21	Road Ahead of SHG Federations' Capacity Building	89
3.22	Focus on Strengthening of the Primary Structures	90
3.23.	Sustainability of the Federations	90
3.24	Summary	91

CHAPTER – 4

SHG-BANK LINKAGE PROGRAMME IN INDIA 95-120

4.1	Remodelling of DWCRA Groups into SHGs	95
4.2	Performance of Self-Help Group-Bank Linkage Program in India	98
4.3	Self-Help Group - Bank Linkage Program Across Regions	105
4.4	Role of Various Stakeholders	110
4.5	Agency-wise Performance	115
4.6	Role of NABARD	116
4.7	Institution of State Level Awards	117
4.8	Initiatives taken by NABARD	118
4.9	Conduct of Studies	119
4.10	Summary	119

CHAPTER - 5

PROFILE OF THE STUDY AREA 121 - 138

5.1	Physical Features	121
5.2	Profile of the Hyderabad City	122
5.3	The Up scaling through Institution Building	126
5.4	Structure of SERP	126
5.5	Summary	137

CHAPTER - 6

SOCIO-ECONOMIC CONDITIONS OF SHG MEMBERS IN SELECTED CIRCLES 139- 174

6.1	Introduction	139
6.2	Socio-Economic Profile of the Sample Members	140

6.3	Age Distribution	141
6.4	Social Status of Respondents	142
6.5	Education	144
6.6	Education of Husbands of SHG Members	145
6.7	Occupation of Husbands of SHG Members	146
6.8	Marital Status	147
6.9	Head of the Household	148
6.10	Number of Children	148
6.11	Type of the Family	149
6.12	Size of the Family	150
6.13	Number of Earning Members	151
6.14	Access to Public Distribution System	152
6.15	Access to Land	153
6.16	Occupational Distribution	154
6.17	Occupation Profile of the Respondents	155
6.18	Income from Previous Occupations	155
6.19	Savings Profile of the SHG Members	157
6.20	Sources of Borrowing	158
6.21	Motivational Factors to Join SHGs	159
6.22	Loans Received from the Banks	160
6.23	Interest Rate	162
6.24	Pavala Vaddi Received by the Banks	163
6.25	Frequency of Repayment by SHG Loanee Members	163
6.26	Loans Utilization Pattern	164
6.27	Training Received from other Agencies	169
6.28	Type of Activities	170
6.29	Summary	172

CHAPTER – 7

PERFORMANCE OF SELF-HELP GROUPS		175 - 194
7.1	Income and Employment Generating Activities	175
7.2	Loan Amount Spent on the Adopted Activity	176
7.3	Average Investment, Returns, Cost and Net Profit in Different Income Generating Activities	177
7.4	Income obtained per month by adopting Income Generating Activities	179

7.5	Employment Generation	179
7.6	Income obtained per month before and after SHG Membership, Economic Empowerment (“Power to Dimension”)	180
7.7	Increase in Income	180
7.8	Possessing Permanent Assets	182
7.9	Possessing of Consumer Durables	183
7.10	Improvement in the Consumption Pattern	184
7.11	Number of SHG Women who had improved their Consumption levels	185
7.12	Sources of Raw Materials	186
7.13	Channels of Marketing	188
7.14	Market Information	189
7.15	Marketing Problems	190
7.16	Summary	191

CHAPTER – 8

DIMENSIONS OF WOMEN EMPOWERMENT 195 - 223

8.1	Indicators of Women Empowerment	197
8.2	Improvement in overall status of their children	199
8.3	Socio and Political Empowerment (“Power with Dimension”)	200
8.4	Control over loans	205
8.5	Personality Development (Psychological Empowerment, “Power Within” Dimension)	209
8.6	Varying Impact of SHG loans: Some Case studies	210
8.7	Summary	221

CHAPTER – 9

CONCLUSIONS AND SUGGESTIONS 224-232

BIBLIOGRAPHY 233

QUESTIONNAIRE

LIST OF FIGURES

Sl. No.	Figure No.		Page No.
1	4.1	Progress of SHG-Bank Linkage Program in India.	103
2	4.2	Region-wise spread of SHG-Bank Linkage Program	107
3	6.1	Distribution of respondents as per the average group.	142
4	6.2	Distribution of respondents as per the social background.	143
5	6.3	Distribution of respondents as per the educational status.	145
6	6.4	Distribution of respondents as per the family size.	150
7	6.5	Distribution of respondents as per the number of earning members.	152
8	6.6	Distribution of respondents as per the income earned before joining SHG.	157
9	6.7	Distribution of respondents as per source of borrowing	158
10	6.8	Distribution of respondents as per motivational factors to join SHGs.	160
11	6.9	Distribution of respondents as per the training received.	169
12	6.10	Distribution of respondents as per the activities undertaken	171
13	7.1	Change in the income levels of SHG members after joining SHG.	181
14	7.2	Distribution of respondents as per the possession of permanent assets.	182
15	7.3	Distribution of respondents as per the possession of consumer durables.	184
16	7.4	Distribution of respondents as per the improved consumption expenditure	186
17	7.5	Distribution of respondents as per the source of raw materials.	187
18.	7.6	Distribution of respondents as per the channels of marketing.	189
19	7.7	Distribution of respondents as per the sources of market information.	190
20	7.8	Distribution of respondents as per the common marketing problems.	191
21	8.1	Distribution of respondents as per the economic decision making.	205

22	8.2	Distribution of respondents as per the control over Loans, income and savings.	206
23	8.3	Distribution of respondents as per the level of cooperation and support from the family..	207
24	8.4	Distribution of respondents as per the awareness about government programs.	208
25	8.5	Distribution of respondents as per personality traits	209

LIST OF TABLES

Sl. No.	Table No.		Page No.
1.	1.1	Total Number and percentage of poor in India.	34
2.	1.2	Existing number of SHGs in the 10 circles of GHMC in Hyderabad city.	38
3.	2.1	Growth of DWCRA Groups in AP.	52
4.	2.2	Project Component of IKP.	58
5.	3.1	SHPIs in A.P as on March 2009.	73
6.	3.2	Highlights of SHG movement in A.P as on 74 31 March 2009.	74
7.	3.3	Own resources of SHGs as on 31 March 2009.	74
8.	3.4	Regional spread of SHG movements in Andhra Pradesh.	75
9.	4.1	Model-wise Bank Linkage of SHGs in India (up to March 2006).	98
10.	4.2	SHGs-Bank Linkage Highlights in India during March 1997 to March 2007.	99
11.	4.3	Number of SHGs linked to Banks in India (1992-93 to 2007-08).	102
12.	4.4	State-Wise Physical and Financial Progress of SHG-Bank Linkage in India (in Rs. Mn.)	104
13.	4.5	Region-Wise Physical Progress of SHG-Bank Linkage Program in India.	106
14.	4.6	Distribution of Self Help Group-Bank Linkage in Andhra Pradesh.	109
15.	4.7:	District-Wise and Linkage-Wise Distribution of Self-Help Group-Bank Linkage Program in Andhra Pradesh.	110
16.	4.8	SHG-Bank Linkage Programme- Ground level credit.	114
17.	4.9	Agency-wise Performance under SHG-Bank Linkage Programme.	115
18.	4.10	Performance of Banks in A.P in Financing SHGs.	116
19.	5.1	Distribution of Budgetary Grants for TLF and MEPMA.	131
20.	5.2	Status of CBOs (Community Based Organisation) in Urban areas.	131

21.	5.3	Eligibility to CBOs: 6.3 : Distribution of Respondents on the basis of their social background.	131
22.	6.1	Number of groups and members selected for sample study in 10 circles defined by GHMC.	140
23.	6.2	Distribution of Sample Respondents by age of the Respondents.	141
24.	6.3	Distribution of Respondents on the basis of their social background.	142
25.	6.4	The distribution of selected members as per social status in 10 circles.	143
26.	6.5	Distribution of sample Respondents as Per the Educational Background.	144
27.	6.6	The distribution of educational status among the social groups in 10 circles.	144
28.	6.7	Distribution literacy level among husbands of SHG members.	146
29.	6.8	Distribution of Husbands of SHG members as per their occupations.	147
30.	6.9	Distribution of sample members as per Marital Status.	147
31.	6.10	Distribution of children among the SHG members.	149
32.	6.11	Circle-wise distribution of families of the SHG.	149
33.	6.12	Distribution of Sample Households by the Size of the Family.	150
34.	6.13	The distribution of family size in 10 circles.	151
35.	6.14	Distribution of Households by Number of Earning Members.	151
36.	6.14	Distribution of ration cards among the social groups.	153
37.	6.15	Distribution of Land among SHG members as per social groups.	154
38.	6.16	Occupational profile of the members before joining SHGs	155
39.	6.17	Distribution of Members by income earned per month before joining SHGs.	156
40.	6.18	Savings and debt profile of the respondents.	157
41.	6.19	Sources of Borrowing.	158
42.	6.20	Motivational factors for joining SHGs.	159
43.	6.21	Loans received from the bank by the SHG members.	160
44.	6.22	Loans received from the banks by SHGs.	162

45.	6.23	On internal lending and from bank to SHG per annum.	162
46.	6.24	Details of Repayment Period.	163
47.	6.25	Distribution of pavala vaddi to commercial banks till January 2010.	163
48.	6.26	Frequency of Repayment by SHG Loanee Members.	164
49.	6.27	Business activities for which loans are utilised.	165
50.	6.28	List of MEPMA Training Partners.	166
51.	6.29	Distribution of SHG members as per the training received by the MEPMA.	167
52.	6.30	Nature and sources of training to the sample Respondents.	169
53.	6.31	Type of activities chosen-distribution of sample units by their product line.	170
54.	7.1	Distribution of SHG members as per the activities undertaken.	176
55.	7.2	Distribution of SHG members as per the investment in selected income generating activity.	176
56.	7.3	Cost Analysis of Income generating Activities.	177
57.	7.4	Distribution of SHG members according to the number of days of employment before joining SHG and after joining SHG.	179
58.	7.5	Income levels - Before and After SHG setting.	180
59.	7.6	Possessing permanent assets.	182
60.	7.7	Distribution of members as per the possession of consumer durables.	183
61.	7.8	consumption pattern: number of SHG women who held that consumption expenditure improved.	185
62.	7.9	Distribution of SHG members as per the sources of available Raw material.	187
63.	7.10	Channels of markets for the product.	188
64.	7.11	Sources of marketing information.	189
65.	7.12	The common problems faced by SHG women.	191
66.	8.1	Commonly used dimensions of empowerment and potential operationalization in the household, community, and broader arenas.	196
67.	8.2	Overall Status of children of women beneficiaries.	199
68.	8.3	Awareness of family planning methods among SHG members.	201

69	8.4	Degree of mobility by women beneficiaries.	203
70.	8.5	Distribution of respondents as per Economic decision making.	205
71.	8.6	Distribution of respondents as per control over loans income and savings.	206
72.	8.7	Level of co-operation and support from the 208 family members to the respondents.	207
73.	8.8	Level of knowledge of the members regarding government programmes.	208
74.	8.9	Various aspects of personality development in post SHG.	209

=====

CHAPTER –1

SELF-HELP GROUPS & WOMEN EMPOWERMENT

“Poverty is not merely insufficient income, but rather the absence of a wide range of capabilities, including security and ability to participate in economic and political systems ”

– Amartya Sen, Nobel Laureate

1.1 Introduction :

Poverty has many dimensions. In addition to low income, illiteracy, ill health, gender inequality, and environmental degradation are all aspects of being poor. This is echoed well by the Millennium Development Goals (MDGs). That five out of eight goals concern with health and education signals how central human development is to human welfare. The question then is, how can human development be achieved? An associated question is whether economic growth alone enables achievement of human development. Though economic growth and human development have a fairly high correlation (Radhakrishna etc. 2003), one is not totally sure that the former would automatically cause the latter. However, there is some evidence that even a medium growth coupled with an empowered civil society has resulted in human development partaking those with high economic growth. This means that empowered civil society can contribute to human development along with economic growth. All this indicate that regional inequalities in human development can be reduced with economic growth coupled with empowerment. There is also evidence that empowerment of women has contributed to human development, especially in accessing reproductive services, augmenting family savings, improving children's education, etc. For instance the states in India that do most poorly on empowerment also perform poorly in the provision of reproductive health services of a reasonable quality (Galab. S and others). In addition to this, women empowerment also results in reduction in gender disparities in human development (Rustogi 2004). Expenditure patterns are geared up relatively more towards human development inputs, such as food, education, if women control cash income (Deep Narayan 2004). Besides empowering women improves house hold wellbeing that leads to better outcomes for children (Kabeer 2003). The four major transmissions mechanisms that contemplated through women empowerment entail

maternal education economic empowerment intra house-hold decision making power, and community level empowerment enable transferring the effects of women empowerment to well-being of children (Jones et al. 2007). In other words, the inter-generational transmission of poverty can be arrested, if women are empowered. Therefore women empowerment stands out as a crucial path way for the achievement of human development and reduction in gender disparities. Thus women's empowerment is increasingly conceptualised as an important component of broader poverty reduction programs. Even the World Bank made this link explicit in its 2001-02 World Development Report, 2002, and gender gap has been included as a cross-cutting issue in many least developed countries; and other studies commissioned by it (e.g. Whitehead and Lockwood 1999). Empowering women, it is, argued will improve house hold well-being, leads to better out comes for children and promotes social capital development and community involvements in social developments and poverty elevation initiatives (Kabeer 2001).

To arrive at the understanding on empowerment project of developmental agencies, one needs to place the historical understanding on poverty and its change. Realising the failure of 'trickle down' theories of capital formation led economic growth by late sixties, direct interventions such as anti-poverty programs and employment programs were sought by seventies in India as well as other countries. The theoretical engagement with poverty in development literature has proceeded in several directions. World Bank has chosen to take a line of thinking that lack of access to credit markets as prime reason for poverty of people in informal sector. Lack of collateral to poor people has always denied access to formal credit markets, and rendering them to go to money lenders. Money lenders lend at an exorbitant rates of interest due to high transaction costs leading to higher default rates. However, under such high interest rates poor people would rather get caught in debt-traps rather than be able to come out of poverty. The Self-Help Group (SHG) model came as a solution to the problem of lack of collateral. SHG members share a joint liability to individual default, thus lending agency no longer faces problem of trust. SHG members through a process of self-selection eliminate 'bad apples' and thus problem of adverse selection and moral hazards are overcome [Batliwala. S and Dhanaraj (2004)]. Over this evolved the idea that women are more suitable agencies for SHGs as they are more responsible, more reliable, play greater roles in their families than their counterparts and can reduce

gender differences in the society. SHG model also is loaded with capacity building component involving training in organising, communicating and community leadership. The empowerment of women is sought to be achieved through capacity building and increased social capital.

One of the most common approaches to promoting women's empowerment has been through micro-finance programmes, this method has been adopted more enthusiastically in Andhra Pradesh along with other South Indian States. Mooij (2002) argues that with over five million women organised into over half a million groups, Andhra Pradesh accounts for approximately 40 per cent of women's self-help groups (SHGs) internationally, established by Department of Women's Development and Child Welfare, Govt of A.P., with the support from UNICEF in the 1980s groups have proliferated since the late 1990s. They include US \$530 million World Bank funded Velugu (means 'light' in Telugu). There are District Poverty Initiative Programs (DPIP), which have now been scaled up to cover all districts in the state as well as a number of independent non-governmental organisation (NGO) led programs (Batliwala and Dhanraj, 2004).

1.2 Micro Finance and Rural Poor:

The micro finance that is popular at present is not new. The micro credit and lending had been in practice since man started trade. The micro credit, which is claimed to be contributing to women through SHGs, was in existence prior to it in the name of IRDP, DWCRA etc. In all these programmes finance has been the central focus. Given that finance is backbone of all economic activities, in alleviating poverty the Financial Institutions and the micro credit assume significance. They play a significant role in transferring funds from surplus to deficit sectors but hardly the formal banks concentrate on rural poor borrower particularly in backward areas. The banks that dealing with rural borrowers may not be profitable or financially sustainable feel it. It is necessary in the financial dealings to have knowledge about the borrowers in understanding the purpose of loan, ability of the borrowers to repay it and the creditworthiness and strategic skills of the borrowers. Hence the formal sector continued to concentrate on urban borrowers leaving the rural areas to informal lenders. Unlike the urban corporate borrowers, the rural borrowers are ignorant, lack opportunities, run very small-scale enterprises of self employment category etc. This ignorance is better exploited by the informal lenders who operate in local areas in small

scales, having a physical proximity with the borrowers and accordingly have perfect information about the borrowers. Such characteristics are observed with formal sector and hence the transaction cost of investment will be high for the formal sector, given the high risk and low returns on capital of such rural borrowers. So borrowers keep themselves away from formal sector and vice versa.

For the advantages of close proximity, possessing full information, assessing the credit needs, of the borrowers flexible schedule of repayment, credit without collateral, better knowledge on local environment and accordingly adjusting to repayment schedule, making the credit available in the door steps, extending second loan before the expiry of the first loan, without much procedures and formalities, the rural ignorant borrowers bear a heavy cost in the name of higher interest rate for a small size of credit and sometimes failing to pay may lead to shouting from the lenders. In the process the financial institutions in the formal sector loses a newly created market and the rural borrowers also lose cheap and availability of large credit. Verification of true credentials by an outside lender may prove to be costly if not impossible, when market imperfections persist, lenders face the problems of managing the risk of loan default. Raising the interest rate does not resolve the problems either (Kabeer. N, 2001).

But once the formal sector gets entry, they offshoot the informal lenders by expanding the coverage and reach, with cheap credit there by break the monopoly power of the informal lenders. But it has to be seen whether the access increases, eliminates moneylenders and decreases interest rates. In all these processes of development of financial institutions, women continued to be marginalized and lack all center to credit.

Given this background it was felt by the women's associations and other organizations, that there is a need to mainstreaming of women so that the human resource development would be complete, the economic development would be better with the contribution of the other half of the human resource and also the gender disparity will be addressed. However, till the 1970s no organized efforts were made to mainstream the women by extending equal opportunities in education, nutrition and health, economic participation, access to credit and decision-making practices both at the household and community. It is since 1975 with the United Nation's declarations of Women Empowerment Decade, every effort towards ensuring gender equality was

recognized everywhere. Several approaches have been followed to empower women and address the gender disparities in the society. In the beginning in India the efforts taken to support women were related to welfare programmes in which the women were treated as beneficiaries. Later equity approach was followed in which women were facilitated to be equal citizens in the field of economic participation. Later the development approach followed which was replaced by empowerment approach, which emphasized that the women must be given equal power and must come to the mainstream to prove their capabilities. Of late there is a paradigm shift in the development processes by incorporating the gender concerns as an important element of development strategy. Government of Andhra Pradesh has taken up women empowerment as one of the two agenda items recognizing the importance and involvement of women to tackle rural and urban poverty and socio-economic issues.

It is believed and established theoretically that economic independence of women would empower and mainstream the women. However, there are others who argue that economic empowerment alone will not contribute completely to women's empowerment rather economic empowerment along with social empowerment is necessary so that mainstreaming of women is possible. It is true that women do not have full economic freedom as hardly less than one third of them are able to participate in economic activities that too predominantly in unorganized sector. Only six percent of the women who participate in economic activities are in the organized sector. Another fact is that the women who are interested in self-employment activities are not able to perform due to lack of finance and lack of access to credit, which may be attributed to lack of property rights. Given that lack of access to credit has been the foremost problem in initiating an enterprise, there is a need to address this issue in order to make the women to participate in economic activities on the one hand and economically empower on the other. Realizing these needs, government of India has implemented several schemes of assistance since the 1970s in the name of development and poverty alleviation programmes. The programmes like Integrated Rural Development Programme (IRDP), Development of Women and Children in Rural Areas (DWCRA), Training the Rural Youth for Self-Employment (TRYSEM) and the Entrepreneurship Development Programmes for Women by various agencies including District Industries Centre, Industrial Promotional Agencies etc., which were able to extend some micro credit assistance in rural areas. The IRDP was the single largest

credit based poverty alleviation programme of its type anywhere in the world, in terms of magnitude, number of borrowers, level of investment and operational area. IRDP aimed at providing income generating assets and self-employment opportunities for the rural poor below poverty line with specific coverage targets for women [40%], and physically handicapped [3%]. Since the inception of the programme till 1998-99, 53.50 million families have been covered under IRDP at an expenditure of Rs 1370 million. Though there have been patches of good performance, broadly speaking, and the experience particularly with the credit linked IRD programme was not found to be as encouraged as envisaged.

Predominantly workers in unorganized sector are women. In rural India women are unskilled, restricted to low-paid occupations. Women generally have no control over land and other productive assets, which largely excludes them from access to institutional credit and renders them dependent on high-cost informal sources of credit to secure capital for consumption and or productive purposes. In urban areas, several programmes have been launched to address urban poverty, which includes the Scheme of Urban Micro Enterprises, Nehru Rozgar Yojana and Prime Minister's Integrated Urban Poverty Alleviation Programme and Urban Basic Services for the Poor (UBSP), etc. Within the framework of such multiplicity of schemes, more emphasis was given to individual programme targets and as a result, income generation on sustainable basis was relegated to the place of secondary importance. But most of them have failed, due to three important reasons. (i) Leakages at various stages (ii) lack of commitment on the part of the implementing agencies and financial agencies and (iii) lack of follow-up by the promotional and financial agencies (Manimekalai, N. 2004). Hence it was thought that micro financing schemes, which would be taking care of the above issues, would be able to yield a better result. Also it is realised that treating the women as beneficiaries by extending some assistance will not help them to empower rather a people participatory or community participatory sustainable programmes without expecting any support from external agencies would prove to be of success. It is in this background the micro financing programmes of self help group concept emerged. With the view to rectifying the loopholes in the earlier programmes mentioned above, Government of India recently in 1999 combined all the programmes under a single head called Swarna Jayanthi Shahari RozgarYojana (SYSY) in urban areas and Swarna Jayanthi Swarozgar Yojana (SJSY) in rural areas. Under these schemes the SHGs are encouraged.

The credit goes to the pioneer attempt made by Prof. Mohammed Yunus in Bangladesh who introduced the concept of micro credit for the first time among the poor women in late seventies under the Grameen Bank and later got momentum in almost every corners of the world. Micro credit programmes are important institutional devices for providing small credit to the rural poor in order to alleviate poverty. This Grameen Bank is the pioneer Micro Finance Institutions (MFIs) later replicated in many other countries both by the government and non-government organizations. Numbers of studies have confirmed that the micro credit programmes in Bangladesh have a significant positive impact on household incomes (BIDS 1990, Hossain 1984, Rahman 1996).

The micro credit programmes influence savings in a number ways. First of all, it inculcates a habit of regular savings and thrift, and the saving is made compulsory, which was absent previously. Secondly, the compulsory savings mobilized would be invested in productive activities, which in turn able to increase the employment, income and output. Third this increase in income would increase the purchasing power and effective demand among the community and thereby the standard of living and the economic development of the nation would improve.

The group formations under micro credit institutions are based on a growing institutional concept in terms of resource and management skills of the women members to reduce the gender inequality and to increase their confidence to get involved in issues and programmes in the public and private spheres. Deep Narayan (2005). The success of group lending is attributed to various factors such as the ability of the group to mitigate asymmetric information problems in the credit markets through active screening of members, information advantage of the groups about the applicant's creditworthiness, social cohesion and heterogeneity of asset holdings, self selection or assortative matching of members, group pressure to repay the loans, social ties between borrowing group members, and peer monitoring through intro-group insurance. The information transfer and moral hazard and incentive problems (A. Mohiuddin and others 2002).

1.3 Theoretical Background of Micro Financing in India:

In the changing economies many of the developing countries have embarked on the process of deregulating their financial systems and transferring their financial

institutions into effective intermediaries to extend viable financial services to all sections of population. The word “micro finance” has emerged as a subsector of the financial system to serve the micro economy of the poor. The term “micro finance” refers to the provision of financial services and products in the small quantities to the poor to enable them to raise their income levels and improve their living standards (NABARD, 1995). A remarkable definition of micro finance provided by Robin Son refers to small scale financial services, including both credit and deposits that are provided to the people who are involved in various non-farm activities. Operating at a small or micro enterprises (Robin Son, 2001). It is believed that micro finance has two objectives mainly reducing poverty and unemployment. The group based mechanism which were provided all over the world have twin advantages of low transaction cost and the use of joint liability as social collateral since poor do not have any physical collateral to offer, they were neglected by formal institutions. Depending on the different institutional set up, different kinds of group based models have been fostered in different countries such as village organizations (VOS) in Pakistan, Solidarity groups in Latin America, village developmental groups (VGDs) in Gambia, Lady Wood Credit Union (LCU) in UK, then Grameen Group Model in Bangladesh, and self- help model nurtured in India

The micro financing schemes in India came with the introduction of SHG concept by NABARD for the first time in the government sector. In the non-government level, Self-Employment Association of Women (SEWA) founded by Ela Bhatt was the first of its kind as Grameen Bank in Bangladesh. Later on several other organizations such as RASS, SHARE in Hyderabad, MYRADA in Karnataka and WWF in Chennai and various organizations in various parts of Southern India proved to be very successful in empowering women economically through the micro credit programmes. SEWA has pioneered an economic revolution amongst the poorest women of Gujarat since 1972. The NABARD concept of SHGs is extensively prevalent in India. NABARD a bank for rural development has conceived the concept of SHGs with full support and vigour and succeeded in establishing that Self-Help is the best help to progress. There are three approaches emerged in the SHG concept. (i) NGOs facilitated SHGs in which the NGOs would be helping the members to form the group and arrange to get the support from financial agencies directly just playing a facilitator’s role. (ii) NGO intermediated in which not only the NGO would form and organize the groups but also extend credit directly to members either getting from

banks or other promotional agencies. (iii) Directly formed SHGs, which are formed by the banks and credit, extended directly to them without any facilitating or intermediating agencies. It is necessary to find out which of these approaches would be sustainable so that the contribution of SHGs in the initial years would continue to exist throughout the period.

It is revealed in a survey conducted by NABARD (1994) that micro finance can be a powerful instrument initiating a cyclical process of growth and development. It has improved the access to rural poor to financial services, both savings and credit. The increased access signifies overcoming isolation of rural women in terms of their access to financial services and denial of credit due to absence of collateral. The pool of savings generated out of very small but regular contributions improved access of the poor women to bank loans. It could also help in strengthening poor families' resistance to external shocks and reducing dependence on moneylenders. The observed support for consumption smoothening would not have been possible, but for the SHGs internal support. The predominance of borrowing for crop cultivation reflects support for meeting working capital needs. Possibilities could be explored for using SHGs as a strong conduit for purveying crop cultivation loans to very small and marginal farmers to step up crop loan finance.

Self-Help Groups (SHGs) have proved to be an effective tool or instrument in India to address the problem of poverty on the one hand and also empower women on the other. It is not only expected to empower women economically but also socially in terms of say fighting for their rights, fighting against the social evils such as gender bias, child labour, violence against women, secondary status assigned to women, dowry, crimes against women etc. It is true that the overall empowerment depends on the economic empowerment and as such women primarily concentrate on savings and then they extend their intervention and coverage to various other aspects including health, nutrition, environment, forestry, agriculture etc. Hence several women empowerment programmes are now primarily based on the SHG concept though strictly all of them do not follow the same method. On the other hand the informal credit sources should not be allowed to exploit the poor. It is best if formal credit reaches the poor. In the absence of occurring, the second best alternative has been concerned incorporating certain features of both characterisation of formal and

informal credit in the name of micro financing through SHGs with organised efforts of the participants.

This micro financing has the characteristics of group lending, peer monitoring, peer pressure etc., through which it is able to get the full information about the borrowers and extend credit with minimum transaction cost with less paper work, but recovery performance. This has been widely recognised as the alternative form of credit and resource mobilisation for the poor, credit and thrift management, etc.

There are number of studies which have so far made on the SHGs and their performance in various parts of India and abroad. All these studies revealed that SHGs have been revolutionising micro finance field. However it is observed that most of the studies have confined to analysis of the recovery performance, factors per capita savings and borrowings, group savings and borrowing, etc., which are mostly based on secondary data, which do not cover substantial aspects of SHGs as of now. There are not many studies which deal with various forms of micro financing or SHGs and their impact except those conducted by NABARD and few other researchers. Moreover, it is true that it is not very long since SHGs itself has emerged into operation. In rural areas, it is about decade and half in some states and in some other it has not taken off. In urban areas, it is launched only in the last 5 years. Hence, this area promises enough scope for research that needs to take place to assess the dimensions of this strategy. Against this backdrop the present study attempts to analyse the impact of micro financing on women members of SHGs under Greater Hyderabad Municipal Corporation in Hyderabad city.

NABARD's rural network reaches 600 million people and with a new credit scheme, to be implemented through post offices in various Andhra Pradesh districts, the organization hopes to rope in another 150 million people under its SHG net.

The SHG-Bank linked finance was the fastest growing micro finance programme in the world. Rs. 4.25 billion of bank-linked micro-finance was given till March 2003 to 1,50,000 SHGs in India. M.S Swaminathan, father of Green Revolution observed that the SHG movement is one of "India's great success stories". He added that micro finance should lead to micro enterprises and sustainable SHGs are the key to development today. It is this methodology which has made the SHGs to achieve better recovery rates, improved access to credit from formal sector, participation in not only

economic activities but also other social and community development programmes. Further it is observed that the formal sector credit was very limited and hardly available for small borrowers. SHGs have broken this trend and it has been seen that only small borrowers are members of SHGs. The question that remains still to be answered is that how these SHGs could succeed in capturing the bulk of population, which were hitherto denied access to credit? How could they succeed in attracting the bankers to volunteer in their doorsteps to extend credit, which was a Herculean task prior to SHG? How could the SHGs handle the micro financing, which resulted in good recovery rate, which was a dream for formal sector? Would this success sustain or would it vanish after a temporary existence? What needs to be done to sustain in future? Given the merits of SHGs, all these questions necessitated this study to emerge in the present form.

Development experience has shown that the policies favouring government have failed and market was supported to rule with minimum intervention of the state. In both these policy frameworks, poor had continued to be neglected as their focus was on the rich and believed that the benefit would trickle down. But in the later period the market also failed due to various reasons. It necessitated a new kind of development to emerge with institutions governing the interests of the respective section of the population. Between the state and the government, the NGOs have entered created a third space, which takes some aspects of both government and market. It was observed that the poor had failed to benefit through any intervention, as the access to formal credit was absent. As a result, the informal credit continued to dominate and exploit the poor. The failure of formal credit reaching the poor, due to high risk involved owing to the imperfect knowledge of other borrowers and the associated transaction costs for the banks, informal sector with the virtue of perfect information on the poor borrowers, established a good credit market. It is felt that the poor cannot be helped by formal credit for the paper work, asymmetry of information and the transaction cost associated.

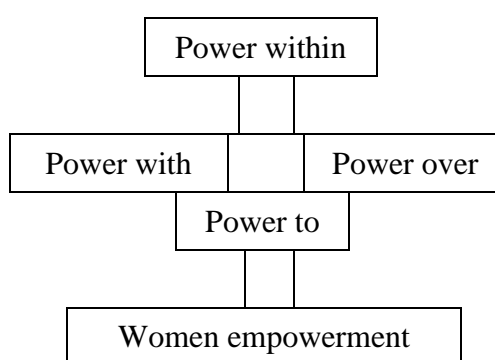
1.4 Women Empowerment: A Conceptual Framework:

The concept of empowerment has been captured by well in literature. Empowerment refers to the processes by which those who have been denied the ability to make choices acquire such ability. The concept of empowerment can be explored through three closely inter-related dimensions, namely, agency, resources and

achievements (Kabeer 2003). Empowerment is defined as the 'powerless gaining power to exercise greater control over the circumstances of their lives'. It includes both control over resources and over ideology, both extrinsic control and intrinsic capability in terms of greater self-confidence, self-efficacy, and inner transformation of one's consciousness to overcome external barriers (Sen and Batli Wala 2000) the four dimensions of empowerment, 'power to', 'power with', 'power within' and 'power over' indicate the power of women to control their lives, the collective power of women members to negotiate their gender, caste, class, and strategic gender awareness respectively (Ranjani et al, 2002).

As scholars and policy practitioners alike have come to recognize that power and poverty are inextricably linked in complex ways, understanding of empowerment and its role in the poverty reduction process have become similarly nuanced and contested (e.g. Mosedale 2005). Conceptualizing power as a relational concept that operates at the personal, intra household, community, national and international levels, feminist theorists have identified four aspects of power - "power from within", "power to", "power with", "power over" (e.g. Wong 2003). "Power within" refers to personal psychological power, and empowerment is the process whereby someone develops a sense of self-confidence and self-respect that was previously lacking. It is critical in terms of overcoming internalized oppressions, which often underpin more tangible and structural forms of power. Power to be the capacity to make decisions and take action to change one's life circumstances. This is typically linked to notions of human capital development stemming from access to economic resources, information, education and other services. "Power with" focuses on collective action, and the ability to solve the problems and claim citizens' rights through cooperation and networks. "Power over", however, can be viewed as both negative and positive. It can be negative in the sense that it entails forcing others to do something against their will, but such power maybe necessary to overcome unequal power structures and bring about more fundamental social, political and economic transformation (Kabeer 2001, Mosedale 2005). Ideally this fourfold frame work should be seen as interconnected and dynamic, and about both process and outcomes (e.g. Kabeer 1998). However, real world efforts to promote women's empowerment have tended to be less holistic, with many initiatives in the 1980s and 1990s focusing predominantly on women's financial self-reliance and human capital development (primarily education). Wong (2003) argues that the emphasis on individual "power to" was framed within an instrumentalist approach

where by the underlined objective was to improve market efficiency by creating linkages with the poor. The proliferation of micro credit and income generating programs for women are the examples of this trend. The late 1990s and 2000 saw a broadening of the conceptualization of women empowerment to include a “power with” dimension, as a scholar of social capital recognized that social networks and relationships could complement or even compensate for limited material (financial, human, natural) assets (Grootaert 1998; Ellis 2000). Thus the design of women’s self-help group program started to incorporate not only capacity building in economic management, but also a new paradigm involving citizenship rights and the important role of civil society acting together to ensure that service providers and authorities meet their service delivery responsibilities (Robin Son 2007). However, analysts generally concurred that these empowerment initiatives failed to bring about a more fundamental transformation of power relation for a number of reasons (Batli Wala and Dhanaraj 2004). He argues that the successful expansion of the programs which were focusing on women’s economic empowerment came at the expense of women’s time and the space and energy to challenge broader political structures.



The idea that microcredit, as the road to self-reliance is an effective intervention for the ‘empowerment of women’ in particular, and poverty reduction in general, has come to occupy the status of a hegemonic discourse. Locally, microcredit is purported to stimulate a transformation of the ‘vicious circle’ of poverty into a ‘virtuous cycle’ of economic advancement. Microcredit has been endorsed and adopted by the World Bank, Regional Development Banks and Bilateral and Multilateral Development Agencies and United Nations (UN) agencies. In February 1997, it was given global coverage through the Microcredit Summit in Washington, DC, which inaugurated an action plan to reach 100 million of the world’s poorest families, and particularly the women of poor families’ microcredit by the year 2005. The Summit’s goals have been

endorsed and are supported by actors including the Councils of International Financial Institutions and Donor Agencies. The UN has adopted a resolution to declare the year 2005 as the year of microcredit.

Concepts :

Micro Credit/Micro Finance:

The concept of micro finance and micro credit are usually used interchangeably. But micro credit is always dovetailed with thrift and hence micro finance is a more appropriate expression rather than credit. It includes the whole gamut of financial services like thrift, credit insurance, leasing of equipment, remittance etc. required by the poor

Micro credit is the credit meagre amounts of money which plays an important role while enhance the human life which should be used in proper way to achieve income generation, removal of poverty, create employment, etc.

Various forms of micro financing :

Micro finance is generally routed through small groups commonly known as self-help groups (SHGs), which not only serve as a platform to supervise in activities of each other but also provide social collateral loan amount to the members of the SHG which is based on the amount of the savings of the SHG and is recovered generally in 12 monthly instalments. Loans are repeated and gradually increased thus establishing relationship banking.

Self-Help Group :

A Self-Help Group (SHG) is considered as voluntary association of poor people. They are mostly having some socio-economic background. They are involved in solving their common problems through self-help and mutual help. It creates small savings among members and the amounts are kept with any bank. The SHGs have membership of 12 to 20 members. Having defined various concepts which are used in the study detailed review of literature has been done and various views on impact of SHGs and women empowerment are given in the following paragraphs.

1.5 Received views on Women's Empowerment :

Study conducted by NABARD (2002) covering 560 households from 223 SHGs in 11 states of India stated that there has been a positive result in enhancing the standard of living of SHG members in case of asset ownership, savings and borrowing capacity, income generating activity and income levels. The average value of asset including livestock and consumer durables increased considerably the housing condition of the people is improved, from the mud walls to thatched roofs to brick walls and tiled roofs and almost all members developed saving habit in the post SHG. The trend of consumption loans came down in contrast to the loan for income generating purpose which was considerably high during the pre-SHG period. Further the overall repayment of loans improved and the average net income per household has increased by about 33%. The employment increased by 18% between pre- and the post-SHG conditions. It should be noted that after association with SHGs, women had improved their self-confidence self-worth and communication in addition to this, they involved in addressing various social evils and problems of the society.

Rajasekar D (2002) analysed the impact of the economic programmes of SHARE, a NGO in Tamil Nadu on poverty reduction with the help of data collected from the households of 84 women members. The economic programmes have contributed to saving and income increase for the women. However, the member group was not found to be significantly different from the comparison group in terms of control over income and decision-making. The growing amount of saving provides confidence and security to women. They borrow mainly for consumption and crop production. Not much credit is provided to initiate income-generating activities. Women's income constitutes a large proportion of household income. Majority of such households have minimum contribution by male members. It may result in a situation in which the male members withdrawing themselves from labour market. It seems to be putting more pressure on women. It was however emphasized that the men should also be brought within the purview of development intervention if women are to be empowered. It was further found that the women who earn do not convert income to meet their personal needs. Their mobility is restricted to visit parents home and that is done after the permission granted from husband. SHG members possess knowledge of various government programmes, aware of reservation provided to women in panchayats, aware of Gramasabha meeting etc.

A study by Anjujam M, & T. Alagumani (2001) found that majority of the group were homogeneous in terms of occupation and income. The key activities include dairy, minor irrigation, fisheries, dairy weaving, agarbathi and brick making. The members felt that the training on specific information on inculcating savings, credit and book keeping skills was inadequate and training was extended only to few activities like agarbathi and dairy weaving. It is observed that NGOs formed groups based on common interests rather than BPL as criteria. Most of the SHGs started internal lending with their savings to meet the consumption and production requirements of the group members. Easy instalments and regular repayment helped them in recycling of group corpus effectively.

Yaron (1994) and Jacob (1994) underscored that the micro finance institutions remain most successful in terms of outreach and performance, in delivering credit services to the poorest of the poor women, and small artisans in the rural and urban areas, reduction in adverse selection of borrowers, development of collateral substitutions, offering cost effective approaches to formal institutions.

Abdul Hayes, Ruhul Amin and Stan Becker (1998) analysed that the relationship between poor women's participation in micro credit programmes and their empowerment by taking both SHG and non-SHG members in rural Bangladesh. They have split the concept of Women Empowerment into three components and measured separately in order to arrive at a better understanding of their underlying factors and their relationship to women's empowerment. These separate indices are interspersed consultation index, individual autonomy index and authority index. The three options were given different weights - "generally" was assigned a value of 1, "never" a value of 0 and "occasionally" a value of 0.5. The results have shown that the SHG members are ahead of non-members in all the three indices of empowerment. SHG members are ahead of non members within NGO programme areas show a higher level of empowerment on the autonomy and authority indices than the non-member within the comparison areas. Over all, it was found that part of the higher autonomy and authority indices among SHG members in the NGO programme areas in contrast to the comparison areas. Being empowered by their new sources of financial income and related credit group supports, female recipients of NGO credits may have asserted their autonomy and authority vis-a-vis their husbands' restrictions and dominance in related household affairs.

It was further found that education, house type, annual income etc., tend to be positively associated with autonomy and authority indices. Also positively associated is duration of NGO membership and non-agricultural occupation. The implications of these findings are that NGO credit programmes in rural Bangladesh are not only likely to bring about rapid economic improvement in the situation of women but also hasten their empowerment. The NGO credit member is reported to be more confident, assertive, intelligent, self-reliant and conscious of their rights. But was suggested by the members that the NGO role alone would not be sufficient. The government has to have a large network of credit programme for the rural poor women to increase their economic solvency and enhance their empowerment.

Debnarayan Sarkar (2001) analysed the Vikas Voluntary Vahini (VVV) Farmers' Clubs as an agent of rural development. It was observed that the VVV clubs helped the rural people to get awareness on the availability of credit facilities, organizing fairs, melas, exhibitions, health and veterinary camps, kisan melas and arranges field demonstrations and various activities with the help of extension agencies. Efforts are on in the study area of Hissar and Fatehabad to introduce innovation in the programme and develop links between SHGs and banks through involvement of NGOs.

Puhazhendhi, V. And Satyasau, K.J.B. (2001) conducted a study in Uttar Pradesh comparing the pre and post SHG situations of women. He found that the average value of assets increased by 46% and the annual income per household by 28% between pre and post SHG periods. The borrowing for consumption purpose was also done during pre SHG but it was completely absent in the post SHG situation. Credit delivery was most convenient through SHGs compared to formal and informal institutions. They were dependent on labour income in pre-SHG and now on dairy. Maximum loan was taken for income generating purposes. SHGs replaced the moneylenders; credit delivery was made simple and quick with lower interest. Recovery rate ranged from 95 to 100%. The important benefit of SHGs is compulsory saving even cutting the necessary expenditures. But the commercial banks are not prompt in linking SHGs with loan. It was suggested to improve the awareness and educate the members to keep records proper to grow in future.

D.S.Navadkar, K.S Birani and D.V.Kasar (2001) analysed the secondary data for 1992-93 to 1999-2000 and found that 97.5% financial assistance was extended by

NABARD and 39% financial assistance by NGOs. Maximum assistance for SHG refinance has been extended by government followed by revolving fund and corpus fund. It was suggested that to improve the standard living of the poor micro credit should be increased through SHG bank linkage and this has to be strengthened further.

V.M.Rao (2001) in a comparative study on SHGs in Karnataka and Andhra Pradesh underlined that SHGs are sustainable, have replicability, stimulate saving and in the process helped poor to come out of vicious circle of poverty. Claiming that more than 2 million poor families have been brought within the fold of formal banking sources, he held that SHGs concentration in Southern region. In his study of STEP (Support to Training and Employment for Women) and non-STEP SHGS, it is observed that the members joined SHGs mainly on the reasons to avail credit, to meet unexpected cash demand and to develop saving and thrift. The widowed and divorced had more willingness to join. Regular meetings, compulsory attendance, savings, they are involved in creating social awareness on dowry, nutrition, AIDS, literacy, multiple roles of women etc. The savings ranged from Rs. 75 to Rs. 100 per month, and interest charged ranged from 24% to 36%, payable at four or twelve instalments. Credit for consumption purposes was the maximum in non-STEP and for social functions, and input purchase for STEP SHGs.

Rekha R.Baonkar (2001) studied the impact of SHGs on women in Goa and observed that individual loans were mostly for productive purposes with cent percent recovery. Monthly interest rate charged is high with 24% to 36% but it goes to group fund. SHGs made a lasting impact on the lives of the poor and the quality of life is improved on the family in terms of increase in income, savings, consumption expenditure, gaining self-confidence, productive use of free time, getting opportunity to improve hidden talents. It has contributed to address poverty and unemployment and able to bring social transformation through economic development and social change.

Gupta, S.K. and A. Shrivastava (2001) in their study in Madhya Pradesh on the impact of SHGs on economic status of women observed that the SHG women were engaged in Mahua, mushroom cultivation, amachur papad making, pisciculture, nursery etc. With the group loan at 2% to 4% interest per month, they realized that there is an increase in income and employment. SHGs have made a positive impact on creating leadership, improving literacy, consciousness about health and hygiene and skill formation among the group member. However they suffered from lack of

motivation, infrastructure, forward and backward linkages, insufficient loan, inadequate provision of marketing and inputs, lack of systematic monitoring and follow up etc.

S.N. Mishra, and M.M. Hussain (2001) in their study to assess the impact of mahilamandals a rural SHGs in Orissa in terms of empowerment of rural women through participation and employment generation in the pre and post SHG periods, arrived at the fact that there is a considerable increase in the revolving fund, loan extended, grant availed, savings done etc. The loans were given both for consumption and social obligations. There is a considerable improvement in the socio-economic status in terms of literacy, housing conditions, food security to manage the lean season, nutritious level of food etc in the post SHGs situation compared to pre-SHG period. The trained members intervened in improving the health status of the SHG women, the net income increased by more 60% through scientific cotton cultivation, livestock, maintenance and small business like retail shop, dry fish trading etc. The group was maintaining successfully the fair price shop and additional employment generated worked out to be 185 person days per member and it was suggested that these mahilamandals could be a model for other SHGs.

A study by Y. Asghari Mohiuddin, Sridhar and Seetharaman (2001) on the emergence of women SHGs and its impact on Andhra Pradesh found that the SHG women of this study found to be engaged in petty trades and business including toy-making, candle making, purse making, leaf plates and basket making, internal lending, etc which belong to DWCRA groups. Only 34 groups were provided with assistance and the rest of the groups functioned with their own savings. It was suggested that the government must provide more assistance to SHGs so that income, savings, and their expenditure would increase. It was concluded that despite the bottlenecks the DWCRA groups could cross the poverty line.

A study by Prem Singh Dahiya, N.K.Pandey and Anushman Karol (2001) in their analysis of 54 SHGs in Himachal Pradesh found that of the six groups four were women and two were mixed groups. They were from small business and service/profession like tailoring, marginal farming and so on. About 82% were women, 57% were SCs, the average membership size was 14, the interest rate on internal lending ranged from 24% to 60%, and the recovery performance was 100%. The ratio of loan to savings ranged from 1 to 7.2. There was a considerable incremental annual

income in post SHG period. The social impact was deep in empowering women folk, educational development of children and emancipation from social evils like drunkenness by male members.

C.L.Dadhich (2001) in his study on micro finance a panacea for poverty alleviation analysed the performance of SHGs formed by Oriental Bank of Micro Lending and underlined that the project has established beyond an iota of doubt that properly designed and effectively implemented micro finance can be a means not only to alleviate poverty and empower women but also be a viable economic and financial proposition.

Bhatti (1999) found that the improvement of women's economic situation is the basic determinant of their empowerment. If women are given advice and the financial assistance to generate income in farm and off farm sectors they will generate incomes. The efforts of SHGs women are being responded significantly, resulting in a beginning of women's recognition not only as income earning hands but also as responsible business entrepreneurs in joint families as well.

Malcom Harper (1996) in his study found that the average membership of SHGs was 18, who are drawn from labour, petty trades and marginal farmers purpose-wise, low extended indicated domestic consumption accounted for 58%. The characteristics of micro entrepreneurs in SHGs revealed that a very high proportion of them were unemployed prior to joining SHGs (90%). In terms of enterprise orientation, tailoring was found to be the most preferred activity (47%). They had an investment level less than Rs. 5000, and able to earn Rs. 1977 per month with a net profit of Rs.700 indicating a turnover profit ratio around 37%.

Dwarakanath H.D (2002) analysed the characteristics and growth of self-help groups in Ranga Reddy District of Andhra Pradesh and found that the SHGs using the loan facilities from the cooperative credit banks, commercial banks, Mahila bank and Maheswaran banks, have produced more than 50 varieties of products. Among them, the brass items, hosiery, candles, carpets, coir items and pickles are important products. In addition to this, the other says that the women group started to educate their own group members and also they realised the importance and significance of literacy whereas a lot of enthusiasm has been generated and the SHGs had a greater vision in empowerment of rural women and for overall human development. Moreover, the SHG

members proved the way to the power of decision making to the women in their family and also create a mass on socio economic and political condition in this district.

Mishra, R K (2002) examined the success of micro credit intervention in India and compared it with Odissa. It is found that the repayment by the members to SHGs was around 98% and SHGs to banks was over 95%. SHGs in several categories including women, joint farmers groups, social forestry groups etc. were formed.

Jothy K and Sundar J (2002) in their study of evaluating the program of Tamilnadu Mahalir Thittam found that SHG women are currently involved in economic activities such as production and marketing of agarbathis, candle and soap, readymade garments, pickles, appalam, vathal, fur toys, bags, palm leaf products, dhotis, herbal products, fancy sea shell ornaments, eatables coir mats and other coir products mattress, chapels, leather goods etc,. In addition the SHG women monitor the normal functioning of the ration shop, maintain vigil to prevent brewing of illicit group, help the aged, deserted and widows to obtain loan.

Das Gupta, R., N.B. Sheto and others (2001) The social and community development in general and poverty reduction in particular was the objective of Maharastra Rural credit project (MRCP). It is implemented in 1483 projects. The project combines people, development agencies and banking services to facilitate low income families in finding better way of life and opportunities to join the main stream of economic development. Beyond savings, the SHGs engaged in village administrative, repair to village approach road, state transport bus connectivity to village, adult literacy campaign, family planning and child health check-ups camps, prohibition in the village, banning tobacco consumption and sales, AIDS awareness etc. the project has achieved 100% repayment in-case of lending to SHGs by banks and 95% in internal lending of SHGs, repayment rates of direct borrowers increased from 30% to 70% Bank disburse the credit to SHG members within 7 days at their doorsteps. SHGs helped in forming village development councils, further village development council members are involved in social and infrastructure development and other development works.

Chiranjeevulu (2003) has analysed how Srujana Mahila Abhivridhi Upadhi mutually aided cooperative society, Warangal, through its chilli processing unit (CPC) has harvested women's collective strength for poverty alleviation. The CPC proved that

women have tremendous energies to start their own enterprises given the right opportunities. They have developed abundant self-confidence and self-esteem through SHG movement. Not only economic poverty but also social and gender issues can be tackled effectively through this process.

P.S. Rangi, and others (2002) have found that the amount of loans taken from the banks was high as compared to the internal borrowing from the SHGs, but the rate of interest was high in the latter category loans from the both the sources have benefited the members of SHGs directly and indirectly for their economic empowerment. It is also found that these rural women have been saved from social and economic exploitation by money lenders, big land lords. The additional income generated in this way with the help of SHGs have provided them with big moral support and will to bring new changes in the rural economy of the state as well as to the country in future.

Jos Chathukulam (2003) has opined that SHGs in the study area not only provide a means of survival for poor women, but also serve as nascent institutions for the building up of women's specific social capital, which can serve a long term sustainability function in poverty reduction. Although it is true that some sections of the poorest of the poor find it difficult to participate in SHGs, the overall impact of the SHG movement in enabling women to arrest the increasing feminization of poverty is considerable. Evolving and working the self-help groups are also yielding complimentary spinoffs. Apart from increasing women networks and fostering trust it enables them to acquire skills in conflict management and organized participation in forums like the gramasabha, which will also have a long term effect on enhancing women's overall ability to address poverty.

U.M.S.Perumal (2005) has conducted a study with an objective of studying the income expenditure and savings behaviour of the members after joining the SHGs, and to know the role of SHGs in providing rural credit. The study revealed that the income of the SHGs members has increased after joining the SHGs. The family expenditure has increased due to positive change income of SHG members. SHGs became a boon to the rural people, because instead of approaching banks as individuals, SHG members can easily approach the banks and other institutions to get loan.

M.L. Gupta and Namita Gupta (2006) have found that organized working of the women through sample SHGs has increased the income of the families involved. Most of them are now able to repay their old debts and started asset building. The existing enterprises of beneficiaries are better managed now success of the SHGs not only improved the economic status of the women concerned but there is also a drastic change in their social status.

Vijay D.Kulkarni (2001) has categorised the indicators of women empowerment into 1) personal 2) family 3) group. He has identified barriers to women's empowerment. He concluded that the SHG activity is a win-win situation, where in the poor women get access to credit as well as make profit. When the poor organize themselves and adopt various programs and strategies they are the actual participants of and a subject in the whole process. While evolving in to self-help groups, they gradually learned to make decisions for themselves and also develop the capacity to exercise certain amount of control over the social, economic and political conditions that determine their immediate lives.

K. Kalpana (2001) has pointed out the constraints that impede the capacity of micro finance programmes of poor households in Tamil Nadu. She argued that the micro Finance model instead of serving as a "promotional" strategy (Hulme and Mosley 1996), the dominant discourse around micro finance has foregrounded the potential of micro finance to serve as a "promotional" strategy, i.e. by protecting incomes and consumption levels of the poor from falling below poverty level. It is argued that promotional financial services easy-access emergency loans, soft loans as consumption loans, easily withdrawal savings, insurance facilities that protect against death, disability, etc work better for core poor sections by smoothing income and consumption fluctuations and strengthening coping strategies in the event of crises. This focus on the income and consumption smoothening effects of micro finance has made it a crucial ingredient in poverty combating strategies of vulnerability reduction and risk mitigation.

Ashutosh Jindal (2005) has opined that all those agitating their minds on the problems of development in Indian villages would identify "scaling up the successful interventions" as the biggest challenge for India. However, there are innumerable success stories of projects involving SHGs poverty alleviation initiatives or community participation in access to drinking water and sanitation, but for these interventions to

make a meaningful impact on the lives of the rural poor, they have to be replicable across the length and breadth of the country. It is rather pessimistic to suggest that “efforts at up scaling the provision of micro finance need to be viewed with caution”. The risk of some failures should not deter us from making efforts to form self-help groups on a much larger scale.

Meera Lal (2005) has noted that knowledge and life-long learning are crucial aspects to which policymakers should pay special attention for leveraging full benefits of Information and Communication Technologies for rural communities, in particular SHGs in conjunction with existing development imperatives. At this crucial juncture, when benefits of such revolutionary new technologies seem within the grasp of rural community, care must be taken to seemly accommodate the needs and aspirations of the very downtrodden, the neediest and marginalised—the poorest of the poor within the unfolding of knowledge age. The so-called “digital divide” requires bringing. Government agencies and rural communities themselves have to come forward with openness to wide spectrum of ideas in the knowledge-gap. Innovations, efficiencies, merit analysis, professionalism and evidence based decision-making should become the hallmark of national culture and be embraced by rural ICT. Commitment to mainstreaming of gender parity issues, greater involvement of women SHGs need to be incorporated at all levels. As prices of relevant technology and software, like ATMS, biometrics, voice recognition, smart cards and PDAs (personal data assessment) continue to fall; more organisations will be able to take advantage of the benefits. Improvements will take operations secure, increase transparency and scalability, reduce repetitive tasks, and provide data-making capabilities to compete efficiently, manage operations better in particular for rural development. “Collapsing boundaries” globally will enable not only rural development and education in poverty, but lead to empowerment and sustainability of rural women SHGs.

Archana Sinha (2004) has concluded that micro-finance can contribute to solving the problem of inadequate housing and urban services as an integral part of poverty alleviation programmes. The challenge lies in finding the level of flexibility in the credit instrument that could make it match the multiple credit requirements of the low in-come borrowers without imposing unbearably high cost of monitoring its end-use up on the lenders. A promising solution is to provide multipurpose loans are composite credit for income generation, housing improvement and consumption loans

is found to be especially important during the gestation period between commencing a new economic activity and deriving positive income. Careful research on demand for financing and savings behaviour of the potential borrowers and their participation in determining the mix of multi-purpose loans are essential in making the concept work.

Priys Basu, and Pradeep Srivastava (2005) have observed that in large part, the success of the SHG-bank linkage may be attribute to the fact that it is well aligned with Indian history and circumstances, and capitalizes on the country's vast network of rural bank branches. The idea of local savings and loan clubs enjoying access to formal financial services by becoming corporate customers of banks is a good one and is practised in a small way in many countries. A well -run club can keep its reserves at the bank and intermediate bulk loans to its members at the premium, covering its costs and rewarding its severs in the process. In India, this practice seems particularly appropriate on two counts first the country has active NGOs that have been zealous in their efforts towards group formation NGOs view SHGs as having many benefits (such as women's empowerment) beyond micro finance, second and perhaps even more important, the SHG bank linkage seems particularly suited to India because the model leverages existing assets broadly within existing regulations by capitalising on the county's vast (and unique) network of rural banks that are otherwise unable to reach out to the poor. Government recognised the potential of SHG banking very early and NABARD was given the task of formation of groups. It involved NGOs, commercial banks, regional rural banks, cooperative banks and in forming NGOs and then linking those with nearby bank branches. To encourage banks to lend to SHGs, NABARD made available subsidized refinancing to banks for their lending to SHGs.

Nalla Kabeer (2005) suggested the need for caution in talking about the impact of micro finance in general, and the need to talk about the impact particular organizations have had in particular contest. Micro finance organizations very considerably in the context in which they work, the section of the population they work with, their analysis of the problem of financial exclusion, the strategies they adopt to address this problem and the commitment they bring to bear in the implementation of their strategies.

However, regardless of the pace and the extent of the change that they bring about, the review in this paper suggest that micro finance offices are an important effective means in achieving change on a number of different fronts, economic, social

and perhaps also political. The success MFOs in building the capacity of the poor provides the basics for their social mobilisation that many other development interventions have not been able to achieve. Indeed their very success may be their undoing, there is growing unease as way in which both governments and populist political parties may be seeking to capitalise on the idea of self-help groups for their own instrumental purposes.

Bubhuduttpadhi (2003) has opined that NGOs have a crucial role in group formation, nurturing SHGs in the pre-micro enterprise stage capacity building and enhancing credit absorption capacities. Group- based forms of lending (e.g. solidarity groups, village banking) originated mainly for the benefit of the lenders as solutions to problems faced micro credit organisations. i) The problem of lack of collateral. ii) High transaction cost involved in loan appraisal, monitoring and enforcement. In theory the group serves as a set of co-guarantors operating through peer pressure and the group members incentive to keep each other solvent so that they themselves do not lose the opportunity to receive a loan. The group serves also as a way to get around imperfect information, since the members of the group know each other thus the transaction cost involved in the loan appraisal are reduced if not eliminated.

Kamal Vatta (2003) has felt that a major challenge for micro credit schemes in future will be the viability of non-form economic activities i) an economic activity which can yield a rate on the loan. ii) marketing of the produce. The main market for non-form activities is in urban areas when these activities are taken by rural women, the produced good hardly need required standards of the urban market. In a nutshell micro credit can play an effective role in achieving the long cherished objectives of poverty alleviation and rural development by credit-dependence in rural India. The success stories of Bangladesh and Malawi if repeated in Indian villages, may ensure multiple benefits for the rural economy. However we should move forward with caution making sure that the bad features of the formal credit delivery system do not creep into micro credit.

Sabyasachi Das (2003) has observed that the micro-SHG model has got tremendous attention in recent years. Micro credit is an alternative source of credit for the poor who earlier were considered as non-bankable. This system not only provides credit, most important input for development, to the poorer section of the society, but also aimed for their capacity building. It has also been observed that group lending has

distinct advantage in the form of excellent recovery rate and improvement in income level. The phenomenal growth of SHGs indicates that the weaker sections of the society are also capable to sharpen their micro- entrepreneurial skills with the help of their own saving and additional bank credit, as needed. At this point, micro credit-SHG's integration could be the way out for overall rural development vis-à-vis poverty alleviation.

Dr.N.Manimekalai (2004) submitted an extensive research project on “impact of various forms of micro financing on women” in 2004. The study stated that it has improved the self-confidence and self esteem of members. This was revealed in the discussions with the members in the household and community. Micro finance has become a movement and an institution.

There are other few studies which see negative impact of SHGs in various states and countries one such article by Kumud Sharma (2011) narrated that the credit based collective model has failed to explore the impact of micro credit beyond its immediate project environment and how resources are politically invested by the groups in a given socio cultural context. There is an inadequate understanding as to how the discourse on empowerment through micro credit is framed by different actors and what the trade-offs are between different dimensions of empowerment. According to her limited attention is paid to the role of various institutions local and national on micro credit women's empowerment.

Nupendra Kishore Mishra, Tulika Trapadi (2011) in their article “Conceptualising Women's Agency, Autonomy and Empowerment” stated that women's agency, autonomy and empowerment are widely used ideas in development literature. But there is substantial ambiguity in the conception of these ideas. While women's wellbeing and women's agency is sufficiently distinguished from each other there seems to be a large overlap between agency and empowerment and between agency and autonomy. They examined the degree of empowerment and autonomy across different characteristics like place of residence, religion, caste, education, type of employment and wealth quintiles at the individual as well as at the regional levels. A regional analysis shows that an empowerment may not always lead to autonomy.

S.Galab and N. Chandra Sekhar Rao (2003) in their article discussed the strategy implemented by government of Andhra Pradesh for the poverty alleviation and

women empowerment such as self-help groups and their characteristics, their formation in functioning and their contribution to eliminate poverty and empowering women. They concluded stating that the 'power to' dimension of empowerment is well established but there is no improvement in the 'power with' dimension. However the 'power within' dimension has improved by participation in SHGs to some extent. They concluded that women are able to improve control over their labour, resources, savings, credit and income, freedom to move and interact, control over reproductive choices developed leadership qualities.

An article by Naila Kabeer (2005) in her article from south Asia, examined the impact of micro finance on poverty reduction and empowerment of poor women. She found that access to financial services brought vital contributions to economic productivity and social well-being of poor women and their household but, she is of the opinion that financial services automatically will not empower women just as other interventions like education political quotes etc. SHGs are simply entry points into this larger project which has great potential for social transformation but commitment is needed if this potential to become a reality.

Neera Burra (2004) in his article explained the growth and expansion of SHGs throughout the country (ex: 10,000 women organized in several states), and how they have enlarged economic opportunities for the poor particularly women. Neera Burra observed that 'cheap' and easily accessible credit is provided, poverty will be reduced and if they are organized into collectives and assisted to save regularly. Hence government has shifted their attention from state based solutions to alleviate poverty (food-for-work, implementation of minimum wages, increase in employment opportunities) to market based solutions. The very process of group formation is empowering since a critical mass is formed which can be harnessed to pull households out of their poverty trap. Thus micro credit is seen as a poverty reducing institution, which 'pays' for itself and is supposed to benefit both the financial institution and the client. However a counter argument is that unless women is provided training capacity building, inputs for micro enterprises, marketing facilities support for crèches, loans for consumption purposes, support for health and education, mere providing credit will not reduce poverty. More important is that indebtedness should not increase. Because some of the experiences of women groups are that 1) interest rates charged by the group are usurious 2) Micro-credit is increasing indebtedness as they borrow from money lenders

to pay their savings 3) Women are taking loans for husbands who often don't pay their debt thus increasing their vulnerability. 4) The burden on children particularly girls has increased with children working longer hours to assist their mothers. Further Burra stated that Micro credit has not worked for the poorest of the poor therefore he suggested that micro credit must have flexible system of savings and loan repayment so that poorest of the poor also can participate. Other inputs like training information and knowledge related to livelihood options finances and political process should be provided.

Ranjula Bali Swain, ADEL Varghese (2011) in their article criticised the methods adopted in estimating the results of impact of micro credit on self-help groups in general. She says that selecting appropriate methodology is very important in obtaining accurate results and she suggested the 'pipeline method'. By using this method she obtained results which indicate that SHG participation has an impact on assets, livestock income, and salaries. Applying more advanced methods she found that training has a positive impact on assets and empowerment.

Muhammad Abdul Latif (2001) in his article stated that the Grameen banks micro credit program has been recognised as a successful model internationally but in his study by analysing Grameen Banks publications he found that various contradictions regarding the objectives and obtained results. He concluded that the model created a good opportunity for expanding the market for finance capital, thereby ensuring GB's spectacular success. However it failed as a tool for poverty alleviation and empowerment of women.

Kallur, M.S. (2001) in her article analysed how Swarna Jayanthi Gram Swarojgar Yojana (SGSY) was launched as an integrated program for self-employment of the rural poor. She said that SGSY was used as an anti-poverty intervention prescribing quotas for women (40%) among the eligible poor and targeted the mainstreaming of the rural poor from low income, household into market oriented economic activities. She found that SGSY financial assistance did not culminate in the collective management of the group-owned enterprise activity. Therefore SGSY policy did not develop the female "entrepreneurship". The business activities which SHG members took were household based enterprises in trade and services which were generally managed by household members. Due to various labour problems SHG participation did not induce SHG women and their family members to initiate enterprise activity.

The above mentioned studies covered the following aspects related to the SHGs and their functioning.

- Benefits to women through SHGs.
- Social and economic abilities and energies possessed by women in SHGs.
- Women empowerment strategies.
- SHGs as solutions to the problem of poverty and unemployment.
- Positive implications of SHGs.
- Financial implications of various sources of finance for SHGs.
- SHGs as institutions for building up social and economic capital.
- Income effects of SHGs.
- Financial behaviour of SHGs.
- Indicators of women empowerment.

1.6 Gaps and Limitations of the Earlier Studies :

- 1) Many studies have made an assumption that women economic well- being is equal to women empowerment and this assumption is far from the truth.
- 2) Only tangible aspects of SHGs have been studied and leaving the intangible aspects of SHGs.
- 3) No doubt, economic effects of SHGs have improved the living conditions of the poor and marginalised rural women. but the causes of economic effect and their impact on women empowerment should be addressed and analysed.
- 4) So far no study has been done to study the poor dimensions of empowerment “power to”, “power with”, “power over” and “power within”.
- 5) Good economic governance will positively affect the economic implications of SHGs. But no study made an attempt to trace the elements of good economic governance and its implications for women empowerment.
- 6) Information and communication play an instrumental role in the context of group economic activities like SHGs. A thorough inflows and outflows of information through appropriate communication systems will achieve good economic governance of SHGs which in turn will deliver good

performance. This can further be probed how far governance will improve empowerment. The present study attempts to address some of these issues.

1.7 Poor, Informal Sector and Credit Market:

The most vulnerable section of people in rural areas are agricultural labourers, tenants, marginal and small farmers, rural artisans and women their income streams are seasonal and irregular. Wage labour and agriculture are the main source of income of income for the poor. It is a myth that the savings available with these people are too small and too infrequent to be bankable. Poor people can and want to save and they want safe place to keep it for a rainy day. The credit needs of the poor are characterised by the absence of any clear distinction between production and consumption purposes but have strong bearing on productivity. Their needs are small but often arise at unpredictable times and are usually of an emerged nature. They need credit for life cycle events such as marriage, celebrations of festivals, financial expenditure etc. they need money to deal with personal emergencies such as illness, accidents and natural disasters like floods, cyclones, fires etc. they also need money for taking up income generating activities which expand their existing business to enhance their income. In order to meet these needs poor depends on informer credit agents. These agents charging high interest rates, leaving the poor to remain in poverty thus poor are not able to come out of clutches of poverty in recent years, a growing number of developing countries have embarked on reforming and deregulating their financial systems, transforming, their financial institutions in to effective intermediaries and extending viable financial service on a sustainable basis to all segments of the population in the process a new world of “finance” has emerged which is demand led and savings driven and conforms to sound criteria of financial intermediation as part of such financial system, micro finance has emerged to provide financial services to the micro economy comprising of small farmers, micro entrepreneurs, the informer sector women and the poor, who were hitherto excluded by the earlier supply led and credit driven financial system (Hans Dieter Seibel, 1996).

In most of the developing counties ‘credit provision’ is earmarked for the development of the rural sector as it supports 60 to 80% of the workforce. The main reason for low average incomes in these counties is the abundance of unskilled or semi-skilled labour relative to the available capital and other inputs (Karmakar K.G. 1999). Hence, the improvement of the majority depends ultimately on increasing the volume

of capital and skills though effective credit related development strategies. But formal financial institutions in developing countries whether they are public or private have shunned the rural areas for the reasons such as opportunity costs and low financial credibility. And the rich farmers who are able to use their large endowment base to secure loans at very advantageous terms have mostly cornered the rural financial services (Dr.Sahoo B.B., 2005). Moreover, credit policies in these countries are generally concentrated on land based agricultural production programs, neglecting farm based activities in which the poor are mainly engaged.

The rural poor mainly landless agricultural labourers, small farmers and small vendors have almost been excluded from these financial services either because they were not available or simply because they were not considered as credit worthy. Hence they were constrained to resort to exploitative informal sources of credit such as money lenders and traders who are able to respond quickly and with great flexibility to pressing needs and exploit the poor.

We should also mention about nature of economic activity that most poor are involved. We all know that even in urban areas, 90 percent of the poor are in informal activities, who are mostly self-employed in services or production. Many informal activities such as tailoring, hotel management, provision stores, petty trading, vegetable vending, or construction work entail tremendous competition due to surplus labour. The cut-throat competition not only keeps the wages barely at subsistence level but involves substantial underemployment. Thus income earnings tend to be poor among poor households. Any new business activity soon faces competition and incomes are forced to bare minimum. Therefore, the point is that the poor exist in highly dynamic and vulnerable position, hence there are formidable challenges to any empirical evaluation of the net impact of any intervention program

1.8 Micro finance interventions versus poverty - alleviation:

As an intervention to alleviate poverty, 'microfinance' is viewed as the practice of extending small loans and other financial services such as savings and insurance to the poor for empowering them to protect themselves from economic setbacks. Many researches expressed their widely varied opinions and understandings over the concept of poverty. A classic definition of poverty sees it as the inability to attain a minimal standard of living measured in terms of basic consumption needs or the income

required for satisfying them (World bank, 1990). General poverty is understood as low levels of annual income per household, as vulnerability to downward fluctuations in income. Poverty is also understood as powerlessness.

If poverty is understood as low levels of annual income per household, reducing poverty is about raising average income levels. If a particular level of annual income per head is used as a poverty line, then poverty reduction could be measured by counting the number or proportion of people who cross that line or who are promoted out of poverty. Providers of micro financial services who aim to enable people to cross such a poverty line have focused on credit, in particular credit for small enterprises, including agricultural production. Poverty can also be understood as vulnerability to downward fluctuations in income. Such fluctuations may result from unexpected shocks such as crop failure, illness funeral expenses or loss of assets such as livestock though theft or death. Vulnerability can be heightened by the lack of sealable or pawnable assets and by debt obligations. Interventions such as microfinance are promising to reduce such as vulnerability and protect livelihoods also reduce poverty (sunan Johnson and ben Rogaly, 1997).

An important dimension of poverty, that often the focus of NGO intervention is 'powerlessness'. Powerlessness can be experienced in a variety of situations: Within the household, as a result of differences in gender and age; and within the community, between socio-economic groups, as a result of caste, ethnicity and wealth. Interventions with microfinance can influence the power of relations of the society by fostering solidarity among the vulnerable though it's group-based mechanism.

1.9 Poverty scenario in India:

The absolute level of poverty is estimated by standardizing the minimum physical quantities of cereals, pulses, milk butter etc. for a considerable level and then multiplying the physical quantities by price quotations to arrive at figure of per capita consumer expenditure. It may be noted that as prescribed by the Indian council of medical research, these physical quantities should lead to the provision of 2400 calories per capita for rural areas and 2100 calories per capita in urban areas. The stipulation of per capita consumer expenditure should result in providing the recommended energy intake in the form of Required Daily Allowance (RDA). This procedure was accepted by the Planning commission in 1969 and the poverty line as fixed at rupees 20 per

capita, monthly expenditure at 1960-61 prices. Dandekar and Rath used the criterion of Rs. 15 for rural area and Rs. 22.5 for urban areas at 1960-61 prices.

Later, the planning commission appointed an expert group under the chairmanship of professor D.T. Lakadawala who submitted the report in 1993. The expert group estimated a monthly expenditure of Rs. 49 for rural areas and Rs. 57 for urban areas at 1973-74 prices. It would be interesting to know the total number of poor and poverty percentage in total population. The data revealed that between 1973-74 and 1987-88, though the poverty percentage declined from 54.9 percent in 1973-74 to 44.5% in 1983, the total number of poor remained around 320 million. Even in 1993-94 the number of poor was 320 million, since the period 1987-88 to 1993-94 showed a negative decline of poverty percentage of the order of 0.7% per annum. The fastest decline in poverty is observed during 1993-94 to 1999-2000 at the rate of 3.4% per annum and the absolute number of poor declined to 260 million in 1999-2000. But during the next five years, though the rate of growth of GDP was of the order of 6.5% per annum, but number of poor showed a very small decline from 260 million to 250 million, indicating an annual average decline by 0.8% during 1999-2000 and 2004. Obviously the rate of poverty reduction slowed down, which raised a question mark about the efficacy of growth driven strategy that is being followed in the liberalization, globalization era.

Table 1.1: Total number and percentage of poor in India.

Year	Percentage of poor (%)	Number of poor (million)	Average Annual Rate of Decline
1973-74	54.9	321	-0.59
1977-78	51.3	329	0.31
1983	44.5	323	0.31
1987-88	38.9	307	1.25
1993-94	36.0	320	-0.70
1999-2000	26.1	260	3.40
2004	23.6	250	0.82

Source: Planning Commission Report (1993) by D.T. Lakadawala

Thus, microfinance interventions are hoped to address various dimensions of poverty by empowering the poor. But its appropriateness as a strategy for poverty reduction in the case of the poorest people is questionable. Most of the microfinance services all over the world are being provided through self-selected group based mechanisms, which may not include the poorest people. People usually select those

with whom they want to form a group on basis of their own knowledge of the likelihood that these people will make timely payment of loan. This system might well be expected to lead to the exclusion of the poorest. (Hulme and mosley, 1996).

1.10 Research Problem:

The SHG model has come up as a major poverty-alleviation model in the recent past with an understanding that root cause of poverty is lack of entitlements; and one the crucial entitlement is lack of access to credit market. Since poor lack collateral, they lack access to the same despite being eligible borrowers. Joint liability has come out as a way out to solve the issue of collateral and include the poor in the financial network. Self-help groups are also considered as one of the most significant tools in participatory approach for the economic empowerment of women. It is an important institution for improving life of women on various social components. The basic objective of SHG is that it acts as the platform for member to provide space and support to each other. SHG comprises very poor people who do not have access to formal financial institutions it enables its members learn to cooperate work in a group environment.

Though the government has continued to allocate resources and formulated policies for the empowerment of women, it is well documented that patriarchal structure that exists in the society manifesting in terms of political and social forces resist women's rights in the name of religious, cultural or ethnic traditions and these have contributed the process of marginalisation and oppression of women. Underlying these, a basic issue that prevents women from playing full participatory role in nation building is lack of economic independence. Planners and policy makers have been eagerly searching for certain alternatives. The participatory approach of development has emerged as vital issue in development policies and programs for women.

In rural India the high rate of illiteracy and low economic status of women underlines the need for increasing their earning power by providing the income generating assets, provision of employment opportunities and income to rural women is one way to improve their nutrition, health, education and social status in most of the developing counties. Greater emphasis is laid on the need for the development of rural women and their active involvement in the main stream of development. In our country continuous efforts are made by the Central and the State Governments to improve the

status of rural women especially those below poverty line through different schemes of rural development. Since independence a number of innovative schemes have been launched for upliftment of women in our country. There has been a perceptible shift from viewing women as critical agent for socio-economic development. Now new emphasis has shifted from development to empowerment.

The broad picture of the SHG indicate that they are mostly successful in tackling the problems of poverty and unemployment there are several studies on micro credit and microfinance which acted as interventions to alleviate poverty. Microfinance is viewed as a practice of extending small loans and other financial services such as savings and insurance to the poor for empowering to protect themselves from economic setbacks. Therefore, this study raises this question how far SHGs are reliable institutions for income enhancement and women empowerment? What is the empirical basis for the claims made by the policy? What is the situation in the urban areas into which this program has recently been introduced, such as Greater Hyderabad Municipal Corporation circles?

The present study aims to study the impact of micro finance on the SHGs and women empowerment in the Greater Hyderabad Municipal Corporation in Hyderabad city with the following objectives.

1.11 Objectives of the Study :

I) The general objective :

The general objective of the study is to assess the impact of microfinance on women's status leading to social and economic empowerment.

II) The specific objectives are :

- a) To study the evolution of Self-Help Groups in India and in Andhra Pradesh.
- b) To study the formation, features and functions of Self-Help Groups, SHG Federations in Andhra Pradesh.
- c) To examine the progress of SHG-Bank Linkage programme in India and in Andhra Pradesh .
- d) To understand the role of Government, NGOs, Banks and NABARD in formation of SHGs.

- e) To study the extent of increase in income earning capacity of women leading to her economic independence.
- f) To study the various productive activities taken up by women and incomes generated from them, profits earned, and mobilized savings.
- g) To study the extent to which women have gained access to networks and markets.
- h) To study the extent to which women have access to information which helps social and economic development.
- i) To study the extent to which women have gained honour and respect in the household and in the community.
- j) To study the extent to which women have gained autonomy in decision making in the household activities, this dimension is called “power to”.
- k) To study to what extent women gained greater self-confidence, self-efficacy and inner transformation of one’s own consciousness to overcome external barriers. This dimension is “power within”.
- l) To study the participation of women in the institutions and collective actions of the community. This dimension is called “power with”.
- m) To study to what extent women have broken gender discrimination, caste discrimination and violation of child rights. This dimension is called “power over”.
- n) To study the impact of micro finance on dimensions of women empowerment i.e. “power to”, “power with”, “power over” and “power within”.

1.12 Hypothesis:

The impact of microfinance programmes on the social and economic empowerment of women is highly appreciable. It is hypothesized that the microfinance programmes empower women in all four dimensions.

- o) Access to credit increases women’s income level.
- p) It leads to greater levels of economic independence.
- q) Access to credit earns women a place in household decision making process.
- r) Additional services like training and awareness workshops enhance the knowledge of women and thereby empower them.

Micro finance	Economic independence	Empowerment
	Exposure to networks and markets	
	Access to information	
	Decision making and autonomy	
	Training programmes	
	Enhancement of knowledge	

Thus, given that empowerment is a process the impact of the micro finance programmes are significantly reflected on the measures of women empowerment. Various studies have revealed the fact that credit programmes allow women to take a greater role in decision making, to have greater access to financial and economic resources to have greater social networks and more bargaining power vis-à-vis their husbands; to have greater freedom of mobility.

1.13 Research Methodology :

The study is basically an empirical field study to observe the qualitative aspects of empowerment and its economic and other impact on their lives through some quantitative indicators as well non-quantitative indicators. The qualitative aspects are gathered through observing the life conditions of women members and place the impact of microfinance activities in the larger context of familial conditions, women's role in families.

Table 1.2 Existing number of SHGs in 10 circles of GHMC in Hyderabad city.

S.No	Circle	Formation of SHGs during the year 2011-2012	Total
1	Circle-01 (Kapra)	81	2219
2	Circle-02 (Uppal)	168	2186
3	Circle-03 (LB Nagar)	197	3611
4	Circle-04 (Rajendra Nagar)	29	2083
5	Circle-05 (Serilingampally)	41	2310
6	Circle-06 (Malkajgiri)	134	1795
7	Circle-07 (Patancheruvu)	16	844
8	Circle-08 (Quthbullapur)	361	2971
9	Circle-09 (Kukatpally)	251	4144
10	Circle-10 (Alwal)	90	1752
Total		1368	23915

Source: GHMC Records

1.14 Sample Design :

So far under GHMC 1368 SHGs are formed with a membership of 23,915 women in ten circles in the city of Hyderabad since 2007. The membership in each group is about 12-18 members. In some groups there are 10 members, in some other groups there are 12 members. This study followed a technique of stratified random sample, interviewed 300 respondents from 10 GHMC circles, taking two groups in each circle. Thus from total 20 groups 300 members are interviewed for the purpose of study.

1.15 Data Collection :

One of the most common methods for collecting data in an ethnographic study is direct, first hand observation of daily participation. This can include participant observation. Another common method is interviewing, which may include conversation with different levels of form and can involve small talk to long interviews. Ethnography relies greatly on up-close, personal experience, participation, rather than just observation is one of the keys to the process.

Hence the present study is empirical in nature and it is mainly based on primary data collected from the selected SHG members, in addition to this the secondary data collected from different governmental and other sources such as books, journals, reports and web sites.

1.16 Primary Data:

The Primary Data was collected with the help of a pre-tested comprehensive schedule (Questionnaire). The schedule included questions related to the physical, economical, social, demographic characteristics of member households. The schedule included the questions related to the SHG members income, expenditure, savings and empowerment details before joining SHGs and after. Data also collected with regard to empowerment in terms of decision making, self-esteem, self-confidence and abilities to deal independently, abilities to cope with family and other pressures. The schedule also covers indicators of women empowerment related to “power to”, “power with”, “power over” and “power within” dimensions. In addition focus group interviews were conducted with different social groups.

1.17 Secondary Data:

The secondary data was collected from annual reports and administrative guidelines of the ministry of rural development, government of India web sites apart from these books, journals, and seminar papers also formed the sources for the collection of secondary data for the study.

1.18 Period of the Study

The study is based on a field survey which was conducted during the period January 1st to May 31st, 2010.

1.19 Approach of the Study:

The approach of study is exploratory in nature, based on ethnographic method. An attempt is made to analyse the important attributes of quality of life such as literacy, housing, social status, and social services, employment income and expenditure, loans and savings pattern, standard of living, education, house hold necessities, status of health and access to banking and marketing services. Simple statistical tools such as percentage and average were used for the analysis of table.

1.20 Tools and Techniques :

For obtaining the results of the analysis simple statistical tools viz. percentages, proportions and averages are used in the analysis.

1.21 Limitations of the Study:

The SHG program in urban areas of twin cities is introduced very recently, there by sustainability aspect is not fully covered in this study. No uniform criteria is followed for selecting samples from different self-help groups in the structure and composition in age, literacy and other such factors which also influence the results of the analysis to some extent. Some of the members were unprepared and unwilling to extend their details for the study. However care was taken to analyse the data in the systematic and scientific way so that the validity of the results helps to assess the empowerment and status of women.

1.22 Chapterization:

This is a study on micro finance and its role in achieving socio economic empowerment of women is a case study in Hyderabad city and it consists of the following chapters

- 1) Introduction
- 2) Micro Credit and Self Help Groups
- 3) Structure of SHG in Andhra Pradesh
- 4) SHG- Bank linkage programme in Andhra Pradesh
- 5) Profile of the study area
- 6) Socio economic profile of sample respondents
- 7) Performance of Self Help Groups
- 8) Dimensions of women empowerment
- 9) Conclusions and Suggestions

=====

CHAPTER - 2

MICRO CREDIT AND SELF-HELP GROUPS

2.1 The Genesis:

This chapter engages with the evolution of micro credit, its contribution to poverty eradication, women's empowerment and development among the poor and the concept of Self-Help Groups (SHGs) and the issues and strategies associated with the same. Before doing it we shall discuss briefly about women in development and the policies of women empowerment. Women-centric policy response to development issues has some history. The idea that women could be a useful vehicle at mass-scale for poverty alleviation arose in Nineties. The package of 'women's empowerment' has come from different sources.

The precursor to development policies of women's empowerment is the growing consciousness of gender discrimination, gender inequality and battle against patriarchy in societies from the feminist writers, activists and academicians¹ in the West and later in developing countries. The feminist interventions in the development debate gathered momentum by 1970s drew their energies from Women's Movement in 1960s. Sheila Rowbotham's path-breaking study *Hidden from the History* (1973) of the structure of women's invisibility in history was important precursor in looking at what happened to women in development. Since poverty is basically a Third World problem, the subsequent works like that of Boserup highlighted the degraded role of women in

¹

The beginning of the twentieth century saw the issue of women's suffrage come up strongly in the US and Europe. Even as the outbreak of the FWW stalled the demand, the large scale entry of women into the workforce strengthened it, as a result of which, most of the Western countries were forced to grant voting rights to women by the end of the second world war.

The trigger for what is known as the second wave women's movement was raised by women who had been retired into suburban households after the war and grant of suffrage. Betty Friedan's 'Feminine Mystique' that came at the end of 1950s asked why women, who fought long and hard for voting rights, got confined to the households and where the promise of the suffrage movement got lost. This triggered the formation of women's groups and associations that questioned the ideology of the family and women's secondary status in the Western societies. Violence, lower wages compared to men in the workplace, secondary citizen status in politics were the major issues that this phase brought out. Sexual inequality was the reigning term. This, of course triggered a long standing alliances among the first world women and the third world women across the countries (that began in the early twentieth century). Another important outcome of this movement was the push for 'institutional changes' - policies, laws, rules and regulations at the workplace that had consolidated male privilege and perspective. This is the context in which the UN was pushed to take up the question of women's rights in the 1970s which did it by declaring 1975-1985 as the decade of women. In turn, many countries undertook status reports of women's conditions in their own countries.

The trigger for Indian women's movement was the release of the report Towards Equality by the Indian government in the light of the UN decade. For the large number of Indian women who got mobilized in the 1970s (post emergency, JP movement, ML movement) this report gave a reason to pause and examine why issues of women never got the importance that they sought in their respective political formations. The literature being produced in the West was avidly read, links established and the phrase feminism got into circulation. Among the major issues that the women's groups raised was that of women in development - what they contribute, whether their contribution is counted and measured by the governments and whether women get remuneration that is equivalent to their work.

This is the context in which feminist economists such as Nirmala Banerjee argued that women constitute the major informal labour force in the country. Eventually, in the 1990, this concept and the debate got the attention of the World Bank which saw women as the potential resource to fight 'poverty'.

2. Manabsen(2000), "Self-Help Groups and Micro Finance. An alternative socio economic option for the poor". NGO and Socio economic development opportunities .Deep and Deep Publications Pvt. Ltd. 77-94

the process of development. She has argued that the technological change has relegated women's labour to low productivity activities. Reproductive responsibilities in families of bearing and rearing children have led to 'housewifisation' [Manabsen (2000)]². Women became subsidiary and marginal workers, who are paid lower wages. Thus women are recognized to have rendered subsidiary workers with low income with no respite in her role as principal caretaker of the family. The importance of male worker to the family has reinforced the subjugation of women and that culture. This has broadly explained the gender differences in education, skills and occupations, while patriarchal norms have denied women property rights for a long time. Further, as Nonorha Silvia M.DeMendonca's (2002) and Nirmala Banerjee's (1987) work showed that most of the poor women are located in the informal sector, they are further exploited for lack of any rights as workers. Many of them again are self-employed workers within unorganized sector. These are thus self-exploiting workers, with substantial underemployment with low productivity, thus yielding low income.

The growing consciousness on gender disparity has percolated into the thinking of international lending agencies and their policies. United Nations declaration of 1975 as the Year of International women, declaration of UN Decade for women 1975-1985, Mid-decade Conference in Copenhagen in 1980, and Nairobi Conference in 1985 marked this progressive orientation. Several scholarly works have raised concern over the falling sex-ratios Amartya Sen (1991) and Agnihotri, Satish B (2003). Female infanticide, domestic violence, sexual abuse and harassment have become issues of discrimination. Several United Nations sponsored programs on women's health, education, and rights have gained were implemented in several nations. The global and national women's' movements have significantly influenced the policy framework. Governments were forced to recognize the gender discrimination as an issue and formulate policies to overcome it. After the Beijing Conference on Women in 1995, which saw a huge participation of Non-Governmental Organization, which have led a parallel conference to the official conference marked a major shift. The NGOs have assumed women as a major vehicle of development, backed up by several donor agencies including World Bank.

There are two perspectives that dominated the discourse of gender and development, namely 'Women in Development' and second, 'Women and Development'. While the advocates of latter focused on women's rights and political

movement, advocates of Women In development [WID] argued that for poor women, economic power helps more than unenforceable radical laws. Women's access to education, in Western countries is a case in point. The focus should be an equal access to technology and professional education. WID advocates felt, instead of welfare approach, which poses gender stereotypes of weak and dependent women and children, increases share of women in economic activities improves women status (www.gdrc.org.2003).

Women practitioners emphasized or asserted that the basic need should be provided through self-sufficiency rather than welfare. Top down approaches functions only as long as the donor agency continues to provide inputs.

There is a recognition now to women's dual responsibilities, i.e. domestic as well as in income earning activities outside the house. But women are more concerned about falling and inferior economic earnings. Sectoral programmes started recognizing their dual responsibilities in their designing. The combined welfare efficiency made underscored the women lives are not compartmentalized between household work or private and public. Their concerns are not either –or but both. The dichotomy is not seen by women themselves as work and family, house maker and economic actor. Organizing is itself is an empowerment experience but ought not to stop at the group level but mechanisms should be invented to allow women voice to be represented in integrated meetings.

Third world development transformation is unlikely to create employment opportunities in the formal sector. Nor did the governments followed policies that imparted skills and education for vast sections of poor in general, and women in particular to prepare them for formal employment. Poor therefore have the only option to remain in informal sector. The potential to exploit entrepreneurial activities in the informal sector is perhaps an area that is not fully exploited caught the attention of international development agencies and governments. Financing and imparting social skills for such entrepreneurial activities are found to be dual challenges.

While scholars have highlighted the need to increase and stabilize role of women in economic activities, there is an interesting parallel in poverty literature. The initial understanding that poverty arose from asset deprivation has slowly faded in the policy realms by Eighties. Growing disenchantment with inept government machinery

in delivering poverty alleviation schemes led to the advocacy of employment guarantee programs as much more effective programs. The further development in poverty literature is that some have argued that lack of access to credit market as the major reason for poverty. This line of argument is quickly incorporated by the World Bank in early 1980s and Grameen Bank experiment by Mohammad Yunus in Bangladesh is presented as major successful intervention using women's groups and using group liability as the central principle of credit⁶. It is argued that women organized through self-help groups proved dependable agencies for recovery, as the group liability strongly works for prompt repayment. Thus soon the larger campaign of virtuous model of micro credit among poor women emerged which led to swift policy change in Nineties.

Thus, Micro-credit has been emerged as a tool in poverty alleviation and ensure financial sustainability since the 1990s. The funding for microcredit largely is coming from international agencies like USAID, DFAD, World Bank, UNDP and several non-Governmental donor agencies. It is the outcome of the Micro Credit Summit Campaign inaugurated in 1997. It was recommended in the General Assembly of the UN Resolution under "Role of Micro Credit in the Eradication of Poverty" that it is resolved by recognizing that Micro Credit Programmes have successfully contributed to lifting people out of poverty in many countries around the world, bearing in mind that micro credit programmes have especially benefited women and have resulted in the achievement of their empowerment, recognizing that micro credit programmes, in addition to their role in the eradication of poverty, have also been a factor contributing to the social and human development process, bearing in mind the importance of micro finance instruments such as credit, savings and related business services providing access to capital for people living in poverty and noting that the year 2005 is the final year of the campaign of the Micro Credit Summit, UN declared 2005 as International Year of Micro Credit [www.gdrc.org.2003].

The concept of micro finance and micro credit are usually used interchangeably. But micro credit is always dovetailed with thrift and hence micro finance is a appropriate expression rather than credit. It includes the whole gamut of financial services like thrift, credit, insurance, leasing of equipment, remittance etc. required by the poor. Micro credit is the credit of meager amount of money which plays an important role in enhancing the human life which should be used in proper way to

achieve income generation, removal of poverty, creation of employment, etc. Micro finance generally routed through small groups, commonly known as self- help groups, which not only serve as a platform to supervise the activities of each other but also provides social collaterals. Loan amount to the member of SHG is based on the amount of the savings of SHG and recovered generally in 12 monthly installments. Loans are repeated and gradually increased thus establishing relationship with banking.

The basic model of SHGs is thus involved organizing poor women from similar socio-economic background into small groups, members raise micro savings which are pooled, coupled with a matching grant are given back as credit in small amounts. The groups are given capacity building to run the activities self-sufficiently, new income generating activities are introduced. It is argued that the micro credit programmes have proved successful in lifting the people out of poverty and also bringing empowerment among the various stakeholders particularly women, there is a concern for financial sustainability. Evidence from different sources on the higher repayment performance has led to many programmes to target women. It was highlighted by Linda Mayoux (1999) that increasing women's access to micro finance is assumed to initiate a series of "virtuous spirals" of economic empowerment, increased well-being for women and their families and wider social and political empowerment. It was added that the underlying assumption is that these mutually reinforcing spirals of empowerment can occur following women's access to micro finance without explicit support for women to increase their incomes, to defend their interests within the household or for wider social and political changes in gender or class relations.

In Bangladesh professor Mohammad Yunus started the women's groups and create thrift and savings among them. Now it has developed into a bank named Bangladesh Grameen Bank. Its report of February 1998 underlined that there are three states that the bank have 1138 branches and covers 3957 villages which comprises 23,67,503 members of which only 1,24,571 are men. The bank has dispersed a cumulative amount of US \$ 2714.61 million where as the saving of the members reached US \$ 202.73 million.

The micro finance programs are said to have contributed to many developments among the women. Studies by World Bank stated that micro credit programs in several countries:

- a. Significantly increased in income among women from their own economic activities.
- b. Enabled women to have control over their earnings especially giving them a choice over the use of such income.
- c. Enabled women to negotiate and bring out an improvement in their well-being within the household.
- d. Enabled women to form or support a networking which helped them in protecting their individual and collective interests at the micro and macro levels.

But there is a long way to go as to whether these micro credit programs would result in empowerment of women and financial sustainability. Evidences from India and Bangladesh have reported that micro finance itself can only make a marginal contribution to women's empowerment and poverty elevation without support for women's grass roots movements explicitly addressing gender inequality and mainstreaming the concerns of poor women in all macro level economic and social policy.

2.2 Definition and Structure of SHG :

The SHG model originated from the Grameena Bank model of Bangladesh which was founded by Prof. Mohammed Yunus (A Nobel Peace Prize Winner, 2006) of Chittagong University in the year 1975. This was established exclusively for the poor. The self help organizations are functioning with the motto, "if women are given power there must be a reformation in the society". The self help group movement was started in India in 1992.

The approach towards poverty alleviation should be self help. Others should help the poor to help themselves. It is felt that individual effort is too inadequate to improve their fate. This brings about the necessity for organizing them in a group by which they get the benefit of collective perception, collective decision-making and collective implementation of programs for common benefits. The organization holds power and provides strength; it can be an antidote to the helplessness of the poor.

Experiments in various developing countries proved that poor can be helped by organizing them into small self help groups. The core of poverty alleviation philosophy now defined women as the best agents. Hence, women self help groups have become the ray of hope to the developmental practitioners. The self help groups are seen as a

viable organized set up to disburse micro-credit to the poor women for the purpose of making them enterprising. The formation of SHGs in itself is not seen as a means for the micro-credit project, but is seen as a facilitator of an empowerment process. And empowering women is not just for meeting their economic needs, but for more holistic social development (Dr. T. Ramachandra and S. Balakrishna 2008).

At SHG, in principle, is a small, economically homogeneous affinity group of the poor voluntarily coming together to save small amounts regularly, which are deposited in a common fund to meet their emerging needs and to provide collateral free loans with terms decided by the group (C. Shivamurugan 2008). The SHG is to enhance the equality of status of women as participants, decision-makers and beneficiaries in the democratic, economic, social and cultural spheres of life. They improve the socioeconomic status of women. They are supposed to change women from housekeepers to organizers, managers and decision makers. They are to prepare women to take up leadership positions. The basic principles of the SHGs are group approach, mutual trust; organization of small and manageable groups, group cohesiveness, spirit of thrift, demand based lending, collateral free and women friendly loans, peer group pressure in repayment and empowerment (Y. Pangannavar 2008). A self-help group is also defined as a voluntary group which has personal interaction and mutual aid as a means of reducing problems (Dr. A. Vinayagamorthy 2007).

It is also defined as a group of rural poor generally comprising of small marginal farmers, landless agricultural labourers and rural artisans, womenfolk and other micro entrepreneurs who organise themselves to achieve socioeconomic development by raising resources at their level initially and linking with the bank subsequently (www.aidindia.org).

A self-help group has been defined by NABARD as a group of about 12-20 people from a homogeneous class who come together for addressing their common problems. They are encouraged to make voluntary thrift on a regular basis. They use their pooled resources to make small interest bearing loans to their members. The process helps them imbibe the prioritization of needs, setting terms and conditions and account keeping. This gradually builds financial discipline in all of them. They also learn to handle resources of a size that is much beyond individual capacity of any of them. Certain multiples of savings are accumulated in SHGs. The bank loans are given without any collateral and at market interest rate. The group continues to decide the

terms of loans to their own members. Since the groups own accumulated savings are part and parcel of the aggregate loans made by the groups to their members, peer pressure ensures timely repayments (NABARD, 2001-02).

A self help group has thus been defined as a small and informal association of poor having preferably similar socio-economic background and who come together to realize some common goals based on the principle of self help and collective responsibility. It is an informal organization of 15-20 persons from the homogeneous poorer section of the society who do not have access to formal financial institutions. The mutual trust is the spirit of the organization. It is controlled and managed by the members. There is transparency and accountability in the SHG transactions (H.S. Shylendra 2008).

SHGs have an in-built mechanism where emphasis has been given over capacity building of women through developing their dialoguing skills. An SHG functions through its regular meetings where members perform transactional activities and discuss over different related issues. This discussion among group members is the means through which they give voices to their needs and it proves to be a platform for addressing their social and economic problems and enlightening their inner selves as well (Ritu Jain, R.K.Kushwaha 2003).

2.3 Features of Self-Help Groups:

Major features of the self help groups are listed below:

1. Homogeneous membership: As far as possible, the membership of an SHG may comprise people from comparable socio-economic background. A major indicator of homogeneity in membership is an absence of conflicting interests among members.
2. No discrimination: There is no discrimination among members based on caste, religion or political affiliation.
3. Small membership: The group sizes are between 15 and 20, so that the members are participative in all activities of the SHGs. In a small group, members get opportunity to speak openly and freely.
4. Attendance: Total participation in regular group meetings lends strength to the effectiveness of SHG. To achieve this the SHGs place strong emphasis on regular attendance of all members in the group meetings.

5. Transparency in functioning: It is important that all financial and non-financial transactions are transparent in a SHG. This promotes trust, mutual faith and confidence among its members. Maintenance of books of accounts as also other records like minute book, attendance, register etc. are important.
6. Thrift: The habit of thrift (small savings) is fundamental to the SHG and helps in building up a strong common fund. In fact an SHG starts with thriftiness of members.
7. Utilizing savings for loans: Once an SHG has accumulated sizeable amount in the form of savings in a period of 3-6 months, the members may be allowed to avail loans against their savings for emergent consumption and supplementary income generating credit needs.

Self help groups thus start with savings and into with credit, the group then uses its savings to give loans to members to meet their emergency and other needs. The members decide on savings per member, maximum size of loan, guarantee mechanism on loan sanctions. Regular meetings are conducted in which savings are collected, loans are lent, recoveries affected and group discussions are held. They open a savings bank account with a nearby bank branch to deposit surplus cash and can get loan from the bank after six months of savings and credit operations. The banks assess the strength of the group in terms of successful rotation of savings of the group as loans, regularity in conducting and attending meetings, savings mobilization etc.

The SHGs have been able to provide rudimentary banking services to members on a cost-effective basis and meet urgent credit requirements in time which ensures almost cent percent repayment of loans. Based on local requirements, SHGs have evolved their own characteristics of functioning.

2.4 Functions of SHGs:

1. The groups usually create a common fund by contributing their small savings on a regular basis.
2. SHGs evolve flexible system of operation, often with the help of local NGOs and manage common pooled resources in a democratic manner.
3. Loan requirements are considered by groups in periodical meetings with competing claims on limited resources, being settled by consumers as regards greater need.

4. Loaning is mainly on the basis of mutual need and trust with minimum documentation and without any tangible security.
5. Rates of interest vary from group to group, depending upon the purpose of loan and it often higher than that of banks but lower than that of money-lenders.
6. Defaulters are rare due to group pressure and intimate knowledge of the end-use of credit and also the borrowers' economic resources.

2.5 Evolution of Self-Help Group Movement in Andhra Pradesh

Andhra Pradesh is the state in India that has pioneered in formation of SHGs. It is the first state that has reached the formation of federations. Currently, 78 lakh rural women of the state have been mobilized into 6.30 lakh SHGs. These women's groups have built a corpus of Rs. 2629.77 crores, including thrift amounting to Rs.1225.53 crore as at the end of 31 March 2006. The evolution of SHGs in the State has taken place over a period of time due to the coordinated and concerted efforts of the State and Central Government, NABARD, Non-Governmental Organisations, Banks etc.

The evolution of group concept in Andhra Pradesh can be traced back to the year 1982-83, with the implementation of "Development of Women and Children in Rural areas (DWCRA)" in the country as a sub component of the Integrated Rural Development Programme (IRDP) launched by Government of India. The programme was initially implemented in backward districts such as Adilabad, Cuddapah and Srikakulam and thereafter it was extended in a phased manner to other districts in the state. By the year 1994-95 all the districts of the Sate were covered under the programme.

The objective of DWCRA programme was to empower the rural women living below the poverty line by organizing them into groups to create substantial income generating activities through self-employment. The programme also focused on access to health, education, safe drinking water, sanitation and nutrition. Women living in neighborhoods with similar socio economic background were formed into groups of 25 members each to take up an 'economic activity' suited to their skills and resources. The State Government provided the Groups with a maximum matching grant of Rs.15000 to undertake economic activities, which was later increased to Rs.25000 in 1994-95. The groups were provided with bank loan for carrying out the economic activity. The

DWCRA groups were formed by the District Rural Development Agencies (DRDA) in the state and were provided training and assistance to market their products.

During the first years of implementation of DWCRA, only 4000 groups were formed. The formation of groups gradually picked up due to the support from government agencies. By the end of the year 1998, there were around 79,000 DWCRA groups in the State covering 11.3 lack women. With the launching of Swarna Jayanti Gram Swarozgar Yojana from 1 April 1999, the poverty alleviation programs such as IRDP, TRYSEM etc., including DWCRA, were merged into this programme.

Table2.1. Growth of DWCRA Groups in AP.

Year	No. of DWCRA groups formed
1983-93	4,000
1993-94	5,647
1994-95	26,000
1995-96	17,000
1996-97	18,000
1997-98	7,000

Source: NABARD report on “Banking with the poor SHG-linkage program in AP

The groups promoted under the program had focus on ‘economic activity’. The thrift element was not part of the initial DWCRA groups design. DWCRA required to have a minimum of 25 persons to undertake the same activity and this was difficult in a village scenario. DWCRA groups were generally nearer to SHGs only in the ‘group concept’. The basic concept of SHGs – Self Help, Self-Reliance, Homogeneity, Thrift, Regular Meetings, Internal Lending, Bookkeeping, Leadership rotation – were not the key elements in functioning of these groups.

This element of thrift was introduced in DWCRA groups in the year 1993 in Andhra Pradesh, in an attempt to encourage bonding between the women. The concept of thrift came from the pilot project of SHG-Bank Linkage programme introduced on a pilot basis in 1992 in the country. It is with this thrift element that DWCRA became a kind of campaign in Andhra Pradesh, adopting the slogan ‘Save a Rupee a Day’. The savings of DWCRA groups amounted to Rs.8255 lack as at the end of 31 March 1998. The savings were deposited with banks and were managed by women themselves for meeting their consumption needs.

2.6 Emergence of ‘Podupulaxmi Groups’

Under the Total Literacy Campaign started in early nineties, women were organized into Mahila Mandals. The members of the groups were women from low-income families in the rural areas, and the membership of most of the groups varied from 30 to 50. These women in smaller groups of 5 to 10 would sit near their homes at an informal setting, at a time of their convenience, with a familiar person as an instructor. The powerful medium of ‘kala jatha’ with popular cultural idiom and form was used with message linked to literacy, livelihood to enable them to question the exploitation of the poor and the women in the society. Literacy gave the women a sense of identity, enhanced their status and self-image.

Lessons against alcoholism caught the attention of these women. Women of Dubagunta Village in Nellore the southernmost coastal district of Andhra Pradesh started the ‘anti-arrack’ movement. The movement spread to the entire district in a short time and snowballed into a ‘women’s movement’ and forced the government to impose a ban on the sale of country liquor in April 1993. The implementation of this ban led to a better life for the rural people and also generated some surplus funds at the village level. At this juncture, in one village Leguntapadu in Kovurmandal in Nellore District, when the Project Director, DRDA was attending a meeting of women who were recounting the havoc of liquor in the lives of poor, the women were asked whether it would be possible for women to ‘Save A Rupee a Day’. One woman immediately walked up to the Project Director and placed a rupee coin in the officer’s hands and many followed immediately. Thus began the savings movement of ‘Save a Rupee a Day’ and Podupulakshmi groups (Podupu means savings and Lakshmi is the goddess of wealth). Following the example of the women of this Mandal, women in other parts of the districts started forming themselves into thrift and credit groups. District Development Agency (DRDA) and the district administration were involved in the formation of the thrift and credit groups. The administration also utilized the services of the local teachers, Village administrative officers and Village development officers (VDOs).

The group leaders collected the amounts from the members once a week or fortnight at their convenience and ensured that the amount of Rs.30 for each member was deposited by the end of the month in bank account or the post office. Each member was given a pass book recording the particulars of monthly savings. After one year of

savings, the groups stated making loans out of the accumulated savings. The groups also maintained a registered for recording thrift and credit particulars.

Each group was expected to meet once a month and discuss the matters connected with thrift and credit. They also discussed developmental and welfare activities in the village. The important issues discussed during the meeting were recorded in the minute book with the help of the guardians. Guardians of the groups initially did writing of the books. However, gradually the literate members of the groups, whether available, took over the task of writing the books.

The scheme became popular and with the active involvement of the district administration it spread to all the 46 Mandals of the district. A feature noticed in the entire program was that though a number of groups were formed in the district and a large number of them opened their accounts with the banks, the linkage between these groups and the banks was at a very minimal level and in the year 1994-95 only two groups were financed by the banks. At a large stage of development of these groups, it was realized that the savings of these groups would not be sufficient to meet the credit requirements of the group members and therefore, need to be supplemented by financial assistance in the form of bank credit. Several districts followed suit and promoted thrift groups with different names such Ananta Lakshmi (Anantpur District), Grama Lakshmi (Chittoor), Maha Lakshmi (Mahabubnagar). Mahila Shakti (East Godavari), Podupujyothi (Rangareddy), Swayam Shakti Sangaham (Srikakulam) etc. as they started functioning on the lines of DWACRA groups, it enabled them to access the revolving fund under DWACRA, which was used by the groups to provide working capital to set up micro enterprises. The savings fund was used to meet emergent consumption needs.

2.7 South Asia Poverty Alleviation Programme

In pursuance of the Dhaka declaration of the SAARC summit, held in the year 1993, on eradication of poverty by 2002 in all the SARRC countries, the South Asia Poverty Alleviation Programme (SAPAP) was implemented during the years 1995 to 2000 in 20 mandals covering 695 habitations of three drought prone districts in Andhra Pradesh, viz, Kurnool, Mahabubnagar and Anantapur with the assistance of United Nations Development Programme (UNDP).

The objective of the project was to use social mobilization to combat rural poverty through active participation of members in development planning and implementation. The strategy relied on the train of social mobilization, capacity building and sustainable livelihoods. As a part of the social mobilization programme, the poor were organized at three levels:

1. Small homogenous Self Help Groups (SHGs) especially women and the landless at hamlet / sub-hamlet level with thrift and credit as entry point.
2. Village Organization (VO) at the Village level.
3. Mahila Mandal Samakhyas at the Mandal level.

The District Rural Development Agencies (DRDA) and NGOs working in tandem with SAPAP team were involved in organizing grass root institutions of poor. During the project period, 2788 SHGs were promoted covering 45,424 women from low income households in the project mandals. Development programmes like literacy, preventive health care, girl child education, elimination of child labour etc. were dovetailed to the SHG concept.

Impact of SAPAP

On the occasion SAPAP celebrations in Kurnool in April 2003, the women leaders presented a Declaration, with representative names and signatures / thumb prints of fifteen hundred women, To Mr.Karcher, who was the Principle Programme Representative of SAPAP. The Declaration states:“We hereby declare that ... We have overcome social isolation and made our voices audible everywhere including the corridors of power and made our lives worth living. Our children are well fed. They now go to school. Child labour is a thing of the past. Now we need not mortgage our self-respect to get credit. We are not passive recipients of programmes but active partners in development. We changed the perception that ‘women need development’, to ‘development needs women’. SAPAP has seen our journey from despair to hope, from difference to confidence, from subjugation to empowerment SAPAP as a project may come to an end, but the spirit goes on and on and on” (Source : UNDP)

Seed capital was provided to the Mandal Samakhyas to the tune of Rs.40-60 lack over a period of two to three years for on-lending to Village Organizations. Village Organization in turn lent the amount to SHGs based on mutual terms and conditions and micro credit plans of SHGs. The SHGs based on mutual terms and conditions and micro credit plans of SHGs. The SHGs in turn lent to their members. Rules were evolved on SHG lending to members, VO lending to SHGs, and lending to VOs. The

SHGs were encouraged to start their own small savings and lend this amount to members with interest. The groups at different levels were also encouraged to avail from other government programmes.

The programme placed strong emphasis on training and skill development. The members of SHGs, Village Organizations, Mandal Samaykhya were trained on various aspects of groups functioning. To support social mobilization and capacity building, community volunteers (CVs) from amongst the Villagers were identified whose responsibility was to cover 5-6 habitations. The Community Coordinators (CC), who had normally work experience in NGOs or non-formal education, supervised CVs in each Mandal. Substantial investment was made for training of CVs and CCs on areas such as methodology of group formation, training book keepers and group leaders, project implementations, innovations happening elsewhere in social mobilization and gender environmental concerns. An impact study of the programme (Lessons from the participatory impact assessment of South Asia Poverty Alleviation programme in Andhra Pradesh, India – Ranjani K.Murthy, K.Raju and Amitha Kamath – with SAPAP Research team) has observed that the project enabled the poor households better access to basic needs food, nutrition, water, fuel, electricity, housing, education, health consequently infant deaths, premature child deaths, premature adult deaths were lower amongst member households when compared to non-member households. Further, members report improved access to these basic needs when compared to position existing five years back. Household food security had also improved since group formation. The study also revealed that the project had significant impact on all three levels of empowerment of women – power to (individual), power with (collective) and power within (consciousness). At the ‘power to’ level, the project expanded women members (and their girl children’s) chances of survival and control over their labour, resources, reproduction, body and decision making processes. They had access to their own savings, access to friendship outside their family and access to leadership positions in Gram Panchayats. At the ‘power within’ level the key impact was on breaking of caste barriers within the groups. Dalits had greater access to leadership positions within groups at all levels than their representation amongst members.

2.8 Promotion of SHGs and NGOs

Non-Governmental Organizations in Andhra Pradesh have also played a significant role in promotion of SHGs. In December 1999, CARE India initialed the

seven-year Credit and Savings for Household Enterprises (CASHE) PROJECT WITH THE SUPPORT OF Department for International Development (DFID), UK in three states of Andhra Pradesh, Orissa and West Bengal. The project aimed at enhancing the income and economic security of poor through access to availability of micro finance services in seven drought prone Telangana district of Andhra Pradesh with the help of partner NGOs. Under the project, NGOs were provided operational and capacity support, technical assistance and revolving fund loan to establish self-help groups and to build and strengthen federations of SHGs. The NGO partners under the project in Andhra Pradesh were – Navajyothi (Medak District), Modern Architects for Rural India (Warangal district), Pragathi Seva Samithi (Warangal district), Peoples Action for creative Education (Nalgonda district), Adarsh Welfare Society (Mahabubnagar district) Social Education Voluntary Action (Warangal urban), and KRUSHI (Karimnagar district). CASHE project promoted 6500 SHGs and 52 Mutually Aided Cooperative Societies in the project areas in Andhra Pradesh with the help of its partner NGOs.

Development of Human Action (DHAN) Foundation has promoted around 3000 SHGs in Andhra Pradesh. DHAN has formed 212 SHGs in Chittoor, Nalgonda and Visakhaparnam districts of the State under a NABARD sanctioned project. Rastriya Swayam Seva Samiti working in Chittoor district of Andhra Pradesh has promoted around 2100 SHGs in its area of operation.

2.9 Indira Kranthi Patham Project

The Self Help Groups movement took a great leap in the state with the launching of World Bank assisted poverty reduction project, Andhra Pradesh District Poverty Project (APDPIP) on 14 June 2000 covering 316 mandals in 6 districts with an outlay of Rs.654 crore. The development model adopted under SAPAP was a precursor to the programme. The second World Bank assisted Andhra Pradesh Rural Poverty Reduction Programme (APRPRP) was grounded on 1st June 2002 in 548 backward mandals in 16 remaining districts of the state with a total outlay of Rs.1,486 crore. Both the projects together are now known by the name Indira Kranti Patham which is implemented by an autonomous Society called ‘Society for Elimination of Rural Poverty’, established by the government.

Table : 2.2: Project Component of IKP

	Name of the component	APDPIP	APRPRP	Total
1	Strengthening – institutional, social and human capital	125.51	135.51	260.61
2	Support to sub- projects of poor	360.34	845.40	1205.74
3	Support to pilot programmes	0.00	40.04	40.04
4	Support to eliminate child labour	133.82	309.47	443.29
5	Support for the persons with disabilities	0.00	60.64	60.64
6	Project management, monitoring, evaluation and other special studies	34.32	95.38	129.70
	Total	653.99	1486.03	2,140.02

Source: Annual report of Department of Rural Development, GoAP)

IKP aims to build strong institutions of the rural poor (SHGs) and enhance their livelihood opportunities so that the vulnerability of poor is reduced. IKP is a scaled up version of the SAPAP model with more focus on livelihood component. The project uses the SHG model to address the broader issues of rural poverty. Out of a total about 6.30 lack SHGs in the State, more than 3 lack SHGs (more than 50%) have been formed under the Indira Kranti Patham Project. Government of A.P. has decided to cover the entire state under the Indira Kranti Patham Programme from the financial year 2006-2007 by dovetailing the funds from State Government and Government of India.

(The project was earlier known as “Velugu” meaning light the name was changed to Indira Kranti Patham in the year 2005).

2.10 Key Features of IKP

Creation of a separate implementing agency: Society for Elimination of Rural Poverty (SERP), an autonomous body registered under the Societies Registration (Telangana) Act, has been formed for coordinating the IKP. The Chief Minister of the State is the Chairperson and Minister, Rural Development is the Vice Chairperson of the governing body. The General Body comprises board representation from all key stakeholders including community based organisations (CBO). The project is implemented by State Project Monitoring Unit of SERP through District Project Monitoring Unit under District Rural Development Agencies at the district level. A separate credit of credit trained personnel such as Community Coordinators,

Community Activists, Assistant Project Managers, District Project Managers have been developed for community mobilization, organization and capacity building.

2.11 Participatory Identification of Poor:

The project has followed a participatory method for identifying the poor and poorest of the poor families. The process involved positioning of trained Mandal Resource Teams for 2-3 days in each habitation and explaining the Participatory Identification of Poor (PIP) process to the community. A social map was done in the public place with community participation and a vulnerability analysis done on the basis of the social map. The data was reconfirmed and validated through a Gram Panchayat resolution.

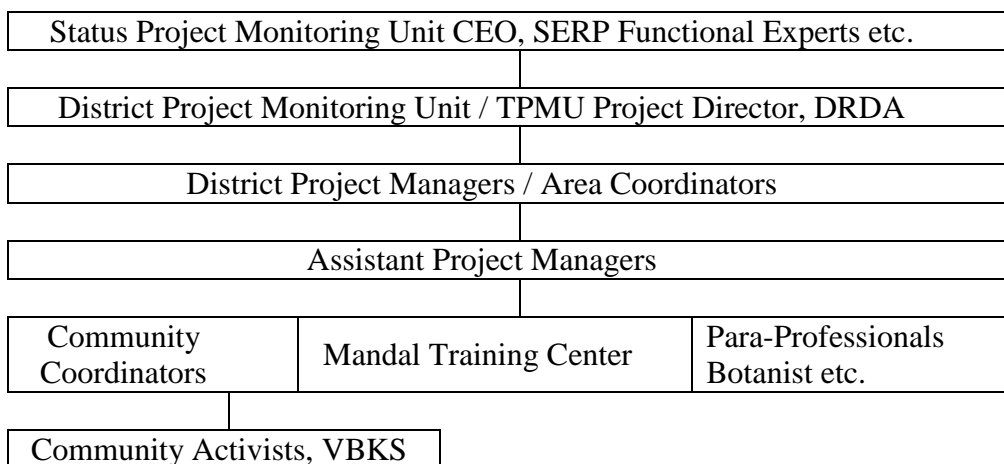
The village households were categorized into 4 categories of poorest of poor, poor, not so poor and non-poor. In the survey out of 142,09,166 rural households in the state 78,83,79 households (55%) were categorized as below poverty line and of them 25,79,484 households (18%) were the poorest of the poor (POP) the poorest of the poor families from mostly from scheduled cast, scheduled tribes and backward classes. The PIP survey done in all the rural habitations of the state has enabled the government to target its anti-poverty programs towards the poorest of the poor.

Developing and strengthening grass root organizations: Social mobilization through formation of the poor and poorest of the poor. The project has followed a three-tier community based organizations model under which homogeneous and groups of SHGs with 10 to 15 members each have been federated into village Organisations and turn VOs have been federated into Mandal Samakhyas. Zilla Samakhyas have been formed at the district level by federating all MS.

Capacity building: To meet the capacity building needs of the SHGs, village Organisations and Mandal Samakhyas, Mandal Training Centers (MTCs) have been established in 729 project Mandals the MTAs provide training to the SHG members, Community activist, Master bookkeepers, Board members of the SHG federations. Further there are 22 training and technology development centers in all the District head-quarters, which provide skill development training to the SHG members. The project is focusing on development of community cadres by enhancing the capacities of articulate and resourceful women members as community activists, social activists and

facilitators, service area coordinators. So far livelihood activities and community reports of the project have promoted over 35,000 such community cadres.

Structure of IKP at the District Level



Improving livelihood opportunities: Promotion of sustainability to complement the group formation and empowerment exercises are emphasized in the project. Financial support in the form of Community Investment Fund (CIF) is provided to the SHG federations to support a wide range of livelihood sub-project for economic empowerment of the rural poor in the areas of agriculture, animal husbandry, non-farm, community marketing and food security etc. CIF is also provided for social development activities such as health, education, nutrition, creation of infrastructure etc. CIF is an important source for Community Based Organizations (SHG/VO/MS) in capital formation as well as in accessing easy credit for livelihood improvement of the PoP. CIF is given as grant to MS, which in turn lend to VO for on-lending to SHGs. Major Income Generating activities financed under CIF include dairy, sheep rearing, petty business, small manufacturing, agricultural input supply, land/horticulture development, etc. Around 50% of the CIF has gone for agri-allied activities including milch animals and sheep / goat rearing. Around 25% has gone for non-farm activities and 15% for direct agricultural activities.

Accounts and bookkeeping: The challenge and sustainability of operations of SHGs, Village Organizations and Mandal Samakhya depends upon proper book keeping and efficient fund management. In order to streamline and adopt a common policy across the state, 3 Master Book Keepers are recruited in each mandal with areas of operation coterminous with Community Coordinators. About 2448 Master Book Keepers (MBK)

have been recruited and placed in all the districts with the Mandal Samakhyas. The MBKs attend the meetings of Village Organisations and Mandal Samakhya and are expected to facilitate recruitment and placement of Village level Book Keepers for the SHGs, arrange for training of Book Keepers, organize and ensure supply of books to all Self Help Groups, assist Village Organizations in supervision of Book Keepers, conduct periodic audit on SHGs and Village Organizations, write books of accounts for Mandal Samakhyas, arrange for rating of SHGs and Village Organisations, help in statutory audit of VOs and MSs registered under MACS Act, support financial supervision by MSs, facilitate credit linkages and assist in reporting its progress.

Grameen model: Some of the major MFIs functioning in the state such as SHARE Micro Fin, Spandana have also formed groups on the lines of ‘Grameena model’ and extending financial services to such groups. Under this model, the poor are organized into group of 5 members and 5 to 7 such groups form a center. The MFI directly deals with the group members through its works and the individual savings and loan accounts are maintained by the MFI. The MFI provides credit to the individual members against the group guarantee.

A.P Model of SHG

Approach

- **SHG approach used as a tool for eradication of different dimensions of rural poverty.**

Focus

- **Focus on poorest and most marginalized communities – women and female-headed households, Dalits / Scheduled Casts, Scheduled Tribes, people with disabilities, widows and destitute women, coastal fisher-folk, and landless artisans etc.**
- **Self-selection by the poor and of the poor based on economic and social criteria evolved / identified by the poor themselves, using techniques, such as, Participatory Rural Appraisal (PRA), Participatory Poverty Assessment (PPA), (social mapping, wealth ranking, well-being grouping, gendered resource mapping) and endorsement of the process by the village community – through the Gram Sabha.**

Process

- **Developing and strengthening Self Help Group for empowerment of rural poor through capacity building of the SHG members**
- **Facilitation of networking of SHGs into federations – Village Organisations (VO), Mandal Samakhyas (MS) and ZillaSamkhyas and registering them under the Andhra Pradesh Mutually Aided Cooperative Societies Act, 1995.**
- **Providing access to technical and financial resources to SHGs in order to expand their asset base and livelihood opportunities.**
- **Promoting sustainable livelihood opportunities both in farm and non farm sector by providing funds to the SHG federations out of Community Investment Fund**
- **Strengthening of asset base of rural poor by funding land purchase to the landless poor.**
- **Developing social risk management framework through insurance with the association of private and public insurance companies, community based health package.**
- **Presence of trained grass root functionaries like book keepers, village para professionals, community resource persons and their capacity building.**

2.12 Best practices in Self-Help Groups :

Membership : It is found that the size of group is normally restricted to 10-15 members to facilitate participatory processes. Members of a group should be at least 18 years of age and should be aware of their rights and obligations. They should recognize the significance of collective efforts for addressing their financial, economic and social problems. The members should come from the same locality and should have affinity and mutual trust. Some of the factors that encourage formation of homogenous group are:

1. **Gender:** Gender focus of groups has been quite successful in promoting gender concerns, particularly in the context of economic empowerment of women.

2. **Neighbourhood:** People who live in the same neighbourhood are likely to form stronger groups than people who live in different areas.
3. **Community:** People with similar social background exhibit similar coping behaviour in times of crisis and hence will be able to extend mutual support.
4. **Occupation:** People in similar occupation tend to be cohesive and group action is often found successful in confronting common problems.

Governance : The promotion of democratic traditions in governance of Self Help Groups is crucial for its success. The rules and regulations of SHGs could broadly cover the following aspects:

1. Groups to have unique name to give it a district identity
2. Goals and Objectives of group formation
3. Membership issues – optimal size, entry norms, exit policy
4. Extraordinary issues concerning membership – expulsion and co-option of members
5. Leadership structure – positions, roles and responsibilities
6. Positioning of leaders – tenure, selection and change process
7. Financial services – savings and credit products
8. Fund Management - cash management, interest rates, expenditures
9. Decision making – decision making apparatus, style and record keeping
10. Enforcement of decisions made by the group
11. Enforcement of group norms – discipline procedure
12. Relationships management with service agencies – banks, SHPI/District Rural Development Agency etc.

While stability of group membership is strongly encouraged, it is possible that a few members could be co-opted into the groups to attain optimal size of group. Delinquent members could be expelled, in which case the groups could undertake a situational analysis and take appropriate decision. However, core objectives of the group and rule for self governance should not be lost sight of.

Leadership : The groups elect two leaders whose responsibilities include the following:

1. Providing guidance for group activities.

2. Information sharing among group members.
3. Helping define problems and identify solutions.
4. Facilitating appraisal of group performance.
5. Encouraging members to offer ideas and opinions.
6. Resolving conflicts and disputes between group members.
7. Conducting meetings and facilitating group decisions.
8. Organizing, implementing and coordinating group plans.
9. Facilitating financial transactions during group meetings.
10. Maintaining and keeping books of accounts.
11. Maintaining a bank account on behalf of the group.
12. Representing the group's interests to outside bodies.
13. Conducting negotiations and doing business with other organizations.
14. Rendering truthful and correct accounts to members.

Group Meetings : Group meetings provide a forum for group action and facilitate information sharing among members. All activities in Self-Help Group such as thrift, credit, record keeping etc. are taking place in the meeting. Meetings are held at a mutually decided place, date and time. Meetings are concluded at same place, on the same day and at same time. Active participation in the deliberations by all members are encouraged. However, involvement of non-members in the decision making process are not encouraged.

Structured agenda for group meeting with definite sequence of activities are pursued (viz. attendance, review of decisions of previous meeting, thrift, repayments, loans & social issues) will make meetings effective. Deliberations on other social and community issues together with routine financial matters are found to consolidate group dynamics. Penal provisions like fines, penalties, etc. are generally enforced for late coming/leaving without prior intimation in some circles only. Chronic absenteeism in meetings are generally discouraged by withholding or delaying other pecuniary benefits to members in few circles only.

Thrift : The poor look for saving services from formal financial institutions for long term financial security needs. Without a safe place to put their savings, the poor tend to invest it in “assets” such as gold, silver, livestock, etc. which can be pawned or sold in times of need. Savings are generated by poor households either by refraining from

consumption or postponement of their not so urgent needs. The thrift contributions reflect confidence of members on the group and is seen as an index of their stake in the process. Thrift management is, perhaps, the most important function in a Self Help Group. Some of the best practices in this include:

1. Thrift collection normally commences from first meeting itself.
2. Periodicity and quantum of thrift is decided by group members themselves keeping in view the ability of poorest members among them to pay the agreed amount at predetermined intervals.
3. Minimum compulsory thrift contributions to be made by all members.
4. Withdrawals against compulsory thrift contributions are not permitted unless the member withdraws from primary membership.
5. Groups are insisting for on-time contribution by members.
6. Groups are collecting thrift contribution in the presence of all members during the meetings only.
7. Thrift collections are utilized for lending to group members and they are not kept idle.
8. Penal provisions like fines, penalties, etc. are enforced against late payment or default in thrift.
9. Chronic default in on-time thrift contributions by members are generally discouraged by withholding or delaying other pecuniary benefits to members.
10. It is felt desirable to make payment of thrift amount to a member withdrawing from the group for genuine reasons by the SHG members.

Internal Lending : Self Help Groups offer small, short-term loans for meeting emerged and consumption requirements of their members. The internal lending preferably commences from the date of first pooling of savings. Need based lending is strongly recommended by active groups. Loans are extended keeping in view the nature of need of a particular member. Preference in borrower evaluation is, however, given to those who are regular in attendance at meetings and timely payment of thrift amounts.

Groups are having a system differential prioritization while taking loaning decisions. Urgency of purposes is given precedence while selecting a borrowing member. All credit decisions have been taken at the meetings only after giving due consideration to opinion of all members. Terms of credit like interest rate and schedule of loan repayments are negotiated and conveyed clearly to the borrowing member.

Flexible repayment schedules are worked out by groups taking into consideration income-flow of the household and repayment capacity of the members. Monthly or even weekly repayments of both principle and interest payments are found to be convenient to both borrowers and the group to liquidate the loan liability. Separate schedules for principal and interest payments are stipulated as they are easy to comprehend even by illiterate borrowers. Loans are issued to the borrowing members in the presence of other members of the group. Groups are ensuring proper end-use of credit and also management of assets.

Concurrent loans are generally discouraged by most groups in view of small fund base. But wherever they are given, rigorous appraisal was undertaken on the purpose, needs of borrower and performance of the earlier loan. Reward for on-time repayment was given to members in the form of access to higher loan amounts. Penal provisions like fines, penalties, etc. are enforced against late payment or default in loan repayment. Chronic default in on-time loan repayment by members is generally discouraged by withholding or delaying other pecuniary benefits to members. At times penalties for late/non-payment include fees, denial of higher loan amounts, or longer waiting periods for further loans.

Management of funds : Mobilizing thrift is only part of a comprehensive savings service offered by Self Help Groups. Small savings from resource-poor households need operative protection against loss of deposits. Misappropriation of savings and imprudent lending from internally generated deposits threaten the security of savings programme. They are shielded against the financial and non-financial risks. It is, therefore, considered that necessary high standards are set in the area of fund management which cover the following:

1. The fund of the group comprises of thrift, interest earned on internal loans, fines and penalties levied on defaulting members, loans and grants received in the name of the group. The groups are not expected to discriminate between the sources of fund for meeting loaning requirements. In other words, the savings, loan repayments, interest payments, fines and penalties paid by members may be pooled for on lending to the members.
2. Responsibility sharing among members in cash management on rotation basis for assisting the group leaders will promote not only transparency but also enhance competence in fund management among group members.

3. Managing of savings account with local bank branch is an important area in fund management. All cash collections made at a meeting may be deposited into the bank and withdrawals made for disbursing the loans depending on the distance of the bank from the SHG. While members could take turns for depositing the cash into bank the persons authorized and the borrower concerned could draw the money from bank. However, where the SHGs are at a long distance from the banks and the groups maintaining up-to-date records could consider extending loans out of pooled fund during the meetings itself.
4. Preparation of micro-credit plans improves considerably the credit absorption capacity as it entails acquisition of planning and financial management skill among group leaders.
5. In the initial stages only short term loans are extended, usually for periods ranging from 3 – 12 months, to enable large number of members to access credit from the group. However, insistence on monthly repayments from borrowing members will accelerate the velocity of lending within the group, which also partially reflects equity in loan access to group members.
6. Group having a policy on interest rates. Most groups charge interest rates that are linked to contemporary market rates. The risk factor in the interest rate is also included.
7. Generally, interest is not paid to the members on the compulsory savings. Even in cases where interest is computed on compulsory thrift contributions, the same is emerged with the member savings regarding the very process in-fructuous.
8. Groups are incurring regular expenditure towards cost of bank transactions, honorarium to book keeper, etc. for which additional amount is collected every month from their members to avoid erosion of loaning funds.

Book Keeping:

Record keeping is possibly the most crucial function in a SHG often confined to the periphery. An efficient record keeping assumes significance promoting transparency and provides safety of micro deposits of the members. Awareness is created among groups on issues relating to record keeping. The book keeping is done by one of the literate members of the group. A local book keeper was engaged in case of non availability of literate members in the group. The books are to be updated during

the meeting. Groups are encouraging its members to learn to read and write their own books in the long run.

Group Vigilance :

The corpus fund of a group is entirely contributed by its members and hence they are ensuring that the fund is managed and controlled by them without any outside interference. There is no alternative to alertness of members and their participation in group meetings. Some of the best practices discussed earlier also go in strengthening the group vigilance and control mechanism. These include:

1. Responsibility sharing mechanism where members assist leader in conduct of meeting.
2. Practice of leadership rotation coupled with clearly laid out succession plan.
3. Preventing outsiders from handling cash, even for training purposes.
4. Responsibility fixing for handling cash during meeting and holding imprest cash thereafter.
5. Responsibility to deposit cash and withdrawal from savings bank account on rotation basis.
6. Regular review of deviant behavior of members in attendance, thrift or loan repayment.
7. Enforcement of group discipline through fines and penalties system in a transparent manner.

Banking relationship :

Availing savings and credit services from local banks is a logical extension of their growth strategy to meet credit demand from members. Moreover, accessing saving services from banks will provide safety to the pooled funds. The desirable best practices are:

1. Open savings account in group's name with the service area branch concerned.
2. Regular operations in the group's savings account will help build healthy relationship with bank.
3. Groups to their future fund requirements and articulate the credit gap in micro credit plans.

4. Groups to have clarity on issues relating to eligibility conditions, credit entitlement and legal obligations arising out of credit linkage with banks.
5. Terms and conditions of credit extended by banks including implication of joint and several liability in the event of credit linkage must be clearly understood by all members of the group.
6. Groups must assimilate bank loans with their corpus fund by extending need based loans to those members who could not access loans earlier from out of pooled savings.
7. Groups are ensuring on-time payment of bank loan by setting aside a portion of total collections made in each meeting for honoring repayment obligation to the bank. In other words, groups will square up the default amount of any borrowing member and pass on the installment amount to the bank as per contracted repayment scheduled.
8. Banks are rewarding for on-time repayment by means of repeat and higher finance.

2.13 Micro Credit Plan

Micro credit plan is micro plan at the SHG level listing out all the activities that the members would like to take and the cost of implementing these activities. It is an integral part of the financial management process of a SHG. Preparation of micro credit plan envisages that a group has discussed its needs, availability of entrepreneurial skills, credit absorption capacity, etc. of the individual members and arrived at the total requirement, keeping into account the accretion of its own funds. An illustrative format of MCP is given below:

Format of micro credit plan

Name of SHG member	Purpose of loan	Loan required	Incremental income	Saving capacity	Installment	Loan period
--------------------	-----------------	---------------	--------------------	-----------------	-------------	-------------

Source: NABARD Report on “Banking with the Poor”.

MCP can form the basis for credit assessment by banks. It not only helps the SHGs in sharpening their credit management and fund management skills but also shows their keenness in improving their financial position. Well prepared micro credit plan is one of the important parameters for increasing per group finance.

Summary

Women are the vital part of the Indian economy both at the national and household levels. They make up one third of national labor force. Compared with their men folk, Indian women contribute a much larger share of their earnings to basic family maintenance with the result that women's earnings positively and immediately affect the incidence and severity of poverty. Despite all these social conventions and gender ideology deprive them of the access to and control over the resources which would enable them to increase their productivity.

The effective management and development of women's resources, i.e. their abilities, interest, skills and other potentialities are of paramount importance for the mobilization and development of human resources and many women do not assert themselves owing to social inhibitions and disabilities. In India, the trickle down effects of economic policies have failed to resolve the problem of gender inequality. Women have being the vulnerable section of society and constitute a sizeable segment of the poverty-struck population. Women face gender specific barriers to access education, health and employment the problem is more acute for women in countries like India, despite the fact that women's labor makes a critical contribution to the economy. This is due to the low social status and lack of access to key resources. Feminist movements all over the world have alerted that the gender equality is not unique or natural and is mostly a cultural and traditional incarnation. "Poverty in effect has been feminized" the poverty trap created through the vicious cycle of development, women most significantly experience prolonged debt obligations, environment disruptions and structural adjustment.

The anti-poverty approach given by greater policy and planning program at development planning unit, university college, London reflects the changed policy climate of the 1990s all over the world. From 'Gender and development' emerged the concept of 'women in development' to 'women to development'. However, at the early stages as long as economic growth was seen as the priority objective of planning and development in almost all developing countries, their welfare programs for women were very much of a residual nature, offered only when the requirements of mainstream planning have been met and dispensed within times of economic austerity. Women entered the process passively contributors, reproductive rather than productive.

Since Independence, a sort of awakening arose in India through women movements and social organizations for betterment of women, moreover, today the developing capitalist economy with the growing global linkages, fast expanding market forces and the introduction of technology in many spheres of rural and urban India have, to an extent brought about certain changes in the traditional values and social practices particularly for women.

Women in unorganized sector are suffering in many ways, most important cause of their backwardness is that their economic status is very low. They don't have access to crucial point like credit. The world bank report has observed that women are central to success of poverty alleviation affords in other words, the role of women and need to empower them or the central to the human development programs including poverty alleviation in spite of safeguards provided in many poverty alleviation programs, it was observed that women from poor families are marginalized in so far as benefits are concerned. The goals of poverty reduction and empowerment of women can be effectively achieved if poor women could organize into groups for community participation as well as for assertion of their rights in various services related to their economic and social wellbeing. As the social status of women is a reliable indicator of development of the society, women's emancipation from shackles of invisibility and gender inequality can be achieved only when they are given enough opportunities and skills to bring about their full potential and ability in gainful economic activities. Evidence shows that groups of women are better customers and better managers of resources. If loans are routed through women, benefits of loans are spread wider among the households realizing that women can leverage their strengths, increase bargaining power and economic capacities and skills through joint action. The Andhra Pradesh government has approved to organize women into self help groups. Human beings have an intrinsic propensity to form and work in groups. Sociologist are of the opinion that the task are best carried out by small groups as they allow active participations of the members as the interactions take place face to face. According to group behavior theory when people come together and function as a group they can achieve tremendous results and goals. Individually, a poor woman tends to be rather tentative, uncertain in her behavior but the group membership smoothens her rough edge behavior pattern, making her more reliable as a borrower. A poor woman feels exposed to all kinds of hazards. She requires guidance and advice from people she knows and can trust.

Members in a group give her a feeling of protection thus formation of a group would ensure the best participation of the poor in a credit program.

It is observed from the study that the structure of the SHGs have good practices like reasonable number of membership, promotion of democratic traditions in governance, providing all kinds of assistance to train leaders, regular group meeting and thrift collection and thrift management. The need based internal lending is most important factor for the membership because the interest charged in a group is comparatively less than the interest charged by money lenders. Further the loan can be cleared in installments with small amounts of savings. As stated earlier mobilizing thrift is only part of comprehensive savings service offered by self -help groups. It is found from the present study that the effective functioning of group is influenced by a host of factors involving 1) Quality of group meetings. 2) Savings habit. 3) Adequacy and accessibility to resources. 4) Repayment behavior. 5) Cohesion. 6) Group Leadership. 7) Group Interaction. 8) Autonomy. 9) Sense of self. 10) Equity 11) Accountability and Transparency. The group effectiveness was mostly influenced by 5 factors, namely group interaction, group autonomy, equity, accountability and transparency. Further the way of efficient record keeping, corpus fund management without interference of any other external member are going to create impact on women's personality development. These qualities will definitely contribute to the core dimensions of women empowerment such as 'power to', 'power with', 'power over' and 'power within'.

=====

CHAPTER - 3

STRUCTURE OF SHGs IN ANDHRA PRADESH

The state of Andhra Pradesh (now Telangana and Andhra Pradesh after bifurcation) finds prominent place in the movement of Self Help Groups with 8.51 lakh Self Help Groups, covering about 101.82 lakh rural women. It has, in fact, come to be known as the micro finance capital of the country. The IKP project has focused on formation of SHGs of the poorest of the poor and BPL families. However, while forming the SHGs, some non-poor members have also become members of the SHGs. It is estimated that about 50% of the population of the state is either directly or indirectly impacted by the programme.

Table: 3.1 : SHPIs in A.P as on March 2009

Particulars	Andhra Pradesh	
	No.	% to total
No. of SHGs promoted by:		
Govt. Agencies	828028	97.34
Banks	2381	0.28
NGOs	20148	2.37
Farmer Clubs	114	0.01
Total	850671	100.00

(Source : NABARD report)

Socio-economic Profile of Members

The average number of members in SHGs in A.P is 12. The SHG members mostly come from the disadvantaged sections of society, viz. Scheduled Castes, scheduled Tribes and Backward classes (Table 5.2). About 85% of the SHG members are illiterate / neo-literate. Around 50% of the SHG members are in the age group of 18-35 years. A large numbers of SHG members do not own any land or own very little land. Around 57% of the members are agricultural labourers, 33% of the SHG members are engaged in agriculture and allied agriculture activities. About 3% of the members are engaged in other activities such as petty business, beedi making etc.

The incomes earned by SHG members in agriculture and allied agricultural activities are quite low. They are not sufficient to meet the livelihood needs. The wage

discrimination is quite high with regard to women. Hence most of them borrow from money lenders for their urgent needs hence the rural indebtedness is very high.

Table 3.2 : Highlights of SHG movement in A.P as on 31 March 2009

Particulars	Number
Total Number of SHGs in A.P	8,50,671
Total Member covered under SHGs	1,01,82,181
Average number of members per SHG	12
Percentage of SC members	23
Percentage of ST members	10

(Source : Department of Rural Development, Go Andhra Pradesh)

3.1 Resource of SHGs

The resources of the SHGs come from the thrift by the members, bank loan, interest earned on internal lending and revolving fund assistance provided by the State Government. The average savings of the majority of the SHG members in the state is in the range of Rs.30 to Rs.50 per month. The SHGs in the state follow monthly saving system.

The savings coupled with the bank finance have been used for internal lending among the members at an interest rate ranging from 18% to 24% per annum. The interest charged by the banks to the SHGs is in the range of 8% to 12% per annum. With effect from 1 July 2004, the SHGs in the state are getting bank loan at an effective rate of interest of 3% per annum as the state government is reimbursing to the SHGs the interest charged by the banks over and above 3% for prompt repayment. The thrift collections and the interest differential has helped the SHGs in building a corpus of Rs.4025.55 crore as at the end of 31 March 2009 (Table:3.3). The thrift portion (Rs. 1962.50 crore) constituted 48.75 % of the corpus.

Table: 3.3: Own resources of SHGs as on 31 March 2009

Particulars	Number
Total savings of the SHGs (Rs. in crore)	1962.50
Average savings per SHG (Rs.)	23,070
Total Corpus of the SHGs (Rs. crore)	4025.55
Average amount of corpus per SHG (Rs.)	47,322

(source: Department of Rural Development, Government of Andhra Pradesh)

Note: Corpus includes savings of the group, interest earned by the SHGs on internal lending, revolving fund assistance provided by the State government, penalties collected etc.

3.2 Regional spread of SHG movement in AP

Andhra Pradesh has three major regions – Telangana comprising of nine districts, Coastal Andhra with nine Districts and Rayalaseema with four districts. Coastal Andhra has maximum number of SHGs, viz, 46% of the SHGs in the State followed by Telangana and Rayalaseema constituting 37% and 17% respectively. Within A.P. 15 districts have more than 30,000 SHGs and the other 7 districts have SHGs in the range of 23,900 to 29,800 per district.

Table 3.4 : Regional spread of SHG movements in Andhra Pradesh

Sl.No	Region	Total No.of SHGs	No.of Members	Cumulative no.of SHGs credit linked up to March 2009 (Rs. Crore)	Cumulative Bank loan up to March 2009 (Rs.crore)
1	Coastal Andhra (9 Districts)	3,70,104	42,73,707	11,62,320	9664.25
	% to total	43	42	46	50
2	Rayalaseema (4 District)	1,59,153	19,34,640	4,15,911	3708.88
	% to total	19	19	17	19
3	Telangana (9 District)	3,21,414	39,73,834	9,36,273	6097.77
	% to total	38	39	37	31
	Total	8,50,671	1,01,82,181	25,14,504	19470.90

Source: NABARD Report on “Banking with the Poor”.

East Godavari district has maximum number of SHGs (68,959) followed by west Godavari district (56,240 SHGs), both of which are in the coastal region with high population density. In terms of Bank Linkage 50% of the cumulative Bank Loan has been provided in the coastal district followed by Telangana (31%).

The coastal Andhra Pradesh has been a leading region in the SHG movement due to high level of awareness among people. The Region had the advantage of productive district collectors who adopted innovative modes to increase the number of SHGs like involving all the line departments in formation of SHGs, integrating and routing all state government programmes through SHGs, close monitoring and follow up, providing incentives in the form of deposits to the banks for providing linkage etc.

3.3 Quality of SHGs

The massive mobilization of self help groups in the State has also posed challenges with regard to quality and sustainability of the Self Help Groups. The critical indicators of the quality of SHGs are – regularity in savings, increase in the corpus of the groups, internal lending, repayment of loans, attendance of members in meetings, regularity of meetings, up to date and accurate maintenance of books of account and participation of all the members in the group activities, including leadership.

3.4 Book Keeping in SHGs

A proper system of book keeping enhances the confidence and trust of the members. It helps members to know their savings, outstanding loans and repayment obligations. A good book keeping system also helps in earning the trust of the banks in the group process. The sustainability of the SHGs depends upon proper book keeping and efficient fund management. In the initial stages DRDAs were adopting different system of book keeping in different districts. NABARD has developed a Standard Accounting Package for the SHGs in the State to have uniformity and also keeping in view the MIS needs of SHGs. The book keeping in SHGs is normally taken care of by the Community Active / Village bookkeepers who are paid Rs,30/- to Rs.50/- every month for writing the books of the SHGs. About 20000 village level bookkeepers are being engaged by SHGs across the state. Book Keepers are hired by the individual SHGs or by the SHG federations. The Master Book Keepers placed with Mandal Samakhya supervise and review the work of book keepers.

3.5 Rating of SHGs

NABARD has evolved Critical Rating Index for assessing the quality / performance of SHGs. This tool has been used for assessing quality of functioning and capacity building requirements. The rating of SHGs done by IKP project authorities has revealed that 42% of the SHGs rated were of ‘A’ category, 34% were in ‘B’ category and 24% were in ‘C’ category. The SHGs in category ‘B’ and ‘C’ would require capacity building in various aspects of group dynamics.

3.6 Promotion of Income Generating Activities

Majority of SHGs in A.P have availed the bank linkage loans more than two times in the state. Further there are more than 3 lakh groups in the state, which are more than five years old and have matured for taking up income generating activities. The SHG members are availing loans for income generating activities once their consumption needs are met. Moving towards micro enterprises for SHG members needs a holistic approach of skill development, entrepreneurial qualities, understanding of the markets etc. transition to micro enterprises level by SHG members is 'training intensive' process. Bank loan alone cannot ensure this transition. It needs a holistic approach of skill development, development of entrepreneurial qualities, developing an understanding of the markets etc. existing livelihoods of the group members are to be kept in view and Income generating activities need to be introduced on known skills, knowledge and resources. The members have to be provided training on business management and entrepreneurship and skill related to the activity. Market linkages are crucial for promotion of micro enterprises. Market surveys need to be conducted for resource mapping and right type of products suiting to the SHG members may have to be identified.

This task has to be handled with care ensure that genuine concerns do not lead to failures of enterprises and increased debt burden and in turn to default. Preparation of Micro Credit plays by the SHGs, rating and proper appraisal by banks would quicken the process. There is a need for proper utilization of Technology Training and Development Centres, DWCRA Bazars, rural mandies to provide market linkages to the products of SHGs.

NABARD is existing support to professional NGOs for providing skill development training of members of matured SHGs under its Micro Entrepreneurship Development Programme.

Major milestones in development of SHG concept in Andhra Pradesh

Period	Major development
1983-84	Introduction of the development Women and Children in Rural Areas (DWCRA) PROGRAMME IN Srikakulam, Kadapa Adilabad Districts of Andhra Pradesh.
1983-92	4000 DWCRA groups formed by State Govt. during the first ten years.

1992	Pilot project for formation and linking SHGs with banks started by NABARD. Vysya Bank, State Bank of India and Sri Anantha Grammena Bank were the first Banks in Andhra Pradesh which provided linkage to 8 SHGs promoted by MYRADA in the year 1992-93. Canara Bank and Bank of Baroda provided bank linkage to 66 SHGs promoted by Youth Charitable Organisation, Yelamanchili, and Visakhapatnam in the subsequent year.
1993-94	A fillip to programme with formation of 6000 DWCRA groups by the state government.
1994-95	26000 DWCRA groups formed by the state government. By the end of the year 1997-98 there were around 77340 DWCRA groups in the state.
1995	Launching of UNDP supported South Asia Poverty Alleviation Programme (SAPAP) in 20 mandals of three drought prone districts viz, Kurnool, Mahabubnagar and Anantapur. The programme adopted the SHG model for poverty alleviation. Under the programme, about 2788 SHGs were promoted covering 45424 women from low income households.
1996	Reserve Bank of India made the SHG programme a part of normal lending activity of the banks under priority sector with effect from 2 April 1996.
	NABARD supported NGOs for formation, nurturing and credit linkage of SHGs.
1996	Government of A.P took the decision to reorganize the DWCRA groups on the lines of SHGs, by adopting the guidelines issued by NABARD. NABARD worked with Government of A.P in remodeling them on the principles of Self Help Groups by introducing the concepts of SHGs and facilitating bank linkage. NABARD undertook a large scale capacity building of the government officials, banks, NGOs etc. to spread the concepts of SHGs.
	Upto 31 March 1998, NGOs had formed and facilitated credit linkage to 1433 SHGs in the state under the SHG-Bank Linkage Programme.
1999	SGSY launched by GoI on 01 April 1999. DWCRA programme merged with SGSY. By this time, majority of the DWCRA groups had converted into SHGs and the bank had started providing bank loan under the SHG-Bank linkage programme.
2000	Government of A.P launched the World Bank-assisted A.P District Poverty Initiatives Project (APDPIP) in 316 mandals in the 6 districts with an outlay of Rs.654 crore on 14 June 2000. The project aimed to build institutions of

	the rural poor (SHGs) and enhance their livelihood opportunities so that the vulnerability of poor is reduced. This was a major development in the SHG movement in the state.
	The state government formed Society for Elimination of Rural Poverty (SERP), an autonomous society registered under the Societies Registration Act for management of the World Bank-assisted project.
2002	The second World Bank assisted A.P Rural Poverty Reduction Project was grounded by the State Government on 1 June 2002 in 548 backward mandals in the remaining 16 districts of the state with a total outlay of Rs.1486 crore.
	SERP along with DRDA concentrated on formation of new Self Help Groups, strengthening of groups.
2004-05	Pvala Vaddi Scheme – Interested Subsidy scheme for promoted repayment of bank loans taken by members of SHGs introduced by Government of A.P.
5005-06	NABARD launches the Micro Enterprise Development Programme for members of matured SHGs
2006-07	Total Financial Inclusion through SHGs launched – bank finances all needs – debt swapping, social needs and income generation
2007-08	SLBC issues revised guidelines on financing SHGs in the state.
	Community Based Recovery Mechanism introduced.
2008-09	ABhaya Hastam – co-contributory pension cum insurance scheme for SHGs introduced.

Source: NABARD Report “Banking with the Poor”.

3.7 SHGs Federation in Andhra Pradesh

SHG Federations are emerging as important players in the micro finance scene in Andhra Pradesh. A few NGOs in the State have also formed cluster level federations of SHGs in the State, more particularly under CARE-CASHE programme. Under the World Bank assisted Indira Kranti Patham Project, Government of A.P is focusing on formation of three-tier SHG federations-Village Organization, Mandal Samakhya and Zilla Samakhya-to empower the people, facilitate participatory approach and enable people to take the responsibility of IKP project management and to ensure sustainability of SHGs.

3.8 Village Organization

Village Organisations (VO) are formed at the village level depending on the number of SHGs. A typical VO may contain 10 to 30 SHGs in a village. In some cases where there are a large number of SHGs in a single village, more than one Village Organization is formed. Under the IKP project, 35,525 Village Organizations have been formed as on 31 March 2009, of which 33,147 (93%) VOs have been registered under the A.P Mutually Aided Cooperative Societies Act, 1995 (APMACS Act 1995).

One or two representatives from each SHG are selected for becoming the members of the Village Organization. All the members of the affiliated SHGs constitute the General Body. The General Body of the Village Organization elects an Executive Committee. The Executive Committee can also have experts or specialists in the field of cooperatives, banking or women development and a nominee each of the promoting agency and local bank as special invitees to assist the Executive Committee in serving the members. The Executive Committee elects from among its members, a President, Vice President and Secretary.

Advantages of SHG federations

SHG federations are members owned, member managed and member controlled institutions for self-sustaining the SHGs and to provide both financial and non-financial services to SHGs. The federation structure is expected to provide the following advantages to the SHGs and banks.

Advantages to the banks :: On an average a bank branch has 149 accounts in AP. Many branches are having more than 200 accounts. Increasing number of Self Help Groups makes the monitoring of the SHG accounts difficult for the branch managers impacting the recovery performance. Lending to federations reduces the transaction cost of the banks due to externalisation of the functions of the banks such as appraisal and monitoring. The SHG federations could also ensure recovery of bank loan. In A.P, a Community Based Recovery Mechanism (CBRM) has been planned at village level to achieve 100% recovery under SHG-Bank Linkage during the year 2006-2007, with the involvement of Village Organizations.

Advantages to the SHGs: SHG Federations provide a forum for regular interaction between SHGs and help in cross learnings, help in information dissemination to SHGs, strengthening of primary groups through capacity building etc. the federations provide essential services to SHGs such as book keeping, audit, training of the SHG members, resolving conflicts among SHG members and between SHGs, providing micro insurance, marketing facilities etc. extending marketing facilities and food security to the member groups, build linkages with the Panchayat Raj Institutions, line departments and other developmental departments. Develop para professionals from among the members in the areas of health, livestock, education, sanitation, marketing, social issues etc.

The Village Organisations carry out the following functions:

1. Act as a forum to voice the problems of the SHG members / Groups in the village.

2. Provide a platform to share the experiences and concerns of member SHGs.
3. Promotion of new groups among the left over poor.
4. Monitoring and strengthening of existing groups.
5. Facilitate conflict resolution within and among member groups.
6. Assess training needs and arrange capacity building inputs to member groups.
7. Facilitate and monitor credit linkage with banks.
8. Access bulk loans from banks / MFIs to provide higher order of loans to SHGs.
9. Prepare micro credit plans for the social and economic development of its members.

3.9 Mandal Samakhya

A Mandal Samakhya is a federation of SHGs at the mandal level covering about 20 to 30 villages and covering around 500 SHGs. The representation from Village Organisation in the Mandal Samakhya varies from one to three members depending on the number of groups holding membership in Village Organisation. 1098 Mandal Samakyas have been formed as on 31 March 2009 of which 1,080 (98%) Mandal Samakhya have been registered under the APMACS Act, 1995.

The representation from Village Organisation in the Mandal Samakhya varies from one to three members. The Board of Districts elected by the General Body manages the Mandal Samakhya. The size of the Board is generally between 11 to 15 members depending on the byelaws. The Mandal Samakhya have the following role:

1. Provide solidarity and exert peer pressure on all the VOs and SHGs within the mandal.
2. Capacity building of VOs.
3. Strengthening and streamlining book keeping and audit system.
4. Take up various social development issues and marketing activities.
5. Channelize seed capital to the VOs.
6. Maintain linkages with the mandal level administration.
7. To work towards improvement of health and education of rural women especially girl children.

3.10 Zilla Samakhya

Zilla Samakhya is a federation of all the Mandal Samakhya in a district. As on 31 March 2009, Zilla Samakhya have been formed in all the 22 districts and have been registered under the APMACS Act, 1995 as an apex body of SHG federations at the district level, the Zilla Samakhya is expected to take care of all the aspects such as capacity building, auditing, conflict resolution etc., and ensure strengthening of all the lower tiers of federations.

Legal Framework For SHG Federations

The Issue Of The Legal Framework For Shg Federations Was Deliberated In Detail By The Working Group On Framing Of Guidelines For Financing SHG Federations (April 2002) Set Up By Government Of A.P Under The Convenorship Of Nabard. The Working Group Consisted Of Members Drawn From The State Government, Banks, Reserve Banks of India, NGOs etc. the working group felt that for forming SHG federations, a cooperative society is the best option, in the present circumstances. It was felt that the tenor of the AP Mutually Aided Cooperative Societies Act 1995 closely matches the requirements of the federations.

As per section 4 (1) of MACS Act, only individuals or cooperative societies registered under the act can form a cooperative society. In other words, the informal groups such as SHGs can not promote a cooperative society under the Act. Thus, the Act does not recognize SHGs as legal entities. To obviate this problem, model bye-laws were evolved by the working Group in such a way that while the membership of SHG federation is extended to individuals, voting and ownership rights are conferred on SHG basis. The share holding pattern, representation in governance structures, rights and duties, access to products and services to individual members etc., are determined by virtue of their membership in Self Help Group rather than individual membership in the Federation. The Self Help Group has been made the unit of accounting in Federation, thereby, ensuring SHG as building block. The byelaws were approved by the government and the federations are being registered under the A.P Mutually Aided Cooperative Societies Act, 1995.

3.11 Resources of Federations

The resources of the Village Organisations promoted under the Indira Kranti Patham project mainly comes from the Community Investment Fund provided for a wide range of activities, share capital contribution by the affiliated SHGs / federations and the external line of credit from banks / MFIs. The banks are yet to lend to the federations in the state in a big way. However, some of the SHG federations including those formed by NGOs in the State are accessing financial support from private sector banks such as ICICI, HDFC etc.

3.12 Community Investment Fund (CIF)

Under the Indira Kranti Patham project, CIF is provided to the SHG federations to support a wide range of livelihood sub-projects for economic empowerment of the rural poor in the areas of agriculture, animal husbandry, non-farm, commodity marketing and food security etc. CIF is an important source for Community Based

Organisations (SHG/VO/MS) in Capital formation as well as in accessing easy credit for the livelihood improvement of the PoP. CIF is giving as grant to MS, which in turn leads to VO for on-lending to SHGs. The Sub-projects for financing under the CFI were earlier identified through Livelihood Enhancement Action Plan (LEAP) exercises, which were not found useful for various reasons. IKP is now adopting a sectoral approach for implementing livelihood sub projects.

The Micro Credit Planning (MCP) route has been adopting for delivery of CIF funds is all the three tiers of CBO hierarchy Viz. SHGs, VOs and MS. Training has been given to CBO staff on preparation of MCPs at all the three tiers. The Micro planning begins with SHGs, which consists of, a list of activities the members would like to take up and the investment required, for the purpose. The Village Organization consolidates the micro credit plans of SHGs and such a plan becomes the VO Micro Plan. The Mandal Samakhya appraises micro plan of VO, keeping in view the parameters such as institutional strength of the VO, entitlement for CIF, economic viability, environmental concerns etc. the Village Micro Plans will be financed by members' savings, CIF and supported by bank credit. Generally 10% contribution is expected from VO and 50% from CIF with balance 40% coming from Banks. However, in many cases the MCP has been funded out of CIF completely as banks are still not confident of the capabilities of the federations. When the CIF is given to the SHG members for taking up income generating activity, it is planned to synchronize the same with the bank loan for creation of assets, which is seldom happening at the field level.

CIF funds are provided to Mandal Samakhyas as a grant to serve as its corpus. Mandal Samakhya provides the CIF to the VOs as a loan repayable in 100 equal monthly installments at an interest rate ranging from 2% pa to 6%pa. The Village Organizations in turn provide loans to the SHGs affiliated to them, repayable in 50 equal monthly installments at an interest rate ranging from 3% to 9% pa. The loan provided by the SHGs to the members for taking up income generating activities is repayable in 20 equal monthly installments and interests charged ranges from 12% to 24% pa. The interest differential at each tier enables accumulation of capital, re-lend to their members and to meet their cost of operations. The objective is to provide financial and non-financial services to SHGs and to make them self-sustainable with a view to ensuring sustainability of SHGs. CIF is also provided for social development activities

such as health, education, nutrition, creation of infrastructure etc. Major IG activities financed under CIF include dairy, sheep rearing, petty business, Small manufacturing, agricultural input supply and land/horticulture development. About 50% of the CIF has gone for agri-allied activities including milch animals and sheep/goat rearing while 25% has gone for non-farm activities and 15% for direct agricultural activities.

3.13 Non-Financial Functions Performed by SHG Federation

a) Formation and strengthening of SHGs

The SHG federations in the State have taken up forming of new SHGs with leftover poor, facilitating bank linkage to SHGs, book keeping and auditing, monitoring and strengthening of SHGs.

b) Procurement and marketing activities of SHG federations

Collective procurement and marketing of agriculture, horticulture and Non Timber Forest Produce (NTFP) by the Village Organizations and Mandal Mahila Samkhyas is being promoted under the IKP project with a view to eliminating unfair trade practices, improving bargaining power of producers and also generate profits for the community based organizations to ensure their sustainability. The major commodities covered under this initiative are – redgram, green gram, soybean, maize, paddy, chillies, ground nut, cashew, turmeric, castor, neem seed, Lac and other NTFP besides agricultural inputs, etc.

The following process is followed under the project for setting up of Village Procurement Centers:

1. Identification of commodities based on volume of production, potential for procurement and number of dependent poor families followed by an analysis of secondary data collected from the line departments in the districts.
2. Collection patterns and prices in the previous three years, value chain Analysis and market survey.
3. Number of VOs and habitations for different commodities to be covered is decided based on Village Resources Survey followed by preparation of procurement and marketing activity calendars and time line for sales.
4. VOs set up procurement centers with all infrastructure such as weight and measurements, moisture meters, etc.

5. The Commodities are finalized after discussions with VO/MS. The VO concerned then estimates the working capital requirements and form various functional committees like purchase and sales committee, quality control committee, village social audit committee etc.

Funds are provided out of Community Investment Fund to the VO / MS towards working capital and for purchase of movable infrastructure like weighing scale, moisture meter, sieving screen, tarpaulin, etc. IKP also finalises quality and grading parameters for all the commodities to be procured. IKP is also providing training to the executive committee members of VO / MS and also providing market information and facilitating linkages with the private sector for marketing.

Marketing of Maize is one of the largest marketing initiatives of project undertaken in seven districts of Telangana where maize is grown predominantly. The objective of this intervention is to give fair terms of trade to the poor in marketing maize. Andhra Pradesh Markfed in association with SERP has set up maize procurement through Village Organization (VOs) with infrastructures like weights and measures, moisture meters etc. Detailed training is given to VO members on quality parameters and maintenance of books of accounts. Village Advisory committees are set up for each center consisting of the Sarpanch and progressive farmers to guide the marginal farmers and women in successful procurement. The marginal farmers have gained a price advantage of Rs.50 per quintal from this intervention.

The major benefits of marketing interventions are:

1. Due to the use of certified scales by the VO / MS, the producer is able to get proper weight and price for his produce. The local traders / middlemen resort to improper weighing and in many cases, there is a practice of buying by volume instead of weight. The middlemen are also found to be levying certain charges on ad-hoc basis for impurities and foreign matters. The VOs / MS levy these charges on a realistic basis as they use proper equipment such as moisture meter, sieves for grading, etc.
2. The farm gate price for the small and marginal farmers has gone up and is close to the market price. The farmers are paid the entire amount in cash at the time of sale itself providing immediate liquidity to them. The producers can come and sell their produce, at a time convenient to them, since the procurement center is open all through the day and thus would be able to save, transportation and personal costs.

3. The transparent and fair trade practices followed by the VOs have forced the local traders to adopt proper practices to retain their business interest. Thus, there is a choice to the farmers and their bargaining power has been enhanced due to the competition from VOs.

3.14 Rice Credit Line

Under the IKP project, the SHG federations (VO / MS) in the state have taken up the Rice Credit Line (RCL) scheme for ensuring food security to the SHG women out of the CIF funds made available to them. The members of the Self Help Groups give their requirement of rice and a consolidated indent of SHGs is furnished to the Village Organisation. Village Organization prepares a consolidated requirement of rice of all the SHG members in their area of operation and furnishes the same to Mandal Samakhya. The Mandal Samakhya / Village Organisation purchases rice in bulk from the millers / wholesalers and supply to the SHG members. The value of rice is provided as a loan to the SHG members. Purchasing Committees, Rice Distribution Committees have been formed in the VOs / MS to manage the RCL operations. The VOs also give loan to SHGs/members for lifting the ration made available under Public Distribution System. The intervention has resulted in ensuring food security to the poor, availability of rice at a lesser rate and improved quality of food. The food security intervention has also been improved by IKP by adding other commodities of daily usage, where the VOs make bulk purchases from the open market, and distribute them to members, with a convenient repayment schedule. This includes bulk purchases of other essential commodities like pulses, edible oil, salt, etc. Under this initiative, 23,63,735 families in 2,06,241 SHGs in 15,989 VOs were provided food security by March 2009.

3.15 AP Rural Employment Guarantee Scheme

The SHG federations in A.P have been involved in implementation of Employment Guarantee Scheme (EGS) of Government of India. The Mandal Samakhya is responsible to mobilize and build capacities of the wage seekers through the Village Organisations and Self Help Groups to access their rights and entitlements provided under the scheme. In addition, the Mandal Samakhya may assist the Programme officer in handling information, education and communication activities relating to the scheme. The VOs / MS are involved in finalisation of job cards, verification of musters, ensuring payment within fifteen days, onsite support services

etc. Effort is being made on a pilot basis to implement the scheme through smart card technology on a pilot basis.

3.16 Disbursement of Pension

As a part of welfare programmes, the Government of A.P is implementing various pension schemes for the vulnerable people i.e Persons in old age, widows, people with disabilities and weavers to provide them some succor. Government order dated 27 March 2006 (GO Ms.No.83) for implementation of pension scheme in rural areas of the state envisages challenging of pension funds through the Mandal Samakyas wherever they have emerged as self-reliant and self-managed institutions.

3.17 Propagation of Organic Farming

Efforts are being made to propagate organic farming to reduce cost of cultivation of crops, in particular that of cotton and to increase income levels of farmers. Vermin-composting, use of neem solution and pheromones etc., are being encouraged.

3.18 Focal Point for Spreading Awareness About Govt. Programmes

The Village Organisations and Mandal Samakhya have becoming the focal points for spreading awareness and implementation of various government programmes on health, girl child education, vaccination, family planning, Aids awareness etc. VO / MS influences the village / mandal level govt. officials in formulating pro-poor policies and taking decisions that favors the requirement of POP and Poor.

3.19 Financial Intermediation by SHG Federations

In A.P, the lowest tier, i.e., Village Organisations are into financial intermediation by mobilizing resources out of share capital from SHGs, Community Investment Fund provided by the IKP project and bank loan. The loans are extended to SHGs for no-lending to individual members that could be used for either consumption or production purposes.

3.20 SHG Federation - Bank Linkage

Foreseeing the growth of SHG federations, the State Government had set up a Working Group for evolving guidelines for financing of SHG federations in the year 2002 under the supervision of NABARD, AP RO. The Group consisted of

representatives of Reserve Bank of India, State Level Bankers Committee, major banks and NGOs in the state. The guidelines for financing of SHG federations evolved by the Working Group were circulated among the banks by State Level Bankers Committee on 29 May 2003. The Working Group has also evolved model bye laws for SHG federations, Standard Accounting Package and loan documents for accessing bank loan, Appraisal Format for SHG financing.

As the functioning of the Federations was not satisfactory and as most of them were not registered, not much headway was made in financing SHG federations in the State till the end of 2005. Under Indira Kranti Ptham, efforts are being made for strengthening of the federations in the state with necessary manpower, system and controls, accounting system. The State Government has, therefore, started actively pursuing the issue of financing Village Organisation by the Banks.

NABARD, in association with SERP and banks, has evolved a rating tool for the Village Organizations for financing by the banks and also identify the gaps in capacity building. The rating tool has eight parameters carrying totally 100 marks-

- i) Governance (20 marks)
- ii) Compliance to statutory requirements (8 marks)
- iii) Management of financial resources (8 marks)
- iv) Asset quality (10 marks)
- v) Profitability (12 marks)
- vi) Systems and controls (12 marks)
- vii) Support services to SHGs (10 marks) and
- viii) Quality of SHGs affiliated in 'A' grade (20 marks).

The VOs obtaining above 85% marks would be categorized as 'A+' and that from 70% to 85% would be under 'A' grade. SLBC has accepted the above rating tool for adoption by the banks.

The matter regarding financing of Village Organisations was discussed in State Level Bankers Committee and it was decided as following:

1. The Village Organizations, which are registered as Societies under the A.P Mutually Aided Cooperative Societies Act will be provided bank credit.
2. The Village Organisation will have to be rated under the rating tool approved by NABARD. Only those VOs which are satisfying the benchmarks with regard

to their functioning, viz., compliance with law, financial parameters like NPA, profitability, up to date book keeping, 'A' rated SHGs etc., will be considered for rating.

3. Rating will be done by an independent external agency, and the banks will finance only 'A' rated VOs. The fees will be borne by the VO.
4. The quantum of finance will be ten times the net worth of the VO or 80% of the estimated / projected Micro Credit Plan, whichever is less.
5. The individual banks would decide the interest rates depending on their cost of funds.
6. For avoiding double finance, the Village Organisation has to ensure that the SHGs should clear their direct loans with the banks before availing loan from the Village Organisation.

A few banks in the state have provided loans to the SHG federations at interest rates ranging from 8% p.a to 10% p.a. for a period ranging from 3 years to 5 years. The Village Organizations provide loan to the SHGs at interest rates ranging from 12% to 24% p.a. The repayment period for loans to SHGs out of the own resources of VO is 6 to 10 months, while in case of bank loan, a longer repayment period ranging from 36 to 48 months is allowed. Some banks are of the opinion that a cautious approach needs to be adopted in financing SHG federations and the option of financing them should be left to the discretion of the respective banks. As the amount involved will be sizable, the financing banks are keen about sustainability of the federations.

3.21 Road Ahead of SHG Federations' Capacity Building

The sustainability of the Federations mainly hinges on the governance capabilities of the Executive Committee of the SHG federations. The Studies conducted by NABARD have brought out that there is a need to educate the VO Executive Membership on the basic concept of VO functioning, objectives, bye-laws, roles and responsibilities of Executive Committee Members, rating of VO, role to be played by VO in extending financial and non-financial services to SHGs, etc. The dependency level of VOs is very high on the services of project staff of IKP, which may not be desirable in the long run. Considering the large number of SHG federations being formed in the State, there is a need for taking up large-scale capacity building of the executive members of federations on an intensive basis in a professional manner.

The federations to be effective and sustainable should have a strong governance structure and adequate financial management capability.

Business Facilitator / Business Correspondent models

With the objective of ensuring greater financial inclusion and increasing the outreach of the banking sector, Reserve Bank of India has advised the banks to utilize the services of Non-Government Organizations, Self Help Groups (NGOs/ SHGs), Micro Finance Institutions (MFIs) and other Civil Societies Organisations (CSOs) as intermediaries in providing financial and banking services through the use of Business Facilitator and Correspondent models. The banks may consider using the registered Village Organisations as Business Facilitators / Correspondents. These models would help the banks in reducing the transaction costs to the banks involved in serving a large number of SHGs in the State. It would also help the federations earn income by providing the services to the banks and ensure their sustainability.

3.22 Focus on Strengthening of the Primary Structures

In the process of forming SHG federations, the focus should not be lost on strengthening of primary structures, i.e Self Help Groups and the emergence of higher structures should not be weakening the primaries. As such, the SHG federations have to lay more focus on capacity building of SHG members to enhance credit absorption and proper recycling of credit. The Federations have to identify training requirements for upgrading skills of SHGs to enable them to take up income generating activities and also make efforts to mobilize resources for conducting required training. The Federations may have to focus on livelihood / Income Generating activities and take measures for promoting collective marketing wherever required. They need to rate SHGs periodically and ensure their upgradation, which in turn helps them in upgrading their performance, as good SHGs is a performance bench mark for rating of federations.

3.23. Sustainability of the Federations

The federations are in the initial stages of achieving organizational sustainability and most of them are presently concentrating on providing non-financial services to SHGs such as formation of new SHGs, book keeping, audit, awareness creation on social aspects such as health, hygiene, education etc., and on financial intermediation mostly to on-lend CIF. Sustainability promotional investment would be

needed for placing proper systems and procedures, ensuring best governance practices, transparent book keeping etc., for achieving organizational sustainability.

The financial sustainability of the Village Organisations is important as funds may not be availability on a long-term basis to sustain the operational cost, particularly of staff contracted for implementation of IKP. In order to earn higher income to break even and become operationally viable the federations have to explore, depending on their capability, to access bank credit, to meet all the livelihood credit needs of the SHG and extended credit plus and other services to SHGs. The SHG federations can also act as business facilitators / correspondents.

3.24 Summary:

Development and alleviation of poverty are the twin major hurdles that any developing nation faces to which India is no exception. Poverty is a multifaceted concept and a universal phenomenon. Alleviation of poverty for a long time has remained a very complex and critical concern among third world countries. It has been at the top of the agenda of policy planners and development specialist and a lot has been returned on the subject right from the days of Adams Smith wealth of nations (1776) to Professor Amartya Sen's public action to remedy hunger (1991). Today, it virtually denotes the core of all developmental efforts. Through conventionally identified with subsistence level of living- linked to lack of adequate food- it is now widely accepted that the problem of poverty is more deep routed covering several interlocked aspects such as lack of assets under employment, low remuneration, lack of bargaining power, economic vulnerability, illiteracy, proneness to ill health, social disadvantage and political powerlessness. A large number of government and non government organizations and international funding agencies all over the world have been engaged in this unending war against poverty using several strategies and instruments. Among such IRDP, DWCRA, TRYSEM were some of the programs introduced by government of India. Recently the government has followed forming SHG groups and lending credit through bank linkage program. The approach and methodology followed was quite different from the above programs.

The Indian state of Andhra Pradesh, one of India's poorest, has used self-help groups (SHGs) extensively as a primary tool of poverty alleviation and empowerment. In Andhra Pradesh the government believed that through the micro credit the poor will

be pulled out poverty. National and state government initiatives as well as NGOs efforts, used SHGs with an intension of finding a solution to their common problems such as food security medical issues livelihood generation or water shed management with a degree of self-sufficiency as a result 4.8million poor women are mobilized into SHGs . The state has used social mobilization approach through the *velugu* program in over 860 mandals in 22 districts aims to reach 2.9 million of poorest of the rural poor. The state established an independent support organization to implement poverty elimination projects which will enhance livelihoods and employment generation of the poor. Federations of SHGs are fast becoming powerful voices expressing the social and economic needs of the poor.

The capacity building is an important component in scaling up of Andhra Pradesh poverty alleviation initiatives. Training includes participatory training methods, SHG formation and strengthening, book keeping and financial management and also helps members and leaders to develop linkages with banks and other institutions. The social mobilization process as an institutional mechanism to help the poor to interact with government machinery so that public resources and services are better accessed to ensure that poor were adequately identified, and thus included. The community itself prepares a list of its poor people under the *Usha* program. The participatory methodology of identifying the poor has been very effective in creating a transparent inclusive methodology for community based targeting for the program.

While no definite date has been determined for the actual conception and propagation of SHGs, the practice of small groups of rural and urban people binding together to form savings and credit organization is well established in India. In the early stages NGOs played a pivotal role in innovating the SHG model and implementing the model to develop the process fully. In 1980s, policy makers took notice and worked with development organizations and bankers to discuss the possibility of promoting these savings and credit Groups. Their efforts and simplicity of SHGs helped to spread the movement across the country. State governments established revolving loan funds which were used to fund SHG's, by the 1990s, SHGs were viewed by the state governments and NGOs to be more than just a financial intermediation but as a common interest group, working on other concerns as well. The agendas of SHG have included social and political issues as well.

In SHGs model it is proved in some states they are achieving better recovery rates, improved access to credit from formal sector, participation in not only economic activities but also social and community development programs further it is observed that the formal sector credit was very limited and hardly available for small borrowers SHGs have broken this trend and it has seen that only small borrowers are members of SHGs. But it is surprising to see that the members are ready to pay interest rate from 18 to 24 percent, they are not finding interest rate as burden because there loan is available at an easy method. As poor people have very urgent needs like ill health, death ceremonies, they need these loans very urgently. However, many of the SHG members are the change in thinking pattern of SHG women members Due to constant awareness programs organized by NGOs village organizations and government agencies. It is found from the study that majority of women are using these loans for children's education and productive purposes like small business ventures. Even though majority of the SHG women have no idea about other benefits which the government is planning to generate in future, like pension, food security, employment facilities, women are motivated to join as SHG members primarily due to "*pavala vaddi*" which are later converted as "*vaddi leyni runalu*". The SHG members who are engaged by village organization for book keeping are getting income of Rs. 30-50 is a welcoming feature.

The spread of SHGs led also to the formation of SHG federations which are more sophisticated form of organization that involve several SHGs forming into village organizations (VO) / cluster federations and then ultimately into higher level federations called Mandal Samakhya (MS) in AP. SHG federations are formal institutions while SHGs are informal. Many of these SHG federations are registered as societies, mutual benefit trusts and mutually aided cooperative societies. SHG federations resulted in several key benefits including stronger political and advocacy capabilities, sharing of knowledge and experiences, economies of scale, access to credit.

Further, the SHG federation structure is expected to provide advantages to the SHGs and banks. They reduce transaction cost of the banks due to externalization of the functions of the banks such as appraisal and monitoring. The SHG federations could also ensure bank loan. It is found that federations are acting as best information disseminating centers and also providing essential services like book keeping, auditing, training, providing micro insurance, marketing facilities and food security.

The critical indicators of SHGs such as regularity in savings, increase in the corpus fund of groups, regularity of meetings, internal lending, prompt repayment and accurate maintenance of book accounts, participation of all the members in the group activities, including dynamic leadership indicates the principles of good governance. The SHGs are laying down foundation stone for good governance among the members. Further engaging 20000 SHGs as book keepers provides not only employment, but also imparts accounting skills among the SHG members. The rating of SHGs creates a competitive spirit among the members. It is found from the study that SHGs are using their first time loans for consumption purposes, second time loans are for income generating activities. But in order to transform SHG women as entrepreneur holistic approach of skill building, entrepreneurial qualities, and knowledge about market trends are required. The members have to be provided training in business management and entrepreneurial skills. At present SHG federations are playing a significant role by ensuring recovery of bank loans. Further SHG federations are providing essential services to SHGs in book keeping, training and auditing. All these activities indicate the vision of the government for building a strong structure of SHG federations in the long run.

=====

CHAPTER - 4

SHG – BANK LINKAGE PROGRAMME IN INDIA

In 1992, NABARD launched the pilot project of SHG-BANK Linkage programme on a pilot basis. It is with this programme the formal financial institutions started looking at the informal groups of SHGs for enhancing outreach of financial services to the disadvantaged sections of the society. During this period, NABARD supported NGOs for formation, nurturing and credit linkage of SHGs. Vysya Bank, State Bank of India and Sri Ananatha Grameena Bank were the first banks, which provided linkage to 8 SHGs promoted by MYRADA in the year 1992-93 in A.P. Canara Bank and Bank of Baroda provided bank linkage to 66 SHGs promoted by Youth Charitable Organisation, Yelamanchili, and Visakapatnam in the subsequent year.

4.1 Remodeling of DWCRA Groups into SHGs

The SHG – Bank Linkage programme was made a part of mainstream credit operations of the banks with effect from 2 April 1996 by Reserve Bank of India. In November 1996, the Government of A.P took the decision to recognize the DWCRA/Podupulaxmi groups on the lines of SHGs, by adopting the guidelines issued by NABARD and also encouraged banks to finance these SHGs. NABARD worked with Government of A.P in remodeling them on the principles of Self Help Groups by introducing the concepts of SHGs. It was with the SHG-Bank Linkage programme by NABARD that the resources of the SHGs were augmented by the loan from formal financial institutions and enabled the SHG members to meet their financial needs.

The SHG-Bank Linkage Program (SHG-BLM) was developed in India to provide microfinance with the help of the vast rural network of the formal financial sector. In this program, the informal SHGs are credit-linked to the formal financial institutions. The SHG-BLM has emerged as a dominant model, in terms of number of borrowers and loans outstanding. This program is flexible, independent and creative. It also imparts freedom of saving and borrowing

according to the requirements of group members. Due to widespread rural bank branch network, the SHG-BLM is very suitable in the Indian context. Microfinance movement started in India, with the introduction of SHG-bank linkage program. The program uses SHG as an intermediary between the banks and the rural poor to help in reducing transaction costs for both the banks and the rural clients. The banks provide the resources and bank officials/NGOs/government agencies organize the poor in the form of SHGs. Under this program, three different models emerge. These are:

Model I – SHGs Formed and Financed by Banks: In this model, the SHGs are formed directly by the banks. The banks themselves act as Self-Help Group Promoting Institutions (SHPIs) in forming and nurturing groups, opening savings accounts for them, and providing the groups with bank credit after satisfying themselves about the group's resilience to absorb credit.

Model II – SHGs Formed by NGOs or Formal Agencies but Directly Financed by Banks: These SHGs are known as NGO-facilitated SHGs. It appears to be the most popular model among banks. Under this model, NGOs and formal agencies in the field of microfinance act as facilitators. They propagate the message, organize groups, train them in thrift and credit management and nurture them over a period of time. Banks in due course, gain confidence in these groups and directly provide loans to them.

Model III – SHGs Financed by Bank Using NGOs as Financial Intermediaries: In this model, the NGOs play the dual role of facilitators and financial intermediaries. They help in the formation of SHGs, nurture them and train them in thrift and credit management. Eventually, the NGOs approach banks for bulk loan assistance for on-lending to these SHGs. In an area where a large number of SHGs have been financed by bank branches, intermediate agencies like federations of SHGs are coming up as links between bank branches and member SHGs. These federations are financed by banks, which in turn, finance their member SHGs.

Out of the three models under the SHG-BLP, Model II has emerged as the most popular model. Commercial banks, cooperative banks and the RRBs have been actively participating in the SHG-BLP. The three models of credit linkage of SHGs with banks showed in the Table 4.1, as on March 31, 2006.

Grant Assistance/Revolving Fund support by NABARD to NGOs

NABARD sanctioned assistance to six voluntary agencies in A.P, viz, Sri Vidya Trust, Devipuram (Rs.10 lakh), Rayalaseema Seva Samiti, Tirupati (Rs.10 lakh), Gram Vikas Samstha, Punganur (Rs.10 lakh) and Society for National Integration through Rural Development Ongole (Rs.20 lakh) for on-lending to SHGs. Revolving fund assistance of Rs.40 lakh was also sanctioned by NABARD to Society for Helping Awakening of Rural Poor through Education (SHARE), Hyderabad for replication of Bangladesh Grameena Bank model in A.P by establishing two branches in Guntur and Kurnool district. Nav Jyothi Youth Club, Medak District, Bhagavatcharylu Charitable Trust, MYRADA, Kadiri Cooperative Assistance for Relief Everywhere (CARE), A.P Service Society, Vijayawada, Gram Vikas Samstha, Chittoor, Basava Ligeswara Karuava Sangam, Mahabubnagar, Priyadarshini Chetna Mahila Sangam, Mahabubnagar were some of the NGOs in the state which participated in the programme by forming SHGs. However, over a period of time, majority of the groups promoted by NGOs have been brought under the fold of SERP, limiting the role of NGOs.

Table 4.1 shows the number of SHGs linked to banks and the amount of loans disbursed under the three models. It shows that microfinance program in India is dominated by Model II. It is observed that up to March 2006, 20.1% of the total credit linked SHGs were formed under Model I, and these groups were provided 14.4% of the total bank loans disbursed under the program. Approximately, 74% of the total SHGs were formed under Model II. These groups were provided 80.7% of the total loans. The share of Model III is relatively small. Approximately, 6% of the total SHGs financed with 4.9% of the total loans fall under this category. Model-wise analysis showed that up to March 2006, the direct funding by banks of the SHGs (Model I), without any intervention of the NGOs was found to be relatively less (20.08%) in the total number of financed SHGs in the country. However, it is interesting to note that under this model of financing SHGs, banks of the southern states have occupied an edge over the other states. The data revealed that the lowest number of SHGs was recorded in northern (2.62%) region, followed by north-eastern and western regions. Model II continues to occupy the major share, with 73.53% of the total number of SHGs financed up to March 2006

falling in this category. This phenomenon was found to be highest in southern (59.03%) region, followed by eastern (13.89%) and central (12.75%) regions.

It is to be noted that the north-eastern region occupied the last position. It is also observed that under this model of financing SHGs, Andhra Pradesh occupied the first place. The share of cumulative number of SHGs linked under Model III up to March 2006 continued to be relatively small (6.39%). However, in this model the highest number of SHGs financed was in the southern region compared to other regions of India. The analysis of bank assistance pattern under different models indicates that the majority of the SHGs are financed either by the NGOs acting as a facilitator or intermediary in the total picture of SHGs in the country. It is observed that these models are highest in number in southern region. This pattern is very much popular in Andhra Pradesh which has as the highest number of SHGs in the country.

Table 4.1: Modelwise Bank Linkage of SHGs in India (up to March 2006)

Model Type	2004		2005		2006	
	Number of SHGs ('000)	Bank Loans (in Rs. cr)	Number of SHGs ('000)	Bank Loans (in Rs. cr)	Number of SHGs ('000)	Bank Loans (in Rs. cr)
Model I	218 (20.0)	550 (14.0)	343 (21.2)	1,013 (14.7)	449 (20.1)	1,637 (14.4)
Model II	777 (72.0)	3,165 (81.0)	1,158 (71.6)	5,529 (80.1)	1,646 (73.5)	9,200 (80.7)
Model III	84 (8.0)	189 (5.0)	117 (7.2)	356 (5.2)	143 (6.4)	561 (4.9)
Total	1,079 (100)	3,904 (100)	1,618 (100)	6,898 (100)	2,238 (100)	11,398 (100)

Note: The figures given in parentheses indicate percentages

Source: SHG-Bank Linkage, Status of Microfinance, NABARD (Various Years).

4.2 Performance of Self-Help Group-Bank Linkage Program in India

Microfinance has gained significance and momentum during the last decade. India now occupies a significant place and a niche in global microfinance through promotion of the SHGs and home-grown SHG-BPL. The Indian model offers promise and potential to address poverty as it is focused on building social capital by providing access to financial services. The SHG-BPL is the indigenous model of microcredit that was evolved in India and has been widely acclaimed as a successful model. The SHG-BPL is considered to be a promising approach to reach the poor since its inception. It made rapid strides exhibiting considerable democratic functioning and group dynamism. The SHG-BPL was introduced in 1992 with a pilot project of linking 500 SHGs with banks. The SHG-BPL has emerged as the dominant model in terms of number of borrowers and loans

outstanding. In terms of coverage, this model is considered to be the largest microfinance program in the world. This program envisages organization of the rural poor into SHGs, to build their capacities to manage their own finances and then to negotiate bank credit on commercial terms. The poor were encouraged to voluntarily come together to save small amounts regularly and extend micro loans among themselves. For this study, secondary data has been collected from various sources. However, this analysis is entirely based on the secondary data collected from NABARD. Details relating to cumulative progress of SHG-bank linkage, highlights of the regional spread of physical and financial progress, agency-wise participation, and model-wise cumulative position up to March 31, 2008 have been presented by using tabular analysis.

The SHG-BPL is by far the dominant model of microfinance in India, in terms of both number of borrowers and loans outstanding (Ghate, 2007). Though the promotion of SHGs by external intervention in India is of recent origin, there appears to be a fairly good progress in this regard. It is mainly the NGOs that have taken keen interest and initiative across the country in promoting SHGs. It is evident from Table 4.2 that by the end of March 2007 about 2,924,973 SHGs (cumulative) spread all over India was linked to banks. Their growth was phenomenal during 1997-2007 and 90% of these groups were women-based, which revealed the large-scale participation of women in microcredit. There is an increasing trend even in the number of participating banks. Over the years, the SHG-BLP has emerged as the major microfinance program in the country. In all, 598 banks (50 commercial banks, 196 RRBs, and 352 cooperative banks) are now actively involved in this program. Almost all the states and union territories have been covered under this program by the end of March 2007.

Table 4.2: SHGs-Bank Linkage Highlights in India during March 1997 to March 2007

Sl No.	Items	March 1997	March 1998	March 1999	March 2000	March 2001	March 2002	March 2003	March 2004	March 2005	March 2006	March 2007
1.	No. of SHGs provided with bank loan (Cumulative)	8,598	14,317	32,995	114,775	263,825	461,478	717,360	1,079,091	1,618,476	2,238,565	2,924,973
2.	Percentage of women groups	76	78	84	85	90	90	90	90	90	90	90
3.	No. of Participating Banks	120	150	202	266	314	444	505	560	NA	584	598
	a. Commercial Banks	29	31	38	40	43	44	48	48	NA	48	50
	b. Regional Rural Banks	79	102	129	165	177	191	192	196	NA	196	196
	c. Cooperative Banks	12	17	35	61	94	209	265	316	NA	340	352
4.	No. of States/Union Territories	20	21	24	24	27	30	30	31	31	31	31
5.	No. of Districts covered	-	221	280	362	412	488	502	563	NA	583	587
6.	No. of NGOs	220	291	550	718	1030	2155	2800	3024	NA	4896	4896
7.	Bank Loan (Cumulative) (in Rs mn)	118.36	237.6	570.7	1,929.82	4809	10,263	20,487	3,9042	68,980	1,13,970	180,407
8.	Refinance (Cumulative) (in Rs. mn)	106.5	213.8	520.6	1,501.26	4007	7,965	14,188	21,247	NA	41.60 bn	54.59 bn
9.	No. of families assisted (in Rs. mn)	146,00	243,000	560,000	1,900,000	4.5	7.8	11.6	16.7	NA	32.98	40.95
10.	Average Loan/SHG (Rs.)	13,766	16,596	17,297	16,814	18,227	22,240	28,559	36,179	NA	50917	44345
11.	Average Loan/Family (Rs.)	810	978	1,019	1,016	1,072	1,316	1,766	2,412	NA	NA	3167
12.	Model-wise Linkage (Cumulative)											
	a. SHGs formed and financed by banks.	13	18	17	14	13	16	20	20	21	20	17
	b. SHGs formed by formal agencies and NGOs but directly financed by banks	45	46	56	70	76	75	72	72	72	74	75
	c. SHGs financed by banks through NGOs	42	36	27	16	11	9	8	8	7	6	8

Source: SHG-Bank Linkage Progress Handbook, NABARD (Various Years).

Table 4.2 indicates that the number of SHGs has been increasing cumulatively and the figure reached 29.24 lakh by the end of the March 2007. As on March 31, 2007, a total of 29.24 lakh SHGs credit-linked by banks covered an estimated 40.95 million poor families, with an average loan disbursement of Rs.3,167 per family. The average loan per group as well as per family, increased during the same period. Many believe that such loan amounts are grossly inadequate for pursuing any meaningful livelihood activity. Per capita loans in mature SHGs are increasing very gradually (Table 4.2).

Initially, there was a slow progress in the program up to 1999 as only 32,995 groups were credit linked in 1999. Since then the program has been growing rapidly. The SHG-BLP has made considerable progress since its inception in the early 1990s, both in terms of the number of SHGs credit linked to banks and also the bank loans disbursed by the SHGs. To start with, Table 4.3 shows that 255 SHGs were provided a financial assistance of Rs.2.9 mn by the banks in the 1992-93. In 1999-2000 the number increased to 114775 with bank loans of Rs.1,929.8 million. This cumulative number of credit linked SHGs has increased to about 34.78 lakh and the amount of bank loan given to these group increased to Rs.2,22,680 million up to March 2008. It is noted that the number of SHGs increased gradually over the period 1992-2000. As a corollary, the number of financial assistance provided by the banks to these groups also surged significantly. The growth in number of SHGs decelerated in the recent years, particularly in the southern region, where rapid progress was made earlier. The scheme is catching up slowly in the northern region. Microfinance through SHGs has reached such a position in India that it is acknowledged as the biggest microfinance program in the world. The data reveals that although the cumulative number of SHGs provided with bank loans increased, the rate of growth is relatively slow as compared to the initial years. The table also shows that the rate of growth of SHGs and bank loans disbursed to them was negative in 2007-08. One of the reasons may be that the program has rapidly expanded in the southern states of India and has now reached a saturation point.

Table 4.3: Number of SHGs linked to Banks in India (1992-93 to 2007-08)

	No. of SHGs Financed by Banks			Bank Loan			Refinance		
	During the year	Growth %	Cumulative growth (%)	During the year	Growth %	Cumulative Growth (%)	During the year	Growth %	Cumulative growth (%)
1992-93	255	-	-	0.29	-	-	0.27	-	-
1993-94	365	0.431	3.546	0.36	0.241	4.214	0.19	-0.296	7.493
1994-95	1502	3.115	4.301	1.79	3.972	5.236	1.67	7.789	8.607
1995-96	2635	0.754	4.758	3.62	1.022	5.833	3.53	1.114	9.021
1996-97	3841	0.458	5.247	5.78	0.597	6.895	4.99	0.414	10.173
1997-98	5719	0.489	7.513	11.92	1.062	8.689	10.74	1.152	12.029
1998-99	18678	2.266	10.892	33.31	1.794	11.770	30.67	1.856	14.226
1999-00	81780	3.378	11.714	135.91	3.080	12.888	98.07	2.198	15.723
2000-01	149050	0.823	12.040	287.89	1.118	13.782	244.85	1.497	16.337
2001-02	197653	0.326	12.335	545.47	0.895	14.657	395.26	0.614	16.912
2002-03	255882	0.295	12.749	1022.33	0.874	15.472	622.47	0.575	17.045
2003-04	361731	0.414	13.240	1855.53	0.815	16.085	705.44	0.133	17.417
2004-05	539365	0.491	13.389	2994.26	0.614	16.588	967.76	0.372	17.520
2005-06	620109	0.150	13.496	4499	0.503	30.355	1067.72	0.103	17.731
2006-07	686408	0.107	13.302	66437	13.767	29.991	1292.86	0.211	17.981
2007-08	552992	-0.194	13.302	42273	-0.364	29.991	1615.5	0.250	17.981

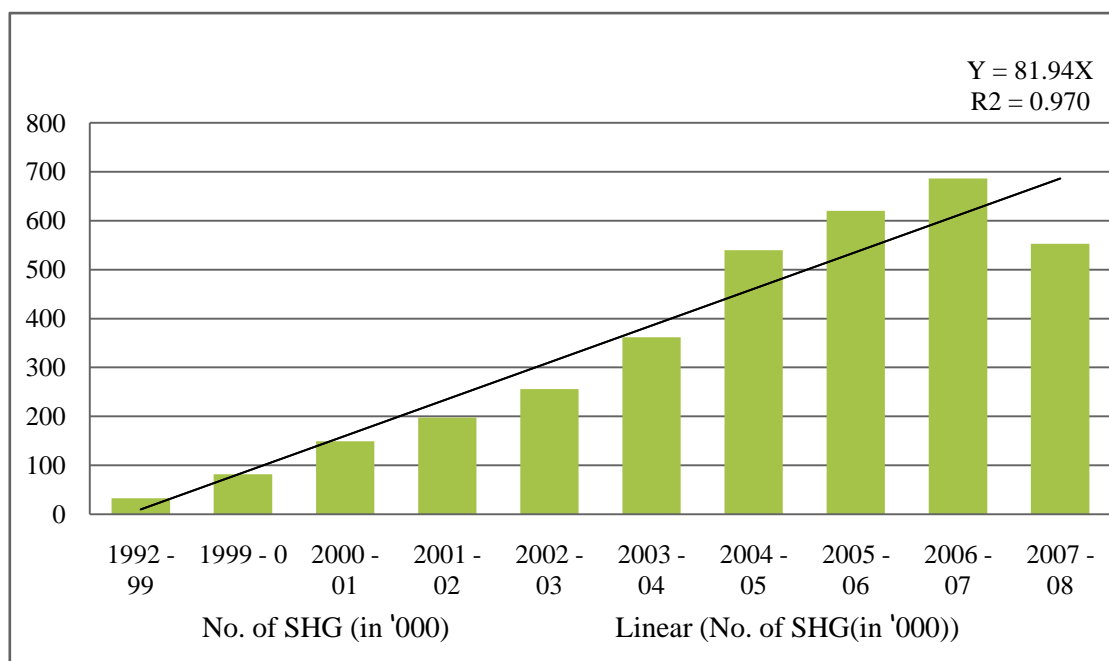
Source: Annual Reports, NABARD.

Figure 4.1 shows the progress of SHG-BLP in India from 1999 to 2008. A least square trend line is used to graphically represent the trend of total number of SHGs under this model. The linear trend line indicates that there has been a steady increase in the number of credit linked SHGs over the period of 10 years.

Government involvement in SHG based micro finance is a welcome development. But it is not free from shortcomings. To achieve the desired goals, the financial system should be truly inclusive. Diverse channels are needed to get the financial services in to the hands of a wide range of people who are currently excluded. It should meet the needs of the poorest of the poor, who are currently excluded. Indeed financial services for the poor cannot solve all the problems caused by poverty. But it can help to poor to attain power. It is the poor who has to decide the channels of various activities to come out of poverty. In this context we can appreciate the SHG-Bank linkage programme, as it is providing an opportunity to the poor to get a financial

help at a lowest cost, sometimes without any cost. The poor has to utilize this opportunity and should try to come out of poverty.

Figure 4.1: Progress of SHG-Bank Linkage Program in India



The cumulative number of SHGs in various states of India provided with bank loans under the microfinance program up to March 2007 is given in Table 4.4. It is evident from the table that many state governments, banks and others agencies have accorded high-priority to the program in their areas of operation, thereby increasing the absolute number of SHGs receiving bank credit. The cumulative number of SHGs increased from 2,238,565 in March 2006 to 2,924,973 in March 2007, and the cumulative bank loans disbursed also increased from Rs. 113,975.43 mn to Rs. 180,407.42 mn during the same period. Region-wise comparison of the performance of the cumulative number of SHGs reveals that the southern region stood first, followed by eastern and central regions. The lowest number of SHGs was found in northeastern region, followed by northern and western regions during the same period. The cumulative bank loan disbursed is recorded to be highest in southern region, followed by eastern and central regions. Whereas the lowest cumulative bank loans disbursed was found in northeastern region, followed by northern and western regions during the same period. It can be clearly inferred from the data that in the southern region (that recorded highest numbers of SHGs and highest disbursed bank loan), Andhra Pradesh ranked first, followed by Tamil Nadu and Karnataka.

Table 4.4: State-Wise Physical and Financial Progress of SHG-Bank Linkage in India (in Rs. mn)

Region/States	Cumulative No. of SHGs Provided with Bank Loans up to March 31 2006	No. of SHGs Provided with Bank Loans During 2006 -07	No of Existing SHGs Provided with Repeated Bank Loans During 2006-07	Cumulative No SHGs Provided with Bank Loans up to March 31, 2007 (3+4)	Cumulative Bank Loans Disbursed up to 31 March 2006	Bank Loans Disbursed During 2006-07	Of Col.7, Repeated Bank Bank Loan to Existing SHGs	Cumulative Bank Loans Disbursed up to March 31, 2007
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Himachal Pradesh	22,920	4,879	2,282	27,799	863.98	388.27	153.60	1252.25
Rajasthan	96,171	39,666	3,692	137,837	2,447.9	1,447.4	191.53	3895.34
Haryana	4,867	1,966	1,821	6,833	316.01	183.31	69.86	499.32
Punjab	4,561	1,893	517	6,454	238.96	117.74	29.24	356.60
Jammu Kashmir	2,354	406	199	2,759	100.48	44.25	15.83	144.73
New Delhi	224	112	0	336	18.58	8.66	0	27.23
Northern Region	133,097	48,921	8,511	182,018	3,985.85	2,189.62	460.06	6175.47
Assam	56,449	25,005	160	8,1454	1,423.98	794.40	2.91	2,218.38
Meghalaya	735	476	0	1,211	16.19	17.40	0.00	33.59
Tripura	1,996	910	57	2,906	31.12	18.40	1.48	49.52
Sikkim	127	33	0	160	1.86	1.12	0.00	2.98
Manipur	1,468	1,215	0	2683	71.86	40.80	0.00	112.65
Arunachal Pradesh	346	101	0	447	13.49	5.72	0.00	19.21
Nagaland	422	576	10	998	34.38	33.50	2.97	67.88
Mizoram	974	921	0	1,896	64.14	70.56	0.00	134.70
North-Eastern Region	62,517	29,237	227	91,754	1,657.01	981.89	7.36	2,638.90
Orissa	190,896	53,555	28,806	234,451	4,754.65	3,274.27	1,409.33	8,028.92
Bihar	46,221	26,118	1,306	72,339	1,052.19	960.28	211.15	2,012.47
Jharkhand	30,819	6,498	1,153	37,317	1,114.60	391.96	84.21	1,506.56
West Bengal	136,251	45,312	22,014	181,563	2,424.52	2060.64	888.40	4,485.16
A&N Islands	164	47	30	211	8.23	4.58	3.40	12.81
Eastern Region	394,351	131,530	53,309	525,881	9,354.19	6691.72	2,596.50	16,045.91
Madhya Pradesh	57,125	13,787	1,726	70,912	1,666.86	499.23	66.12	2,166.09
Chhattisgarh	31,291	10,412	1,330	41,703	337.81	218.44	27.51	556.25
Uttar Pradesh	161,911	36,676	2,873	198,587	5,153.54	1,778.48	192.43	6,932.02
Uttaranchal	17,588	3,939	1,288	21,527	891.96	382.69	226.64	1,274.55
Central Region	267,915	64,814	7,217	332,729	8,060.07	2,878.84	510.69	10,928.91
Gujarat	34,169	9,412	64	43,572	1,244.51	885.46	4.69	2,129.97
Maharashtra	131,470	94,386	19,382	225,856	3,951.67	2,983.86	841.01	6,936.53
Goa	624	395	142	1,019	55.21	28.28	9.03	83.49
Western region	166,254	104,193	19,588	270,447	5,251.39	3,897.60	854.72	9,148.99
Andhra Pradesh	587,238	963,381	262,895	683,619	43,455.18	27,754.55	23,636.74	71,209.73
Karnataka	224,928	92,708	56,717	317,636	9,927.53	8,163.89	3,239.26	18,091.42
Kerala	86,988	30,925	13,559	117,913	4,821.48	2,889.40	1,067.68	7,710.88
Tamil Nadu	312,778	87,699	36,387	400,477	27,121.87	10,984.48	3,721.55	38,106.35
Pondicherry	2,499	0	0	2,499	350.86	0	0	350.86
Southern Region	1,214,431	307,713	368,558	1,522,144	85,676.92	49,792.32	31,565.24	135,469.24
Grand Total	2,238,565	686,408	457,410	2,924,973	113,975.43	66,431.99	35,994.56	180,407.42

Source: SHG-Bank Linkage Progress Handbook, NABARD.

4.3 Self-Help Group - Bank Linkage Program across Regions

The program has spread over all regions in the country. However, there are considerable differences in terms of its spread among the regions, states and union territories. There exists no uniformity with regard to its progress across the regions. It has had good success in southern regions, while in the northeast and northern regions its progress has been very slow. It is also very low in case of the western region. The growth of the program has been overwhelming in the south. The southern region continues to lead in terms of its share in client outreach as well as loans disbursement and outstanding. Table 4.5 shows that 48.2% of cumulative spread of the program is concentrated in the southern region, followed by eastern region (19.3%), central region (11.7%), western region (10.8%), northern region (6.6%) and northeastern region (3.4%) as on March 31, 2006. It is observed that the share of the southern region was 68.58% in 1999-2000 and in March 2008 also it continued to have a large share of 48.2%. The progress was impressive in the southern region because the movement was facilitated in the state, through region-specific strategies developed by NABARD in consultation with banks, NGOs and the state governments. The table clearly shows that the SHGs are mainly concentrated in southern region. The main reason for this is the prevalence of voluntary organizations in the spread of the linkage program. The largest MFIs of India, such as SHARE, Spandana, CDF, MYRADA, SKS and PREM are also concentrated in southern region. The spread of microfinance program is almost negligible in the northeastern states.

The table also shows that the microfinance program is gradually developing in all the regions. The share of southern states in the number of groups linked to the banks is declining, while the share of other regions is improving. It shows that over the period 2001-2008 there has been a positive growth of SHG-BLP in all the regions, except the southern part. The share of southern states in the total credit linked SHGs was 48.2% in 2008 as compared to 71.2% in 2001. In the year 2008, the share of northern, northeastern, eastern, central and western regions in the total credit linked SHGs was 6.6%, 3.4%, 19.3%, 11.7% and 10.8% respectively. The top five states in terms of loans outstanding accounted for 74% of total loans in the country. Andhra Pradesh with 36% and Tamil Nadu with 14% share of total loans left little for other states. In terms of average loans outstanding, Karnataka

occupied the top position with Rs. 110,300 per group which was 88% more than the national average of Rs. 58,370 per group.

It is worth mentioning that the slow progress of the SHG-bank linkage movement in the northeastern and central regions of the country was one of the major concerns. It was also argued in some quarters that the SHG strategy was not suitable for the social configurations that prevailed in the north-east. But, as a result of the special efforts of NABARD, regions/states suffering from imbalances and low performance were targeted, and eventually such regions picked up considerably and made substantial progress.

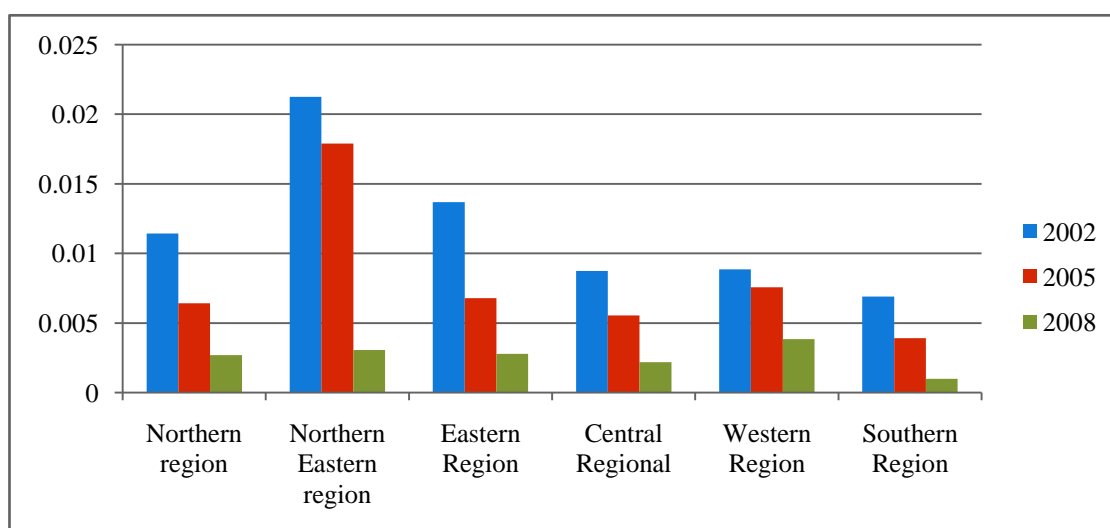
Table 4.5: Region-Wise Physical Progress of SHG-Bank Linkage Program in India

Region	1999-00	2000-01	2001-02	2002-03	2003- 04	2004- 05	2005- 06	2006- 07	2007- 08
Northern Region	3222	9012	19321	34323	52396	86018	133097	182018	230740
% of Growth	-	1.797	1.144	0.776	0.527	0.642	0.547	0.368	0.268
North Eastern Region	196	477	1490	4069	12278	34238	62517	91754	119857
% of Growth	-	1.434	2.124	1.731	2.017	1.789	0.826	0.468	0.306
Eastern Region	9398	22252	45892	90893	158237	265628	394351	525881	672289
% of Growth	-	1.368	1.062	0.981	0.741	0.679	0.485	0.334	0.278
Central Region	15256	28581	48181	81583	127009	197365	267915	332729	405707
% of Growth	-	0.873	0.686	0.693	0.557	0.554	0.357	0.242	0.219
Western Region	7983	15543	29318	42180	54815	96266	166254	270447	374561
% of Growth	-	0.947	0.886	0.439	0.300	0.756	0.727	0.627	0.385
Southern Region	78720	187690	317276	463712	674356	938941	1214431	1522144	1674811
% of Growth	-	1.384	0.690	0.462	0.454	0.392	0.293	0.253	0.100
All India	114775	263555	461478	717360	1079091	1618456	2238565	2924973	3477965
% of Growth	-	1.296	0.751	0.554	0.504	0.500	0.383	0.307	0.189

Source: Annual Reports, NABARD.

Figure 4.2 exhibits the percentage of credit linked SHGs in different regions over three years, i.e., 2002, 2005 and 2008. The figure highlights that the percentage share of SHGs in all the regions has increased, except the southern region where it has decreased.

Fig 4.2: Region-wise spread of SHG-Bank Linkage Program



Self- Help Group- Bank Linkage Program in Andhra Pradesh

Developing countries have a large number of population living below the poverty line. Poverty alleviation is one of the primary objectives of planning in their national economies. Therefore, it becomes imperative to formulate situation-specific poverty alleviation policies and programs for generation of at least a minimum level of income for the rural poor, who form a substantial percentage of the national population in developing societies. India's anti-poverty strategy contains a wide range of poverty alleviation and employment generation programs, many of which have been in operation for several years and have been reinforced to generate more employment, create productive assets, and raise the income level of the poor. Under these schemes, both wage employment and self-employment are provided to the people below the poverty line. In 1998-99, the government proposed to unify the various poverty alleviation and employment generation programs. In India, the central and state governments initiated several programs to eradicate poverty and in such circumstance provision of microfinance is an important task. This development activity has fully involved SHGs. Microfinance system can supplement the role of banks and financial institutions to help alleviate the problems of poverty and unemployment in the country. In this process the central and state governments have introduced several women-specific schemes for empowering women, in general and rural women, in particular. These programs are unique in nature and have succeeded in some measures. It is worth mentioning that microfinance through SHGs had a significant impact in Andhra Pradesh, particularly in improvement of economic

conditions of women, their literacy, organizational development of grassroots level, etc. The Government of Andhra Pradesh stated that it has taken up women empowerment as one of the main agenda items to tackle rural poverty and socioeconomic issues.

The SHG-bank linkage is a great success story in Andhra Pradesh. The SHG model has emerged as a key player in eradication of poverty in the state. It is envisaged to bring every women belonging to poorer sections of society into the arena of SHGs. Self- help movement through savings has been taken up on a massive scale by rural poor women. The success of the SHGs in Andhra Pradesh has been a national model with, 9.75 lakh groups covering 109.79 lakh rural poor women. Andhra Pradesh alone has about half of the SHGs registered in the country. The SHGs are also popularly called (Development of Women and Children in Rural Areas) DWCRA groups, and this name became popular after the DWCRA program through which women groups were assisted initially. Women run SHGs under various names, such as mothers' committees, DWCRA groups, and thrift groups. The development agenda of the state in the last few years, placing the people, especially women, in the forefront has facilitated the formation of a large number of SHGs throughout the state, and a majority of women are saving one rupee a day. The state government is consciously making efforts to assist SHGs by providing revolving fund/matching grant under various programs.

Details of the outreach of SHG-BLP in Andhra Pradesh are given in Table 4.6. While the SHG-BLP was slow to take off, in recent years it has expanded exponentially. The table shows coverage of 483,601 groups in Andhra Pradesh. The SHGs are not only resorting to thrift but are also taking small loans out of the corpus. Members use the loan out of group corpus initially for their personal needs. However, in the long run such loans are utilized for income-generating activities. Since their inception, a large amount has been mobilized of the corpus by these groups. These SHGs had availed of Rs.6,684.07 cr in 2008-09 as bank loan. The average loan per SHG was Rs.1,37,498 and the average groups per branch was 118. The Micro Credit Summit held in Washington in 1997 resolved to reach 100 million poor women by 2005 all over the world. In Andhra Pradesh alone, 5.6 million (56 lakh) women were covered under microcredit with a saving of a rupee per day and the financial institutions extending loans up to 4 times to the amount of group savings. From the

period 1997 to January 2003, banks extended loans to the tune of Rs.900 cr to SHGs and the recovery of loans was more than 95%. Recently, commercial banks have reduced the interest rate on the loans extended to SHGs from 12% to 9.5%. State-owned institutions like NABARD have also been acting as microfinance wholesalers to provide credit to the SHGs.

Table 4.6: Distribution of Self Help Group-Bank Linkage in Andhra Pradesh

Parameters	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
Coverage of Groups (No.)	88,575	165,429	231,336	261,254	288,711	366,489	431,515	483,601
Amount of Loan (Rs. cr)	197.70	454.10	752.90	1017.70	2001.40	3063.87	5882.79	6684.07
No. of Branches	3,263	3,701	3,853	3,853	3,853	3,950	4,000	4,150
Finance Per Group (Rs)	22,322	27,450	32,549	38,954	69,322	83,601	136,329	137,498
Groups Per Branch	27	45	60	68	75	93	108	118

Source: SERP-Rural Development Department.

An attempt has been made to look into district-wise cumulative physical and financial progress in relation to the SHG-BLP in the districts for study in the state of Andhra Pradesh. This will give an overview of the performance position with respect to the SHG-BLP over the years. Table 4.7 clearly brings out that the performance of Andhra Pradesh in terms of SHG formation as well as bank loan distribution is most significant among the southern region. Thus, an intensive analysis is needed of the performance of SHGs in Andhra Pradesh. Geographically, Andhra Pradesh is divided into three regions, namely, Coastal Andhra consisting of nine districts, four in Rayalaseema and ten in Telangana. At the first instance, all the three regions of Andhra Pradesh were considered for this study. The highest number of SHGs was found in Andhra region followed by Rayalaseema and Telangana regions. The eligible bank loans were recorded as high in Andhra region followed by Rayalaseema and Telangana region. It could be clearly seen from the data that even in Andhra Pradesh (which recorded the highest number of SHGs and disbursed bank loans) East Godavari district ranked first, followed by Chittoor and West Godavari districts.

Table 4.7: District-Wise and Linkage-Wise Distribution of Self-Help Group-Bank Linkage Program in Andhra Pradesh

Name of the District	Total No. of SHGs	Eligible No. of SHGs	Eligible Loan Amount (Rs. cr)	Linkage-Wise Details					
				1st Linkage		2nd Linkage		3rd Linkage & Above	
				No. of SHGs	Loan Amount (Rs. cr)	No. of SHGs	Loan Amount (Rs. cr)	No. of SHGs	Loan Amount (Rs. cr)
Adilabad	27360	24952	682.3	11494	172.44	5605	112.76	7870	397.1
Anantapur	48336	44107	1,147.55	20129	301.97	11865	237.88	12125	607.7
Chittoor	53040	46611	1,426.35	18536	278.13	8656	173.72	19442	974.5
East Godavari	65622	58588	1,822.08	21520	322.8	11837	236.78	25235	1,262.50
Guntur	48161	43672	1,264.18	18062	271.41	9942	199.82	15746	792.95
Kadapa	25	22794	594.16	9188	137.93	7600	152.98	6035	303.25
Karimnagar	44655	40857	1,207.22	15727	237.24	10374	213.38	14803	756.6
Khammam	38122	34381	1,183.59	9266	138.99	7213	144.8	17939	899.8
Krishna	43034	36803	1,112.10	12468	187.05	9912	198.5	14480	726.55
Kurnool	36281	32368	828.36	18514	277.83	4848	97.58	9015	452.95
Mahabubnagar	38498	34613	971.02	14042	210.63	9032	180.94	11566	579.45
Medak	32192	27814	843.37	11342	170.27	5086	101.9	11401	571.2
Nalgonda	39656	36628	1,011.96	15584	233.76	9242	185.3	11823	592.9
Nellore	25425	23352	524.64	13385	200.78	5835	116.76	4141	207.1
Nizamabad	32158	29160	789.43	10843	162.69	9685	193.84	8647	432.9
Prakasam	37990	34602	953.46	16117	242	7248	145.46	11275	566
Ranga Reddy	24825	22312	598.42	11359	170.6	4057	81.42	6910	346.4
Srikakulam	31406	26637	880.06	9571	143.64	4136	83.12	12967	653.3
Visakhapatnam	29446	26731	791.17	10832	162.5	5805	117.22	10123	511.45
Vijayanagaram	21967	19436	592.27	7395	110.93	4072	81.54	7979	399.8
Warangal	29236	26070	767.23	10736	161.06	5410	108.52	9929	497.65
West Godavari	50527	44966	1,424.38	11610	174.27	14071	282.16	19312	967.95
Total	823,891	737,454	21,415.26	297,720	4,468.88	171,531	3,446.38	268,763	13,50000

Source: Commissioner of Rural Development, Government of Andhra Pradesh.

Table 4.7 reveals that the number of SHGs and eligible bank loans disbursed is concentrated in the Coastal Andhra region with East Godavari district ranking first, followed by Rayalaseema region with Chittoor district and Telangana region with Karimnagar district.

4.4 Role of Various Stakeholders

The phenomenal growth in SHG movement is due to the proactive role played by the State Government, NGOs, banks and the policy support given and capacity building inputs provided to various stakeholders by NABARD.

a) Role of State Government

Unlike most other parts of the country where NGO should have played a major role in organizing SHGs, in A.P the state machinery got actively involved in the promotion of SHGs and their linkages with the banks. The belief of the State Government that SHGs are the entry point for eradication of poverty has provided a big push to the SHG movement in the State. There is a strong commitment to the programme from the state government. The political willingness and financial resources made available by the state and implementation of Indira Kranti Patham Programme have provided a major fillip in the state.

Some of the other initiatives taken by Government of A.P are :

Revolving Fund assistance: for ensuring financial viability of the SHGs, the state government has been providing provides Rs.25,000 per group as Revolving Fund Assistance to the SHGs consisting of Rs.10000 as subsidy and Rs.15,000 as loan. SHGs which have completed six months of thrift and proper group dynamism are eligible to get revolving fund assistance.

Waiver of stamp duty: Government of A.P has waived stamp duty in full on all loan documents to be executed by Self Help Groups under the SHG-Bank linkage programme in favour of banks and other financial institutions for obtaining loans.

Pavala Vaddi Scheme: Government of A.P has introduced an interest subsidy scheme from 1 July 2004 for prompt repayment of bank loans by the members of SHGs directly from banks. The salient features of the scheme are:

1. The scheme shall be applicable to all loans extended to Self Help Groups by banks on or after 01.07.2004.
2. The groups should repay the loans as per the schedule with the banks.
3. Interest incentive in respect of active loans shall be released to the groups in six months i.e. twice in a year based on the performance of the loan account obtaining as on September, 30th and March, 31st. the SHGs which have completed six months of regular repayment of bank loan shall become eligible for interest incentive.
4. The SHGs which have got bank loan in the month of July or January and which have repaid the loan for at least one month prior to the cut-off date, i.e.

September 30th and March 31st shall also be eligible for getting the interest incentive benefit.

5. The loan accounts that are classified as overdue in the books of the bank at the time of half-yearly closing and that which are classified as Non-performing Assets at year-end closing are ineligible.
6. However, if they resume on-time repayments and regularize the arrears, they are eligible for the incentive in the next half-yearly period.
7. Government will reimburse the interest burden of the groups over and above 3% per annum charged by the banks. The subsidy amount will be directly credited to the savings bank account of the eligible groups. The interest incentive scheme was extended to loans provided by banks to Village Organizations, which are federations of Women Self Help Groups in May 2005 (G.O No.152 dated 02.05.2005). the scheme was further extended to the SHG members who have fully repaid (100% repayment) the CIL loans to the Mandal Samakhya as per the repayment schedule.

During the year 2008-09, interest subsidy of Rs.195.30 crores was given to 7,14,930 groups. Cumulatively, an amount of Rs.410.30 crores has been given to 30,35,278 SHGs (including repeat finance as Pavala Vaddi incentive from inception of the Scheme.

Community Based Recovery Mechanism: under this mechanism, a committee consisting of 2 members from each of the Village Organizations under the service area of Bank-branch help the bank-branch in monitoring the recovery performance of the SHGs in the Service Area, Identification of defaulter SHGs in the Service Area, preparing Plan of Action to be adopted in ensuring the recovery from the defaulted groups.

Abhaya Hastam Scheme: The Government of A.P vide G.O No. 36 dated 06.02.2009 introduced the 'Abhaya Hastam' (IKP pension and insurance scheme), a co-contributory pension scheme for the SHG women, in rural and urban areas to give them a monthly pension. The objective of the scheme is to provide income and social security to all women SHG members to enable them to lead a secure life with dignity. The salient features of the scheme are as follows.

1. All women members of SHGs, in urban and rural areas, promoted by IKP, above 18 years of age are eligible.
2. The women have to opt for the scheme and shall apply to their SHG, and the SHG should through a resolution recommend the case of the member and certify the age of the member.
3. A member can make a minimum contribution of Rs.30/- per month or in multiple of Rs.30/- and the State Government will contribute Rs.30/- only per month per member, even if the member's contribution is higher than Rs.30/-.
4. The contribution of the member and the co-contribution of the Government are periodically transferred to Life Insurance Corporation of India, for investing diligently for securing better returns on the investment.
5. The corpus thus generated till the age of 60 years, will be used for giving monthly pension amount to each women, on crossing 60 years of age. The monthly pension would be credited to the bank account of the member. In the first year of the scheme, monthly pension is payable to all the women enrolled who have crossed 60 years of age.
6. Each member would become eligible for a minimum monthly pension of Rs.500/- or above after attaining the retirement age, depending on the number of years of contribution and quantum of contribution made by the member.
7. Of the members enrolled into the scheme, those who are below 59 years of age will automatically secure coverage under the Janasree Bhima Yojana, LIC, without having to pay any premium separately. In the event of the natural death of the members, the nominee is entitled to Rs.30,000/- or Rs.75,000/- in case of accidental deaths. In case of permanent disability or partial disability, the member is entitled to receive Rs.75,000/- or Rs.37,500/- respectively. The children of the member studying 9th or 10th or 11th or 12th class shall receive scholarship amount of Rs.1200/- payable in two half yearly instalments.
8. In addition to the above, in case of death of the member of any age, the nominee is entitled to receive the corpus remaining in the account of the member, contributed by the member, the government and the interest earned on the contributions.

9. SERP is the Nodal implementation agency for the scheme and LIC is the Fund Manager. The Government of A.P has since brought out a Legislation, A.P SHG Women Co-contributory Pension Act 2009 (Act 2 of 2009). The bill was passed by the Andhra Pradesh State Legislature and Andhra Pradesh State Legislative Council on 10th and 11th February respectively and received the assent of the Governor on 02 March 2009.

Special schemes for SHGs: Government of A.P is implementing the ‘Deepam’ scheme for providing LPG connections to SHG women and ‘Gruhini’ scheme for financing housing requirements of rural Self Help Group Women.

b) Role of Banks

The banks in A.P have played a proactive role in financing SHGs. Starting from financing of 35 SHGs with bank loan of Rs.0.09 crore in 1992-93, the banks have moved a long way in financing SHGs and during the year 2008-09, bank loan to the tune of Rs.6781.58 crore was extended to 5.28 lakh SHGs. Some of the Regional Rural Banks have acted as Self Help Promoting Institutions in the initial phase of SHG-Bank Linkage Programme. The bank loan provided by the banks in A.P is given in table.

Table: 4.8: SHG-Bank Linkage Programme- Ground level credit

Period	No. of groups financed	Bank (Rs.in crore)	Refinance of NABARD (Rs.in crore)	Average Per Group finance (In Rs.)
1992-93	35	0.09	0.09	25,085
1993-94	102	0.16	0.16	16,171
1994-95	105	0.31	0.31	29,723
1995-96	147	0.44	0.44	29,932
1996-97	434	1.40	1.40	32,488
1997-98	1,322	3.18	3.16	24,054
1998-99	6,579	12.75	12.72	19,380
1999-00	29,242	54.95	54.89	18,791
2000-01	1,04,327	176.00	143.12	16,856
2001-02	1,17,352	267.09	197.72	22,760
2002-03	1,65,429	454.13	270.94	27,452
2003-04	2,31,336	752.99	310.39	32,550
2004-05	2,61,254	1,017.71	391.94	38,955
2005-06	2,94,341	1,599.43	475.97	54,339
2006-07	3,59,276	2,775.45	696.11	77,251
2007-08	4,15,206	5,573.34	1,342.30	1,34,231
2008-09	5,28,017	6,781.58	1,685.23	1,35,203

Source; NABARD Annual Reports.

c) **Role of NGOs**

There are a good number of NGOs in the state which have played a role in credit linkage of SHGs either through their own funds mobilized mostly from donor agencies and facilitated credit flow banks by liaisoning with them. Some of them also functioned as financial intermediaries for purveying loans to SHGs by accessing funds from banks. Some NGOs of CARE-CASHE projects are also accessing credit from banks and on lending to SHGs. The NGOs are financing SHGs, JLGs, and individuals to a limited extent to increase their outreach to poor people.

4.5 Agency-wise Performance

Commercial banks and Regional Rural Banks have been the major players in the SHG-Bank Linkage programme in the State. During the period 1997-98 to 2008-09, the share of commercial banks in the SHG-Bank linkage programme has gone up from 55% to 70A% in terms of number of SHGs and 63% to 74% in terms of bank loan disbursed to SHGs. While the share of RRBs has come down during the period both in terms of number of SHGs (from 45% to 28%) and bank loan (37% to 25%), the cooperatives have increased their share to 2% in terms of number of SHGs and 1% in terms of bank loan.

Table 4.9: Agency wise Performance under SHG-Bank Linkage Programme

	Banks		No. of SHGs			Bank loan (Rs. in crores)		
	1997-98	Share %	2008-09	Share %	1997-98	Share %	2008-09	Share %
CBs	1,173	55	368830	70	3.50	63	5064.90	74
RRBs	972	45	150745	28	2.10	37	165.38	25
Coops	0	0	8442	2	0	0	61.30	1
Total	2,145	100	528017	100	5.60	100	6781.58	100

Source: NABARD Report.

Out of 4249 rural and semi urban/urban branches of all the banks in the state, 4150 branches (93%) are participating in the linkage programme as at the end of 31 March 2009. On an average, a bank branch in A.P has around 118 SHG accounts. The SHG portfolio of the banks in the state varies from 7% to 30% of the total outstanding loans of the respective banks.

Per Group finance

The per group finance extended by the Commercial Bank has increased by more than 5.5 times from Rs.27,226 in 1997-98 to Rs.1,37,324 in the year 2008-09. During the same period, the per group finance of RRBs has increased from Rs.20,487 to Rs.1,09,813 as shown in table.

Table 4.10: Performance of Banks in A.P in Financing SHGs

Period	Commercial Banks	RRBs	Coop. Banks	Overall
1997-98	27,226	20,487	0	24,020
2005-06	57,800	48,800	37,400	54,300
2008-09	1,37,324	1,09,813	72,614	1,28,435

Source: NABARD Report

The banks normally adopt the savings to loan ratio of 1:4 while giving loans to the SHGs. Banks initially provided on an average Rs.15000/- to SHGs in the first linkage, which has gone up over a period of time. NABARD has given operational freedom to sanction loan of higher quantum to SHGs keeping in view the Micro Credit Plan, Critical Rating Index, Credit Absorption Capacity and the group dynamics of the SHGs. Many banks are funding the SHGs beyond the corpus to debt ratio of 1:4 based on their assessment and credit risk perception. Since 2006-07, based on SLBC guidelines, banks in the state have been extending higher quantum of credit (Rs.50,000) from the first dose itself.

4.6 Role of NABARD

As started earlier, in the year 1992, NABARD launched the pilot project for SHG-Bank Linkage programme and the formal financial institutions started looking at the informal groups of SHGs for enhancing outreach of financial services to the disadvantaged sections of the society. The key to the success of the SHG-Bank Linkage programme is the policy advocacy role played by NABARD in designing SHG-Bank Linkage Strategy. It has coordinated with various institutions including Reserve Bank of India and Government of India, provided funding and technical support to NGOs, motivated and moulded the attitudes of various stakeholders under the programme. NABARD played a major role in coordinating the programme with PDs of DRDA, Bank and others and this paved way for massive expansion of the programme.

NABARD was instrumental in building up the capacities of the various stakeholders and this helped in creation of awareness about the programme in all the

stake holders. All the staff in DRDAs and those concerned at mandal level were sensitized on the subject. The effort made in sensitization and training of the banks is also unparalleled in the state. Efforts were made to sensitise every branch official who has come on transfer to the district and wherever required interaction programmes were held to discuss issues to facilitate proper implementation of the programme. In addition, bank specific programmes were also held for many banks to sensitise their branch officials. These training programmes have prepared the ground for SHG-Bank Linkage and contributed in building trust and confidence between the banks and rural poor. These training programmes have helped in bringing acceptability of the concept among the bankers and enabled in providing financial assistance by the formal banking sector in a big way to the poor.

NABARD played a pivotal role in monitoring the programme and driving the programme in the state in coordination with the state government, banks and others. NABARD has conducted workshops, divisional level meets, JMLBC seminars, pre and post linkage meets to SHGs etc., and organized promotional programmes for skill development of SHG members. State level, divisional level and district level strategy meets were organized by NABARD for up scaling the SBLP.

The AGMs have worked closely with the district administration as well as bankers and provided support in formation, linkage and financing of SHGs to the stakeholders. The potential branches were identified and motivated to increase finance while the recalcitrant branches were goaded to finance SHGs. The catalyzing role of the AGM (DD) of NABARD had a cascading effect in increasing bank finance.

4.7 Institution of State Level Awards

With a view to motivate branch managers, controlling offices, RRBs and DCCBs, NGOs and District officials to put in their best effort in up scaling the programme, NABARD had instituted awards to the best performers under different categories. The top 10 branch managers in the state were given awards by the then Chief Minister, GOAP for the year 2001-02 and His Excellency President of India for the year 2002-03. The awards have since been discontinued as the purpose has, by and large, been achieved.

4.8 Initiatives taken by NABARD

The following initiatives were taken by NABARD in A.P for the growth of SHG-Bank Linkage Programme in the State:

1. Critical Rating Index for the rating of SHGs has been designed by NABARD and it has been accepted by the State Government for use of banks, DRDA and other partners.
2. Adopting the Appraisal Format, developed by the NABARD has been operationalised by many banks in the state for appraising the loans given to SHGs properly.
3. Micro Credit Plan for SHGs suggested by NABARD, forms basis for credit assessment by banks for financing SHGs. It is felt that all the matured groups must be encouraged to prepare micro Credit plan, which in turn will form basis for estimating loan quantum.
4. Standard Accounting Package (SAP) for SHGs has been evolved with NABARD's initiative and the same is being operationalised in the State.
5. Micro Enterprise Development Programmes (MEDPs): To motivate and assist members of matured SHGs to take up income generating activities on a sustainable basis, NABARD launched the Micro Enterprise Development Programme (MEDP) for matured SHGs in March 2006. The scheme envisages providing grant assistance to NGOs/SHPIs/Banks for organizing short duration, location specific programmes on skill upgradation/ development for sustainable livelihoods/ venturing micro enterprises by matured SHGs. It is a supplemental effort on part of NABARD to upgrade/ develop skill and preliminary business acumen of SHG members in order to enable them to cope with the issues in relation to running a successful enterprise for income generation/ livelihood. During the year 2008-09, grant assistance of Rs.18.08 lakhs has been sanctioned to NGOs/ bank promoted training institutes for conducting 94 MEDPs benefiting 2,332 SHG members. Cumulatively as on 31.03.2009, 122 MEDPs have been sanctioned in the state with grant assistance of Rs.23.37 lakhs for covering 3,104 SHG members. During the current year 2009-10, till December 2009, grant assistance of Rs.28.16 lacks has been sanctioned to

partner NGO agencies for conducting 138 MEDPs benefitting 3,381 SHG members.

6. Rural Entrepreneurship Development Training Programmes: Members of SHGs are also being provided training under the Rural Entrepreneurship Development Programmes (REDPs) sanctioned by NABARD in various activities.
7. Enhancing Ground Level Credit flow to the SHGs : Refinance support is provided to the banks at concessional rates to enable them to enhance ground level credit to the Self Help Groups. The banks are provided 100% refinance against the loans extended by them at concessional rates of interest. NABARD has cumulatively provided refinance assistance of Rs. 5586.89 crore up to 31 March 2009 under the SHG-Bank linkage programme to the banks in A.P.

4.9 Conduct of Studies

NABARD is conducting studies to assess the functioning of SHGs on a regular basis. The Regional Office has also conducted joint monitoring studies of SHGs in the districts in association with the DRDA and banks. Impact Assessment Studies of the programme have also been conducted by NABARD.

4.10 Summary

India's anti-poverty strategy contains a wide range of poverty alleviation and employment generating programmes, many of which have been in operation for several years and are expected to generate more employment, create productive assets, and raise the income level of the poor. Micro finance in India has grown at a tremendous pace in recent years, achieving significant outreach among the rural households across the country. Linkages between banks and SHGs supported by NABARD, on the one hand, and micro finance institutions on the other hand have emerged as the two most prominent means of delivering micro finance services in India. The progress of SHGs has been very satisfactory in India. About 2,924,973 SHGs (cumulative) spread all over India, have been linked with banks by end of March 2007. A model-wise analysis shows that up to March 2007, Model II SHGs continued to have a major share of about 73.53% of the total number of SHGs financed. Further, the spread of SHGs shows that the southern region occupied the first place in spread of the program. Among the state of the southern region, Andhra Pradesh occupied the leading position. Agency-wise analysis shows that at the national level

commercial banks are the major partners, followed by RRBs, while the cooperatives role is rather minimal in the program.

On the whole, the performance of SHGs has been satisfactory. A major feature of the performance of the SHG is convergence of the poorer sections. This has been possible mainly due to the emphasis of the NGOs in promoting SHGs to work mainly for the development of the tribal, landless laborers and, especially the women from these communities. Secondly, most of the SHGs have been able to successfully promote regular saving habit even among the poor households. These savings appear to be working towards making the SHGs self-reliant besides increasing the members' stake in their functioning. Thirdly, with funds mobilized through savings and borrowing from banks, the SHGs are able to meet diverse loan demands of the members for both production and household purposes. In contrast to the formal agencies, the diversity in loan purpose appears to be their strong feature. Their autonomy as well as easy access to information about members' activities, seems to have enabled the SHGs to meet such diverse loan demand of the members. Fourthly, despite not following collateral-based lending, like formal agencies, the SHGs have been able to register high loan disbursements. A combination of factors like peer monitoring, easy and flexible loaning procedures, higher interest rates, effective screening and flexible repayment schedules, seems to have positively influenced the loan recovery performance of the SHGs. Finally, studies on SHGs also reveal that the SHGs promoted by the NGOs appear to be, from inception, dependent upon the NGOs, for their management and other requirements. The above review, therefore, reveals that though the progress of the SHGs has been limited in terms of its spread, they certainly seem to hold a good potential in the field of credit for the poor. Precisely, based on such an assessment, the NABARD has an ambitious plan of expanding the SHGs all over the country and promote them as instruments, which can supplement the institutional agencies in effectively reaching the poor.

=====

CHAPTER - 5

PROFILE OF GHMC -THE STUDY AREA

Andhra Pradesh was formed on 1st November 1956 by the merger of the Telugu speaking areas of the erstwhile state of Hyderabad with the then Andhra state, which itself formed a part of the composite Madras State till 1953.

Andhra Pradesh Is the fifth largest State in the country both in terms of area and population. It has an areas of 2.75 lack Sq.Km forming 8.4 percent of the total geographic area of the country. The state's population according to the 2001 census, is 76.0 million in 2001, which constitutes 7.9 percent of the all-India population.

5.1 Physical features

The State is Situated in a tropical region between the latitudes 13o to 20o North, and the longitudes 77o to 85o East. It is bounded by the Bay of Bengal in the east, Orissa, Madhya Pradesh and Maharashtra in the North, Karnataka in the west, and Tamil Nadu in the south. The state has a long coast line of 960 km. running from Ichapuram in Srikakulam district in the north to Sullurpet in Nellore district in the south. There are seven working ports in the State including one major port (Visakapatnam) and two intermediate ports (Kakinada and the Machilipatnam). Visakapatnam is the only one major port between Calcutta and Madras with an excellent natural harbor, whose hinterland stretches into Madhya Pradesh and Orissa. The development of Visakapatnam port was largely influenced by the massive export of iron ore from Bailadilla in Madhya Pradesh to Japan. The port of Kakinada and Machilipatnam has rich hinterland comprising coastal Andhra Pradesh producing agricultural commodities and minerals.

The state is divided into 23 districts for Administrative purposes. Starting from the north-east in a clockwise order, they are Srikakulam, Vijayanagaram, Visakapatnam, East Godavary, West Godavary, Krishna, Gunture, Prakasam, Nellore, Chittoor, Kadapa, Anaparthi, Kurnool, Mahabubnagar, Hyderabad, Rangareddy, Medak, Nizamabad, Adilabad, Karimnagar, Warangal, Khammam and Nalgonda, drawn from

erstwhile Hyderabad state as the Telangana Region. The southern plateau districts of Kurnool, Kadapa, Ananthapur and Chittoor are referred to as the Rayalaseema or the ceded districts and the rest of the districts are appropriately called the coastal Andhra. These areas present considerable regional disparities in their economic development, the coastal Andhra region obviously being the most prosperous area and the other two being backward. Historically, politically as well as administratively, as also from the point of economic development, these three areas form district regions for demarcation and study. Recently on June 2nd Andhra Pradesh was divided into two states namely Telanga state and Andhra state. Hyderabad is present capital of Telangana.

5.2 Profile of the Hyderabad City

Hyderabad is one of India's most dynamic cities, sitting at the cross roads of old and new, north and south, Hindu and Muslim with a booming population of nearly 7 million people. This city consist of IT hub which is a prime cause of India's technological revolution. Earning a nick name called "Cyberabad".

The city had large muslim population living in harmoniously along with hindhu neighbors. This has led to mixture of different cultures, muslim and hindhu. Language of Urdu is spoken along with Telugu, Hindi and English. Hyderabad is located in between north and south Indian states and contributing to the development of the state of Andhra Pradesh.

Population and Labor Force:

Andhra Pradesh experienced significant decline in population growth from 2.20percent per annum in 1980's to 1.30 percent in 1990's. Though all the regions experienced decline in the growth rate, the growth rate in two Telangana regions is relatively higher than the two regions in Costal Andhra. Sex ratio increased in 1990's for the first time in all the regions except south coastal Andhra (James). Literacy and educational levels are important human development indicators. Improvement in literacy increased from 37.4 percent to 71 percent from 1961 to 2001 in Andhra Pradesh. The female literacy rate increased from 15 percent to 51.2 by 2001. In other words around 65% of rural women were illiterate in Andhra Pradesh even in 1977. The literacy rate for schedule caste and schedule tribes is only 16 percent of the SC women and 7 percent of tribal women in rural area were literate in 1991.

Infant Mortality Rate:

IMR is important health indicator. The level of infant mortality rate in Andhra Pradesh is low as compared to all in India average. But it was not declined much in rural areas. During 1980's the IMR rate declined from 93 to 73 per thousand rural Andhra Pradesh. In 1990's it declined from 73 to 70 only further malnutrition is very high among the children in rural and urban areas. Child labor is another human development problem. Andhra Pradesh has highest incidence of child labor while Kerala has the lowest incidence in the country. In the age group of 0-14 age around 34 percent of the children worked in Andhra Pradesh, where as 1.34 percent of the children in the age group of 0-14 worked in Kerala in 1993-94. The mal nutrition among children is around 50 percent in Andhra Pradesh and this is much lower than those compared to Kerala and Tamil Nadu.

Female Literacy Rate:

Female literacy rate is one of the indicators of development of any state. In Andhra Pradesh female literacy is lower than that of males. Though disparity declined significantly during last four decades the gap is very high i.e. 60 percent in 1961. In three decades i.e. by 1991 the disparity came down to 28 percent but still the literacy rate among male is 71 percent, the rate among female is 51 percent (Development of AP 1956-2001 by (Y.V. Krishna Rao and S. Subramanyam).

Labor Force Participation:

Changes in labor force participation rates have many economic and social implications. Given the productivity of workers an increase in participation rate results in income growth. Secondly changes in work participation rates among male and female indicate changing status of women. Thirdly changes in sectoral distribution of income without changes in the distribution of the workers indicate decline in the labor productivity in certain sectors. Finally changes in participation rates of children and old people indicate changes in social welfare. As per the 2001 census data 60 percent of the males and 40 percent of female are participating in economic activity.

Migration:

Information on migration is important not only as a possible factor in determine population growth but also to understand the development dynamics in each region within the state. Migration is considered to be a function of comparative under development of place of origin. Understanding migration dynamics therefore provides useful insides on development dynamics in a regional perspective. It is now well established that interstate and international in-migrants constitute only a negligible proportion of total population in Andhra Pradesh. It implies that in-migration is not an important component of population growth for the state as a whole. Inter-districts migrants, on the contrary, constitute over 2 percent of the males and 6 percent of the females in the rural area and 13 percent of the males and 15 percent of the females in urban areas according 1991 census (James 2000). The statistics on migration in India always show more of female migrants over male. This is not surprising due to predominance of marriage migration among the females in this country. It is interesting to see that the net migration is positive only in south and north Telangana regions both in 1981 and 1991. As the Hyderabad urban agglomeration is located in south Telangana, positive net migration to this region is not very surprising. The highest percentage of net immigrants is recorded in south Telangana. This is definitely the influence of Hyderabad urban agglomeration.

Poverty:

The concept of poverty is multi dimensional (i.e. income poverty and non income poverty). It covers not only levels of income consumption, but also health and education, vulnerability and risk, and marginalization and exclusion of the poor from the main stream of society. UNDPs annual human development reports have popularized several indices relating to human development, Gender development, capability Poverty and Human Poverty. Basically all this indices emphasize more on non-income factors such as health, education, nutrition and basic services.

AP has done well in reducing income poverty (S. Mahendra Dev). The poverty ratio of AP was only 15.8 percent as compared to all India poverty ratio of 26 percent in 1999-2000 on the other hand, AP's rank in terms of human development index is 10, the rank is 9 for both gender development index and human poverty index out of 16 states. Even though A.P has been performing above the national average in SDP

growth in the recent years. Yet the poverty in the state is marginally more than the national average. An estimated 86.71Lakh of the households living below poverty in the state as per official data. Poverty levels are higher amongst Dalits when compared to members of other communities. If one examines performance of broader range of human development indices- life expectancy, literacy and per capita income-the absolute value of HDI is only 0.397, which is below the national HDI value 5. Like all across India, the GDI value is lower than HDI value at 0.3888, indicating the persistence of gender inequalities in access to basic needs like health and education. Faced with poverty, poor families in certain pockets of AP are known to sell their daughters and engage in sex trafficking. Though GEM (Gender Empowerment Measures) statistics are not available for the state, data on the population sex ratio (972 in 1991), percentage of women in legislative assembly,, and percentage of women in decision making positions in economic sphere indicates women's secondary position in society. As of 1991 women in AP earn 71% of wages of men. While the absolute levels of literacy and health of Andhra women and girls has improved over the years, gender disparities persist and in some respect- like the declining sex ratio 4 and increase in dowry- their position may have worsened. A surprising trend in AP is that unlike the rest of India sex ratio amongst tribal population is significantly lower than the population average (960 in 1991) pointing to their poor position in society. Poverty in AP is not evenly spread the costal districts are much better off, while Ttelangana, Raiyalaseema belts are poorer Mehaboob Nagar, (in Telangana belt) Anathapoor and Karnool (both in Rayalaseema belts) fall under most backward districts.

In Andhra Pradesh state has extensively used the “ self-help” group as a tool of poverty alleviation and women empowerment. The government initiative and sponsorship of SHGs link more recently to what are called the SAPAP SHG groups. In 1996 the south Asian poverty alleviation program (SAPAP) a pilot project was conducted in three districts of Andra Pradesh the programme has covered 66,000 households, who constitute 34%of the total households of the project area and 64% of the total target group households. Subsequent to the success of SAPAP, the processors in Andhra Pradesh have generated a successive up scaling of SHG promotion. The GOAP incorporated the social mobilization approach into its major poverty reduction project.

5.3 The Up scaling through Institution Building

The up scaling of SHG's in AP has been both in terms of numbers and also in terms of structure. GOAP established an independent support organization by the name of "society for elimination of rural poverty" (SERP), to implement poverty elimination projects which aim at social mobilization to enhance livelihoods and employment generation opportunities of the poor in rural areas.

5.4 Structure of SERP

In Andhra Pradesh, the Society for Elimination of Rural Poverty (SERP) is an autonomous State-level umbrella agency with the explicit objective of poverty elimination through social mobilization and empowerment of women through community-based organizations. The Chief Minister of the State is the Chairman of SERP and it indicates the political commitment of the agency. The SERP helps poor women to build their institutions beginning with SHGs at the grass-root up to district level organization. SERP operates through a team of professionals with specialized skills in motivation, mobilization and imparting training in various activities. Formation of SHGs and capacity building of the members in managing various functions, promotion of thrift, enabling members in the preparation of micro credit plans, facilitation of bank linkage, collective action, imparting training to SHGs to federate and strengthening of federal structure are some of the critical supporting functions of the SERP. It works in close collaboration with the relevant line departments in resource mobilisation, and extending training facilities. The involvement of banking functionaries at all levels of planning, training and implementation has brought about the required cooperation of the banking sector in mobilization of credit for not only investment but also meeting other needs of the poor households.

Federal Structure: Self-Help Groups promoted by the SERP are organized into three-level federal structure. It starts with 10-15 poor women forming into an SHG based on their neighbourhood affinity. In each village there may be 10 or more SHGs which are federated into a Village Organisation (VO). The SHGs are trained in capacities to manage their thrift and credit activities, monitoring of group performance, Micro Credit Planning (MCP) and household investment plans. The VOs work for strengthening of SHGs by arranging a line of credit to them. The VOs also involve in

village development activities and undertake marketing and food security related activities. The VOs are federated into Mandal Mahila Samakhya at Mandal/Block level. The Mandal Mahila Samakhya (MMSs) play the critical role of securing linkage with the government departments, financial institutions and markets. They also perform the functions of auditing SHGs and arranging finances for the micro-enterprises. The MMSs are federated into Zilla Samakhya (ZS) at the district level. The ZSs play higher order roles like managing group insurance of the SHG members, providing legal advice and organizing skill-based placement-oriented training for the youth of the households of SHG members.

Phased Development of the Programme: The women's SHG movement in Andhra Pradesh is an off-shoot of mass literacy campaign during 1990-95 which was initiated by the District Collectors. Initially some dedicated NGOs played important role in forming SHGs in the State. In 1992, NABARD started a pilot project for promoting SHGs and linking them with banks. The 1993 report of the Independent South Asia Commission on Poverty Alleviation resulted in the implementation of UNDP – South Asia Poverty Alleviation Project (SAPAP) in a few select places during 1995-2000. The UNDP-SAPAP was based on the social mobilisation of the poor women by organizing them into SHGs and providing adequate skills and training to enable them to emerge as self-managing institutions. Based on the SHG model of mobilisation of rural poor, Government of Andhra Pradesh initiated in June 2000 'District Poverty Initiatives Project (DPIP) in six districts with the World Bank Aid. The programme was further extended to the remaining 16 rural districts of Andhra Pradesh in the name of Andhra Pradesh Rural Poverty Reduction Project (APRPRP). The Society for Elimination of Rural Poverty (SERP) was created for the implementation of the programme.

In Andhra Pradesh by October 2008, about 96.46 lakh members, mostly women, were organized into 8.1 lakh SHGs. A total of 34,852 Village Organisations (VOs), 1098 Mandal Mahila Samakhya (MMSs) and 22 Zilla Samakhya have come into existence in all the 22 rural districts. The total savings and corpus of SHG members were Rs.1, 755 crore and Rs. 3951 crore respectively.

Having seen the success of SERP programmes the GOAP introduced these projects to the urban areas particularly Hyderabad city. As per 2001 census the urban

population increased by 33% by migration flows. In order to eliminate the poverty the GOAP entrusted implementation of various projects to 'MEPMA'. MEPMA is a unit of the municipal administration and urban development department of govt. of AP with the vision of strengthening SHG's in various slums and organizing livelihood programmes and training programmes. As institutional building MEPMA has taken the following initiatives as a step up activities.

1) Formation and strengthening of CBOs (SHGs/ SLFs / TLFs)

The objective is to form new groups : So far 29.00 lakh women are organized into 2.94 lakh SHGs under IKP urban. During 2011-2012, against the target of 8947, 10297 SHGs are formed. During 2012-2013, it is proposed to form 15800 new groups wherever covering the left over House Holds and others, who migrated from various villages and towns and formed as slums. Slums are integral part of urban India. Andhra Pradesh has the maximum number of slums (77) among all the states in India. (The NSS report 2002). The NSS report on conditions of urban slums 2002 notes that Andhra Pradesh accounted for 14.9 percent of the slums in India and the state is ranked is third after Maharashtra (32.2%), and West Bengal(15.7%), as per 2001 census there are about 5.2 million people(25% of the urban population) living in the slums in Andhra Pradesh, 16.85% in Hyderabad city. Hence MEPMA has set the second objective as follows

2) Formation of slum level federations

The second tier of Institution building phase is the federation of SHGs at slum level. Once the SHGs reach a reasonable level of maturity, the SLF initiated. SLF operates. As a forum to voice the problems of the poor in the slum. They exchange of experiences including flow of information from various Govt. departments. And raises resources required to take up the appropriate development interventions in poverty reduction. SLF may also access the bulk loans from Bank to lend its SHG members. The SLF will aim at building linkages with line dept and other agencies to access the entitlements of the slum dwellers. There are 1250 slums in all the ULBs in the state including mission cities. So far 8020 SLFs are formed including mission cities. All the districts have completed formation of SLFs and hence it is proposed to form SLFs in Mission cities during the year 2012-13, duly following MEPMA guidelines. So far the existing SLFs are 8020, there is a potential to form 10000 SLFs. After forming SLFs,

in at least more than 70% of the slum in the concerned town, and certain growth in the SLF capacity to tackle various issues, the town level federations are formed.

3) Formation of town level federations:

The aims of TLFs are to build the capacities of SHGs and SLFs, by providing technical assistance (bookkeeping & Auditing, Marketing and skill development) to SLF members and in problem solving and conflict resolution in SLFs, addressing social issues (gender, social discrimination, nutrition and health), water and sanitation related issues. There are 155 town level federations in the state, it is proposed to form 40 TLFs during this year 2011-12 duly following MEPMA guidelines. There is [potential to form 422 TLFs, 155 TLFs are formed and it is proposed to form 67 TLFs during 2012 and 2013.

4) Training:

So far 1.90 lack groups are trained and it is proposed to train the left over SHGs and SHGs require trainings including the SHGs of PWDs in the following aspects.

Slum level training	Through facilitation of SHGs for
Members trainings on	internal lending
group dynamics	change of leadership
Book keeping auditing	Promotion of health savings
Community health	Auditing
Social issues and livelihoods	Weekly meetings
---	Enhancing their savings

All SHGs would adopt group dynamics (Pancha sutras 1. Regular meetings, 2. Regular savings and recovery, 3. Book keeping, 4. Internal lending and 5. Norms). All eligible SHGs will be linked to banks .Defect groups will be revived (C grade groups will become B grade groups will become A). SHG representatives will be attending for SLF EC meetings. SHGs would be in a position to audit their A/Cs periodically.

In order to improve the functioning of quality of SHGs the following steps are taken such as : Change of leadership, monitoring for not becoming defective , including Social agenda in addition to regular agenda of prayer, attendance, savings, recoveries, bank linkages etc. Promoting trust amongst the SHG members, giving opportunity to SHGs to voice their opinions during SLF EC meetings

5) Sustainability of SLFs through CB programmes at different levels:

The objective is to make SLFs self-reliance and self-sustainable. The trainings were given to EC & OB members of SLFs till now. All SLFs were given III phases of EC & OB member's training in the roles and responsibilities of SLF EC & OB members. SLF financial management, improving promotion of income generating to SLFs at slum level.

6) Sustainability through release of managerial support to SLFs:

During the years 2009-10, 2010-11 & 2011-12, an amount of 6.03 Crores of managerial support and 3600 for 2nd year towards 25% of support from MEPMA through UWSP component of SJSRY was released. During this year it is proposed to release managerial support to another 2000 SLFs to a tune of Rs. 216.00 lakhs .

7) Sustainability through registration of SLFs:

During the years 2009-10, 2010-11 and 2011-12, registration was completed to 6000 SLFs. It is proposed to complete registration process for another 2000 SLFs during this year.

8) Sustainability through facilitating SLFs for:

Increasing their corpus through mobilization of resources from banks, So far an amount of Rs 2858 SLFs were provided with revolving fund to a tune of Rs 16.96 Crs. It is proposed to release an amount of Rs 20.00 crores to 2000 SLFs during 2012-13.

9) Sustainability OF SLFs through convergence:

SLFs are facilitated to implement various social initiatives in convergence with Anganwadis, and other line departments. Sustainability through providing forums at SLF level. For conducting their meetings existing Govt. buildings i.e. community halls, one room in schools, others etc., would be kept at disposal of SLFs .

10) TLF strengthening :

The objective is to train TLF as strong social intermediary as TLFs play key role in building the capacities of SHGs & SLFs. So for technical assistance (bookkeeping & auditing, Marketing and skill development) to SLF members, training in problem solving and conflict resolution in SLFs are given. They also given awareness camps to address social issues (gender, social discrimination, Nutrition &

Health), water and sanitation related issues. TLFs are apex body of CBO functioning at town level. Out of 155 existing 65 TLFs were imparted with EC&OB member's training.

a) Sustainability through release of Managerial support to TLFs:

During the years 2012-13, it is proposed to release an amount of Rs 42000/- to each TLF – as part of managerial support for 1st year covering 200 TLFs during the year 2012-13 from the budget of SGSRY Rs. 84.00 lacks. The details are as follows:

Table: 5.1: Distribution of Budgetary Grants for TLF and MEPMA

No.of town level Federations	Cost per annum per TLF RP for 1st year (Rs)	2nd year		3rd YEAR		4th year		5th year	
		MEPMA (75%)	TLF (25%)	MEPMA (50%)	TLF (50%)	MEPMA (25%)	TLF (75%)	MEPMA (0%)	TLF (100%)
200	42000	31500	10500	21000	21000	10500	31500	-	42000

Source; Report on Annual Work and Financial Plan 2012 -13 by MEPMA.

11) Sthreenidhi:

It is proposed to start a State level Credit Cooperative Societies with 10.00 lacks of share capital and ten thousand towards membership fees from April' 2012, in a phased manner. It is proposed to include 222 town level federations in Sthreenidhi. Board has agreed in principle for including CBOs of Urban Sthreenidhi from April 2012.

Table 5.2: Status of CBOs (Community Based Organisation) in Urban areas:

CBOs	Corpus available as on 31.3.2012
2.94 Lack SHGs	512.00 Crs
8020 SLFs	Rs.58.50 Crs
155 TLFs	Rs.4.50 Crs

Source; Report on Annual Work and Financial Plan 2012 -13 by MEPMA.

Table 5.3: Eligibility to CBOs:

Town level federations	Slum level federations	Self Help Groups
A grade TLFs–150.00 lakhs	A grade SLFs–10.00 lakhs	Rs 25000/- per member
B grade TLFs–100.00 lakhs	B grade SLFs– 7.50 lakhs	
C grade TLFs–50.00 lakhs	C grade SLFs– 3.00 lakhs	
D grade TLFs–25.00 lakhs	D grade SLFs– 1.00 lakh	

Source; Report on Annual Work and Financial Plan 2012 -13 by MEPMA.

Eligible TLF (minimum of 1 year from the date of formation, registration, Strengthened, auditing) mobilizes 5.00 lakhs corpus from SHGs/SLFs will be considered for Sthreenidhi. MEMPMA releases 9.00 lakhs as CEF to TLFs. TLF contributes 10.00 lakhs (9.00 lakhs from MEMPMA and lakh from TLF towards share capital and 0.10 lakh towards membership fees out of total 14.00 lakhs . Funding to SHG members will be Rs. 25000/- to each member covering minimum of 6 members in each SHG in 1st phase. It is proposed to release an amount of Rs 1400.00 lakhs towards CEF/RF to eligible Town level federations during this year 2012-13 from SGSRY budget.

Social Action Centers will be established to conduct regular meetings with Social Action committees at town level (with Social Action CRPs, Lawyers, doctors, Police etc.)

12) Capacity Building of Project staff:

The objective of the capacity building programmes is to 1. Empower the poor by building their capacities on sustainable basis, 2. to build the capacities of community based organizations (CBOs) to deal with Urban poverty alleviation. 3. Build the capacities of community development and municipal functionaries including elected representatives in order to facilitate to adopt decentralized and sustainable approaches to poverty reduction and to facilitate to adopt sensitive support mechanism. 4. Develop social capital at gross root level in all poverty aspects like health, education, livelihoods, vulnerability etc. 5. To train community development staff. 6. To organize personality development classes to the CBOs. 7. To organize awareness programmes to Mayors and Councillors of GHMC regarding urban poverty elimination programmes. So far many of them are trained in concepts of community health and hygiene. 8. It is proposed to impart training to elected representatives on poverty SHGs and federations for one day at state and regional level.

13) Social security:

Vision: the Govt. of Andhra Pradesh envisages that even the poorest of the poor deserve to have access to relevant, affordable insurance and social security nets by massification and be protected from risks on death/disability and to secure dignified life to women by providing income security in their old age and children of the poor be financially supported for continuation of education by means of scholarships.

Mission: to empower the Self-Help groups and the CBOs to play an active role in the implementation of social interventions, to reduce people's vulnerabilities through diversified social security measures to protect their income and asset base, by creating an enabling environment for self management itself with appropriate project facilitation

14) Abhaya Hastham:

Abhaya Hastham : it is a co-contributory pension scheme for SHG women exclusively introduced by Govt. of AP – with an objective to provide income and social security to all women SHG members to enable them to lead secure life with dignity in old age. all women members enrolled in SHGs above the age of 18 years are eligible. A total of 2.70 lakhs are enrolled in urban areas. Member contribution on Abhaya Hastham per annum is Rs 365/- and Govt. contributes Rs 365/- per annum per member. The benefit is that each member would become eligible for monthly pension of Rs 500/- on crossing 60 years of age, depending on the number of years of contribution and quantum of contribution made by the member further all women enrolled under Abhaya Hastham by default become member of JBY scheme and entitled to receive insurance and scholarship benefits as applicable under JBY.

15) Janasree Bhima Yojana (JBY):

It is a group insurance scheme for BPL families administered by LIC of India. Eligibility conditions are members should belong to age group of 18-59 years. They must be white card holders. The premium is Rs115/ (Rs 100 as premium + Rs 15 as service charge) and Govt. contribution is Rs 100/-.The benefits are in case of natural death is Rs 30000/-, accidental death or permanent disability is Rs 75000/-, partial disability is Rs 37500/-.The scholarships are for 2 children studying 9-12th standard from each family would be benefited with Rs 1200/- each per annum. So far 1.85 lakh people enrolled under this scheme.

16) SHG bank linkage:

Mission for elimination of poverty in municipal areas (MEPMA) has been established in 2007 and registered as society under societies registration Act. MEPMA has been implementing so many UPA (Urban Poverty Alleviation) activities for the benefit of urban poor in all urban local bodies of Andhra Pradesh. SHG bank linkage is one of the activities which have given remarkable results in the lives of urban poor. The poor and the poorest of the poor in every slum of ULBs are identified and formed into

SHGs with 10-12 members in each SHG. A total of 2.94 lakhs SHGs are formed so far representing 30 lakhs households. The required capacities are build up in SHGs and the concept of thrift and savings, around which the Self-Help movement is build up, has resulted in corpus of Rs. 450 crores. These funds are rotated among the members themselves and demonstrated good financial discipline in managing their economic operations. As a consequence of this, the bankers have come forward to finance these SHGs and the SHGs have been able to access Rs. 6,250 crores since inception of MEPMA. The group finance has risen from Rs. 20,000 in 2005-06 to Rs. 2.20 lakhs in 2011-2012. The target for 2012-13 is fixed at Rs. 1900.00 crores. Through SHGs model, the poor have been able to access to bank finance and taking up small economic activities apart from fulfilling their social and health needs.

17) Pavala vaddi & vaddi leni runalu:

With a view to incentivizing the prompt payment and to make the SHGs more remunerative and to be prompt in bank loan repayment, government of Andhra Pradesh started the interest subsidy programme popularly known as pavala vaddi implemented from 01-07-2005, 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 much more focused and has been modified as “vaddi leni runalu” (VLR) under which total interest reimbursement is being made by Government, to further strengthen the groups economically, and improve their financial stability apart from making the groups to develop financial discipline and maintain 100% repayment.

18) Cash credit limits for SHG lending:

Government of India, ministry of finance issued instructions on 17.11.2012 to all banks to finance SBH linkage under cash credit limits henceforth and convert all outstanding term loans into cash credit limits. The conversion of term loans into cash credit limits to be completed before 31.12.2011 and commence fresh lending under cash credit limits from 01.01.2012.

The advantages of CC limits are :

The present practice of giving term loans under SHG lending has a cost to the Bank because of high number transactions and repeated documentation. This takes away lot of precious time of the staff of the branch. Similarly, it costs time and inconvenience to the SBH members as they have to come repeatedly to the branch for

documentation and also to deposit savings and repayments, in separate accounts. This will also help SBHs in reducing the cost of money as they can deposit money in the cash credit account when they have surplus and draw to the extent of drawing power whenever they need.

19) Community health and nutrition:

To improve community health and nutrition the following activities are implemented till the year 2011-2012. 1. Formation of health Sub-committee with 2-3 members in nearly No.4526 SLFs health sub-committees are formed with 2-3 members. 2. Total no of 2789 SLFs initiated health savings at SLF level of achievement of Rs 1.66 crores. 3. Capacity building trainings to health sub-committee members on initiated of health savings achieved No 9430 members. 4. Capacity building trainings to health – CRPS are achieved total No. of 3620 health – CRPs. 5. Conducted integrated health camps as extension outreach programme at slum level achieved total No 155 health camps. 5. Capacity building training on HIV / AIDS in convergence with APSAC, government of A.P conducted for 3880 members. 6. SHG canteen established in 19 municipalities. 7. It is proposed to take up several trainings programmes during this year 2012-13 on community health and nutrition.

The main objective of above programme is to build up community based organizations (CBOs), organizational strength to manage, monitor and replicate better health and nutrition practices at slum level.

Recently GHMC is planning to relocate 16 slums which have mushroomed around the lacks in-order to protect the lacks from further encroachments by constructing bunds and developing greenery. The city had 1476 slums out of which 1179 were notified and 297 non-notified slums. MCH covering 66% of the population in core area of 985 slums and in peripheral area it is covering 34% of the population in 491 slums. Population under the municipal corporation limit was 68,09,970 and the slum population was 17,36,152 covering areas of 625sq.km and 80.45sq.km respectively.

20) Structures of houses:

The city slums were found to be having three kinds of structures 4876 katcha houses are 10% are having 1,77,842 Semi-pucca houses 44% and 187329 pucca houses (46%) later the West-Bengal Team also visited newly built residential colonies. So for

GHMC disbursed 500 crores to SHGs to benefit 3.6 SHGs during 2012-13 this benefit will go to 43.2 lakh members. Through the “ Stree Nidhi” 1500 Crores was disbursed out of which 8000 would be spent on to improve the life of 8000 SC, ST household. So far 8000 lakh beneficiaries enrolment of 8000 beneficiaries afresh under YSR Abhaya Hastham. Over 50 lakh beneficiaries were already enlisted under the old age pension scheme.

21) Organizing 163 health camps:

To promote adherence of Arogya Pancha Sutras on health and nutrition by all SHGs 1. Promote health agenda at SLF review meeting 2. Promote health savings 3. Adolescent girl education .4.Child immunization. 5. Institutional delivery.

Implementation of RSBY (Rastriya Swasthya Bima Yojana) (Rs 30/- premium has to be paid by family per year) through central and state governments

22) Implementation of street vendors project:

The objective of this project is 1. To make members of SHG 2. To provide livelihood training

23) Implementation of schemes for disability persons:

The objective of this scheme is to 1. Organizing regular activities for SHG members, 2.Training on the livelihoods for persons with disabilities, 3. Bank linkages for persons with disabilities

24) UWSP (Urban women self-employment programme):

The chief objective of this programme is to provide assistance to groups of urban poor women for setting up gainful group based self-employment ventures .For this the senior and matured groups will be selected, Project cost is 10 lakhs or more ,Subsidy is 300,000/- or 35% of cost of project or 60 thousand per member of the group. Group margin money is 5% of the project cost. Bank loan will be 60% of the project cost.

25) Enterprises Development Training:

A mandate of enterprises development training for the selected SHGs shall be imparted on the selected entrepreneurial activity business activity with the help of existing Banks. The training will cover following aspects 1. Management of production

activity, 2. Marketing tie-ups, 3. Maintaining accounts, 4. Exposure visits, 5. Asset insurance

26) Rajiv Awas Yojana (RAY):

This was started by the President of India in September 2009 with a vision to make India slum free by 2017. This provides them decent and affordable shelter all basic amenities and social infrastructure like community halls, urban health centers, primary schools, livelihood centers in all slums on par with the rest of the town while eliminating slum like conditions. Under this scheme 162 ULB and 125 ULB are proposed for inclusion. The preparatory activities such as socio economic household survey, total station survey, slum free city plan and detailed project report under RAY are currently under progress

27) Urban Statistics of HR and Assessments (USHA):

USHA aims at development and maintenance of national database related to urban poverty, slums, housing, construction and other urbanization related statistics. The data base of USHA collects the basic information of slums land status demographic profile literacy profile housing status socio economic status and livelihood status. The most important aspect is all this information is collected with the help of SHG's.

5.5 Summary

In this chapter geographical and historical background of Hyderabad city is explained briefly. The Government of AP interventions in recent times for poverty alleviation and empowerment through the agencies of SERP and GHMC and MEPMA (Mission for Elimination of Poverty in Municipal Areas) are more prominent in urban areas particularly in Hyderabad, under circles of Greater Hyderabad Municipal Corporation. MEPMA has made 23,915 women as SHG members in Hyderabad city through various programs. During 2011-2012, 1368 SHG's are formed as against target of 8947. There are 1250 slums in the state, 8020 state level federations are formed in the state. It is further proposed to form 222 town level federations. So far 1.90 lakh groups are given various training programs. Managerial support is extended to SLFS(State level federations) and TLFS(Town level federations) with Rs 42000 to each TLF it is decided to sustain SLFS and TLFS by more funding. Sreenidhi has been

sustained through 294 Lakh to SHGs. Capacity building steps are taken to improve various skills among SHG members through training programs, social security measures such as pension and scholarships to children's education are provided. Under the Abhaya Hastam scheme 2.70 lakh members are enrolled. Under Janasree Bhima Yojana Scheme 1.85 lakh people were enrolled. All this shows the fast growth of poverty alleviation activities taken up by the government of Andhra Pradesh. This study shows a clear improvement in the number of SHG Federations formed, training programs given, capacity building programs. It is observed that various types of skills for income generating activities and for promotion of entrepreneurial development have resulted positively. Majority of the SHG women were benefitted by these programs. But the town level federations, slum level federations set up by the government were confined so far only to the extent of formation of SHG groups. In order to transform SHG members as entrepreneurs' capacity building programs, training programs, workshops on management skills are to be conducted. Hence we can conclude that the progress and development of the SHG federations are less in comparison with the real activities and functions which are expected to generate, Perhaps it will take long time to achieve all the expected results for which SHG federations are built

=====

CHAPTER – 6

SOCIO-ECONOMIC CONDITIONS OF SHG MEMBERS IN SELECTED CIRCLES

6.1 Introduction

The Self-Help Groups (SHGs) emerged as a policy vehicle for poverty alleviation strategy Indian public policy after 1996. They are small and informal groups of not more than 20 members each. The size of 20 has been made mandatory because any group larger than this has to be registered under the India societies Registration Act. This chapter deals with channelization of micro finance through the SHG bank linkage programme launched by NABARD during the year the 1999 in Andhra Pradesh. Microfinance is typically defined as the provision of thrift, credit and other financial services and products of very small amounts to the poor in rural, semi-urban or urban areas for enabling them to raise their income levels and improve living standards (NABARD, 2004). In addition to promoting the establishment or growth of micro enterprises, microfinance is expected to increase the standard of living of the economically active poor, improve their access to health care and education, reduce vulnerability and promote the empowerment of women and marginalized groups. Earnings generated from such undertaking have been instrumental in increasing the physical well-being of the household, often through better nutrition and sanitation. The household's asset base has also been enhanced by the addition of jewellery (a portable asset), improved housing and land purchase in some cases.

This chapter is divided into three sections. The first section examines the socio economic profile of sample members, the second section deals with motivational factors to join SHGs, loans received from banks, frequency of loan repayment, loan utilisation pattern. The third section analyses various training programmes given by MEPMA and other agencies and the various income generating activities taken up by SHG members.

SECTION - 1

6.2 Socio-Economic Profile of the Sample Members

In order to study the impact and empowerment of micro credit to women in self-help groups, this study has interviewed a sample of 300 women from 20 groups were selected at random from 10 circles of Hyderabad city as defined by GHMC. In each group the members are not uniform. The groups are having members from 10-12. I have randomly selected 300 members from 20 groups in 10 circles defined by GHMC for the interview and information was collected about the structure, age, composition, number of members, and other features of the groups. A questionnaire was administered to the women all the women interviewed though they had little education through personal interview.

The number of SHG groups selected and members in each group in 10 circles are given in the following table.

Table: 6.1: Number of groups and members selected for sample study in 10 circles defined by GHMC

Circle No.	Selected no. of SHG Groups	Members in group A	Members in Group B	Total no of members
Circle 1-Kpra	2	18	16	34
Circle2-Malkajgiri	2	12	12	24
Circle 3- Uppal	2	15	15	30
Circle L.B. Nagar	2	14	14	28
Circle 5- Charminar	2	13	17	30
Circle6-Mehdipatnam	2	12	18	30
Circle 7- Lingampally	2	17	12	29
Circle 8-Kukatpally	2	18	13	31
Circle 9- Panjagutta	2	15	15	30
Circle 10- Alwal	2	16	18	34
Total	12	150	150	300

Source: Primary data.

The above table 6.1 indicates that the number of members in each group are not uniform. They are varying from 12 to 18. The reasons are 1) Groups are formed without much knowledge about membership 2) Group leaders accommodating neighboured members out of friendship or force by NGO's. In some cases they encouraged more members as they are going to get more thrift from the members.

The present study made an analysis on impact in terms of income improvement and poverty reduction, and also in terms of enhancing savings, asset building, under taking entrepreneurial ship, increase in consumption expenditure. Empowerment of women is measured in terms of ‘power to’ ‘power with’ ‘power over’ ‘power within dimensions’.

The impact analysis has been done taking the pre and post SHG situations in terms of both economic and social aspects. The economic aspects include income, consumption pattern, savings and assets building and the social aspects comprises the level of co-operation from family, freedom in decision making, awareness about rights, control over fertility. To supplement the quantitative aspects and highlight the differences in the impact, I have conducted some case studies which I shall present in the subsequent chapter.

6.3 Age Distribution :

The first component of demographic profile is the age of the respondents. Age place a major role in young engagement in various economic activities. Age wise distribution sheds light and it reflects on different age groups to which the sample respondents belongs to and it reflects the activities they can take up.

Table:6.2: Distribution of Sample Respondents by Age of the Respondents:

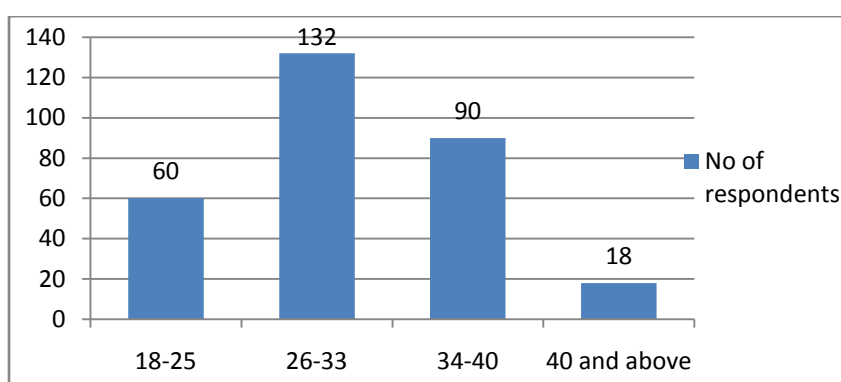
Sl.no	Age Group	Number of Respondents	Percentage
1	18-25	60	20%
2	26-33	132	44%
3	34-40	90	30%
4	40and above	18	6%
5	Total	300	100%

Source: Collected from the Primary data

The Table: 6.2 shows the different age groups to which they chose sample respondents belong to. In the first column age group is given, second column number of respondents that come under different age groups is given and third column shows the percentage of respondents who fall into different age groups. The table reveals that 60 out of 300 sample respondents are in the age group of 18-25 and their percentage come to around 20. Further 44% of the respondents are in the age group of 26 to 33 and their number is 132. About 30% of the respondents amounting to 90 are in the age

bracket of 34 to 40 years. 6% of the sample respondents i.e. only 18 members are in the age group of 40 and above. The survey shows that 74% of the sample respondents are between 26 to 40 years of age. The reason behind this factor is women in this age group are usually married and settled, and they are more stable in the families. As children go to school women find time to take up some productive activities earn and supplement family income.

Fig. 6.1. Distribution of respondents as per the age group.



6.4 Social Status of Respondents :

The caste to which the sample respondents belong to and hail from is a vital aspect of social background reveals the pattern of distribution of respondents as per their caste. In order to assess the progress of people belonging to different caste and communities data relating to the social background of the respondents is collected.

Table 6.3 : Distribution of Respondents on the basis of their social background.

Sl.No.	Caste	No. of Respondents	Percentage
1	O.C	24	8%
2	SC	114	38%
3	ST	66	22%
4	BC	84	28%
5	Minorities	12	4%
6	Total	300	100

Source : Collected from the primary source.

The Table 6.3 lists out different castes to which the sample respondents are from. The first column represents the names of castes and the second column shows the number of respondents and the third column shows the percentage of the respondents belonging to each caste. In the above table we can observe that OC's very less percentage i.e. 8% coming up to 24 members on other hand SC's constitute 38%

coming up to 114 members in the group followed by a slight decrease in the percentage of ST members at about 22% nearing to 66 members in the group. From the table it is seen that sample respondents belonging to BC community numbering 84.4% of minorities i.e. 12 members. On the whole women belonging to backward castes constitute a major percentage of the respondents, because they are poor, but also socially backward. Therefore, these are targeted for the program.

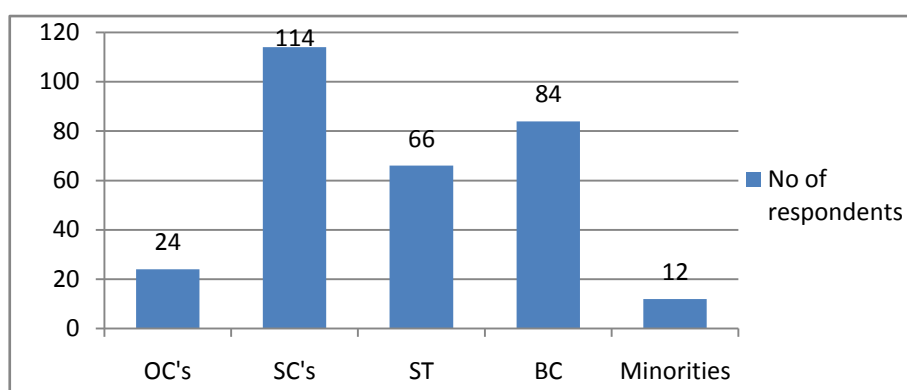
Table 6.4: The distribution of selected members as per social status in 10 circles

Circle No.	O.C.	S.C	S.T	B.C	Minorities	Total
Circle 1-Kapra	2	12	7	9	-	30
Circle2-Malkajgiri	2	9	6	9	-	26
Circle 3- Uppal	3	12	7	8	-	30
Circle-L.B. Nagar	4	12	6	8	3	33
Circle5-Charminar	2	13	8	8	2	33
Circle6-Mehdipatnam	3	10	5	9	-	27
Circle7- Lingampally	2	10	9	8	4	33
Circle 8-Kukatpally	2	10	6	9	1	28
Circle 9-Panjagutta	-	12	6	8	2	28
Circle 10-Alwal	4	14	6	8	-	32
Total	24(8%)	114(38 %)	66(22 %)	84(28 %)	12(4%)	300

Source: Collected from Primary Data

The distribution of members as per their social status in 10 circles is given in the table 6.4. The data shows that the distribution of selected members more or less uniform in all 10 circles i.e., members of SC, ST, and BC were distributed in all the circles uniformly. However, the number of minorities more in circle number 4,5 and 7. The reason behind this is that migrant members are distributed and settled in various centres as they selected the residential area suggested by their relatives, friends who were earlier settled in those areas. However, some members selected the area due to nearer to their work place.

Fig. 6.2. Distribution of respondents as per social background.



6.5 Level of Education:

Education is an important aspect and valuable constituent element of social progress. It enhances the capabilities of people and improves the quality of human life. Education results in human resources of a country and leads to higher productivity at all levels in different sectors. The data about education levels of the respondents reveals the literacy levels and stage of education i.e. primary secondary and higher education. Thus being illiterate and semi-literate, these women lack skill to organise themselves, to take up entrepreneurial activities which requires some basic education.

Table 6.5 Distribution of sample Respondents as Per the Educational Background:

Sl.no	Level of Education	Number of Respondents	Percentage
1	Illiterate	48	16%
2	Primary Education	150	50%
3	Higher Secondary	90	30%
4	Under Graduation	12	4%
5	Total	300	100%

Source: Collected from the Primary Source

The Table: 6.5 indicates the distribution of sample respondents as per their educational background. 16% of them have no education and hence fall under illiterate group numbering 48 out of the 300 sample respondents. Majority of the respondents i.e. 50% have primary education and their number is 150. 30% of the respondents numbering 90 have received higher secondary education and have a very minor percentage (i.e,4%)of the sample respondents (12) belong to under graduation category like intermediate, PUC some have discontinued their studies due to marriage.

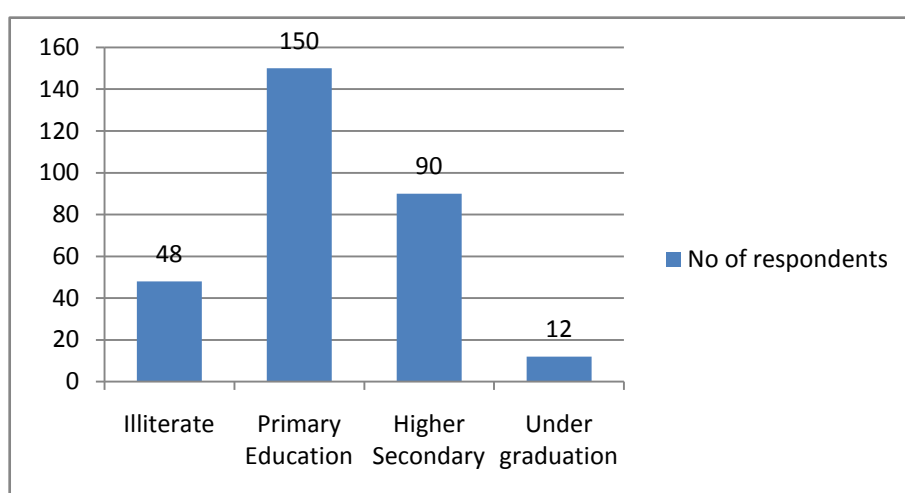
Table 6.6: The distribution of educational status among the social groups in 10 circles

Circle No.	O.C	S.C	S.T	B.C	Minorities	Total
Circle 1-Kapra	2	12	7	9	-	30
Circle2-Malkajgiri	2	9	6	9	-	26
Circle 3- Uppal	3	12	7	8	-	30
Circle L.B. Nagar	4	12	6	8	3	33
Circle 5- Charminar	2	13	8	8	2	33
Circle6-Mehdipatnam	3	10	5	9	-	27
Circle7-Lingampally	2	10	9	8	4	33
Circle 8-Kukatpally	2	10	6	9	1	28
Circle 9- Panjagutta	-	12	6	8	2	28
Circle 10- Alwal	4	14	6	8	-	32
Total	24(8%)	114(38%)	66(22%)	84(28%)	12(4%)	300

Source: Collected from the Primary Source

Though the advantages of education are realized by all the people it may be due to some factors particular to few families in some areas that hinder higher education among women. It was observed in the survey that the illiterate women members with primary education are nearly 66% of the total. The literate among O.C are 8%, S.C's 38%, among S.T's 66%, among B.C's 28%, among minorities 4%. It may look that percentage of educated among O.C is less but this is only due to less number of O.C. members in the group similarly, number of literate people are more among S.C's followed by B.C and S.T but this is only limited to primary and higher secondary education. We hardly find any graduates among the sample study. Only 4% of sample are having intermediate qualification. However it is observed even those members who are illiterate learnt how to sign their name as it is necessary for bank transactions. They also know interest calculations on loans they borrow from the group fund for purposes of family. Lack of education is not a big obstacle for them in any matters involving group's activities. They actively take part in meetings and group discussions to voice their opinions responding various aspects. The communication skills of these respondents are in no way below par compared to other.

Fig. 6.3. Distribution of respondents as per the educational status.



6.6 Education of Husbands of SHG Members

The details regarding the education level of the husbands of SHG members is presented in the table 6.7. The data reveals only 246 SHG members have husbands. Among them 9% of them illiterate, 16% are having primary education, 25% are having high school and intermediate education, 13% are having technical education, 8% are having graduation, 4% are having post-graduation qualifications

Table 6.7: Distribution literacy level among husbands of SHG members.

Circle No.	Illite-rate	Primary below 7th	High school completed	Inter-mediate	Technical	Under Graduation	Post Graduat-ion	Total
Circle 1-Kapra	-	5	9	5	3	2	2	26
Circle2-Malkajgiri	-	2	8	2	4	2	-	18
Circle 3- Uppal	8	6	4	4	2	-	-	24
Circle L.B. Nagar	-	2	6	8	3	3	-	22
Circle 5- Charminar	9	8	4	3	2	-	-	26
Circle6Mehdipatnam	2	8	4	5	4	1	1	25
Circle7-Lingampally	-	-	7	8	5	2	4	26
Circle 8-Kukatpally	-	3	5	9	4	3	2	26
Circle 9- Panjagutta	-	3	6	9	2	4	-	24
Circle 10- Alwal	2	4	9	8	3	3	-	29
Total	21 (9%)	41 (61%)	62 (25%)	62 (25%)	32 (13%)	20 (8%)	9 (4%)	246%

Source: Collected from the Primary Source

6.7 Occupation of Husbands of SHG Members

The details regarding occupation level of the husbands of SHG members are presented in the table 6.8. It is seen that 9% husbands of the SHG members are illiterate therefore they are working in construction industries as masons or milk suppliers, vegetable sellers. 16% husbands of SHG members are working as daily wage earners like helpers to various service activities or business and trading activities, example supplying water bottles, carpenters, plumbers. 50% husbands of SHG members are self-employees they have tea, pan shops, tiffin stalls, bouquet making, small stationary and grocery stores, electrical repairing works, mobile and electronic repairing works and running their own auto 13% of them working in private companies for monthly salaries. 8% of husbands of SHG members are engaged in Trading and Business. 4% of husbands of SHG members are working in state and central offices with marginal salaries. Those who are graduates are working in various educational institutions as attenders, lab assistants. On the whole it is observed that the economic status of husbands of SHG members is not very rosy. The monthly incomes of the husbands of SHG members are not above 15000-20000 rupees. The low incomes earned by the male members is one of the reasons that they have permitted their wife's to become SHG members in order to get loans as well as other benefits promised to deliver by government in future.

Table 6.8: Distribution of Husbands of SHG members as per their occupations

Circle No.	Masson	Daily wage earners	Self-employment	Private Employment	Business and Trading	Govt. Employment	Total
Circle 1-Kapra	-	5	14	3	2	2	26
Circle2-Malkajgiri	-	2	10	4	2	-	18
Circle 3- Uppal	8	6	8	2	-	-	24
Circle L.B. Nagar	-	2	14	3	3	-	22
Circle 5- Charminar	9	8	7	2	3	-	26
Circle6-Mehdipatnam	2	8	9	4	1	1	25
Circle7-Lingampally	-	-	15	5	2	4	26
Circle 8-Kukatpally	-	3	14	4	3	2	26
Circle 9- Panjagutta	-	3	15	2	4	-	24
Circle 10- Alwal	2	4	17	3	3	-	29
Total	21(9%)	41(16%)	123(50%)	32(13%)	20(8%)	9(4%)	300

Source: Collected from the Primary Source

6.8 Marital Status

Marital status is very important factor to determine economic status of the SHG members socially married women depend on their husbands income for meeting the household expenses. Generally, a married woman does not have freedom to earn money without the permission of family members. But, with rapidly increasing cost of living in urban areas it is becoming increasingly difficult to run a household with a single persons income hence after marriage out of necessity women tend to undertake some income generating activities to enhance their family income. The details of marital status SHG members are presented in the table 6.9. It is observed that 82% of the members are married and 12% are widows, 2% are divorced and 4% are unmarried.

Table: 6.9: Distribution of sample members as per Marital Status

Circle No.	Married	Widows	Unmarried	Divorced	Total
Circle 1-Kapra	26	5	2	1	34
Circle2-Malkajgiri	18	3	2	1	24
Circle 3- Uppal	24	4	1	1	30
Circle L.B. Nagar	22	4	2	-	28
Circle 5- Charminar	26	3	-	1	30
Circle6-Mehdipatnam	25	3	1	1	30
Circle 7- Lingampally	26	2	1	-	29
Circle 8-Kukatpally	26	4	1	-	31
Circle 9- Panjagutta	24	4	1	1	30
Circle 10- Alwal	29	4	1	-	34
Total	246 (82%)	36 (12%)	12 (4%)	6 (2%)	300

Source: Collected from the Primary Source

It is observed from the data that majority of the SHG members are married i.e. 82%, the main reason is that marriage for women is considered as a social security in Indian society. Most of the SHG women got married between the ages of 18-22. The

childhood marriages are slowly disappearing, this is one of the indicators of social empowerment of the women. The second reason is that the education for women is not considered as important compared to marriage. If the girl is not married they have to face criticism from neighbours, relatives moreover, poor people consider performing girls marriage will transfer the burden of looking after a girl. From the data it is revealed considerable number of SHG women i.e. 36 members are widows (12%). They belong to the age group of 35-50. The reasons for death of their husbands are many 1) alcoholism 2) illness and 3) accidents 4) suicides. Out of 36 members 18 members lost their husbands due to alcoholism, most of the SHG women are fighting against social evil. 12 members lost their husbands due to ill health predominantly cancer, heart-attack, 4 members lost their husbands due to accidents, 2 people committed suicide due to bad debts. The SHG members stated that no one has received any compensation either from NGOs or government in the case of death took place due to accidents.

6.9 Head of Household

Since ancient times Indian economy is dominated by patriarchal system. In this system males are generally head of the household. In this study nearly 82% of members reported that their husbands are the head of the households, followed by self(SHG member). In some families farther-in-law is head of the family. It is observed that in circle 10 majority of the males are heads of the household. It is also observed that nearly 13% of total SHG members reported that their themselves(women) are household head. Among them 12% are widows, 1% are divorced, among the divorced 1% are living independently and the other 1% are living with the parents.

6.10 Number of Children

The number of children is also an indicator of economic development and social development. It reflects the attitude of the people towards reduction of population and desire to improve their standard of living. It is an indicator of personality development on the part of individuals. The table shows 92% of SHG members are having children and only 8% are childless. The members who are childless are more in S.C followed by S.T and B.C categories. All the minority SHG women are having children. The reason is generally the minority women get marry at an early age and family planning is not encouraged much in this community. Only due to the education there is a change in trend. It is also found that from the total sample 8% are not having any children, 76%

are having children less than 3 and 16% are having children less than 5. We can say that 16% is also very high which reflects lack of education on the part of SHG women. The women stated that they are forced to have children till they get a male child. In some cases they have 5 children also. But after joining SHG groups they started apposing to have more number of children. This is due to awareness camps health programs organized by NGO's and GHMC.

Table 6.10: Distribution of children among the SHG members

Category	No child	Less than 3	4 to 5	Total
O.C	2	22	-	24
S.C	9	89	16	114
S.T	7	47	12	66
B.C	6	67	11	84
Minorities	-	3	9	12
Total	24(8%)	228(76%)	48(16%)	300

Source: Collected from the Primary Source

6.11 Type of the Family

Family is usually of two types - joint family and nuclear family. The details regarding the family type of SHG members circle wise is given in the table 6.7. The study reveals that majority of SHG members live in joint families among social groups O.C's have the highest share of nuclear family followed by B.C's S.C's. it is observed that the main reason for sustenance for joint families is collective income. The members of joint family feel that they can run their families if they receive more income from all the members of the family. However, in some cases family bondage is the main reason for joint family. The main cause for nuclear families among the O.Cs is economic empowerment. There is a co-relation between economic empowerment and breaking of joint family system.

Table 6.11: Circle-wise distribution of families of the SHG

Circle No.	Nuclear	Joint	Total
Circle 1-Kapra	9	24	33
Circle2-Malkajgiri	7	23	30
Circle 3- Uppal	6	22	28
Circle L.B. Nagar	7	23	30
Circle 5- Charminar	8	23	31
Circle6-Mehdipatnam	8	21	29
Circle 7- Lingampally	7	22	29
Circle 8-Kukatpally	8	23	31
Circle 9- Panjagutta	9	19	28
Circle 10- Alwal	9	22	31
Total	78 (26%)	222 (74%)	300%

Source: Collected from the Primary Source

In the present study it is found that 26% of SHG members are living in nuclear families and 74% are living in joint families so that pooled income would sustain their families. Apart from the type of family the size of the family is also one of the determinant factors to understand the economic status of SHG members.

6.12 Size of the Family

Another aspect of Demographic profile is the size of the family of the sample respondents. Family comprises of children adults and old people. Bigger the size of the family higher is the percentage of income of the household which will be helpful for meeting the needs spent for consumption. Another factor is small families are mostly problem free families because of less number. It is a known fact that most of the socio economic problems in developing countries are due to population explosion. On the contrary the quality of life in advanced countries is high on account of less population.

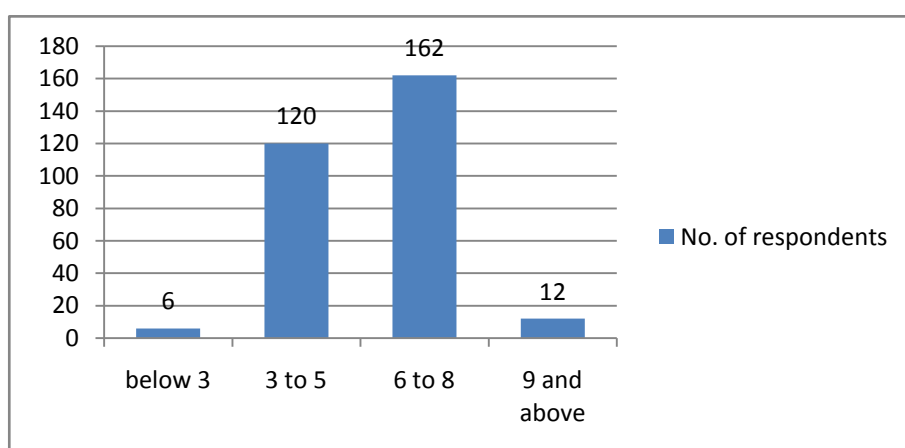
Table: 6.12 Distribution of Sample Households by the Size of the Family:

Sl.no	Size of the Family	Number of Responders	Percentage
1	Below 3	6	2%
2	3 to 5	120	40%
3	6 to 8	162	54%
4	9 and Above	12	4%
5	Total	300	100%

Source: Collected from the Primary Source

In the Table: 6.12 the distribution of sample respondents by the size of the family is indicated. Nearly 54% of the sample respondents have family members between 6 and 8. The percentage of respondents with the size of family as 3 to 5 is 40%. Poor families tend to be slightly bigger because of the traditional beliefs and children being treated as supplements too family income.

Fig. 6.4. Distribution of respondents as per the family size.



The distribution of the family size in 10 circles defined by GHMC is given in following table 6.9. It is found that more number of people below the family size 5 are found in circle number 4, below the size of 2 members are found more in circle no 8, and below the size of 8 are found more in circle no 1, and below the size of 9 are found more in circle no 4.

Table: 6.13: The distribution of family size in 10 circles

Circle No.	Below 5	3 to 5	6 to 8	9 and above	Total
Circle 1-Kapra	1	13	26	Nil	40
Circle 2-Malkajgiri	Nil	15	17	Nil	32
Circle 3- Uppal	Nil	12	16	Nil	28
Circle L.B. Nagar	2	9	15	5	31
Circle 5- Charminar	1	13	13	2	29
Circle 6-Mehdipatnam	Nil	12	18	3	33
Circle 7- Lingampally	1	9	13	2	25
Circle 8-Kukatpally	Nil	11	15	Nil	26
Circle 9- Panjagutta	1	12	14	Nil	27
Circle 10- Alwal	Nil	14	15	Nil	29
Total	6 (2%)	120 (40%)	162 (54%)	12 (4%)	300%

Source: collected from the primary data.

6.13 Number of Earning Members

Another aspect of demographic profile is the number of earning members in the sample respondent's households. This factor reveals the sources of income and is an indicator of the standard of living. The more is the number of earning members in a family higher is the income and higher are the living standards. However this is not proved to be right in some cases of sample respondents as the incomes are meagre.

Table: 6.14 Distribution of Households by Number of Earning Members:

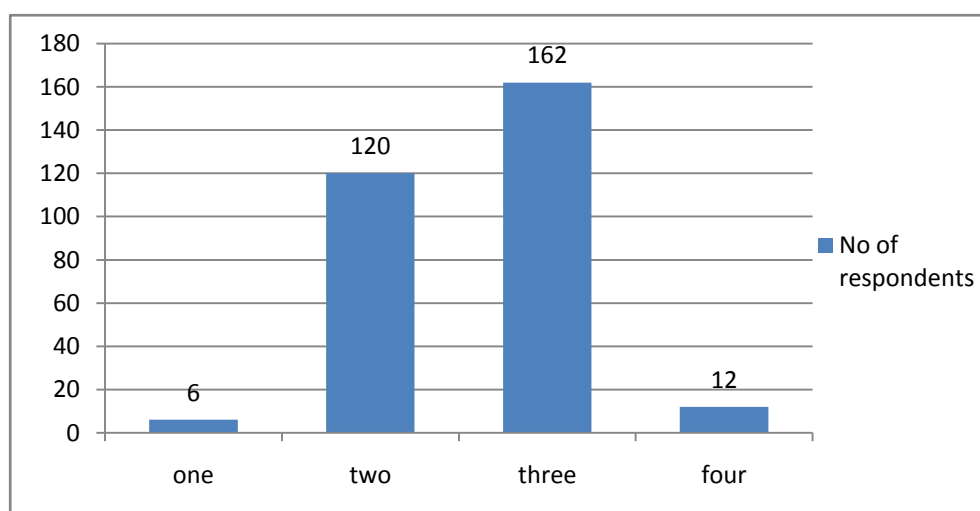
Sl.no	No. of earning members	Number of respondents	Percentage
1	One	6	2%
2	Two	120	40%
3	Three	162	54%
4	four	12	4%
Total		300	100%

Source: Collected from the Primary Source

The number of earning members in a family reveals the number of sources of income and the living standards of the family. Table 6.14 shows that 2% of the families have only one member fetching income for the entire family. 40% households have more than 2 members earning, but their incomes are very meagre. Only 54% are having

3 earning members in the family and 4% are having 4 earning members in the family. Obviously the standard of living of these families is no better than the rest for the reason that they earn in very small amounts in seasonal occupations which is not a regular source of income. Had they joined in productive occupation the families would have enjoyed a reasonable minimum subsistence. On the other hand it is observed that 54% of the sample households which have three earning members are leading relatively better quality of life.

Fig. 6.5. Distribution of respondents as per the number of earning members.



6.14 Access to Public Distribution System

As one of the poverty alleviation programs, the government of India decided to supply rice oil sugar kerosene at lower prices through public distribution system. As per 61 round NSS survey, 33% families are living below poverty line. Most of them are from deprived communities such as SCs and STs. White cards distributed to below poverty line (BPL) families. It is observed that all the SHG members have the ration cards. Among them majority have white ration cards and 1% have pink (Sugar) cards. It is also observed that 100% ST and minority community members have white ration cards. The study reveals that there are only a few members in OC, SC and BC community who have pink ration cards. Even high income members those having land among BC and OC community possess white ration cards. It is observed that only 40% of the members use the rice for eating purpose which is sold at rupees 2. They stated that the quality is very poor the remaining 22% purchase the rice and sell outside for

rupees 8 and 9. It is also observed that people with high income are also utilizing benefits of Arogyasree and Indiramma Housing scheme. This is nothing but gross misuse of benefits which are proposed to help the poor. The government should take steps to eliminate fake cards.

Table 6.14: Distribution of ration cards among the social groups

Category	White	Pink	Total
O.C	21	3	24
S.C	114	Nil	114
S.T	66	Nil	66
B.C	84	Nil	84
Minority	12	Nil	12
Total	297	3	300

Source: Collected from the Primary Source

6.15 Access to Land

Possessing land is not only status symbol but it generates income also. Before industrialization, majority of population used to depend on agricultural income only. Majority of the land holding are controlled by O.C category. The S.C, S.T and Tribal use to work as agricultural labourers for daily wages. As per 2001 agricultural census of Andhra Pradesh about 10 acres and above constitute 17.25% of total number of holdings but control 53.38% of total operated area, while the bottom marginal and small holdings of less than 5 acres constitute 82.75% of the total holdings, but control only 46.22% of total operated area. It is also interesting to note that association of caste with land distribution. Land is mostly concentrated in upper caste to the exclusion of schedule caste and schedule tribes.

As per 2001 census data it reveals that there are not only wide disparities in the pattern of land ownership but also bigger labour force has been working on agriculture, Consequently these two factors resulted in wide inequalities in land ownership and dependence of overwhelming majority of the working population on agriculture. This resulted in the reduction in agricultural wages and disguised unemployment. Due to lack of continuous employment agricultural labourers slowly migrated to towns and cities. The sample of SHG members reveals that most of them migrated either by disposing their lands or due to lack of employment.

In the present study hardly 17% of people have lands in their native villages which do not give any incomes due to lack of proper irrigation facilities and 83%

people do not possess any land. The below table 6.16 shows acquisition of land by the social groups. It is important to note that minorities do not possess any land, at least S.Cs, S.Ts and B.Cs have some land in their native places. 17% of O.Cs. possess more than 2.5 acres of land.

Table 6.15 Distribution of Land among SHG members as per social groups.

Social Group	Land Less	Less than 2.5 acres	2.5 to 5 acres	Total
O.C	6	14	4	24
S.C	110	4	-	114
S.T	50	16	-	66
B.C	72	12	-	84
Minorities	12	-	-	12
Total	250(83%)	46(15.3%)	4(1.3%)	300

Source: Collected from the Primary Source

6.16 Occupational Distribution

Change in the occupational distribution is the clear indication of growth of an economy. Professor Nurkse stated that during the process of development the work force will shift from agricultural occupations to industrial occupations and finally service occupations. According to 2001 census data 1971 to 1981 the percentage of S.C workers as cultivators was increased from 14.66% to 17.41%, while percentage of SC agricultural labourers declined from 73.04% to 68.24%. In case of general workers, the percentage of cultivators declined from 34.43% to 32.73%. The percentage of agricultural labourers decreased from 38.24% to 36.78% during the same period. Regarding non farming workers the figure increased from 12.3% to 4.35% in case of S.C workers, while it increased from 29% to 30.49% in case of general workers thus there is some marginal improvement in the S.C workers as cultivator and also non farming workers. This indicates upward movement of S.C workers and also non farming workers. This is due to redistribution of waste lands and surplus lands under 20-pint programme in mid 1970's. During 1971-81 the share of non-farming workers increased from 12.55% to 13.7% and again it declined to 12.29% in 1991. This shows that at Andhra Pradesh state level agricultural workers slowly started shifting to non-farming activities. The S.C cultivators proportion declined by 1% from 12.77 to 11.59 during 1991-2001. Similarly cultivators proportion declined by 2% from 27.74% to 25.47% during the same period. The same trend has also continued for agricultural labours, S.C's agricultural labourers proportion declined largely from 72.05% to 64.21% during 1991-2001 and at the state level, this proportion drastically declined

from 40.87% to 33.83% in the same period and the S.C 'other worker' proportion increased from 15.3% to 24.2% (more than 8%) and even at the state level, the proportion increased from 31.69% to 40.7% during 1991-200. This strength shows that S.C's and state agricultural workers seems to be shifting slowly for other activities like non-farming and household industry.

6.17 Occupation profile of the respondents

It is observed that the respondents are performing the following activities before joining SHG groups. Out of total sample of 300 respondents 96 members (32%) are home makers and unemployed and 204 members (68%) are daily wage labourers. As these members are having less education and skills, they generally take up daily wage employment such as domestic servants, construction workers, vegetable and fruit vendors. These economic activities are classified into two categories a) seasonal b) regular. The wage labourers are i.e. (68% of the SHG members) are facing the problems of first category problems more severely, they get work only during some seasons therefore their incomes are seasonal.

Table:6.16 Occupational profile of the members before joining SHGs

Circle No.	Home makers/ Unemployed	Wage labour	Total
Circle 1-Kapra	12	18	30
Circle2-Malkajgiri	7	23	30
Circle 3- Uppal	10	20	30
Circle4- L.B. Nagar	10	20	30
Circle5- Charminar	12	18	30
Circle6Mehdipatnam	11	19	30
Circle7-Lingampally	8	22	30
Circle 8-Kukatpally	8	122	30
Circle 9- Panjagutta	8	22	30
Circle 10- Alwal	10	20	30
Total	96(32%)	204(68%)	300(100%)

Source: Collected from primary data

6.18 Income from previous occupations

Another element of Demographic profile is income of the sample respondents. Income of the households of the respondents shows their standard of living purchasing power etc. income is an important contributing factor leading to economic independence and thereby promotes socio economic empowerment.

Table: 6.17 Distribution of Members by Income Earned Per Month Before Joining SHGs:

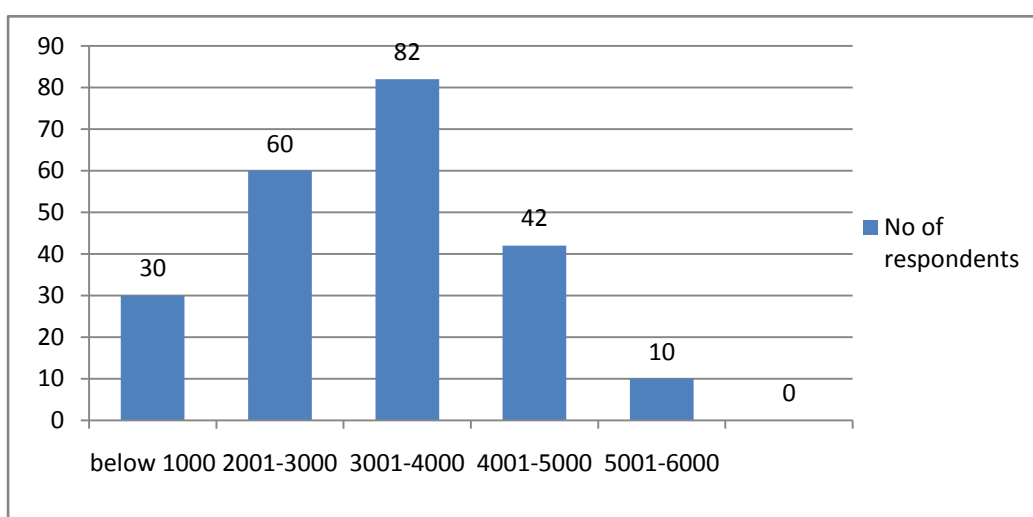
Sl.no	Size of Income	Number of Respondents	Percentage
1	Below 1000	30	13.4%
2	2001 to 3000	60	26.8%
3	3001 to 4000	82	36.6%
4	4001 to 5000	42	18.8%
5	5001 to 6000	10	4.4%
	Total	300	100%

Source: Collected from the Primary Source

In the above Table: 6.17 the distribution of sample respondents as per the income they earn per month is shown. 30 respondents (13.4%) are receiving less than Rs.1000/- per month, 60 members (26.8%) are in the income range between Rs 2000-3000, 82 respondents (36.6%) are in the income bracket of Rs.3001-4000 and 42 members (18.8%) are between Rs 4001-Rs5000. 10 members i.e. 4.4% are receiving incomes above Rs 5000. Majority of the sample respondent families belong to low and middle income groups and this is one factor that forced the respondents to form into groups, take up a productive activity and increase income of the family.

It is observed from the respondents that majority of the respondents are earning 3000 to 4000(36.6%), which is not sufficient even though they are supported by their husbands and sons. As a standard of living is quite expensive in cities their total income is not increasing more than 15 to 20 thousand rupees per a family of five members on an average. These earnings of family is just sufficient to meet day to day living only covering the food and clothing. Any additional expenditure such as children's education, marriage, festivals and functions, sickness demands additional financial resources for which they need to depend upon money lenders, friends and relatives or employee with whom they are working. Most of the time they depend on money lenders as the resources are available without much process. But the highest interest rates which they charge make these people much worse and caught in debt traps. The following table shows the amount of savings and loans taken from various sources with high interest rates.

Fig. 6.6. Distribution of respondents as per the incomes earned before joining SHG.



6.19 Savings profile of the SHG members

Based on the monthly earnings received by all earning members in the family every SHG women is not able to save large amounts even though they want to save. The savings profile is given in the following table.

Table:6.18 Savings profile of the respondents

Circle No.	Below 100	200 to 300	300 and above	Total
Circle 1-Kapra	1	1	Nil	2
Circle2-Malkajgiri	Nil	Nil	Nil	Nil
Circle 3- Uppal	2	2	Nil	4
Circle L.B. Nagar	Nil	Nil	Nil	Nil
Circle 5- Charminar	Nil	Nil	Nil	Nil
Circle6Mehdipatnam	1	Nil	Nil	1
Circle7-Lingampally	1	1	Nil	2
Circle 8-Kukatpally	1	Nil	Nil	1
Circle 9- Panjagutta	1	1	1	3
Circle 10- Alwal	3	Nil	Nil	3
Total	10 (3.3%)	5 (1.6%)	1 (0.3%)	16 (5.3%)

Source: Collected from the Primary Source

It is evident from the above table that the savings of SHG group members is quite negligible, because their incomes are very low, and family incomes are just sufficient to meet day to day living expenses. Only 3.3% saved below 100 and 1.6% able to save 200-300. 0.3 are able to save 300 above per month. Total only 16 members i.e. 5.3 SHG women are able to save. This is a clear reflection of insufficient incomes and poverty scenario among SHG members. Hence they normally borrow money from different sources. The following table gives a details of borrowing from different sources.

6.20 Sources of borrowing:

Access to the credit is one of the milestones in the process of the development. It is evident from the below table 6.19, the savings are quite meagre because of the fact that the incomes are not sufficient to meet the day to day living expenditure. Hence lower income people quite often borrow money from different sources and get into the debt traps. The following are the sources of borrowing.

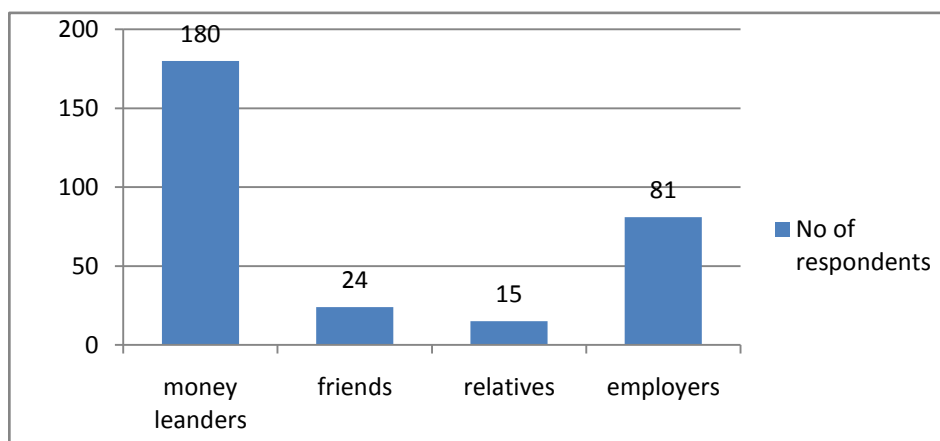
Table:6.19 Sources of borrowing

Sources	No.of Respondents	Percentage
Money lenders	180	60%
Friends	24	8%
Relatives	15	5%
Employer	81	27%
Total	300	100%

Source: Collected from the Primary Source

The sources of borrowing by the respondents is shown in the above table. Before joining the SHG 60% of them are depending on money lenders, 8% of them borrowing from their friends 5% from their relatives 27% of them were borrowing from their employers.

Fig. 6.7. Distribution of respondents as per source of borrowing.



SECTION – 2

In order to reduce poverty and empower women formation of SHG groups has been entrusted to the agencies of SERP, GHMC and MEPMA. MEPMA has made 23.915 women as SHG members in Hyderabad city. However many women are joining

in SHGs by motivations of NGOs, banks and political leaders. The motivational factors for joining SHGs are given below.

6.21 Motivational Factors to join SHGs

The number of groups formed by NGOs and other agencies are quite less in number in urban areas particularly in Hyderabad city. Only since 2008 onwards the number of SHGs is increasing enormously. The main motivating factor is obtaining loans from the banks

As stated in earlier Chapters, micro finance in Bangladesh and other states had brought remarkable changes in the living conditions of the rural poor. Having seen their experiences various NGOs have started promoting SHGs. In addition to these RBI, NABARD, RRBs and the government started promoting SHGs in large scale and provided bank linkage. In addition to this, having seen loan utilization pattern, improvement in living standards of neighbourhood many rural and urban women voluntarily became SHG members. Not only that they have started motivating others to become members. The table below shows the motivational factors for SHG groups.

Table: 6.20 Motivational factors for joining SHGs

Sl.no	Factors	Number of respondents	Percentage
1	Loans	120	40%
2	Government	90	30%
3	Banks	42	14%
4	NGO's	36	12%
5	Achievement of others	12	4%
6	Total	300	100%

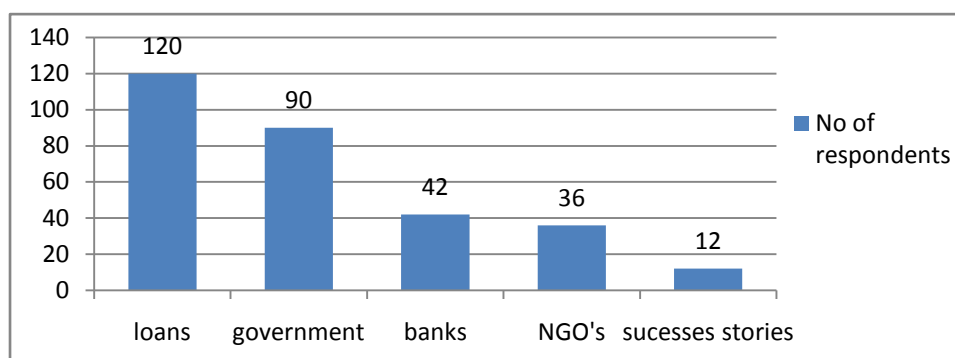
Source: collected from the primary data.

Self-Help groups being voluntary organization have a number of factors that encourage women either to form groups or join existing groups. The factors that influence women to become members of self- help groups are many. All the factors such as income earning, influence of others, success stories of women, initiatives by NGO's, schemes by the micro finance institutions etc. all factors are the main causes of increasing the number of SHGs.

In the above table 6.20 the various factors that influence poor women to join the Self-help groups re-enlisted and preference of the respondents is given nearly 40% of sample respondents answered positive for the 'loans' as major factor responsible for joining SHG. Poverty prompts women to showcase their talents and skills in any particular work that yields them income. They are ready to capture and opportunity to

work in any productive activity and secure income. Income is strong factor that pushes them in search for employment. Second important factor is the influences exercised by the government. Banks and NGOs (26%) are the motivating factors to become SHG members groups. 4% SHG members joined groups by hearing achievements and success stories of others.

Fig. 6.8. Distribution of respondents as per motivational factors to join SHGs.



6.22 Loans received from the banks

Accessibility of credit and repayment conditions of SHG members is given in the following table. It is observed that lending to the poor is considered to be costly and risky proposition because of their low savings propensity and lack of collateral. At present SHGs are having good practices like group pressure, joint liability and peer monitoring. Having all these characteristics it is observed that SHGs have taken loans more than once. In all selected 10 circles the SHGs are given Rs. 50,000 as initial loan. As soon as it was cleared the second loan is granted and subsequently the third loan.

Table 6.21 : Loans received from the bank by the SHG members

Circle No.	Average loan received by SHGs (in Rupees)	Average loans received by member (in Rupees)	Percentage repayment
Circle 1-Kapra	50,000	4411	100%
Circle2-Malkajgiri	50,000	6250	100%
Circle 3- Uppal	50,000	5000	98%
Circle L.B. Nagar	50,000	5357	98%
Circle 5- Charminar	50,000	5000	100%
Circle 6-Mehdipatnam	50,000	5000	98%
Circle7-Lingampally	50,000	5000	100%
Circle 8-Kukatpally	50,000	4838	100%
Circle 9-Panjagutta	50,000	5000	100%
Circle 10-Alwal	50,000	4411	96%
Total	50,00,000	50267	(mostly) 100%

Source: collected from the primary data.

The above table shows that majority of groups received loan of 50,000. Initially the banks have sanctioned 50,000 as a first time loan. The above table reveals average loan received by a group and group member. It is observed that even though the group as a whole is given 50,000, but an average SHG member could get only 4000-6000 rupees only. This is noteworthy that even though the government is propagating about SHG bank linkage programme but no SHG member could not get even 10,000 rupees also. We cannot expect any entrepreneurial program or production activity by just 5000 rupees.

Further, the banks adopt rating system by a structured questionnaire while sanctioning the loans. The recovery is the main consideration for granting loans. It is found from the study majority of group members regular in attending meetings and loan repayment. Some members are eliminated from the groups, if they failed to pay in time. The role of group leaders is quite significant here. Since some group leaders unable to recover the loan amount by conducting regular meeting every month, efficient conduct of meetings, the recovery rate is not 100%, it is only 96 or 98%. As depicted in the above table 6.23.

The groups which are dynamic and efficient are to received loans second and third time also. The following table shows the number of groups received loans first, second and third times. But it is found that the transaction cost in terms of travelling time, loss of personal days , several visits to banks and associated expenditure for their self and accompanying person, waiting period, and above all paying the interest of the loan to outsiders have all vanished with the emergence of SHGs. The transaction cost, in terms of interest may be higher since in certain groups the rate of interest charged ranges from 32-35% which is two to three fold higher than that of the formal loan. But the members do not mind paying the higher interest as it goes back to their group as thrift which will be their earnings later,

The Govt. of Andhra Pradesh has given pavalavaddi (interest subsidy) to all these groups who availed loans from different banks. Since 01-01-2012 , Govt. A.P announced “vaddileni runalu”.

Table:6.22 Loans received by SHGs from the banks

Circle No.	First time loan Loan up to 50,000	Second time loan Loan up to 1,50,000	Third time loan Loan up to 3,00,000
Circle 1-Kapra	28	12	2
Circle2-Malkajgiri	28	22	1
Circle 3- Uppal	28	20	Nil
Circle L.B. Nagar	29	12	1
Circle 5-Charminar	29	10	Nil
Circle6Mehdipatnam	29	15	3
Circle7-Lingampally	28	16	2
Circle 8-Kukatpally	29	16	3
Circle 9-Panjagutta	27	15	2
Circle 10-Alwal	30	17	4
Total	285(95%)	155(52%)	18(6%)

Source: collected from the primary data.

It is evident from the table that 95% of the sample study received first time loan ranging from Rs.50,000-75,000. They had taken almost one year to repay the loan amount, i.e. Rs.6,000 on an average. Some groups collected two hundred per month and some of them collected Rs.300-500 per month. It is comfortable to pay up to 300 per month, but it is difficult to pay Rs.500 per month for some people. Therefore some group members withdrew from membership, some are managing and some are motivated by leaders to continue their membership so that they can get further loans. Thus we see that even though 95% groups received loans only 52% could get second time loans and 6% loans are able to receive third time loans. It is found from the study that the group dynamics are very important factor for obtaining loans.

6.23 Interest Rate

As far as the rate of interest rate was concerned on the borrowings of SHG member the groups were charging higher rate than the rate of interest charged by the banks. The rate of interest of the bank loan varied from 8.5% to 11.5% per annum. The interest rate charged on internal lending varied from group to group i.e. from 1 percent to 3 percent per month. In circles 2, 8, 9 2% per month is charged. In circles 1,5,10 3% per month is collected. However, the interest rate is less for emergency needs. The details of interest rate charged are furnished as under. Due to bank loans and internal loans the dependency on money lenders has reduced drastically.

Table: 6.23. On internal lending and from bank to SHG percentage

Agency	Bank to SHGs	SHGs to SHG member
Commercial Banks	8.5% to 11.5%	12% to 24%

Source: collected from the primary data.

The repayment period on loans issued to SHGs is varied from 12 to 36 months depending on the activity purpose for which loan was dispersed. The details of repayment period on loan issued are given as under.

Table: 6.24. Details of Repayment Period

Loans	Repayment Period	Normally repaid in
Bank Loan	12 to 36 months	10 to 24 months
Internal Loan	12 months	11 to 12 months

Source: collected from the primary data.

6.24 Pavalu Vaddi received by the Banks

In the initial stages of development of SHGs all the banks are directed to provide loans to the SHG's at the rate of pavalu vaddi. And the government of Andhra Pradesh has promised commercial banks to reimburse by the government. The following table shows the amount of pavalu vaddi reimbursed by the government to the banks.

Table 6.25: Distribution of pavalu vaddi to commercial banks till January 2010

Circle No.	Number of SHGs	Amount in Rupees
Circle 1-Kapra	70	263577
Circle2-Malkajgiri	55	91547
Circle 3- Uppal	39	138576
Circle L.B. Nagar	89	322661
Circle 5- Charminar	35	180887
Circle6Mehdipatnam	4465	1161924
Circle7-Lingampally	110	482322
Circle 8-Kukatpally	148	643096
Circle 9- Panjagutta	250	983277
Circle 10- Alwal	384	1395814
Total	4215	54408611

Source: collected from the primary data.

As the government is giving vaddi leni runalu the SHGs are growing in lakhs. Thus SHG movement made the women to come together and form groups in order to become more productive.

6.25 Frequency of repayment by SHG loanee members

The poor urban migrant to women, who have no access to banks earlier, are fully dependent on local money lenders. With SHG bank linkage program the SHG members get opportunity to avail the credit facilities from the bank and are able to diversify their economic activities. The prompt repayment of the loan taken by the

members to SHG helped the SHG to repay the amounts taken from the banks. The frequency of repayment in all 10 circles is analysed in following table

Table: 6.26. Frequency of Repayment by SHG Loanee Members

S.No	Circle No.	One Month	Two Months	Three Months	Six Months	Irregular	Total
1	Circle 1-Kapra	15	6	5	2	5	33
2	Circle2-Malkajgiri	21	5	4	1	3	34
3	Circle 3- Uppal	12	5	5	2	5	29
4	Circle L.B. Nagar	15	5	4	2	5	31
5	Circle 5- Charminar	15	5	4	1	4	29
6	Circle6Mehdipatnam	12	5	5	2	4	28
7	Circle7-Lingampally	15	5	4	2	3	19
8	Circle 8-Kukatpally	12	6	5	2	5	30
9	Circle 9- Panjagutta	12	6	4	2	4	28
10.	Circle 10- Alwal	12	6	5	2	4	29
	Total	141 (47%)	54 (18%)	45 (15%)	18 (6%)	42 (14%)	300 (100%)

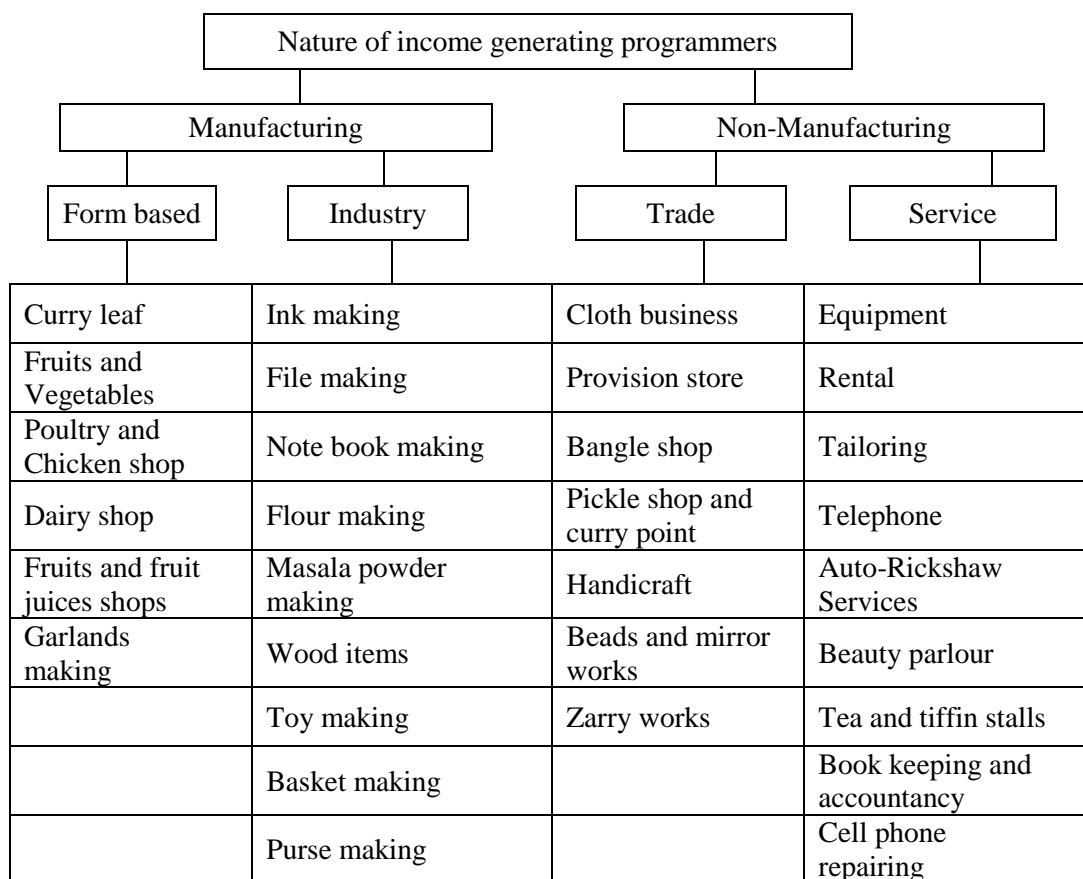
Source: collected from the primary data.

From the above table it can be inferred that there are 141 (47%) of women members who are repaying loan amounts regularly once in a month. 54 (18%) of women members are repaying the loan amount once in a two months. 45 (15%) women members are repaying once in a three months. 18(6%) of women members are repaying once in 6 months. In case of 42 (14%) of women members the repayments are found to be irregular as economic activities undertaken by these members found to be not that sound. In some cases the lack of financial discipline and lack of financial management were the causes for irregular payments

SECTION - 3

6.26 Loans utilization pattern

Initially majority of the loans taken from banks are used for clearing earlier debts, and for purchasing consumer durables, such as gas, T.V, mobiles, refrigerator \, sewing machines. I found that majority of the SHG members used their first time loans for clearing debts as well as consumption 62% of them are using for income generating activities, 10.7 are using for consumption purpose, 17.3% are for setting up micro enterprises. The loans received by the SHG members have used for income generating programmes in the following manner:



Source: collected from the primary data.

Table: 6.27 Business activities for which loans are utilised

S.No	Name of activity	No.of members	Percentages
1	Farm based activity	42	14%
2	Industry	126	42%
3	Trade	72	24%
4	Service	60	20%
	Total	300	100%

Source: collected from the primary data.

The above table reveals that majority (42%) of members are investing in industry. 24 % are investing in trade , and 20% are in service, only 14% are investing in farm based activities. I found curry leaf making, fruits and vegetable selling, are prominent in farm based activity. Masala powders, food items such as snacks and sweets, pickle making, flour making, phenol making are major activity in industry. Organising provisional stores, petti shops cloth business are major activities in trade, tailoring, parlour service tea and tiffin stalls are major activities in service sector. However some women are running telephone booth, auto rickshaws with the help of husbands and sons. Some authors pointed out regarding this particular aspect, that the

women are hand over their loans to their husbands. When I asked about these as “Why do you give these loans to your husbands?” they replied to me saying that “Family is a unit. Any financial resources received by women and husband used only for the progress of family. Any revenues received through these investments, after all used only for family. Therefore we do not find any discrimination between wife and husband.

In addition to the loans received by the banks, additional resources from husband and sons have also utilised for setting up small and tiny units, and organising income generating programmes. It is reported that 75% of women received contribution from their husband and sons. 25% of them have used exclusively for their own activity.

Apart from starting income generating activities 20% of the women have taken training provided by MEPMA in various activities . The list of training partners and major training programmes are given below, and provided placement also.

Table: 6.28 List of MEPMA Training partners

S.no	Training Agency		
1	Andhra Mahila Sabah	19	ILFS
2	Ants and Partners	20	IshwaryaTachno Solutions
3	APEC	21	NICE Computer Educational Society
4	APITCO Ltd	22	NIIT
5	ATDC	23	NIT Computers
6	BIT Computers	24	RRUDS
7	CAP Foundation	25	Sahithi Systems Pvt Ttd
8	CMC Ltd	26	Satyam Computer Education
9	CENTUM Learning Ltd	27	Sri Ram Educational Society
10	Computer Point Educational Society	28	SETWIN
11	CORE Skill Developments and Careers Pvt Ltd	29	SHARD
12	Datapro Computers Pvt.Ltd	30	Skylark
13	Dr.Reddys Foundation	31	Synchro Serve Global Solutions Pvt.Ltd
14	Dhathri Foundation	32	THREDZ Information Technology Pvt Ltd
15	Global College	33	Tally Solutions Pvt Ltd
16	Gram Tarang Employability Training Services	34	Trimentus Technologies Pvt Ltd
17	ICC Computer Foundation	35	VISRI Technologies and Solutions
18	IIHM	36	Window Software Technologies

Source: MEPMA Annual and Work Plan Report 2012-13

Table: 6.29 Distribution of SHG members as per the training received by the MEPMA

S.no	Sectors	Courses	Members
1	Hospitality	Hospitality	1
2		Hotel Management and Food Beverages	2
3		Hotel Management – House Keeping	2
4	ITES	Auto CAD	NIL
5		BPO	NIL
6		BPO Non-Voice Based	NIL
7		Call Center Training	5
8		Computer Assistant	3
9		Computer Maintenance and Hardware	1
10		Customer Relation and Sales	1
11		Database Management	NIL
12		Data Entry Operator	4
13		DTP	2
14		Information Technology	0
		MS Office and DTP	2
16		Multimedia	0
17		Networking	0
18		Web Designing	NIL
19	Tailoring	Basic Sewing Machine Operator	5
20		Fashion Designing	7
21		Hi Speed Sewing Machine Operator	NIL
22		Readymade Garment Making	10
23		SMART – Machine Technician	NIL
24		SMART – Operator (Sewing Machine)	0
25		SMART – Tailor (Basic Sewing Machine Operator)	NIL
26		Special Sewing Machine Operator	NIL
27		Spinning	8
28		Tailoring	30
29	Pharma	Industrial Chemical Attendant	NIL
30		Production Chemist	NIL
31		Pharmacy Sales Assistant	NIL
32	Retail	Tele Sales	NIL
33		Retail Management	NIL
34		Sales and Marketing	NIL
35		Sales Person	NIL
36	Accounting	Book Keeping and Accountancy	5
37		Finance and Accounting	2
38		Tally ERP 9.0	0
39	Technical	Cell Phone Repairing	NIL
40		Electrical House Wiring and Domestic Applications Repairing	NIL
41		Electrician	NIL
42		Multi Skill Technician	NIL
43		Refrigeration Air Conditioning	NIL
44		Refrigeration and Air Condition Installation	NIL
45		TV Mechanism	NIL

46	Teaching	Pre Primary Teacher Training	13
47	Medical and Health	Billing and Medical Insurance Assistance	Nil
48		Gynecology and Labor Room Assistant	5
49		Lab Assistant – Cardiology	2
50		Lab Assistant – Pathology	NIL
51		Lab Assistant – Radiology	NIL
52		Medical Lab Technician	NIL
53		Medical Transcription	NIL
54		Multi Purpose Health Worker	NIL
55		Nurse Aid	8
56		Nursing and Health Care Assistant	5
57		Physician Assistant	NIL
58		Specimen Collector and Phlebotomist	NIL
59	Beautician	Beautician	7
60		Beauty Culture and Hair Processing	2
61		Hair Processing	3
62	Auto	Automobile Electrician	NIL
63		Automobile Technician	NIL
		Total	135

Source: MEPMA annual work plan report 2012-13

It is evident from the study that only 45% (135 members) of SHG groups have undergone training given by mission for elimination of poverty in municipal areas(MEPMA). The fact is that many of SHG women members are not having mind set to receive the training provided by Out of 135 members 22%(30 members) have setup their own tailoring and garment stitching shops. Remaining members have got placements in different organisations as per the training they received, MEMPA in some areas like IT, MS Office and DTP, Multimedia. In some areas like retail management sales and marketing accounting women are not competent enough as they do not possess sufficient education. In the field of hardware training women did not show much interest thinking that it is a field of men only. Hence no one could take training in improving the technical skills. This we can call it as a Patriarchal influence on the women. Unless women transform themselves from this psychological barrier women empowerment will not be complete. It is found from the study that most of the women are prepared to accept service oriented jobs like teacher training, gynaecology and labour room assistant, tailoring, nursing, beautician courses etc. this is a clear reflection of lack of women empowerment in society. Perhaps it will take long time to see the transformations among women in their attitude in taking up productive activity. At present Indian economy is not completely transformed hence we do not find just transformation at full length. Same is evident in the present study also.

6.27 Training received from other Agencies

Training is the process through which a person can develop skills and dexterity at work. Training equips people with necessary skills to improve their performance at all levels. Training is an important ingredient contributing to human resource development.

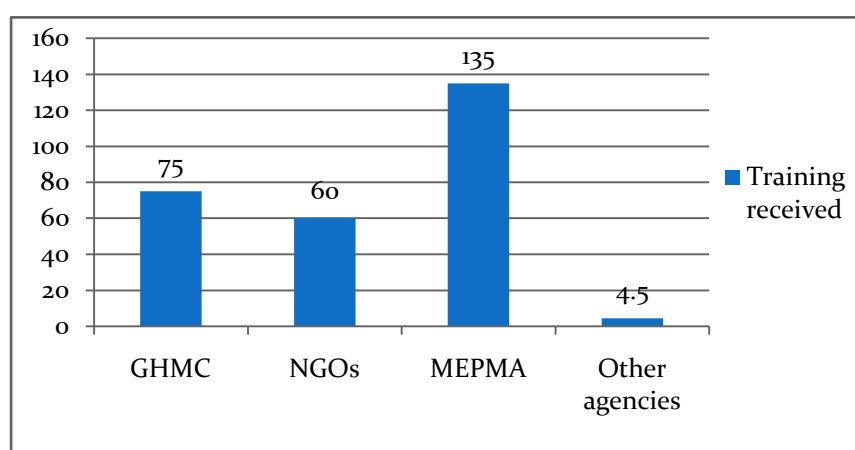
Table : 6.30 Nature and sources of training to the sample Respondents:

S.No	Sources	Number of respondents	Percentage
1	GHMC	75	25%
2	NGOs	60	20%
3	MEPMA	135	45%
4	Other agencies	30	10%
5	Total	300	100%

Source : Collected from the primary data.

The table 6.19 shows that 25% of the respondents received training from GHMC conducted in community halls in their localities. 20% of the respondents are trained by NGOs, 45% by MEPMA, 10% by other agencies. One of the largest micro finance institution by name Swayam Krushi Sangham (SKS) is conducting training camps at regular intervals to the members of the self-help groups in modern methods of making products, packing etc. all the sample respondents have clearly stated that the training by institutional and non-institutional sources have sharpened their skills. For example women engaged in Embroidery said that training was given to them in modern methods of embroidery like Kundan and Mirror works. ALEEP organization gave training to SHG women in various traits like purse making bag stitching toys making embroidery and zari works.

Fig. 6.9. Distribution of respondents as per the training received.



6.28 Type of Activities

The productive activity selected by the sample respondents is another of SHG micro finance movement. The criteria for the selection of a particular income earning activity its type and nature are the beginning of March towards economic independence and then to economic empowerment. There are a number of activities chosen by the women for various reasons.

Table 6.31 Type of activities chosen-distribution of sample units by their product line:

S.No.	Occupation involved	Number of members	Percentage
1	Embroidery	30	16.12%
2	Wood items	6	3.22%
3	Toy making	5	2.68%
4	Beads and mirror works	22	11.82%
5	Stitching(tailors)	25	15.05%
6	Baskets	6	3.22%
7	Parlour	12	6.45%
8	Garlands	9	4.83%
9	Cloth business	14	7.52%
10	Tea and tiffin stalls	16	8.6%
11	Telephone booth	6	3.22%
12	Masala/ pickle making	11	5.92%
13	Meals plates making	9	4.83%
14	Vegetable selling	9	4.83%
15	Provision stores	6	3.22%
	Total	186	100%

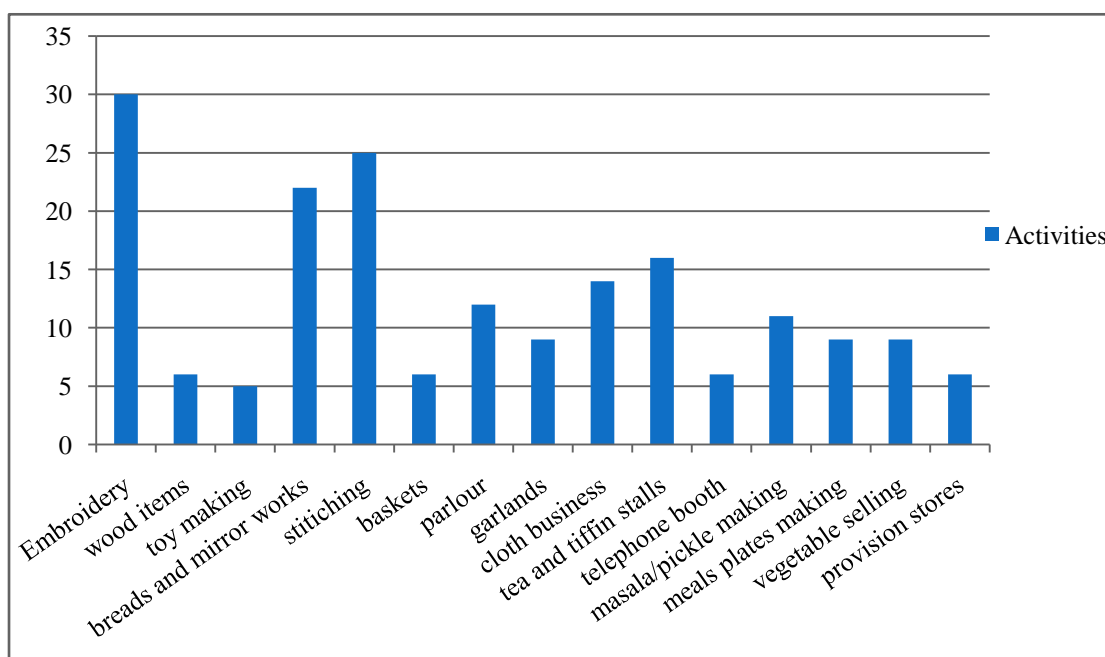
Source: collected from the primary source

Out of the total sample study those who were unemployed and house wives have taken up the above activities. Some of the women who were going for the daily wages have also taken up the other activities. Before joining SHG group 96 members (32%) who were house wives and unemployed have entered into the income generating activities by obtaining the loans from the group further out of 204 members who were going as wage earners 90 members joined in the income generating activities.

The table: 6.30 depicts the list of various products the sample respondents have chosen. 16.12% of the respondents in the study have selected embroidery, followed by a high percentage i.e. 13.44% have selected tailoring 3.22% wood items, 2.68% toy making, 11.83% beads and mirror works, 3.22% basket making, 4.83% garland, selling of cloth constitute 7.52%, tea and tiffin stall 8.60%, telephone booth 3.22%, masala papads/pickle making 5.91%, paper plates making 4.8%, vegetable selling 4.8% and finally 3.22% provision stores are the activities selected by sample respondents. Most

of the respondents stated that they selected the activity as it is familiar and known to them. Usually activities with less or little investment are also picked up for livelihood. Most of them have selected nonfarm activities so that organizing the unit will be simple. The entrepreneurial qualities come to the forefront when people can organize themselves and form a better productive unit. Some group members also taken up group activities such as Mid-day Meal for schools, organising canteens in schools and colleges, the work is divided and distributed to the members as per their ability and skill. Generally the educated members will supervise the work and accounts. All these activities are taken up by SHG members after joining SHG groups. It is observed that the majority of members entered in non form industrial manufacturing activities followed by service and trade activities. Majority of the members stated that they could not utilise the training program given by MEPMA as they do not possess sufficient education and understanding capacity. Hence most of them selected the activities which are quite familiar to them such as stitching, embroidery, pickle making, garland making, etc. However, some of the respondents had taken risk in taking up activities like starting a beauty parlour, provision stores, tea and tiffin stalls. Among all the activities it is found from the study that embroidery and stitching are more remunerative. Beauty parlour, and provision stores are facing sustainability problems. Some of them are making profits, few of them are closing due to loses.

Fig. 6.10. Distribution of respondents as per the activities undertaken.



6.29 Summary

The above chapter gives socio economic profile of the sample respondents, and their details of sample respondents before joining in the SHGs. The age, Socio – Economic status, Education, Income and Savings before joining SHGs ,loans taken, interest rates, repayment, utilization of loans, training received and types of activities undertaken by SHG members are explained. Thus, it is concluded that :

Majority of respondents are relatively young in terms of their age. Most of the respondents drawn from the sample or from socially down trodden communities, it is observed that from selected circles most of the SHG members are in the age group of 26-35 and 36-45. It implies that the middle aged women are matured and are in the more productive age groups. The education levels of members show's nearly 16% of them are illiterate, 50% of them have attend primary education, followed by 30% secondary education, 4% of intermediate level education. It is also observed that majority of the families that is 74% are joint this figure is higher in circle 1 i.e. Kapra. Similarly, it is reported that 54% of sample respondents have 6 to 8 family members. Among them 82% are married and they also bread winners of their families. It is found that 32% of SHG members are home makers or unemployed, 68% of them are daily wage labourers.

An interesting observation from the study is that all the members have ration cards in all the circles, about 99% has white card, while only 1% has pink(Sugar card). The study shows majority of their respondents are being. Thus the occupation of the majority of the respondents is labour oriented and unskilled.

The study further shows the income received by the members through the previous occupations as follows. 13.4% are receiving less than Rs.1000 per month, 60 members (26.8%) are in the income range between Rs.2000-3000, 82 respondents (36.6%) are in the income bracket of Rs.3001-4000 and 42 members (18.8%) are between Rs.4001-5000, 10 respondents (4.4%) are receiving above Rs.5000.

The study further shows that 10% of husbands of SHG members are illiterate, while 90% of them are literate. It is also observed that husbands of the members have different levels of education in the selected households. On the whole the husbands of S.C and S.T members are more illiterate than the B.C and O.C and minority community. It is emerged that from the field study the husbands of few S.T community

members have completed only intermediate education, while in other social groups the husbands have completed degree, P.G and technical education.

With regard to the position of land holding of respondents it is revealed that most of them do not have any asset. Those who are having land also are not receiving any considerable incomes from the land.

The study reveals that the savings per month by the respondents is very marginal. Only 5.3% of members of the family are able to save. Among them 0.3% of members are able to save above Rs.300, 1.6% of members able to save between Rs.200-300 and only 3.3% could save below Rs.100. This reflects the status of poverty among the SHG members. Some of the members could not save even Rs.300 per month and dropped from the group membership. The reasons for continuation of membership are as follows 1) in order to get continuous loan from the bank without interest. 2) internal loans can be borrowed 3) future benefits such as pensions, social security 4) to avail various schemes which will be implemented by government in future.

It is found from the study that even though the number of earning members is high (68%) the total income received by entire the family is not more than Rs.20000 per month. Hence the income is not sufficient to meet the basic needs such as food, clothing and shelter. This is reflected in low level of savings. Apart from this any additional expenditure makes them to borrow from different sources, mostly from money lenders at a very high rate of interest and thus they get into debt traps. Hence most of the members are motivated to join SHG groups as they are going to get loans at a very low interest rate i.e. pavalavaddi and also to utilize for either consumption purpose or productive purpose. The intension is to contribute income to family. Further a significant number of women who are widows have also benefitted from micro finance under SHG bank linkage programme. The percentage benefitted are S.Cs followed by B.Cs and S.Ts, O.Cs and minorities in a sequential manner. However, some women got motivated by the influence of others such as NGOs and government officials. The study found that majority of women had joined the SHG groups with an enthusiasm of getting a huge amount of loans at least Rs.30000-50000. But they got disappointed as they are getting only Rs. 4000-5000, for the reason that the entire group is getting only Rs.50000.

Rating of groups conducted by banks is most important factor for obtaining loans. It is observed that 95% of the groups received first time loan. 52% of the groups received second time loans and 6% of the groups received third time loans. It is found that group dynamics are very important for obtaining loans. The efficiency and leadership qualities of leaders are the main reasons for efficient functioning of SHG's. It is observed that initially majority of loans are used for clearing old debts and for purchasing consumer durables. As they are provided training by MEPMA and other organizations SHG women are motivated to utilize the loans for productive purposes.

=====

CHAPTER - 7

PERFORMANCE OF SELF-HELP GROUPS

Micro finance helps the poor in financial distress to become self- employed through income generating activities of their choice. Micro finance is not limited to rural areas only but it is also spread to semi urban and urban cities in developing countries. Unemployment and poverty pose major challenges for any developing country and India is no exception to their phenomenon. This is because of the gap between demand for and supply of credit for the poor to start economic activities.

In India a large section of population suffer from mal nutrition, unemployment and lack of education and health care. The high rate of illiteracy and low economic status of poor people underline the need for increasing the earning capacity by providing credit to start income generating activities. Micro finance through SHG bank linkage programme have showed the way for the poor women in rural area and urban migrant women in cities to take up several income generating activities. Micro finance also helped some women to start micro enterprises. It is expected that as income increases automatically nutrition health status will improve. This will also increase demand for various goods and ultimately will rise production and economic growth.

The most effective way of assessing the benefits of micro finance is the measurement of its impact on poor in terms of employment, income, consumption, assets nutrition, children schooling, fertility and use of contraceptives. The objective of micro finance is to help the poor people to build their productive capacity, become self-employed and improve their quality of life. It has been documented that the loans provided by the banks has a positive impact on different socio economic groups in generating income and employment. In this chapter the way SHG's obtained loans from the banks and how they have spent these loans in income generating activities leading to an increase in income, savings and standard of living is discussed.

7.1. Income and Employment Generating Activities:

It has been observed that after becoming members of SHG 62(17.3) SHG women started micro enterprises. A micro enterprise is a small unit of production with a minimum capital of 2L. They can appoint labour for monthly wages. SHG women are

running micro enterprises with the help of family members appointing 2 to 5 workers. They have started in the field of leather works, stitching of bags and garments stitching

Table 7.1: Distribution of SHG members as per the activities under taken.

Sl. No	Category	Total SHG members	Percentage
1	Non income generating activities	52	10.7
2	Income generating activities	186	62.0
3	Micro enterprises	62	17.3
4	Total	300	100

Source: Primary data.

From the above table it is found that 10.7 members are not taken up any income generating activities. The loans taken by these women have been utilized for consumption purpose and emergency needs 62% SHG women have under taken different types of income generating activities. And 17.3% have set up a small micro enterprises in order to generate productive activities. The amount of investments made by these women are given the table.

7.2. Loan Amount Spent on the Adopted Activity:

In all the selected centres most of the SHG members reported that they have spent the loan amount on income generating activities expanding their income and employment opportunities before joining SHG's they were engaged as daily wage labour, house keepers and the number of employment days were few. This program has benefited all the sections of the urban migrant women. Implementation of the program has improved the credit to the poor. The frequency of distribution of SHG members according to the level of borrowing and investments ranged from 1000 to 45000.

Table 7.2: Distribution of SHG members as per the investment in selected income generating activity

S.No	Amount of Investment in Rupees	Number of SHG members	Percentage
1	<15000	62	33.33
2	15001 to 30000	45	24.19
3	30001 to 45000	26	13.97
4	>45001	38	20.43
5	Total	186	100%

Source: Primary data.

The details of investments made by the respondents in different economic activities as on the date of enquiry is presented in the table 7.2. It is clear from the table that 186 members invested their loan amounts in different types income generating activities. Among them 33.33% invested less than 15000 rupees. Then 24.19% invested

rupees 15001 to 30000, 13.97% invested rupees 30001 to 45000 and 20.43% invested above 45000 in different economic activities.

7.3. Average Investment, Returns, Cost and net Profit in Different Income Generating Activities.

Table 7.3: Average investment, Returns, Cost and Net Profit in the income generating activity. The different activities selected by the SHG members needs different types of investments as per the activity. Some people have chosen such activities which generates rupees 2000 per month. In which they require to invest 3500-4500 per month(examples activities Sl no.1 in the table 7.3). In the sl no.2 activities the total investment needed is between 3500 to 4000. The expected net profit from these activities are from 1500 to 3500. In Sl no.3 activities huge investments are required above the 45000-200000. The expected net profit is 10000 and above. In the Sl no 4 category the total investments are much more above the 2,80,000. The expected incomes are above 8000.

Table 7.3: Cost Analysis of Income generating Activities.

Sl. No.	Activity	Fixed cost (Rs. per month)	Variable cost (Rs. per month)	Total cost (Rs. per month)	Revenue (Rs. per month)	Net Profit (Rs. per month)
1	1. Curry leaves	3482	6382	9864	5600	4264
	2. Fruits and Vegetable sale	4586	8732	9218	6800	2418
	3. Milk Selling	150000	3600	173600	8000	145600
2	1. Ink making	3452	5413	8865	5855	3010
	2. File making	3286	6214	9500	5146	3854
	3. Note book making	3214	200	4414	8500	4086
	4. Masala Powder making	2819	816	3635	5200	1565
	5. Toys making	2915	914	3829	5500	1671
3	1. Cloth Business	42300	12000	54380	14480	34900
	2. Provision store	150000	30000	180000	40000	100004
	3. Pickel shop	10380	2982	13362	18000	4638
	4. Handi Crafts	5481	1221	6702	9415	2713
	5. Tiffins stall	8981	2813	11794	16000	4206
4	1. Tailoring	20000	6952	206952	12000	6000
	2. Auto service	20000	6000	206000	14000	8000
	3. Beauty Parlour	200000	8000	208000	15000	7000

Source: Source: Primary data computed

The above depicts average investment in different activities, average revenue, average cost, and net profit, earn by the SHG members per month. The important point

observed in all these activities is, they were started with small amount of investments ranging from minimum 3000 to 200000. Most of the activities are short term oriented. The investors are interested only in investing small amounts as they do not have huge amounts of savings. Secondly, they are not prepared to take huge risk. Initially they seem to be contented with 10 percent higher income over and above their investments. In the above table in some activities the variable cost are quite less as owner himself perform labour activity, hence in such cases variable cost includes input cost only. For example in curry leaves, ink making, file making activities owner himself is a labourer therefore the labour wages are not included. In the case of huge investments such as purchasing buffaloes, autos, sewing machines, beauty parlour investments are huge ranging from 150000 to 250000 in these investments investors are very particular in obtaining incomes which can cover variable cost plus fixed capital plus interest as long as they are able to earn incomes over and above interest and some amount of fixed capital. They would like to continue their activities even if the profit is marginal. But there is the problem of sustainability. The market is so competitive even in small business activities, new business ventures are coming up like mushrooms, however the sustainability factor depends on various factors like area in which the activities performed and the type of services and quality of product, or service which are delivered. Apart from these individual traits like personal discipline, financial management control over oneself and family needs inter personal relations with customers are determining factors for a good business. The present study found that SHG members who are adopting the above measures are able to sustain themselves, the rest of the people are discontinuing their operations. Further for many of the women entrepreneurs have support from their family because of the fact that their contributions are necessary to run a family or to improve standard of living. The SHG members are encouraged by their families hoping the contributions will increase in the future even though they are little at present. However these activities are subjected to various conditions, such as favourable climatic conditions, availability of raw materials, marketing facilities, demand for their products. The investments are only lump sum investments, incomes are a continuous flow . Therefore in order to calculate net profit from investment the formula used is $\text{net profit} = \text{Net investment} - \text{Net cost calculated per month for each activity}$. The SHG members are receiving meagre amounts i.e., Rs.4000 to Rs.8000. These additional earnings are a great contribution to their families.

7.4. Income Obtained Per Month by Adopting Income Generating Activities

The pursuit of independent occupations of the SHG members has enabled them to earn extra incomes and thereby gain a degree of economic independence since majority of the sample members were earlier confined to the roles of housewives and daily wage labourers with lower earnings, the extra income out of micro finance activities was a real gain to them. In any activity the relationship between generation of income and employment opportunities and the potential of employment can be judged based on the income generated.

7.5. Employment Generation:

It is confirmed that any financial assistance, if utilized properly, would generate gainful employment opportunities for those availing the assistance. The number of days of employment for the SHG members are given in the below table.

Table 7.4: Distribution of SHG members according to the number of days of employment before and after joining SHG.

Circle No.	Total number of SHG members	Before Joining SHG	After joining SHG
Circle 1-Kapra	34	162	285
Circle 2-Malkajgiri	24	177	289
Circle 3- Uppal	30	175	297
Circle 4- L.B. Nagar	28	174	286
Circle 5- Charminar	30	154	297
Circle 6-Mehdipatnam	30	196	298
Circle 7- Lingampally	29	177	293
Circle 8-Kukatpally	31	152	282
Circle 9- Panjagutta	30	164	285
Circle 10- Alwal	34	167	283
Total	300	1698	2895

Source: Primary data.

It can be seen from the table that the number of days of employment for the SHG members before joining SHG and afterwards has improved. This is mainly because of women had taken up different income generating activities as well as micro enterprises. These activities have increased their incomes and standard of living.

7.6. Income Obtained Per Month Before and After SHG Membership – Economic Empowerment (“Power to Dimension”)

Poverty can be discussed at two levels dimensions and causes as stated above. An attempt is made to measure reduction in poverty by way of improvement in basic needs. Poverty can be defined as a lack of access to basic needs such as food clothing shelter water nutrition and health, education as well as intangible once like human dignity and freedom. The below table show that there is slight reduction in poverty levels and improvement in the standard of living of the people. This is nothing but economic empowerment.

SHG members became independent by starting small business. This made them to earn some incomes and got empowerment to some extent in terms of attaining more incomes, increasing savings, improvement in consumption, and building durable goods and asserts in the market. Access to savings and income facilitated well-being and strengthened women’s decision power at household and community. Economic empowerment made women to get complete control on themselves and their children. This is the main concern in the poverty alleviation paradigm..

7.7. Increase in Income

The size of income and positive changes is an indicator of economic empowerment of sample respondents in the study. It is observed that the impact of micro financing on women is reflected in the increase in the income leading to financial independence and there by promoting economic empowerment.

Since majority of the sample members were earlier confined to the roles of house wives and daily wage earners with low earnings, the extra income out of micro finance activities was the real gain to them. The data shows that the distribution of sample respondents by income levels before joining SHG and afterwards joining SHG

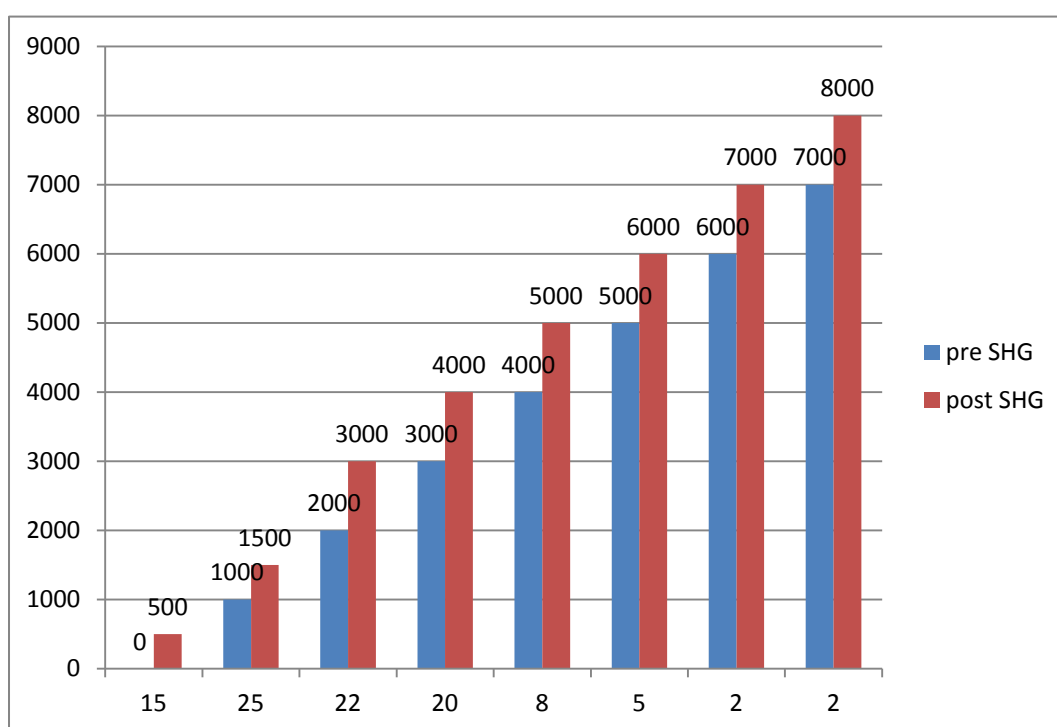
Table 7.5: Income levels :before and after SHG setting

S.No.	Pre SHG	Pre-SHG Percentage	Post-SHG Percentage
1	Nil	1000	15%
2	2000	4000	25%
3	4000	6000	22%
4	6000	8000	20%
5	8000	10000	8%
6	10000	12000	5%
7	12000	14000	2%
8	14000	16000	3%

Source: Primary data computed.

The above denotes the distribution of sample respondents by income levels in before and after SHG setting. It is found that after joining SHGs 15% of SHG people have started receiving rupees 1000 per month. 25% are getting incomes between rupees 2000 to 4000. 22% of SHG members are getting incomes between 4000-6000 rupees, 20% of members are getting rupees 6000-8000. However, 8% of a less number is getting rupees 8000-10000, 5% people have started earning 10000-12000 rupees and 2% started earning 12000-14000 rupees. 3% are getting rupees 14000-16000. These are the net incomes after meeting all expenditures incurred for generating incomes.

Fig. 7.1. Change in the income levels of SHG members after joining SHG.



The above graph depicts change in the income levels of SHG members before and after joining SHG. 82% of the SHG members are receiving incomes from Rs.500 – 4000 per month. This is mainly due to increased prices of various raw materials which are used in production and increase in labour cost. In micro enterprises after meeting the expenses of electricity, water, sales tax it is very difficult to get more profits. In the case of income generating activities the huge competition is cutting the profit margin as a result we find that even though women are struggling a lot the incomes are not so huge.

7.8. Possessing Permanent Assets

Apart from slight improvement in standard of living , SHG members also made contribution to permanent asset building marginally such as constructing houses , repairing wash rooms and taps , expansion of existing houses , purchase of houses , purchase of shops , purchase of lands, purchase of living animals . The following table shows the permanent assets created by SHG members before and after SHG setting.

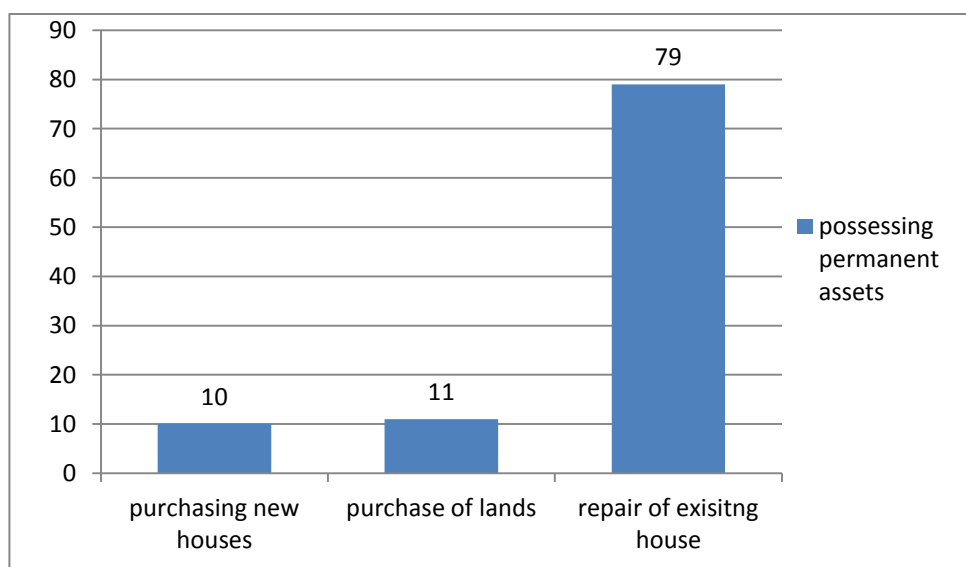
As the contribution from the women SHG members is an additional source of income to a family the family members together could take a decision in building up permanent assets. However, these assets are not possessed only by the incomes of SHG members but they are built up on the total income received by the total family members. Only appreciating factor is that possessing permanent assets was possible only because of contribution made by the women SHG members towards their families. This was possible only because of membership in SHG, group dynamics, and opportunity given to start a new economic activity. The details as follows:

Table 7.6: Possessing permanent assets

Asset	Number of members	Percentage
1. Purchasing new house	30	10%
2. Purchase of land	34	11%
3. Repair of existing house	236	79%
4. Total	300	100%

Source: Primary Data

Fig. 7.2. Distribution of respondents as per the possession of permanent assets.



The above table shows that the large number of SHG women have utilized their incomes in repairing their existing houses(79%), 10% of the members have used their incomes for purchase of new house. 11% of SHG members purchased a piece of land. Thus economic empowerment attained by SHG members in the form of asset building. It is found that membership in SHG is helpful to attain economic empowerment to some extent.

7.9. Possession of Consumer Durables

Consumer durables refers to various consumption articles possessed by the households of the sample respondents. Some of the example of consumer durables are television, refrigerator, gas stove, pans and gold articles possessed before and after joining SHG. The extent of position of consumer durables by the sample respondents indicates their standard of living.

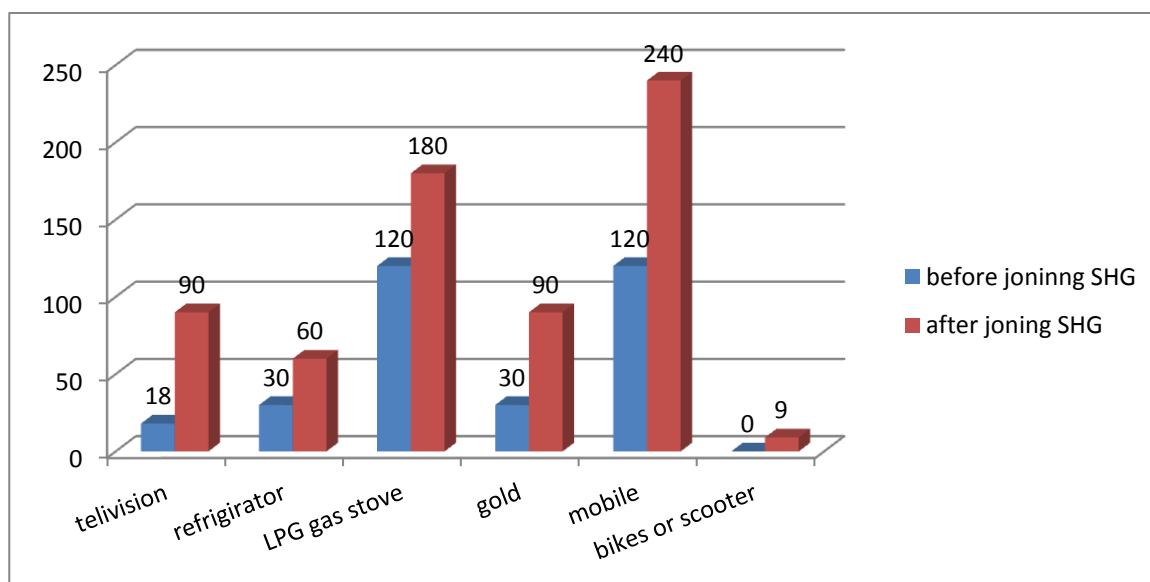
Table 7.7: Distribution of members as per the poessionion of consumer durables:

Name of the article	Number of members before joining SHG	Percentage	No. of members after joining SHG	Percentage
Television	18	6%	90	30%
Refrigerator	30	10%	60	20%
LPG gas stove	120	40%	180	60%
Gold	30	10%	90	30%
Mobile	120	40%	240	80%
Bikes or scooter	NIL	NIL	9	3%

Source: Primary Data

The above table shows various consumer durables possessed by the sample respondents before and after joining SHG, and their family members nearly 30% of the respondents have possessed television sets in their houses followed by 60% are having gas stoves after joining SHG's. Gas stoves are secured under the *Deepam scheme* provided by government of AP. 20% of members possess refrigerators, 30% of members purchased gold and silver. 80% are using mobiles which belong to their husbands and family members

Fig. 7.3. Distribution of respondents as per the possession of consumer durables



7.10. Improvement in the Consumption Pattern:

It is believed that whenever people are able to obtain adequate income they generally invest in productivity towards the improving quality of their lives. It is largely believed that incomes has a positive effect on consumption expenditure, in general on education, on health in particular. The changes consumption pattern of the members measured in terms of food, education, entertainment, festival expenditure, cloth, medicines fruits etc. have been analysed before and after becoming a part of SHG. Most of the women stated that though they are well aware of quality of food is very important for nutrition , it was possible to them only after joining SHG to purchase qualitative products. There is a noticeable change in the number of households cooking twice a day and are able to concentrate on nutritional aspects of the food items. A Women happily said that she is able to feed her children with her earnings. Most of the SHG women who have not taken up income generating activities are exclusively spending loans on children's education, on health and asset building such as land and house.

The education of the children is also receiving more attention by the members of the group. Mothers in the group are able to explain the children the merits of education which were deprived to them due to lack of it. One of the members claimed that she is assisted by her son in calculations corresponding to loans, interest and savings. Some of the Muslim women members have convinced their mischievous

children to attend school regularly as education is life making process. In pre SHG conditions families with less income could not meet the demands of the children for cloths and dresses. The survey had shown 45% of the members held that the change in consumption levels of cloths and dresses can be directly attributed to SHG's and remaining members are still in the process to adjust their consumption patterns to suit the family conditions.

The consumption pattern on expenditure, on health, has risen to a reasonable level. The meetings and discussions of the group members enlightened the ignorant and created awareness about a number of issues concerning health. Children going to schools carried with them fruits and sprouts which mothers packed for them. The consumption pattern of expenditure during festivals revealed that as high as 65% are able celebrate in joyful atmosphere as a little amounts of surplus strengthening their hands to satisfy their children in times of need women also borrow from the pool fund created by them and pay back in smaller amounts at nominal rate of interest. A welcome change is rational and systematic spending by women in families and their ability to cater to their varied needs of old and young in the family..

7.11. Number of SHG women who had improved their consumption levels:

The level of using goods and services of family can be termed as consumption pattern. It is an indicator of the living standards of the members of self-help groups brought about by micro finance movement. Consumption pattern includes a number of items of consumption ranging from food to recreation and covers unproductive expenses also. For example expenditure on functions, gold and celebration etc.

Table 7.8: Consumption pattern: number of SHG women who held that consumption expenditure improved:

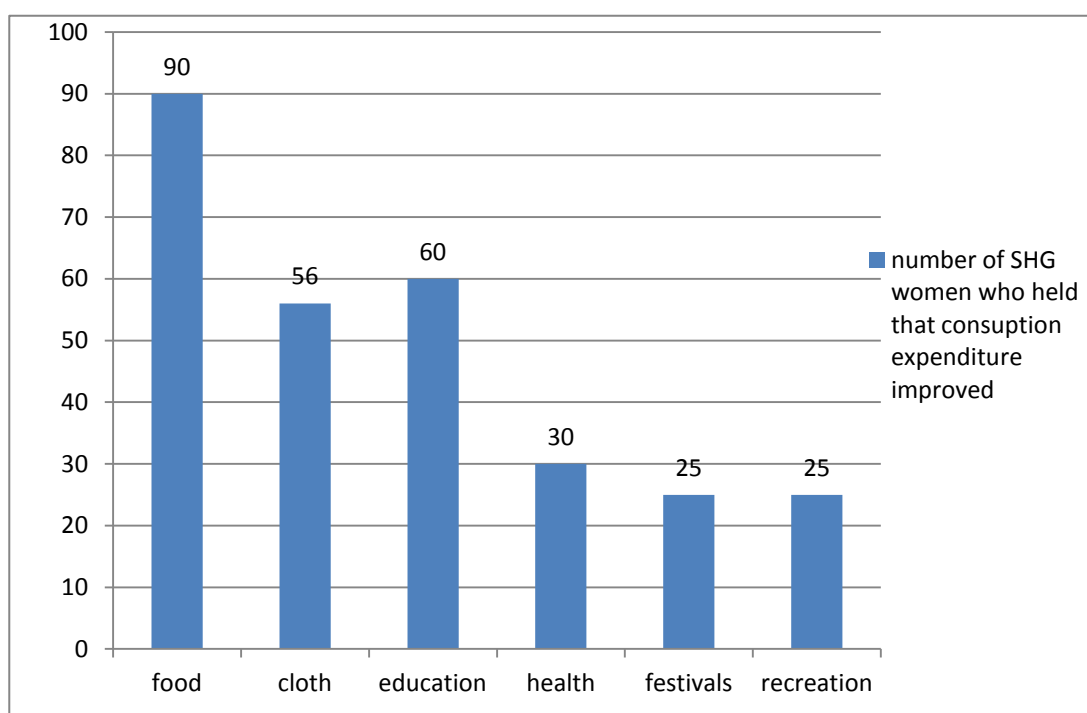
S.No	Items of consumption	Percentage of SHG women who held that consumption expenditure improved
1	Food	90
2	Cloth	56
3	Education	60
4	Health	30
5	Festival	25
6	Recreation	25

Source: collected from primary data.

Many stated that consumption expenditure has improved to a reasonable level it is observed in the table that the positive changes are brought by micro finance

movement in the life's of families who are below poverty line. 90% stated that there expenditure on food remarkably increased followed by children's education, cloths. However, the allotment for health festivals recreation is reasonably low. Increase in expenditure on education shows that the desire to provide better quality of life to the next generation and eradication of childhood poverty. Thus the micro credit is helpfull for bringing changes in the living standards of SHG members.

Fig. 7.4. Distribution of respondents as per improved consumption expenditure.



7.12. Sources of Raw Material

Among the 300 SHG members 62 members have set up micro enterprise. They are manufacturing leather products, paper products, garments industry, toy making, basket making, files making etc. In all these enterprises SHG women are facing several problems like continuous demand for their products obtaining raw material, finding new markets for their products however, they are managing through various sources in order to sustain themselves to earn more incomes. The following table shows sources of raw material that SHG women are managing to obtain it.

Table 7.9: Distribution of SHG members as per the sources of available Raw material

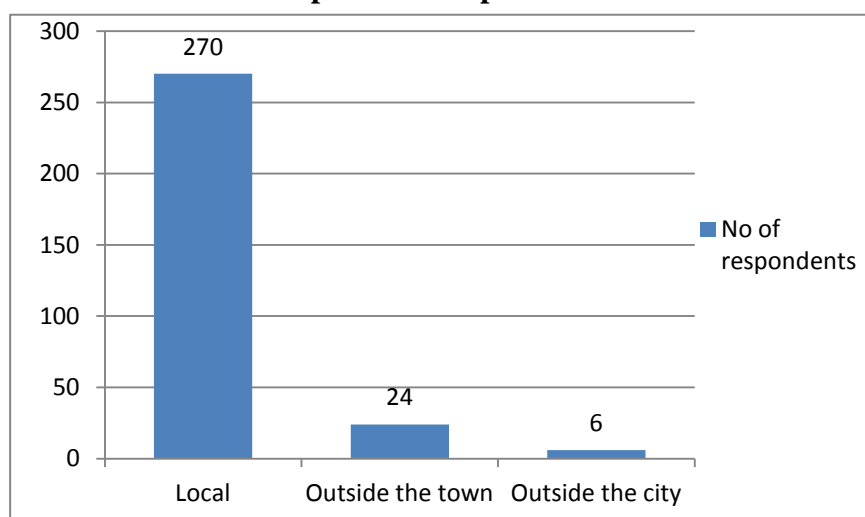
S.No.	Sources	Number of respondents	Percentage
1	Local	270	90%
2	Outside the town	24	8%
3	Outside the city	6	25%
Total		300	100%

Source: collected from the primary source

Raw material is an important input in the process of production. The progress of any productive unit depends upon to a large extent on the availability and the sources through which raw material can be secured.

The Table 7.9 shows the various sources through which raw material are produced by the sample respondents. The raw material required for the production or making of the goods is mostly procured from areas nearby. Nearly 90% of the sample respondents amounting to 270 members in the total group stated that they secure raw materials required by their units for productive activities through agents inn their locality. A negligible percentage i.e. only 2% of sample respondent's i.e. around 6 members gets the raw material from outside the city in case of dire necessity. 8% of the sample respondents secure raw material from nearby mandal or villages outside the town numbering to 24 members. The reason behind majority of the sample respondents getting raw material from local area is their occupations are traditional and are taken up by most of the people. Example: tailoring, embroidery, parlour etc.

Fig. 7.5. Distribution of respondents as per the source of raw materials.



7.13. Channels of Marketing

The process of selling the products made by the sample respondents through various channels is observed in the study. Marketing determines the rate of development of the members of the self-help groups as it is directly related to their incomes.

Table 7.10: Channels of markets for the product:

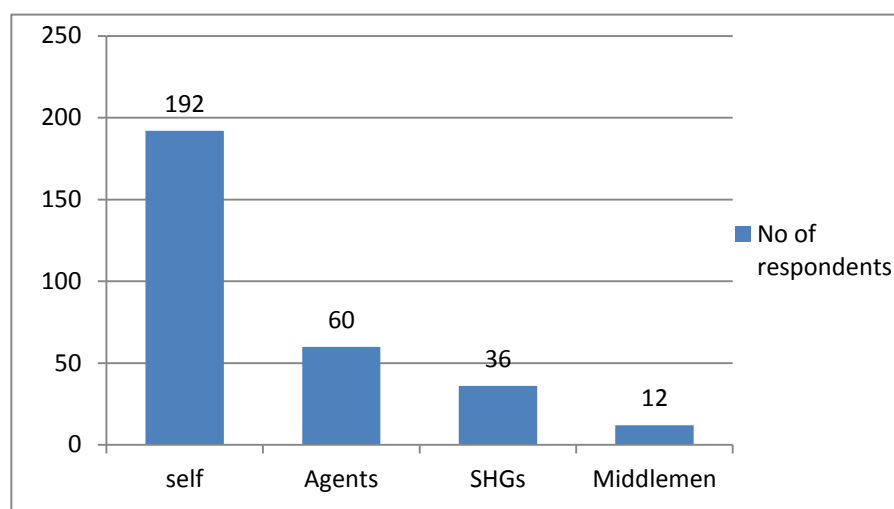
S.No.	Channel of market	Number of respondents	Percentage
1	Self	192	64%
2	Agents	60	20%
3	SHGs	36	12%
4	Middlemen	12	4%
5	Total	300	100%

Sources: collected from the primary source

The table 7.10 depicts the various channels of markets for the products of sample respondents. Nearly 64% of the marketing is carried on by the members themselves. 20% of the marketing of the products is done through agents and SHGs, 12% of sales is done through middle men such as friends, relatives, commission agents. The SHGs are involved in organizing exhibition stalls, Bazaars, Mandis where they have made good profit out their sales.

Quite recently a large number of marketing agencies are expanding so as to engage in sale and purchase of the products made by members of SHGs. For instance SwayamKrushiSangham(SKS) is one of the largest micro finance institutions sponsored by NABARD is helping poor women in urban area and cities not only in forming the groups, but also imparting training, advancing loans and guiding them in sales promotion. Every week they provide information regarding various exhibitions which will be organized in Andhra Pradesh and in India. The SHG women spend 10-15 days leaving their families in order to sell their products and generate incomes. Thus SHG women are struggling hard to earn incomes and improve standard of living. The below graph depicts the channels of marketing. Thus the micro credit is helpful to show a path to poor women to come out of poverty.

Fig. 7.6. Distrubution of respndence as per the chanel of marketing



7.14. Market Information:

The problems faced by micro enterprises set up by SHG women and income generating activities taken by SHG women are many fold. They include insufficient credit, inadequate demand, heavy competition, continuous changes in taste of consumer, lack of technical skills to adopt new technologies, lack of training to adopt new methods of production. The following table depicts the common problems faced by the SHG women. The information about the products and prices comes from various sources to members and self-help groups. The awareness of the market conditions help in getting reasonable prices for the products made by members of self help groups.

Table 7.11 sources of marketing information

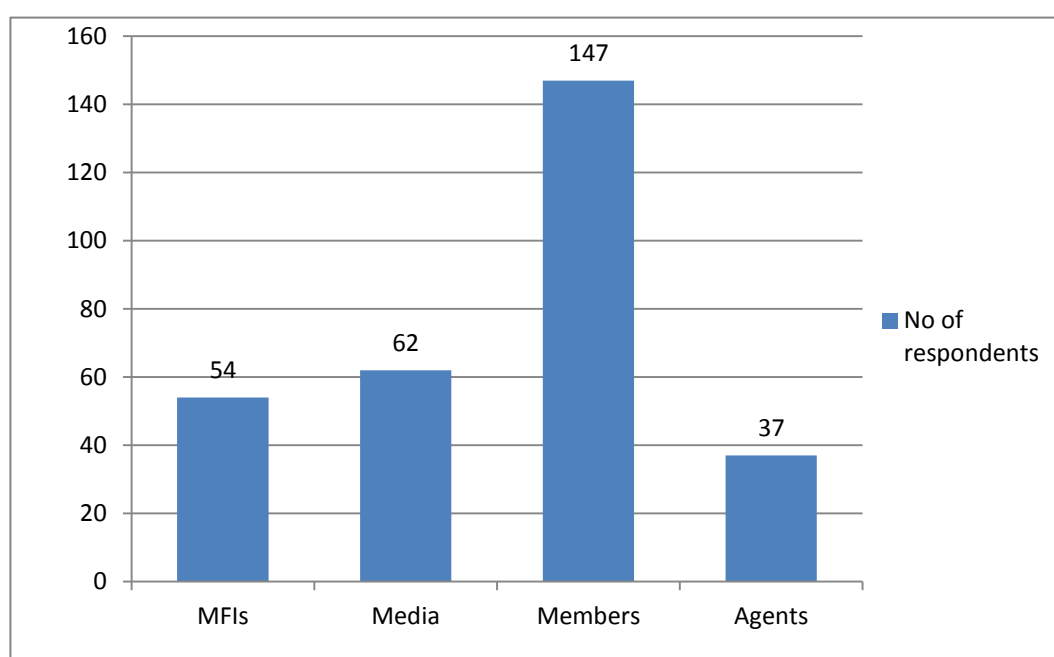
Sl.No	Name of the source	Number of respondents	Percentage
1	MFIs	54	18%
2	Media	62	21%
3	Members	147	49%
4	Agents	37	12%
5	Total	300	100%

Sources: primary source

The table shows various sources of information about products and their prices stated by the number of respondents among the SHG sample. 18% of micro finance

institutions are leading in providing adequate information to the members of self help groups regarding prices of products, new methods of producing, changes taking place in the world of markets. 49% of SHG leaders and VO's are providing information about exhibition and stalls. 21% of SHG members are getting information are getting through advertisements in the TV and Papers as soon as they receive the information SHG women contacts the concerning organizing members in order to sell their products. 12% of agents from GHMC are helping the SHG women to get information about the exhibitions which are organized at various banks and government offices. Thus SHG women are benefited by all the above sources of market information.

Fig. 7.7. Distribution of respondents as per the sources of market information.



7.15. Marketing Problems:

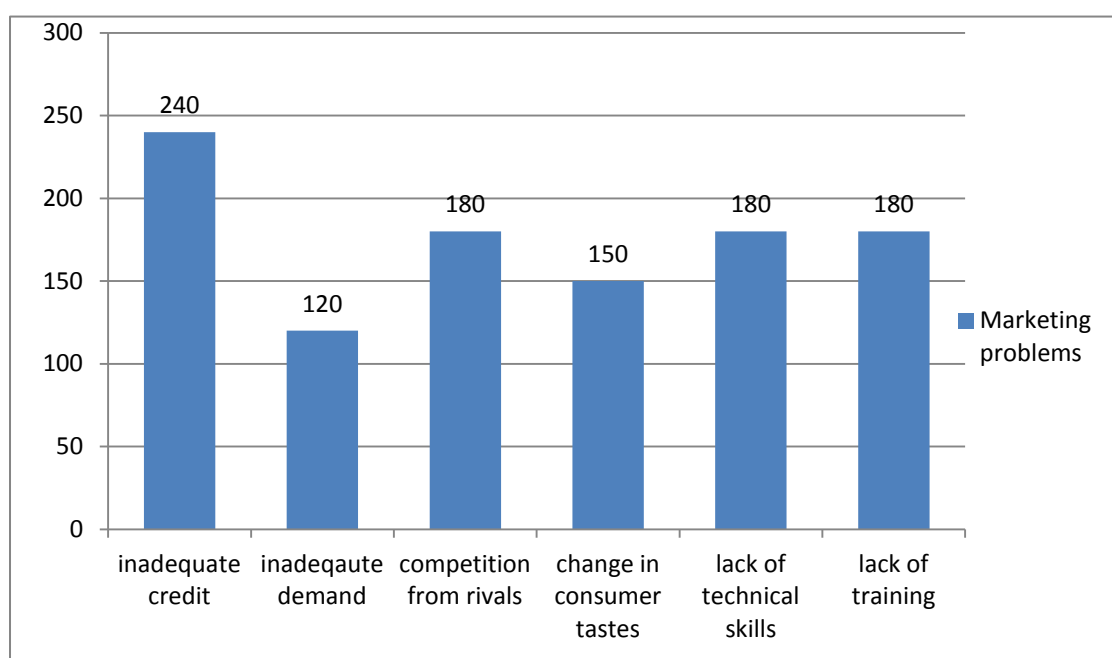
Even though SHG members are entering into various income generating activities they are facing, the following problems. These problems are challenges to them, if they overcome the challenges by way of systematic planning, execution of generating output, implementation of sales promotion techniques, with high financial discipline then only they can sustain in generating incomes.

Table 7.12: The common problems faced by SHG women

Problems/ challenges	No. of members	Percentage (%)
Inadequate credit	240	80
Inadequate demand	120	40
Competition from rivals	180	60
Change in consumer tastes	150	50
Lack of technical skills	180	60
Lack of training	180	60

Source: Primary data.

Fig. 7.8. Distribution of respondents as per the common marketing problems.



It is revealed from the study that SHG members are facing greater risk in generating incomes. 80% of women stated that lack of adequate credit, 40% Inadequate demand, 60% Competition from rivals, 50% Change in consumer tastes, 60% Lack of technical skills, 60% Lack of training re the problems expressed by the SHG women.

7.16 Summary

Various studies conducted on the impact of SHG's on their social and economic conditions in Andhra Pradesh showed that there has been an increase in the economic activities, incomes, savings and durable and non-durable, permanent assets of the SHG members after joining in SHG groups. Apart from economic progress SHG members have also made the social progress also. The awareness regarding the social issues and family planning and adoption of good habits, and about health has increased.

In this chapter how micro finance helped poor women too come out of financial distress by becoming micro entrepreneurs and by adopting income generating activities. It has been documented that the loans provided by the SHG's has appositive impact on different socio economic groups on income and employment.

It has been observed that out of total sample 300 SHG members 186 members(62%) have taken up income generating activities such as embroidery, tailoring, mirror and beeds work, tea and tiffin stalls, masala and pickle making, meals and plates making, vegetable selling, toy making, wood items, provision stores, beauty parlours etc., Among them 135 members received training from MEPMA, 60 members received training from NGO's, 75 members received training from GHMC and 30 members received training from other agencies such as ALLEP, SKS. Out of total sample 62 members (17.3) have started micro enterprises in the field of leather goods, garments stitching, basket making, beeds and mirror works. Micro enterprises started with an initial investment of rupees 2 lakhs, appointing 2 to 3 members of workers. The workers are made piece wage rate, in some cases monthly wages. The remaining 52 members(10.7) have utilized their loans on children's education and asset building activities such as renovation of own houses, purchasing of new house or a small piece of land i.e. 300 sft.

The investments in income generating activities vary from one activity to another activity. 32.33% are investing less than 15000 rupees, 24.19% are investing from 15001 to 30000. 13.97% are investing from rupees 3001 to 45000 and 20.43% are investing above 45000. The investments are not only from the loans taken by SHG members alone. Sometimes the family members also contributed some amounts to start enterprises. However, SHG bank linkage programme initiated women to come out of their houses and start micro enterprises. The support from the family members is also to be recognised. In the case of small business the investments are varying from 15000 to 30000. In the case of businesses like cloth business, toy business, pickle and curry points it is above 1lakh rupees.

It is found from the study majority of the members have showed interest in embroidery(16.12) , stitching(15.05), followed by beeds and mirror work, 11.82, cloth shop(7.52).

The average investment in different activities, average revenue, average cost and net profit earned by SHG members per month depicts that the investors are making normal profits. Normal profits are those net earnings which are residual earnings after deducting variable cost plus interest plus initial monthly loan amount(EMI) from the total revenue. In order to cover fixed cost the activity should be continued for a long time.

The result shows that there is a notable change in the incomes of the members due to commercial activities which they have undertaken. 3% of members are able to earn 14000-16000. 2% are able to earn 12000-14000 rupees. Then 5% are able to earn 10000-12000. 8% are able to earn 8000-10000, and 20% are able to earn 6000-8000. 22% are able to earn 4000-6000 and 40% are able to earn 1000-4000 rupees.

By the increased incomes 21% of the SHG women could possess permanent assets such as piece of land and house. 79% of SHG's have renovated their houses. It is found that apart from permanent assets majority of the SHG women are able to possess consumer durables such as television, refrigerator, gas stove, gold and silver. It is found that 80% of SHG women are able to use mobile.

It is revealed in the study that there perceptible change in consumption of food, clothing, recreation and celebrations. It is found from the study that 60 members are using their incomes on children's education, 30 members stated that they have spent their incomes on health requirement of the family such as operation. A good portion of the SHG women reportedly are able to increase fruit and egg consumption and feed their children with nutritious food.

Even though SHG bank linkage programme provided micro finance to the SHG members, and women also came forward in setting up micro enterprises but they are facing several problems like availability of raw material for producing goods in time, availability of labour, lack of skills in labour. Most of the time being women SHG women members cannot travel long distances to sell their products. Often they depend upon their family members and agents and middle man to sell their products. Thus there is a possibility of leakages of getting appropriate value for their products. Getting information is also difficult aspect. Most of the time SHG women receive information about exhibitions and stalls, melas through VO's, GHMC officials and their group leaders.

Obtaining income is not easy even though banks provide loans. Women has to be strong enough courageous in facing various difficulties at every stage of production and marketing. Even they face criticism and suggestions from customers. Even though SHG women are struggling hard to generate incomes, yet the result is not so high. No SHG women are not getting profits more than 10%. Yet the women continue their membership hoping that something is better than nothing.

=====

CHAPTER – 8

DIMENSIONS OF WOMEN EMPOWERMENT

“Since the Self-Help Group concept was born in Bangladesh almost three decades ago, micro finance has proved its value in many countries, as a weapon against poverty and hunger. It really can change peoples lives for the better, especially the lives of those who need it most,”

-- Kofi Annan, former Secretary General of United Nations.

The well being of people is unquestionably the ultimate object of all development efforts and the basic quest of human endeavour is always to seek a better quality of life. The quality of life of the citizens of a nation can be effectively improved only by raising the standards of living of the people on the street and in backward areas. Social empowerment in general and women empowerment in particular is very fundamental in achieving this goal. The institution of democracy provides a strong foundation for harmonising social and economic objectives, thus within the broad democratic framework, there are great opportunities for synergising women and economic growth programmes to deliver better quality of life in the shortest possible span of time (Sengupta and Singh,2010).

But the reality of women in rural, urban migrated women are difficult to comprehend. Women, most of the times, are deprived of some of the fundamental human rights and this denial is justified often in the name of tradition. In rural areas women are generally relegated mainly to household duties and cheap labour. They are not perceived as substantial income generating source. Without the power to work and substantial income generating source their voice is silenced as they are economically dependent on family members and have no capacity in terms of education or skills to earn a livelihood for themselves.

Empowerment of women is a commitment for micro finance. While developing strategies for empowering women some programmes are sensitive in recognizing women's contribution and their knowledge as the first steps. They appreciate that women require principally social support to fight their sense of inadequacy and fears to

enhance their bodies and becoming economically independent, controlling resources like land and property and reduction of burden of work. A society or programme which aims at women's empowerment needs to create and strengthen sisterhood and to promote overall nurturing, caring and gentleness emphasis on women SHGs as a collective is one such effort.

Table 8.1: Commonly used dimensions of empowerment and potential operationalization in the household, community, and broader arenas.

Dimension	Household	Community	Broader Arenas
Economic	Women's control income; relative contribution to family support; access to and control of family resources	Women's access to employment; ownership assets and land; access credit; involvement representation in local associations; access to markets	Women's in high paying jobs; women CEOs; representation of economic interests in macro-economic state and federal
Socio-cultural	Women's freedom of movement; lack of discrimination against daughters; to educating daughters in extra-familial groups	Women's visibility in access to social spaces; access to modern transportation; social networks; shift in patriarchal norms (such son preferences); representation of the female in myth and	Women's literacy and access to a broad range educational options; positive media images women, their roles and contributions
Familial/ interpersonal	Participation in decision-making; over sexual relations; ability to make childbearing use contribution, abortion; control over spouse selection and marriage timing; freedom from violence	Shifts in marriage and kinship systems greater value and for women (e.g.later marriages, self- selection spouses, reduction in the practice of dowry; acceptability of divorce); local campaigns against domestic violence	Regional/national in timing of marriage, options for divorce; political, legal, support for (or lack of active opposition to) shifts; systems easy access to contraception, safe abortion, reproductive health services
Legal	Knowledge of legal rights; domestic for exercising rights	Community for rights; campaigns for rights awareness; local enforcement of rights	Laws supporting rights, access to and option; advocacy rights and legislation; of judicial system to redress rights violations
Political	Knowledge of system and means of mobilization in the local access to it; domestic support for political engagement; the right to vote	Women's involvement political support for specific candidates or legislation; representation in local bodies of government	Women's in regional and national bodies of government; strength as a voting representation of interests in effective lobbies and interest.
Psychological	Self-esteem; self-efficacy;	Collective awareness of injustice, potential	Women's sense of inclusion

Source: The Elusive Agenda: Mainstreaming Women in development. Atlantic highlands, NJ: Zed Books Ltd and Sengupta and Singh, 2010.

Apart from the general dimensions of women empowerment, generally women empowerment is measured in terms of quantitative and qualitative indicators. The following are certain quantitative and qualitative indicators of women empowerment:

8.1 Indicators of Women Empowerment:

Generally the quantitative and qualitative indicators are studied in order to measure empowerment of women in any country.

a) The quantitative indicators are as follows

Demographic trends, Maternal mortality rate, Fertility rate, Sex ratio, Life expectancy at birth, Average age of marriage, Number of women participating in different development programmes, Greater access and control over community resources/government schemes, credit cooperative, non-formal education, Visible changes in physical health status and nutritional level, Change in literacy and enrolment levels, Participation levels of women in political process.

Andhra Pradesh has a population of 7.7 million according to 2001 census. The growth rate has come down from 2.17 percent per annum to 1.3 percent. Maternal mortality rate declined from 16% per 1000 population to 8% per thousand. Recently we do not find any death rates across regions in the State. The infant mortality rate is 63 per 1000 live births in 1977. A decline in the fertility rate did not lead to decline in infant mortality. Majority of the infant deaths take place in the first month of the birth, which is expected to respond favourably to the fertility transition.

The sex ratios computed as a number of females per 1000 males had been declining continuously since 1971. But registered an increase during 1990s in the state. This is due to improvement in the mortality rate among females compared to males. It is found from the present study that the maternal mortality rate is 0 and the child mortality rate is 15%. Among 300 SHG members 20 members reported lost their children between the age 0-4 years. The average age of marriage is found to be 14 years. The study found that there is a moderate improvement in the infant mortality rate and maternal mortality rate. Due to health camps organised by different organisations SHG women could develop health awareness regarding children and themselves.

Apart from quantitative indicators i.e. the study has taken the following qualitative indicators to measure the women empowerment among SHG women. The qualitative indicators are as follows.

b) Qualitative indicators:

1. Increase in self-esteem, individual and collective confidence;
2. Increase in articulation, knowledge and awareness on health, nutrition reproductive rights, law and literacy;
3. Increase or decrease in personal leisure time and time for child care;
4. Increase or decrease of work loads in new programmes
5. Change in roles and responsibility in family & community;
6. Visible increase on decrease on violence on women and girls;
7. Responses to, changes in social customs like child marriage, dowry, discrimination against widows;
8. Visible changes in women's participation level attending meeting, participating and demanding participation;
9. Increase in bargaining and negotiating power at home, in community and the collective;
10. Increase access to and ability to gather information;
11. Formation of women collectives;
12. Positive changes in social attitudes; awareness and recognition of women's economic needs.
13. Contribution within and outside the household
14. Women's decision-making over her work and income

The above qualitative indicators indicate four dimensions of empowerment such as 'power to', 'power with', 'power over', 'power within'. Empowerment refers to the process by which those who have being denied the ability to make choices acquire such ability. The concept of empowerment can be explored through three closely inter related dimensions i.e. agency, resources and achievements (Kabeer 2003). The three dimensions of empowerment 'power to', 'power with' and 'power within' indicate the power of women to control their lives, the collective power of women members to negotiate their gender, caste, class and strategic gender awareness respectively (Ranjani

et al. 2002). In this study the fourfold conceptualization of women empowerment is analysed.

The access to resources enhances the economic status of women. They improved economic status coupled with the participation of women in decision making. At the household level may result in household budget allocations more in favour of women and children development. When the loans are utilized for livelihood activities that generate income to the households, women gain economic empowerment. When women use these incomes on children education and health it calls for participation by women in household decision making process as co-partners than merely in subordinate position under male domination. This may result in allocation of budget in favour of women and children. This is possible when women become independent economic agents. This dimension is referred as ‘power to’ dimension of empowerment. The following table reveals improvement in overall status of children of SHGs members than the other.

8.2 Improvement in overall status of their children

With the participation of women in SHG’s the status of their children in respect of enrolment in schools, nourishment, immunization was found to be superior to that of children of women who are not members of SHG.

Table: 8.2 Overall Status of children of women beneficiaries

S.NO	Particulars	Before joining SHG	After joining SHG
1.	Non- enrolment of children of 10-12 years in school	17%	2%
2.	Under nourishment of children less than 5 years	31%	24%
3.	Children immunized within one year	25%	29%

Source: Primary Data

Members of SHG’s were able to reduce the problem of non enrolment of children to a great extent because their understanding on the importance of education for their children. The member’s awareness regarding the nutrition also increased. The data reveals the percentage of under nourishment of children less than 5 years had reduced from 31% to 24%. The data also revealed that percentage of children fully immunized within one year had increased from 25% to 29%.

The effectiveness of government programmes for reduction of poverty to improve livelihoods of the poor is mostly determined by the quality of functioning of formal institutions, the mediating structures which implement those programs. The quality of services and the accessibility and proximity of formal institutions influence the quality of their functioning. Proximity implies nearness of institutions to the poor. Accessibility could depend on the sensitivity of the institution to the needs of the poor. Formal institutions include government schools, hospitals, public distribution system (PDS shops), Anganvadi, and all other institutions of the line departments of the line government, and financial institutions like banks and cooperatives. Participation of women in institutions and collective actions of the community is taken up for assessing the empowerment of women within the community which should also contribute to change in community. This dimension is the 'power with' dimension of empowerment.

8.3 Socio and Political Empowerment ("Power with Dimension")

a) Addressing some community issues

In Hyderabad city in certain circles we found examples of community action by SHG's such actions include the following 1) Improving community services (water supply, education or school, health care, veterinary help, roads in the locality etc.) 2) Contributing finance and labour for new infrastructure 3) Protecting natural resources 4) Trying to stop alcohol sale and consumption 5) Rallies and negotiations against land encroachment with regard to the closing alcohol outlets women groups resorted to action such as rally, demo petition to the officials and local political leaders. All these actions for the betterment of community in a way go beyond traditional gender roles which reflect the 'power with dimension'.

Apart from these state institutions, a host of informal social institutions, socio cultural practices condition the ability of different social groups to respond to the opportunities afforded. Some of these institutions affect livelihood choices and the capacity to pursue new opportunities. These institutions can be grouped into three types i.e. institutions promoting caste based discrimination, institutions promoting gender based discrimination and institutions promoting violation of child rights. The 'power over' dimension of empowerment enables women in challenging unequal

power structures. The ‘power within’ and ‘power to’ are in private space and ‘power with’ and ‘power over’ relate to the public space. Both the spaces are interrelated. In the present study the adopting family planning methods, social harmony, degree of mobility by women and reduction in domestic violence, indicates ‘power over’ dimension.

b) Family Planning status:

The importance of family planning and awareness of a small family nor among the SHG members was visualized very much. The number of women undergone family planning operation has been given in the following table.

Table 8.3. Awareness of family planning methods among SHG members

S.No	Circles	Vasectomy	Tubectomy	Other methods	Not adopting any method	Total
1.	Circle-01 (kapra)	1	18	4	5	28
2.	Circle-02 (uppal)	1	22	3	4	30
3.	Circle-03 (LB nagar)	1	20	7	6	34
4.	Circle-04 (Rajendra nagar)	1	16	4	0	21
5.	Circle-05 (Seri ligampally)	2	24	4	3	33
6.	Circle-06 (Malkajgiri)	0	20	4	6	30
7.	Circle-7 (Patancheruvu)	1	18	4	6	29
8.	Circle-8 (Mehdipatnam)	0	22	0	5	27
9.	Circle-9 (Kukatpally)	2	15	2	3	22
10.	Circle-10 (Alwal)	3	25	1	7	36
	Total	12 (4%)	210 (70%)	33 (11%)	45 (15%)	300 (100%)

Source: Primary data.

It is found that all the women are being educated and enlightened regarding small family norm. The SHG’s expressed that the medical camps and awareness building workshops conducted at their localities by medical and health departments helped them to realize the importance of small family. From the above table the majority of 210(70%) women members undergone tubectomy operation, 12(4%) of women’s men folk undergone vasectomy and 33(11%) of them practicing other methods. Remaining 45 women members (15%) are not falling into any of these categories. Hence we can infer from the above data 81% of sample members or their spouses are practicing family planning methods which show high awareness about family planning methods.

c) Social Harmony (“power over Dimension”):

SHG membership is open to all women irrespective of caste and it covers all social groups including schedule caste and tribes. Often though SHG’s are single caste groups, this reflects the concept of affinity and practical requirement of neighboured proximity (members living nearby can more easily get together). In the study sample nearly two thirds of SHG’s are single caste in terms of all members belonging to the same broad caste (ST SC and BC) only 8% belong to the OC category. SHG helped to bridge the divisions along the lines of religion and caste.

d) Degree of Mobility by Women:

Regarding the degree of mobility by women, the data shows that while 72% of women could go to markets alone without permission after joining SHGs. The number of SHGs who can go to market with permission also increased from 16% to 88% because of improvement in the self -confidence level. 12% of them were in a position to go without permission from husbands or other elderly members of the family. Around 9% of women are not in a position to go to markets with regard to the attending meeting only 16% can go with permission has improved to 88%. 9% of women who cannot go at all before joining SHG are able to go after joining. While 43% of women take permission to attend meeting. This is improved to 48%. However, as the number of SHG groups are increasing men also started recognising the necessity of becoming a member. As political leaders are promising waiver of loans and pavala vaddi, and vaddi leni runalu, men also started encouraging women to become members and attend meetings. But still some men are complaining that women are not attending to the domestic needs of children and husbands. And they are developing fears about independence and freedom that SHG women are obtaining.

Table 8.4.: Degree of mobility by women beneficiaries

Particulars		Pre-SHG bank linkage programme	Post-SHG bank linkage programme
Mobility relating to local markets	Can go alone with ourtpermission	27%	72%
- Do -	Can go alone with permission only	16%	88%
- Do -	Cannot go at all	9%	16%
Mobility relating to SHG meeting	Can go alone without permission	22%	97%
- Do -	Can go alone with permission	43%	48%
- Do -	Can not go at all	54%	47%

Source: Primary data.

e) Domestic Violence:

It has been reported that the domestic violence reduced drastically. Before joining the SHG groups women use to fight with their husbands when they came home drunkard. The awareness regarding the how to tackle various problem at home were taught. By participating in the meeting and communicating with people women came to know how to handle their husbands in such situations instead of having quarrels. It was observed that there was a drastic change among the men as women started commanding respect from the neighbourhood.

An important dimension of empowerment – ‘power within’ entails facilitating the disempowered to develop a positive sense of identity, self value and confidence. The psychological component promotes self belief in women that they can act at personal and social levels to improve their condition. It involves an escape from “Learned helplessness”. This dimension is found from the study based on the improvement in decision making power, gaining control over income and saving, gaining cooperation from the family members and improvements in the personality development.

f) Empowerment dimensions

Dimension	Individual level	Community level
Power to	Right to survive Control over labour Resources Control over body Freedom from violence Control over fertility Decision making within household.	Capacity to fight against gender discrimination, wage rate. Taking actions to one's own circumstances Decisions making regarding community issues.
Power with	Claiming citizenship rights through cooperatives and networks.	Ability to organize group meetings Ability to solve community problems.
Power within	Self confidence Self esteem Self awareness	Organizing people to achieve common goals.
Power over Positive Negative	Capacity to convince forcing to do something against their will. Convincing family members to achieve targets	Strong determination to achieve community related targets. Convincing higher authorities and achieving favourable results

For each of six economic issues, women were asked how their households arrived at decisions and whether they themselves spent money on such projects. The issues were:

1. House repair and construction,
2. Livestock sale and purchase,
3. Borrowing money, and
4. Transactions involving household daily requirements,
5. Purchase of household durables,
6. Investment in new business.

From the data given in table, it can be observed that women had more decision making power in managing household i.e. 75 percent, 60 percent, 65 percent and 40 percent have acquired decision making power with respect to house repair, construction works, marriage in the family, purchasing of live stock, borrowing money, respectively.

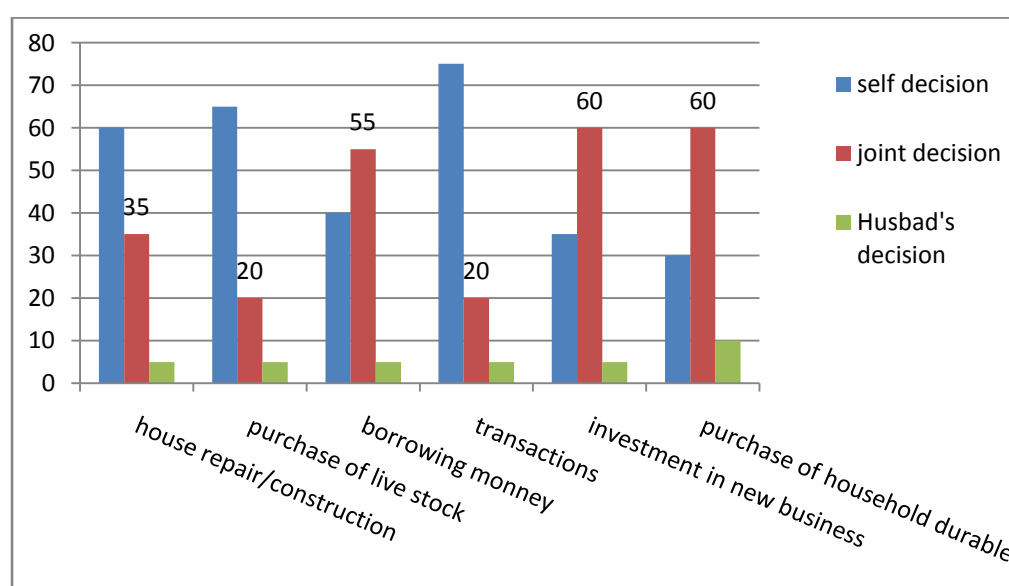
The decision making power at homes has come down 5 percent in all above issues. It means that the husbands are exercising only 5 percent decision making power with regard to the above activities.

Table 8.5: Distribution of respondents as per economic decision making

S.No	Decision making criteria	Self-decision	Joint decision	Husband's decision
1	House repair/ construction Marriage	60%	35%	5%
2	Purchase of live stock	65%	20%	5%
3	Borrowing money	40%	55%	5%
4	Transactions involving Household	75%	20%	5%
5	Investment in new business	35%	60%	5%
6	Purchase of household durables	30%	60%	10%

Source : Primary data collected for the sample of 300SHG women members of SHG the above data suggest that women are moderately empowered through SHGs

Fig. 8.1. Distribution of respondents as per the economic decision making.



8.4. Control over loans

Of central importance is whether or not women retain control over their loans and management power of the activities for which the loans are used .among women

who had taken loans for income generating activities, 55% reported having total autonomous control over the money. 40% reported that they share control over the loan money with their husbands, and 05% reported that their husbands have sole control over the proceeds of the loan.

a) Control over income and savings:

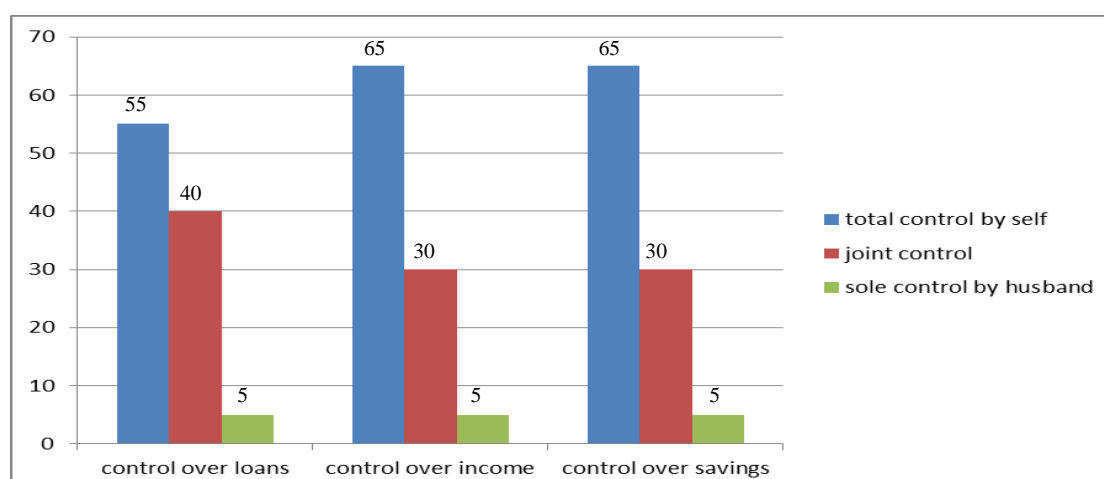
About 5% of women reported that they do not operate any income-generating activity of their own and 30% of women reported not having independent income that they could use at their own discretion (without consulting their husbands). A sizeable number (65%) of women reported that they do have their own independent savings, and if they did, husbands were aware of these savings. Wives expressed having a moderate level of control over these savings, with 30% saying that they were not able to decide autonomously how to utilize them and 5% of them did not have control over savings at all.

Table 8.6: Distribution of respondents as per control over loans, incomes and savings.

Control variable	Total self control	Joint control	Sole control by husband
Control over loans	55%	40%	5%
Control over income	Have independent income (65%)	30%	5%
Control over savings	65%	30%	5%

Source: primary data.

Fig. 8.2. Distribution of respondents as per the control over loans, incomes and savings.



b) Co-operation and support from family:

The study observed that women in self-help groups could perform better with the support extended by family members through it is at various levels to women.

Table 8.7: Level of co-operation and support from the family members to the respondents:

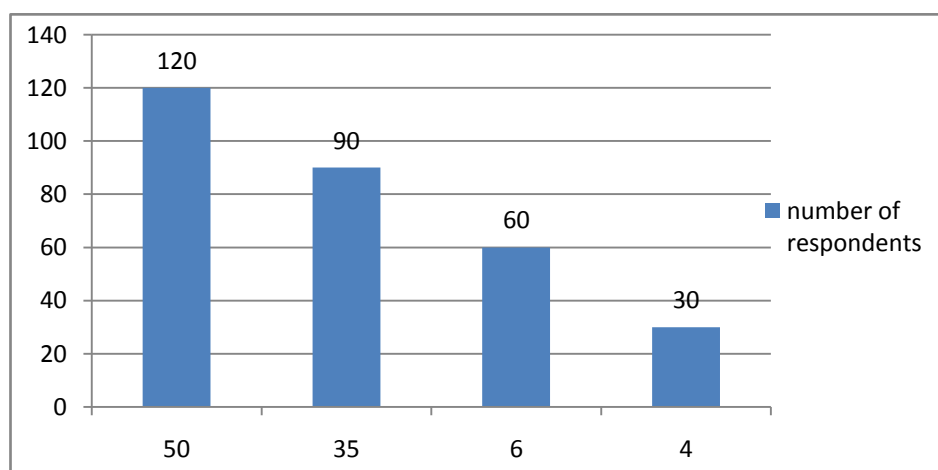
S.No	Percentage of cooperation	Number of respondents	Percentage of respondents
1	50	120	40
2	35	90	30
3	6	60	20
4	4	30	10
5	Total	300	100

Source: collected from the primary source

The table 8.6 explains the percentage of co-operation received by women in their work at home and outside. Co-operation is a subjective concept but it is quantified for the purpose of better understanding. 40% of the members are securing 50% of co-operation from the family member which is a substantial achievement. 10% of the members get 4% of support and co-operation from the family members. Micro finance movement and its role in alleviating poverty can be better realized with the help and support of all the people involved directly and indirectly in it.

Twenty women belonging to a SHG claimed that they are able to receive. 50% support from their family members. The bottom 5 members clearly stated that they secure very less or nil support from the member of the family, the reasons are many. Old people and small children present in the family require support rather than extending co-operation to the earning members of the family.

Fig. 8.3. Distribution of respondents as per the level of cooperation and support from the family.



C) Awareness about government programmes

The study was made regarding the knowledge of women about their right, government programs, functioning of Panchayats and Government schemes. The awareness about all the above aspects helps in the process of attainment of social and political empowerment. Around 5% of women are members of different political parties and have contacts with political leaders.

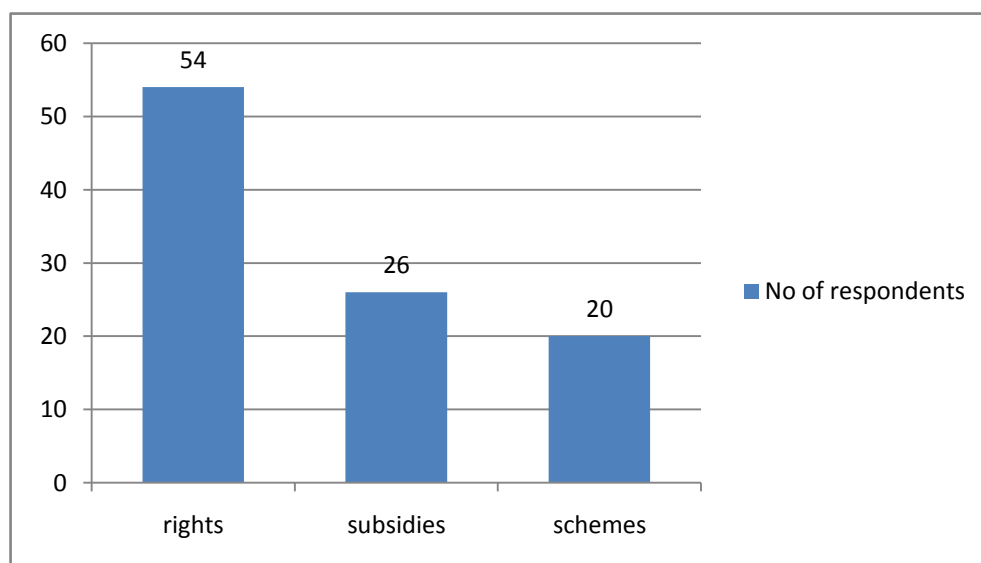
Table 8.8: Level Of knowledge of the members regarding government Programmes

S.no	Factors	Number of respondents	Percentage
1	Rights	162	54
2	Subsidies	78	26
3	Schemes	60	20
4	Total	300	100

Source: Primary data.

The Table 8.7 shows the level of knowledge of the members about 54% of the respondents is aware of their rights at home and outside. 60% of women have knowledge about politics and government programs. Only 26% know about the subsidies and various development programs even though they are beneficial to them.

Fig. 8.4. Distribution of respondents as per the awareness about government programs.



8.5 Personality development (Psychological empowerment, “power within” dimension)

Access to finance, management of the tiny production units, interaction with other members and officials, attending meetings are all part of group activities which improve the confidence levels, communication abilities, ability to motivate others and leadership qualities. This can be summed up as personality development which is attained through micro finance movement.

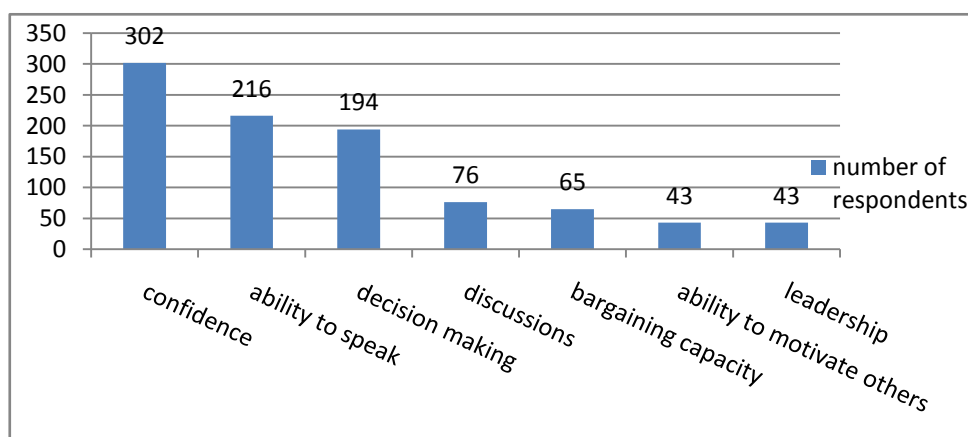
Table 8.9: Various aspects of personality development in post SHG

S.no	Factors	Number of respondents	Percentage
1	Confidence	302	56
2	Ability to speak	216	40
3	Decision making	194	36
4	Discussions	76	14
5	Bargaining capacity	65	12
6	Ability to motivate other	43	8
7	Leadership	43	8

Source: Primary data

The table 8.8 shows the findings of the study with respect to personality development by the sample respondents. Majority of them claimed to that they secured confidence gained through earnings. Many of them were able to motivate other women from the poor families and form into new groups or join the existing self-help groups. They also acquired bargaining capacity and ability to communicate their grievances to officials during interactive sessions. With access to information they realized the need for training in some aspects in order to compete with the others in the market. Access to credit has made them self-reliant which is a key to the personality development and empowerment.

Fig. 8.5 Distribution of respondents as per personality traits.



There is a significant change in the levels of confidence and self esteem of the members of the group. Nearly 40% of the women held the opinion that SHG's have created economic and social impact in terms of group performance, rise in income, consumption, savings, borrowings, asset buildings, and social empowerment measured in terms of decision making, community affairs etc.

The analysis on various aspects clearly indicates that the micro finance movement has reached the women and brought about a positive change in their lives who otherwise would have remained in darkness. A social movement in the form of micro finance has resulted in helping poor women in marching towards progress by creating an enabling atmosphere.

8.6 Varying Impact of SHG loans: Some Case studies

As one can understand, SHG loans cannot be expected to have uniform effect on beneficiaries. While mean values of income improvement may show positive growth, there could be considerable variation in actual benefit that may accrue. In order to show the differences the differences, the following case studies done by the researcher are presented.

1) **Lalitha**, aged 45, a backward caste woman is a migrant to Hyderabad. She migrated along with her husband 20 years back (in 1993) from Mahabubnagar district. Back in the village, her husband had 2 acres of land and she used work along with him in the field. But due lack of water he could not continue his agriculture. They decided to migrate to the city. After coming to the city, her husband, Mr.Balaiah managed to get a job as helper in a private firm, who used to pay him Rs.1000 pm. She did not wish to work a house maid, while such work was available. She remained a housewife for a long time. However, the lone earnings of her husband were becoming insufficient to meet the needs of the family, as they were sending their children to the nearby government school. Somewhere in 2002 she started preparing pickles and began selling it in the neighbourhood. Soon she found out there were many migrant people in the locality and pickles received with good response for the taste she has shown in her product. She could make some modest income from this, which encouraged her to experiment with more types of pickles. She has carried this for about 8 eight years, by then she was seasoned in terms of which types of pickles receive good demand during which period. She has also found out the cheap sources of the ingredients to manage

the cost of production. She was making 10 kilos of pickles by 2010. In 2009, GHMC organized the basti women into SHGs and promised them with some loans. Already having heard of the thrift loans being given in her village, Lalitha actively participated in forming the SHG in which she was made the group leader for talents of organization, speaking at the meetings, persuading other women to join the group and talking to the officials. Every month a member is expected to pay Rs.2000 towards the saving, and a group has 15 members. The group liability is explained to every member. The circle in charge of GHMC of MEMPA in the Uppal area, Ms Rama Devi was impressed by the enthusiasm shown by Lalitha and encouraged her for taking the leadership. During the training program, Lalitha received further skills in terms of organizing the SHGS, information about the opportunities of opening stalls in the exhibitions, and so on. She received Rs.2200 as the first loan in 2010-11. More than the loan, Lalitha's contacts have expanded and her awareness has grown. She also observed that there are several sweet shops which regularly sell pickles also. They were ready to take stock from her, with her standing of 10 years. The SHG loan helped her to buy packaging materials such as plastic bags, plastic boxes. She soon expanded her pickles business, she received Rs.5000 next year in 2011-12 and received Rs.10,000 in 2012-13. She is supplying pickles to 10 shops, besides selling at exhibition stalls in the city and at home for neighbouring customers. She is now able to earn about Rs.10,000 per month and she could afford to send her daughter and son to college. The SHG loan has not only enabled her to expand her pickles business, but has increased her social capital. Of course, Lalitha's case is one which highlights the point that those women who have some entrepreneurial abilities and experience, an SHG loan can enhance her financial resources which can build a sustainable income to supplement the family income. Her abilities, hardworking qualities, honesty and seriousness cannot be discounted while she chose a business in which her own knowledge is adequate for which there is considerable market. The market is an expanding one which has not become any constraint for her. Lalitha's is a clear case of SHG loan helping someone who have internal social resources and looking for financial support, train their activities for earning reasonable amount of money, to have basic needs.

- 1) Name : K.Nagamani
- Age : 22years
- Education : 6th standard
- Caste : BC
- Circle : Uppal
- Group : Malleshwari Mahila Swashakti Sangham.

She belongs to fishermen community. She belongs to a big family consisting of five members three brothers and two sisters and she was the eldest daughter of Mr. Kondaiya who was a Fishermen, He used to go for fishing regularly and also worked as daily wage labourer, her mother Mrs. Buchchama was a home maker. She studies up to 6th standard in a government school . Her father died when she was 13 years old. His income was only their source of living and his death shattered them in to darkness. This tragedy made her to discontinue her studies and started working as maids in several houses near- by. Nagamani income was not sufficient to run their house hence her mother also started working as a domestic maid in several houses she worked hard and tried to send their younger brother to school.

As our struggle was continued In 2009, GHMC organized the basti women into SHGs and promised them with some loans. This scheme attracted many women and Nagamani was interested and became a member of SHG. Her group consist of 12 members and her Group name is Vishwa shanthi Mahila Podupu Sangham in Kapra Circle Nagarjuna Nagar Colony and every month they were expected to pay an amount of Rs. 100 towards saving. Their group was linked to nearby State Bank of Hyderabad bank. The group received 50000 Rs as a first loan. Nagamani received Rs. 4166 as first time loan. She purchased vegetable bandi for Rs. 666 and they started selling vegetables in the evenings by an investment of Rs. 3500. Daily they are able to sell vegetables worth of Rs. 400 and able to gain net profit of Rs. 6000. Slowly she started saving more and received second time loan from the bank Rs. 75000 for entire group. Nagamani got Rs. 6250 as her share of loan. She took a small shop for rent paying an amount of Rs 1000 per month near Kapra center. Slowly she switched over to garland business. She and her mother complete their maid work in neighbourhood houses by 10 a.m in the morning. They go to market to buy flowers at 11 o clock and reach their shop by 12 noon. They make and sell flower garlands till late night. Now they are able to earn Rs. 600 -700 per day. Thus she had repaid the second loan also with the increased incomes. Even though she remained spinster she is happy because she has become economically independent and helps her family. She earned respect from brothers and sisters as she supported and remained a backbone for their studies. But her income was just sufficient only for their bread and butter and for their investment in their business, there was no additional savings from their income in order to improve further standard of living.

- 2) Name : T.Padma
Age : 30years
Education : 10th standard
Caste : BC
Circle : Khairthabad
Group : Lakshmi Mahila Swashakti Sangham

She belongs to Yerukula community. They were 6 children, 3 daughters and 3 sons in her family. she was the fourth child in their family. Her parents were daily wage labourers in construction. She went till 10th standard to a government school and had to discontinue her studies and to continue her studies she had to go to city which her parents refused and asked to work. Later on when she was 14 years old she was forced to get married to her uncle who was labourer in construction work. She was blessed with three daughters, for which she was always harassed. She had an idea about family, husband and children, but was held responsible for everything that went wrong with them. She lived in a joint family and her husband had 4 brothers and 2 sisters. As there was no proper financial support from her husband her in-laws separated them. her husband used to blame her for giving birth to 3 daughters and not able to earn. She was not interested to work as maid servant as she studied till 10th standard and wanted to take up a small job.

Mean while when she was searching for a job she came to know about SHGs through NGO. The NGO members came to their colony and explained the benefits of joining and getting the loans. She was made the group leader for talents of organization, speaking at the meetings, persuading other women to join the group and talking to the officials. Padma actively participated in conducting the SHG meetings and obtaining loans in which she was made the group leader. Every month a member is expected to pay Rs.200 towards the saving, and a group had 10 members. The group liability is explained to every member. The circle in charge of GHMC of MEMPA in the Khairthabad area, Ms Rama Devi was impressed by the enthusiasm shown by Padma and encouraged her for taking the leadership. During the training program, Padma received tailoring skills. Her group was linked to nearby Canara Bank, YMCA. Her group received Rs. 50000, second time Rs. 1,50000. Padma received Rs. 5000 and also took Rs. 10000 loan from the group at an interest of 2%. She purchased two sewing machines each for Rs. 7000. She started stitching at home blouses, saree falls, and also small bags. She was able to earn 6000 per month and could clear the loan amount. Their group also received 3 lakhs as third time loan. Padma's share was 30,000

with which she took a shop for lease and also bought another machine and could employ one more girl in her shop with a salary of 2000 per month. With her good speaking and leadership qualities she could attract many customers. She also started stitching dresses and also started selling garments and falls. Now her monthly income increased to Rs. 25000 per month. She became a successful entrepreneur. Although she became economically independent she expressed the problems of her business such as non-availability of efficient workers, seasonal demand, growing competition, customer satisfaction, skills required for changing fashions etc. She states that her sustainability depends on kind of the challenges that lie ahead.

- 3) Name : Rajamani
 Age : 48 years
 Education : nill
 Caste : SC
 Circle : Khairthabad
 Group : Indira Mahila swashakti sangham

She came from very poor family and her father Mr. Bujji Babu was a cobbler. The income he was getting from his profession was hardly enough to meet their daily needs. She had one sister and two brothers, she was eldest of all, situations around her were such that she hardly had good stomach full food. Her mother used to work in two three houses as maid servant and earned Rs.3000/- per month.

When she was 15years old she got married to her relative who was a daily wage earner (Paper supplier). Her parents felt that at least her married life would be better. But the situation turned from bad to worse.

Unfortunately, her husband met with an major accident and could not do justice for his job hence he had to quit his job. She was not left with any option but taking up a job. At that cross junction of selecting which job, her uncle suggested to prepare different types of snacks and sell as she was a good cook.

In the mean time she was introduced to SHG groups by their neighbors. Initially, she did not show any interest to join the groups as she always had an insecure feeling that she cannot handle it as she was illiterate. But, her husband supported and forced her to join the group so that she gets a loan. She was given 4600 Rs. As a first loan, which she and her husband utilized to set up a small tiffin stall and started selling tiffins such as Idly and Dosa in early morning only where her monthly income was

about Rs.6000/-. After clearing her first loan she was sanctioned with Rs. 15000 as her second loan. With this amount she purchased more utensils, a bigger stove for Rs. 8000 and also purchased raw material for another Rs. 7000 and increased the number of items in her stall and also started selling snacks like mirchi bajji, pakoda etc in evenings and her income increased by another Rs. 3000. In the initial stages the income from tiffin stalls was more and they had an additional saving apart from their investment and repaying their loans, but slowly the number of competitors increased rapidly and customers decreased. In spite of reducing the prices marginally and also by improving the quality, the situation did not improve. Slowly income decreased and there was not much saving remained every month for them. Presently their profits remained only 1% of their investment. Sustainability is a major problem for them.

- 4) Name : Naga Lakshmi
 Age : 42years
 Education : 5th class
 Circle : Kushaiguda
 Group : Sri Shiva Jyothi Mahila Sangham

She migrated from Warangal District 6 years back due to marriage. As her husband couldn't find any suitable job they migrated to Hyderabad city. Her husband started working in a private company for 4000 Rs per month. He had education up to 7th class. After marriage she gave birth to two children one son and one daughter and she had to look after her mother in law also. She came to know about SHG through her relative and she was not allowed to be a member initially due to lack of white ration card. She tried her level best to get ration card and joined the group. She received loan around 4500 for the first time. GHMC gave her training in making handbags and purses. With this money she brought raw material required for making bags and started preparing them at home and sold them for a quite reasonable price in different shops initially and later on she even started selling them in exhibition by setting up a stall. Her monthly income turned up to 3000 per month.

Later on she was also given opportunity to set up a stall in small exhibition organized by Canara bank at different places where she could make up her income to Rs 7000. Later on bank again gave her loan up to 15000/- with which she could buy a sewing machine and also started supplying bulk quantity to many companies and other

government institutions. This enhanced her earning potential to 10000-15000/- on bulk orders. she could clear the loans as there was no much interest charged. Even though SHG helped in developing a skill of making bags and provided a way to earn money, her income always remained low as there was no much continuous demand for her products. She always have to struggle hard to publicize her product, impress customers, satisfy their demands.

- 5) Name : Begum Rajiya
Age : 27years
Education : 10th class
Caste : Muslim
Circle : Charminar
Group : Rajiya Sultana Mahila Sangham

She was very poor family from Muslim community. She had eight siblings and she was fifth child in family. Her father was working in a meat shop and her mother was a house wife. Theirs was a joint family and her father had four brothers each having 5 children. They were also working in hotels and the total income was not sufficient to feed all the members in the family. In muslim community girl marry at early age. she got married at an age of 14 years to a photographer who works in a studio. After her marriage she gave birth to three children. Her husband income was quite irregular and seasonal. She wanted to improve their standard of living and wanted to provide good education to their kids. While she was searching for a job she came to know regarding these SHG groups from friends. Immediately she approached SHG and became a member. Within six months she was provided training to set up a beauty parlour. Within few months she was given a loan of Rs. 5000 from the bank. She also took an internal loan of Rs.20000. My husband provided another 50000/- and she started a small beauty parlour in their locality. The big advantage was that there was no beauty parlour in that locality due to which she had good profit and had a monthly income of rupees 15000-20000 per month. After meeting my raw material expenditure and paying for the loan she was left with a saving of 5000-6000 Rupees per month. When she received an amount of Rs.15000 second, and Rs. 30000 as third loan she reinvested in developing beauty parlour by buying different kinds of machines etc. She

is able to clear the loans only because of lack of interest. However her sustainability depends upon continuous demand for her services.

- 6) Name : L.Satyavathi
Age : 38 years
Education : 10th class
Caste : BC
Circle : Kapra
Group : Priya Darsini Group

She belongs to weavers family and her native is Srikakulam. Her father and mother were in the profession of spinning the thread from raw cotton. They supplied to local cloth manufacturers (power looms/hand looms). She got married in 1990 to a carpenter and migrated to Hyderabad she has 1 child. Her Husband died in 1996 due to sickness. She was in search of livelihood and in the mean time her relatives helped her to become a member of SHG in order to get a loan. Her group members were provided training in manufacturing jute bags by GHMC in collaboration with national jute board. Later on DRDA selected some women to be trained as trainers for about 45days. During this period she was given stipend of Rs. 4000 from DRDA. She was sent to various groups in order to give training in manufacturing jute bags. Her group was linked to SBI. She received Rs. 4700 as her share of first loan. In addition to this she availed internal loan of Rs. 20000 by which she purchased two sewing machines since then she has been stitching and selling jute bags of different sizes and selling at various companies. As the bags are environmentally accepted she had a great demand for them. she was also asked to prepare files for seminars and workshops by using jute. She had a great demand for these files and bags. As soon as she got second loan of Rs. 15000 she purchased another machine and appointed two workers. Monthly they stitch around 500-600 bags. They are paid piece wise wage rate such as Rs. 15 for small bags and Rs.20 for longer bags. Having seen her commitment and dedication to work she became leader of the group. She keeps her stalls in various exhibitions organized by banks, MEPMA, national Jute Board, Handicrafts. At present she is able to earn 15000 to 20000 after meeting all production cost. As plastic bags banned in USA, she started getting orders from USA also. The main problem she is facing is shortage of capital. As the other members are envious of her progress and they are not willing to take internal

loan again and again. As a result she had to borrow money from money lenders at 3% rate of interest. She says that to the amount of money given by the banks increases to 5-7 lakhs it will be helpful for them to run a business continuously. She is also getting Rs. 200 as her widow pension. She had being working for 18 hours a day and wishes to expand her small firm further if she has a guarantee of continuous flow of capital. Recently she is also finding increase in competition in her field. The sustainability of her business depends upon availability of capital and the creativity which she will show making her product look more attractive and qualitative to face the competition.

- 7) Name : Lakshmi Yadav
 Age : 35 years
 Caste : BC
 Education : 7th standard
 Circle : Khairthabad
 Group : Vikasa Mahila Podupu Sangham

She belongs to cobbler community. She studies up to 7th class. She had to discontinue her studies due to health problems and got married at an age of 17. Her husband used to make leather chappals at home and sells at near by market. Her father-in-law and mother-in-law were also in the same profession. One day an NGO called APMAS officials came and explained about SHG and formed SHG groups. As she had education up to 7th class, she was made leader of the group. The groups were provided training in maintenance of accounts and conducting meetings every month. They helped in linking to the banks. As soon as she received first loan, and also taken Rs. 10000 internal loan from the group she made her husband to purchase a small shop in the market for Rs. 15000 where they can sit and stitch chappals from morning till evening. Earlier they were not having this kind of shelter, due to availability of shelter they could continuously manufacture different varieties of shoes and chappals. She had been sent to training to know about skills and designs Organized by National leather board. The training provided various types of techniques of making different designs which can suite modern young girls. She started keeping stalls in various exhibitions and could sell more chappals and could make 20000-30000 of profits per month. She goes to various places in Andhra Pradesh to participate in different exhibitions. She claims that she used to participate in 6-8 exhibitions and makes a profit of Rs.80000-90000 after meeting all her raw material cost, transport cost per annum. She claims that

there is a greater demand for her product from the student community because of low price that is Rs. 100 for her chappal. She appointed recently two more workers to help in manufacturing product. She claims that she learnt various skills and also has a knowledge of different taste of customers by travelling to various places.

- 8) Name : Ganga Bhavani
Age : 40 years
Education : 10th
Caste : OBC
Circle : Quthbullapur
Group : Vasundera Mahila sangham

She belongs to a family of stone cutters native of Nalgonda. Her father use to earn money by breaking the stones and her mother was home maker. She had education upto 10th class later she migrated to Hyderabad after marriage to her uncle. She has two sons one is physically handicapped and her husband was working in a small electrical work shop. He gets an income of 10000-12000 per month. As income was not sufficient to meet the livelihood she was looking for a work. She was going as a care taker in a small school near her house. But she could not continue that job as she had to take care of her son. Then immediately her colleagues gave her an idea of SHG and she immediately took interest and joined.

She was provided training by GHMC in manufacturing phenol, surf, candles, bath soaps and detergent soaps. She was given Rs.4500 as her first loan and Rs. 12500 as her second time loan. All that money she received invested in only making phenols, candles, and surfs. While manufacturing phenol she incurs cost of Rs. 50 to purchase raw material like salt, soda, scent. Each bottle is sold at the rate of Rs. 80 and makes profit of Rs. 30 on each bottle. Every month she supplies 300 bottles to various shops and earns 9000 on phenols only, in addition to this she also prepares surf candles bath soaps and supplies to various shops and earns around Rs. 8000. With increased incomes she had admitted her son in a physically handicapped school. Now she is able to pay school fees and transport cost also. At present she is facing the problem of competition from companies and fancy for branded products is increasing, people are not preferring her products even though they are less expensive. As a result the percentage of profit is

declined by 10%. Now she has to search new markets and new customers in order to sustain her business.

- 9) Name : Mary
Age : 30 years
Education : B.A
Caste : SC
Circle : Alwal
Group : Priya Darshini Sangham

Mary was born in a middle class family. Her mother used to sit all the day in their kirana shop. Her father was a Electrician. In spite of having a low standard of living they educated her daughter and completed her degree. Immediately she got a job in a school with a salary of Rs. 3000. Later when she was 21years old she got married to Mr. John who was her colleague. Even though it was a love marriage their relationship did not stand up well as he had an illegal relationship and they got divorced. Later she came to know about SHG from NGO officers whom she met in their school. As she had a quite good educational background she was made leader of SHG group. By her active participation and dynamism she was made president of samakhya in that locality. She was encouraged by one lady project officer from MEMPA who motivated her to start a small industry of buffet plates, and pickle containers. She was given training from NIRD for preparation of buffet plates and pickle containers. She availed loan of Rs. 5000 from the group and internal loan of R. 20000 additionally her parents supported her by giving another 20000. With which she purchased a machine manufacture buffet plates, these plates are not plain vanilla variety and some of them have intricate floral designs. Initially she started making profit of Rs. 2000-3000. she later changed her sole proprietary business to a partnership business by making her colleague as partners. Due to this investment increased at the same time production also increased their by increasing their profits. Mary retains 40% of surplus and distributes the remaining 60% among her partners. This industry proposes to specialize in home need products but Mary and her group members give importance to financial planning and discipline and first priority to clearing the loans. They would like to expand their industry further increasing the production.

8.7. Summary:

The impact of micro finance on women was analysed taking various indicators in the pre and post SHG formation periods. It is observed that the impact was reflected in changes of their asset values, income, consumption, and above all in their savings level and thrift which was minimum or absent in the pre-SHG period. Apart from economic empowerment, the same SHG members attained social empowerment, which may be solely attributed to SHGs and the concept of micro financing. It was also observed that there is change in attitudes of SHG members against social issues such as gender discrimination, dowry, equal property rights, right to nutrition, health attention and education for girls, treatment of girl child, widow remarriage, participation in decision making within the household affairs such as deciding about the education of the children, the schools to be considered, the standard to which the children are to be educated, the course to be chosen, the mode of transport, the age of marriage and marriage of the children etc. SHG women members are now showing greater interest in matters like purchase of land, jewellery, and consumer durables. They wanted to know more about sources of borrowing methods to save and invest, and how to generate incomes. They are actively participating in various training programmes given to them. They are coming collectively together to represent their problems to the concerned authorities. in solving the local problems such as drainage and drinking water. They are able to travel outside without the help of family members. They are also showing interest in exercising right to vote in elections. It is found from the present study that the overall status of children in enrolling the schools is improved. Before joining SHG non enrolment of children to the schools is only 17%, and it is reduced to 2%. Under-nourishment of children less than 5 years was 31% and it has reduces to 12%. Children's immunization within one year was improved to 25% to 39%. It is found from the study women got socio and political empowerment (power with dimension) in addressing community related problems. They have represented the problems to the concerned authorities and got solutions to the problems like community services, building a school etc.

Women got awareness about family planning methods and 70% of women undergone tubectomy operation and 4% women's men folk undergone vasectomy, 11% of them are practicing other methods. SHG has helped to achieve social harmony i.e. peaceful coexistence of people from different caste and religions (this is nothing but

power over dimension). SHGs helped women to move out freely because of the courage and self confidence which they could develop by participating in the meeting. It is important that the domestic violence reduced drastically. Women could learn to organize themselves and also are able to manage various difficult situations in the family life. Regarding the decision making, 55% of women reported that they have control over the financial resources. 65% women reported that they have their own independent saving. It is also found from the study that 50% of members are receiving cooperation from the family, 40% of them are able to understand in a better manner. It is found from the study that majority of the women are able to know about various government programs schemes. 54% knows about their rights about various issues, 26% knows about the subsidies given by government, 25% knows about the schemes offered by the government.

It is found from the study that the psychological empowerment power within dimension is also achieved by the SHG women. 56% women developed confidence level, 40% are able to speak and 36% are able to make decisions, 14% are able to participate in various discussions, 12% developed bargaining capacity, 8% are able to motivate others and 8% have developed leadership qualities. Thus the analysis shows that by joining SHG groups women have developed the four dimensions of women empowerment to some extent.

Empowerment of people is a complex process by which the marginalized people become aware of power dynamics at work in the life context and develop skills and capacity for gaining some control over their lives without infringing up the rights of other. In the development context, it is essentially a need for re-negotiations in regard to access and control over resources. In order to achieve women empowerment 1) formation of poor into groups, 2) awareness building 3) capacity building 4) training programs 5) initiating social or economic activity for collective or individual action 6) providing sufficient guidance and credit 7) guiding properly regarding the function and conducting the meeting 8) teaching managerial issues will help to improve new upcoming SHGs.

On the whole the performance of SHG's has been satisfactory for the following reasons. 1) The performance of SHG's is reflected in convergence of poorer sections. This has been possible mainly due to initiatives of NGOs in promoting SHG's to work mainly for the development of the tribal, landless labourers, migrant urban women and

especially women from economically backward communities. 2) Most of the SHG's have been able to successively promote regular savings habit even among poor households, 3) With the funds mobilized through savings and borrowing from the banks the SHGs are able to meet divorce loan demands of the members for the both production and household purposes. In contrast to the formal agencies, delivery of loans for different purposes appears to be their strong feature. Their autonomy as well as easy access to information about members activities, seems to have enabled the SHG's to meet such divorce loans, demands of the members finally despite not following collateral based lending like formal agencies, the SHGs have been able to register high loan disbursement.

A combination practice like peer monitoring easy and flexible repayment schedules seems to have positively influenced the loan recovery performance of the SHGs. Finally studies on SHGs also revealed that the SHGs promoted by NGO's from the inception, dependent upon the NGOs for their management and other requirements. Therefore it becomes clear that though the progress of SHG's has been limited in terms of its spread in certain areas, they certainly seem to hold a good potential in the field of credit for the poor. Precisely based on such assessment NABARD, Government of Andhra Pradesh have an ambitious plan of expanding the SHG's all over the country and promote them as instruments which can supplement institutional agencies in providing credit and other financial services to reach the poor affectively. Thus we can conclude that the SHG bank linkage programme has helped the poor women in tapping the latent potentials of the poor in mobilising their savings, meeting their needs and managing their affairs. Poverty alleviation through micro credit is not merely provision of credit and financial services to the poor, but helps the poor to participate in the value addition process. The SHG credit linkage has grown remarkably over time from a mere 255 SHGs with bank loan of rupees 2.9 mn during 1992-93 to 29,24,973 SHGs with a loan of rupees 18040.74 crores by March 2010. Therefore financing SHGs had become a main stream activity of the banking sector by 2010. And it is emerged as one of the national priorities. Banks, NGOs and other social organizations have been involved in social intermediation for forming and nurturing SHGs. But the entrepreneurship development activities of SHGs need to be qualitatively enriched so that poverty reduction will not be a transient phenomenon.

=====

CHAPTER – 9

CONCLUSIONS AND SUGGESTIONS

“Lasting peace cannot be achieved unless large population groups find ways in which to break out poverty. Micro credit is one such means. Development from below also serves to advance democracy and human rights. Thus, the new concept of micro finance had emerged with self-help groups”.

-- Muhammad Yunus, Nobel Peace Prize Winner 2006.

Micro finance has gained significance and the momentum during the last decade. India now occupies a significant place and a niche in global micro finance through promotion of SHGs and home-grown SHG-BPL model. The Indian model offers promise and potential to address poverty as it is focused on building social capital by providing access to financial services. This chapter presents the summary and conclusions of the study by presenting various aspects of micro finance and its impact on women empowerment.

The availability of finance in small amounts on easy terms with fewer formalities in small amounts is a boon to the poor women. These ideas are given a shape with credit and skills are sharpened, with training programs. In fact in July 1996 James D. Wolfenson, the President of World Bank, said the following about micro credit “Micro credit programs have brought the vibrancy of the market economy to the poorest villages and people of the world. This business approach to the alleviation of poverty has allowed millions of individuals to work their way out of poverty with dignity, micro credit is a powerful tool to help stumbling economies to recover and strengthen while making the lives of millions better”. The poor in any part of the world can utilize this tool and drive away poverty.

The micro finance has emerged as a powerful instrument for poverty alleviation through SHG bank linkage program in the new economy. The micro finance has brought about rapid progress in the formation of SHGs which in turn paved the way for empowerment movement among the women across the country.

The present study gives a positive picture about the micro finance institutions on improving the status of women clearly indicates that it is right time for the micro

finance movement to grow and spread in India in a more rapid way to reach poorest of the poor. There is a criticism that micro credit has not reached the poor because the poor is not sure of paying even Rs.100/- per month as savings. Earlier 60% of the poorest of poor have not become members of SHG but slowly by the influence of neighbours, observing the success stories they are also becoming members of SHGs. Even the government is extending their projects to cover poorest of the poor. The developing countries like India and Bangladesh largely insulated due to the presence of real economy. In Bangladesh 60% of poor are covered under micro finance. The remaining 40% are expected to be covered in the next 2 years. India has been able to cover only 20% of people under it and needs to speed up. Even though there are some studies critically pointed out about the percentage of coverage, but the very covered per cent itself is an evidence of the success of this project.

The present study aimed at analysing the extent of improvement in the status of women via micro finance. The data was collected from 300 women belonging to SHG Hyderabad city who are mostly migrated and settled in different parts of the city. The 300 SHG members were drawn from 30 groups in 10 circles divided as per GHMC. A comparative analysis was done with regard to income, savings possession of consumer durables, other assets, motivational factors, access to markets, networks, and price and product information have all been taken into account. Data regarding economic variables during pre and post SHG conditions was collected. The statistical tools such as simple percentages were applied to get results from the survey. The SHG are very much instrumental in the attainment of empowerment. More women became aware of their rights and dynamic role they have to play in the family matters involving education of the children, marriages, purchase of consumer durables in the house have become the arena of the women. Most of the women clearly stated that they observe a change in their attitudes towards future and their lives. They are prepared for an upward trend in case of standards of living and jump in the opportunity to prove for themselves as capable of attaining goals. Bill Clinton the former president of America visited some of the areas and met women and appreciated their activities. The pavalavaddi scheme launched by sri Y S Rajasekhar Reddy (late chief minister of Andhra Pradesh) came as a boon to the women. Later, former chief minister Kiran Kumar Reddy announced “vaddilenirunalu” from 1-1-2012. This is also a great motivating factor for all women to become SHG members. The women members

gained confidence by the promises of the government and are able to motivate others to join in SHG's in their colonies.

The impact of SHG can be seen in two dimensions. The first is poverty alleviation and the second is women's empowerment. The first one can be captured by way of economic empowerment and sustained progress of SHG groups. An increase in incomes savings livelihood opportunities basic needs like food security, clothing, clean drinking water, construction of houses, building assets are the indicators of poverty reduction. The study proves that poverty declined by 69% of the members and 48% among the very poor. The reduction of poverty was less among the Dalit's and women headed households compared to non-Dalit's and male headed households.

Any poverty intervention such as participation in SHG and access to micro credit will shift 5 spaces in person's life – economic, physical, socio cultural, political and mental. These are as follows

a) Economic Spaces:

The positive factor lies in reduction of poverty is that the dependency on money lenders is declined due to the access to the credit. As high as 70% of the members reported that they would have gone to money lenders if there is no SHG further access to credit enabled women to take up economic activities of three categories agricultural and animal husbandry, industry and trade, business and service sectors. In the case of production activities they are happy with the SHG's of getting continuous credit for their enterprises which are actually owned assisted and managed by their family members. 40 per cent of the members have taken loans 3 times. Had they failed to get credit through SHG bank linkage program they would have discontinued. Thus micro credit has helped various economic activities which have almost become sick. Further micro credit also helped new ventures like Tea and Tiffin stalls, Tailoring, Auto Rickshaw services, Pickle making and Dairy in some areas of Hyderabad city some women purchased Buffaloes, and supplying milk. Women access to markets and information has improved. The innovative skills are also improved in certain self-employment activities such as Zari works, Magam Designs. Women are able to organize fairs, Melas exhibitions. Members are able to open up their stalls with their home made products in many exhibitions held in Hyderabad and Secunderabad areas.

Members also presented their products in the workshops organized by banks, APMAS, SERP and other trading organizations

b) Socio cultural Spaces:

Empowerment can be reached through social inclusion. SHG's can be paradoxically both inclusive and also exclusive in the necessity for homogeneity of groups and in the targeting of the poor. There is horizontal inclusion at various levels. However vertically there can be demarcation if groups get formed along the caste and religion lines. SHG groups are formed on the basis of income and caste and these groups are more homogeneous among SHG groups in Hyderabad city the poor from SC, ST backward caste and other castes are included and all the three religious people are members of these groups. Although social tensions crop up in the groups due to deep rooted beliefs of the caste system, economic priorities are becoming top priority. Therefore leaders are able to manage and becoming successful in bringing social harmony. Caste homogenous as well as heterogeneous groups are formed. The study reveals that there are positive effects of SHGs on socio cultural spaces since it includes women of all castes. Further participation of widows also there and poorest of poor of is 9%. Food security of members households has improved, in L B Nagar area women groups adopted a system of purchasing food grains rice oils and other consumer items for whole year by using micro credit. This amount will be recovered by monthly savings this is most successful project and expanded to other areas also. The SHGs in L.B. Nagar are following "guppedu rice scheme". Under this scheme every SHG members brings a handful of rice when they come for meetings. The entire rice is collected every month and is given to widow SHG members at the end of the year. This scheme is appreciated by many political leaders and a write up is published about the scheme in the news papers. Thus, women are able to exercise their "power within" dimension of women empowerment. Further acute malnutrition among children, infant and child mortality, pre mature adult deaths have declined. Children school enrolment and regularity in school attendance has improved due to the mother's awareness and importance to the education. Some of the women started attending open schools and adult education centres. Drainage facilities, toilet facilities and access to pucca houses, electricity and gas have tremendously shown an improvement. In some areas Lalaguga and Secunderabad "Ammavadies (baby care centres)" were established by SHG members. In Ramanthapur area some women are able to organize super bazaar. In

Kukatpally some SHGs are organising canteens in the schools and colleges. It has improved opportunities to generate livelihoods and simultaneously made a positive impact upon the education of girls. Although there is a criticism that girl children are not attending school due to the fact that they need to help at home, look after siblings yet the study observed that majority of women given priority to children education. One lady replied saying that we are now suffering due to lack of education our children should not face these kind of problems in their future hence we educate them. Thus child labour is also drastically reduced.

c) Physical Spaces:

Due to the necessity of participation in group activities there has been a mandatory expansion in physical spaces of women. Women need to attend meetings at the SHG, mandal and federation levels. The study indicates that the 50 per cent support received by 216 members, 30 per cent support received by 162, 20 per cent support by 108 members and 10 per cent received by 54 members. This shows that majority of the women are supported by their family members. In fact some men reported that they are very happy because their wife's are mobile and supporting members of the family in terms of income. Around 70 per cent of the women have better control over their bodies in terms of choices about reproductive behaviour. As a state Andhra Pradesh has also achieved a reduction in the growth rate of population from 2.42 during 1981 to 1991 to 1.39 per cent during 1991 to 2001. This decline in decadal growth rate of population has been attributed to the phenomenal growth of SHGs in the state. It has been found that SHG members have adopted family planning and there has also been an increase in awareness about health related issues. Most of the pregnant women had tetanus coverage. GHMC has given training to SHG members as family counsellors. These SHG counsellors conducted various awareness programs in different circles. For many counsellors it has become livelihood option around 60 women out of 300 samples study working as family counsellors. This also effected maternal mortality rate, abortion rate and a positive effect on children's education. However geographical and social distance has also taken its toll. Groups in the interior places did not form SHG groups, therefore they are all away from these benefits.

d) Political Spaces:

The most important dimension to remember is that while SHG are formed around an economic issue of micro credit and savings, the formation of group is a political process. This process picks up momentum with the SHG's being federated and also establishing links with local self-governing bodies. The SHG of Dwakra are federated onto Mahila banks. The SHGs of SAPAP are federated into VOs and in turn into Mahila Samakhya. This model has linkages with Mahila banks with the line departments (LDs) of the government, local governance bodies, civil society, formal financial institutions, corporate sectors and market.

In SHG groups it was found that the leadership among members is around 13 per cent (40 members) while the selection of leaders is democratic in 87 per cent of the groups. Leadership rotation was absent in majority of the SHGs. In some areas leadership was imposed on some members, it was due to the lack of initiative among the members to become leaders. As a result groups become over dependent on the leaders. The leader manages all activities regarding accounts, loans and attendance. In the absence of the group leader meetings are not held up to 6 months or more. Banks and VOs have suggested to change the leadership by rotation.

These leaders take the responsibility of obtaining loan, distribution, recovery etc. when they move upward as members of VOs and Mahila Samakhya they become all the more powerful and possess empowerment dimensions completely. In the sample study all the 40 leaders become members of VOs, MOs. It is found from the study that all the dimensions of empowerment such as 'power to', 'power with', 'power within', 'power over' are opened up. The linkages between shifts in different spaces is evident when one sees how an initiating change in economic space due to micro credit has triggered changes in other spaces and led to positive changes in mental spaces. Findings from the study show that the very process of group formation and participation in groups is empowering women. It is evident from the study that there has been an expansion in mental space which causes them to take action. These women not only negotiate their relations with their husbands and members of their families but also challenging the relations with upper caste in their circles.

The improvement in the access to productive assets, improves livelihoods, income and control over all aspects of life have contributed to the decline of disparities.

Women members' husbands feel that their wife's are more independent. The SHG women improved their control over their lives specifically improved access and control over their labour, resources, freedom to move and interact. Leadership positions enhanced their skills. However there are variations in the different dimensions of empowerment. Highest achievements are made with respect to mobility, breaking of gender division of productive labour, access to their own savings, access to friendship outside their family and access to leadership positions as VOs and MOs. Women started exercising their rights regarding land and property and wages. It is found in the study that many SHG women are fighting against wage discrimination, caste based discrimination. But moderate achievements are made with respect to husbands labour (productive and reproductive), their ability to control male alcohol consumption and their ability to influence setting of wages.

Women have intervened collectively in several institutions, that is family, community, markets (labour, commodity and financial) and state including local self-government institutions, various departments under GHMC in urban areas in order to fight community related problems. Women are also changing their attitudes towards girl's education and marriage, dowry system etc. however some women expressed that they are not able to remove the problem of dowry.

e) Suggestions:

The success of the use of SHG's in AP can be traced very fundamentally to the larger micro environment at the national level, government initiative in linking SHG's with the banks. A key in the success of the program has been the commitment of NABARD administration and government of Andhra Pradesh in alleviation of poverty and empowerment. However in order to strengthen the SHG's the following suggestions are suggested for policy consideration.

- Large scale investment is required to build infrastructure like roads and bridges so that they can be accessed to markets.
- Heavy investments have to be allotted by state government this will improve mobility of SHG's and greater access to markets.
- As some SHG's have grown and matured to a sizeable scale they need access to more financial services. Government can address this need through their state owned banks by introducing flexible and easily accessible products such as

micro insurance, larger loans, innovative saving products and enterprise financing.

- Financial sustainability is very important issue. Research has shown SHG's financial management is average or weak therefore it is very important to government and NGOs to bear all the cost of interventions to make them sustainable otherwise SHGs will be overburdened and destined to failure.
- Government regulations could help managing the risk and increase the emphasis on sustainability of SHGs the government should provide training in accounting, management, internal controls, stewardship, organization efficiency and others.
- As SHG federations being bodies like corporations registered under legal form must comply with the prudential and legal norms. There is a need for a well-developed third party rating system for SHG federations before they are linked with financial institutions to act as intermediary as they handle large volume of funds from the bank linkage and also undertake savings from their members.
- There is a need for establishing a computerized institute for SHGs to monitor their performance on a regular basis. SHG federations must publish their annual reports.
- There is no doubt that implementing agencies and service providers have to be accountable to the people but at the same time. People also have to be made accountable and responsible.
- It is important to account for social capital that is generated out of social mobilization when SHGs are formed. SHG's should be able to construct new identities for their members as economically active, aware persons who have been convinced and are motivated to pull out of poverty with the use of micro credit.
- Another concern is that micro credit should reach to the very poor, so that it will lead in social inclusion.
- The state also should have the courage for flexibility to deal with unpredictable out comes with regard to implementation of programs.
- Institutional innovations are required to form SHG groups and create capacity buildings. SERP has proved to be a successful organization in this regard.
- Governance of federations is a major challenge for the SHG members to manage their own institutions with professional staff and large volumes of

transactions will be difficult. SHPI must provide the needed support for the SHG federations to develop into sustainable institutions of the poor. Considerable investments would be needed to facilitate and sustain SHG federations across the nation.

=====

BIBLIOGRAPHY

- A. Abdul Raheem (2006): Role of SHGs. Yoiana October 2006. P, 59,
- A. Abdul Raheem (2006), p.59.
- Abdul Hayes Raul Amin and Stan Becker (1998), "Micro Credit and Women Empowerment", The Journal of Develop..... Areas, winterVol. 32, No. 2. Pages 221-236.
- Ambika Prasad (2010), Financial sustainability of micro-finance, Gyan Publishing House, New Delhi, 2010, p. 69-70.
- Anand Jaya S (2002), "Self-Help Groups in Empowering Women: Case Study of Selected SHGs and NHGs", Discussion Paper No. 38, Kerala Research Perogramme on Local Level Development, Centre for Development Studies, Thiruvananthapuram.
- Anil Chauhan and N.K. Verma, (2001), "Comparative Performance of Major Micro Financing Agencies for Dairying in Haryana", Indian Journal of Agriculture Economic. Vol. 56, No.3, July-September, Pp. 474.
- Anjali Sharma, ((1998), "Contribution of rural women in environmentally sustainable economic development: An African experience, Journal of Rural Development, NIRD, Hyderabad, Vol. 17 (4), Pp.681-701
- Anjugam M, and T. Alagumani, (2001), "Impact of Micro Finance through Self-Help Group – a Case Study", Indian Journal of Agriculture Economic, Vol. 56, No. 3, July-September, Pp.458.
- APHDR (2008) Andhra Pradesh Human Development Report 2007, GoAP and CESS, Hyderabad.
- Archana Sinha (2004), Micro finance for womens' empowerment. Kurukshetra April 2004, P. 35.
- Asghari Mohiuddin, Sridhar and Seetharaman, et al. (2002), "Activities for women under closer approach and their capacity building: AGSY – A study in five states", National Institute of Rural Development, Rajendranagar, Hyderabad.
- Athavale M.C, K.G. Sharma and A.M. Mishra, (2001), "Working of Self-Help Groups and their Success Story in Hoshangabad District of Madhya Pradesh", Indian Journal of Agriculture Economic, Vol. 56, No. 3, July-September, Pp.480.

- Awasthi P.K., Deepak Rathi and Vimla Sahu, (2001), "Working and Impact of Self-Indian Groups on Economic Status of Women in Watershed Area of Madhya Pradesh", *Journal of Agriculture Economic*, Vol. 56, No.3, July-September, Pp.475.
- Bali Swain Ranjula and Fan Yang Wallentin (2007), "Does Micro Finance Empower Women? Evidence from Self-Help Groups in India", Working Paper No. 2007:24, August, Department of Economics, Uppsala University.
- Bali Swain Ranjula and Varghese Adel (2009), "Does Self-Help Groups Participation Lead to Asset Creation", *World Development*, Vol. 37, No. 10, p0. 1674-1682.
- Bansal Hema (2003), "SHG-Bank Linkage Program in India: An Overview", *Journal of Micro Finance*, Vol. 5, No. 1, pp.21-49.
- Basu Priya (2006), "Improving Access in Finance for India's Rural Poor, Direction to Development:", *International Bank for Reconstruction and Development, World Bank*, No. 36448, Washington DC.
- Batliwala, S. and Dhanraj, D. (2004) 'Gender Myths that Instrumentalise Women: A View from the Indian Frontline', in *Repositioning Feminisms in Development*, *Institute of Development Studies Bulletin*, University of Sussex 35 (4) 11-18.
- Belshaw H (1931), *The Provision of Credit with Special Reference to Agriculture*, Auckland University Press, Cambridge.
- Besley T and Coates S (1995), "Group Lending, Repayment Incentives and Social Collateral", *Journal of Development Economics*, Vol. 46, No. 1, pp. 1-18.
- Bhargava, P., Mathur, K. and Rajagopal, S. (2005), 'Understanding Chronic Poverty in Rajasthan', *CHIP Report 16*, London: CHIP.
- Borbora Saundarjya and Mahanta Ratul (2001), "Micro Finance Through Self-Help Groups and its Impact: A Case of Rashtriya Gramin Vikas Nidhi Credit and Saving Programme in Assam", *Indian Journal of Agricultural Economics*, Vol. 56, No. 3, pp. 449-450.
- Borbora Saundarjya and Mahanta Ratul (2001), "Micro Finance Through Self-Help Groups and its Impact: A Case of Rashtriya Gramin Vikas Nidhi Credit and Saving Programme in Assam", *Indian Journal of Agricultural Economics*, Vol. 56, No. 3, pp. 449-450.

- Bouman F J A (1995), "Rioting and Accumulating Saving and credit Association: A Development Perspective", *World Development*, Vol. 23, No. 3, pp. 371-384.
- C. Siva Murugan (2008) : Impact of self help groups on income, savings, assets and occupational pattern in Tamilnadu, *Social Welfare*. Sept 2008. P. 15.
- C. Sivamurugan (2008), *Ibid*, p. 15.
- Cheston S and Kuhn L (2002), "Empowering Women Through Microfinance: A Case Study of Sinapi Aba Trust, Ghana, USA", *Opportunity International*, available at <http://videos.opportunity.org/website/Empowering-Women-Paper.pdf>. Retrieved on March, 2008.
- Chiranjeevulu, T. (2003), "Empowering women through self-help group", *Kurukshetra*, Vol. 51, March, Pp.16-18.
- Chowdhury M, Jahangir Alam, Ghosh Dipak and Wright Robert E (2005), 'The Impact of Micro-Credit on Poverty: Evidence from Bangladesh', *Progress in Development Studies*, Vol. 5, No. 4, pp. 298-309.
- D.S. Navadkar, K.S., Biram and D.V. Kasar 2001, "A Study of SHGs and Linkage Programme", (K. Dinker Rao and Rajaram Dasgupta), *Indian Journal of Agricultural Economics*, Vol. 55, No. 1, January-March.
- Dadhich C.L. (2001), 'Micro Finance: A Panacea for Poverty Alleviation: A Case Study of Oriental Grameen Project in India', *Indian Journal of Agricultural Economics*, Vol. 56, No. 3, pp. 420-425.
- Dadrich, C.L., (2001), "Micro Finance – A panacea for poverty alleviation>: A case study of oriental grameen project in India", *Indian Journal of Agricultural Economics*, Vol. 56, No. 3, July-September.
- Dahiya Prem Singh, Pandey N K and Karol Anshuman (2001), "Scio-Economic Evaluation of Self-Help Groups in Solan District of Himachal Pradesh Impact, Issues and Policy Implications", *Indian Journal of Agricultural Economics*, Vol. 56, No. 3, pp. 486-487.
- Das VBarman R, R.N. and P.K. Baruah, (2001), "Performance of Self-Help Groups in Sonitpur District of Assam", *Indian Journal of Agriculture Economic*, Vol. 56, No. 3, July-September, Pp.466/
- Dasgupta Rajaram (2001), "An Innformal Journey through Self-Help Groups", *Indian Journal of Agriculture Economics*, vol. 56, No. 3, pp. 370-386.

- (2005), "Microfinance in India Empirical Evidence, Alternative Models and Policy Imperatives", *Economic and Political Weekly*, Vol. 40, No. 12, pp. 1229-1236.
- Datt G and Ravallion M (2002), "Is India's Economic Growth Leaving the Poor Behind?", *The Journal of Economic Perspectives*, Vol. 16, No. 3, pp.89-108.
- Debnarayan Sarker, (1999), "A study of SHG-NGO and SHG-Non-NGO Models of Rural Micro Financing in West Bengal", *Indian Journal of Agricultural Economics*, Vol. 56, No. 3, Conference Number, July-September 2001.
- Debnarayan Sarker, (2001), "A Study of SHG-NGO and SHG-NON-NGO Models of Rural Micro Financing in West Bengal, *Indian Journal of Agriculture Economic*, Vol. 56, No. 3, July-September.
- Debnarayan Sarker, (2001), "Vikas Voluntary Vahini Farmers Club – A Pivot of Rural Development", *Indian Journal of Agriculture Economic*, Vol. 56, No. 3, July-September, Pp.454.
- Deepa Narayan (ed.) (2005) *Empowerment and Poverty Reduction: A Source book*, Rawat, New Delhi.
- Deepa Narayan (ed.) (2006) *Measuring Empowerment Cross Disciplinary Perspectives*, Oxford University Press, New Delhi.
- Deepak Shah, (2001), "Micro Financing through Co-operative in Maharashtra: An Impact Evaluation", *Indian Journal of Agriculture Economic*, Vol. 56, No.3, July-September, Pp.472.
- Deshmukh Ranadive J (2004), "Women's Self-help Groups in Andhra Pradesh: Participatory Poverty Alleviation in Action", World Bank, Washington DC.
- Devadoss Victor A and Selvaraj M (2008): "Microfinance for Empowerment of Women", Daniel Lazar and P Palanichamy (Eds.), *Microfinance and Poverty 'Eradication: Indian and Global Experience*, New Century Publication, pp. 206-214.
- Dhongde S (2002), "Measuring the Impact of Growth and Income Distribution on Poverty in India, *Journal of Income Distribution*, Vol. 16, No. 2, pp. 25-48.
- Dr. A. Vinayaga Moorthy (2008) : *Women empowerment through self-help groups. A case study in the North Tamil Nadu*, Social Welfare, April 2007, p. 32.
- Dr. J. Sheela and Dr. M. Jayamala (2008) : *Ibid*, p.5.

- Dr. Manimekalai, N, (2000), "NGOs Intervention through Micro-Credit for Self-Help Women Groups in Rural Tamil Nadu", NGOs and Socio-Economic Development Opportunities, Deep & Deep Publications Pvt. Ltd., New Delhi, Pp.95-111.
- Dr. Sheela and M. Jayamala (2008), Role of self-help group. Women in value based emancipation Social Welfare Sept. 2008, p.5.
- Dr. Sheela and M. Jayamala (2008): Ibid. 9.5.
- Dr. T. Ramachandra and S. Balakrishna (2008), Impact of self-help groups on womens' empowerment. A study of Kanyakumari District Kurukshetra, Dec. 2008, p. 31.
- Dr. T. Ramachandran and S. Balakrishnan (2008), Ibid, p. 31.
- Dwarkanath, H.D. (2002), "Rural credit and women Self-Help Group. A Profile of Ranga Reddy District in Andhra Pradesh", Kurukshetra, Vol. 51, No.1, November, Pp.9-15.
- Dwarkanath, H.D., (2002), "Rural Credit and Empowerment of Women Under Self-Help Groups: A Study of Ranga Reddy District", Migration and Gender, Place, Time and People Specific, Commission on Gender and Geography, SAJPSPS, July-December, Pp. 93-98.
- Dwarqakanath H D (2002), "Rural Credit and Women Self-Help Groups: A Profile of Ranga Reddy District in Andhra Pradesh", Kurukshetra, Vol. 51, No. 1, p. 15.
- End Term Appraisal Report (2006) Andhra Pradesh District Poverty Initiative Project (DPIP)/Indira Kranthi Patham (IKP), CESS, Hyderabad.
- Frances Sinha (2005), "Access, Use and Contribution of Microfinance in India: Finding from a National Study", Economic and Political Weekly, Vol. 40, No. 17, pp. 1714-1719.
- Frances Sinha (2005), "Access, Use and Contribution of Micro Finance in India Finding from a National Study", *Economic and Political Weekly*, Vol. 40, No. 17, pp. 1714-1719.
- From Access to Empowerment: Gender Issues in Micro Finance
<http://www.gdrc.org/jem./wind/mayoux.html>
- Galab, S and Chandrasekhara Rao, N. (2002), "Women's Self-Help Groups, Poverty Alleviation and Empowerment", Economic and Political Weekly, Vol. 38, March, Pp.1274-1283.

- Galab, S and P Prudhvikar Reddy (2007) ‘*Women Empowerment and Functioning of Formal and Informal Institutions: The Case of Indira Kranthi Patham of Andhra Pradesh*’, Paper presented at the International Conference on Member Based Organisation of the Poor, CESS, June 2007.
- Gangaiah C, Nagaraja B and Vasudevulu Naidu C (2006), “Impact of Self-Help Groups on Income and Employment: A Case Study”, *Kurukshetra*, March, pp. 18-23.
- Gangaiah et al (2006), “Impact of Self-Help on Income and Employment: A Case Study”, *Kurukshetra*, March, pp. 18-23.
- Gaonkar Rekha R (2001), “Working and Impact of Self-Help Groups in Goa”, *Indian Journal of Agricultural Economics*, Vol. 56, No. 3, p. 471.
- Gender Issues in Micro Finance, <http://www.gdrc.org/icm/wind/gender-micro-finance.html>
- Ghatak M (1999), “Group Lending, Local Information and Peer Selection”, *Journal of Development Economics*, Vol. 60, No. 1, pp. 27-50.
- Girija Srinivasan and Satish P (2001), “Networking for Micro Credit Delivery”, *Journal of Rural Development*, Vol. 20, No. 4, pp. 635-671.
- Guha Sampati and Gautam Gupta (2005), “Micro Credit for Income Generation: The Role of ROSCA”, *Economic and Political Weekly*, Vol. 40, No. 14, pp. 1740-1473.
- Gupta S.K. and A. Shrivastava, (2001), “A Study of Working of Self-Help Groups in Madhya Pradesh”, *Indian Journal of Agriculture Economic*, Vol. 56, No. 3, July-September, Pp.470.
- Gurumurthy, T.R. (2000), “Self-Help Groups Empower Rural Women”, Vol. 48, No. 5, February, pp.36-39.
- H.S. Shylendra (2008), Role of self-help groups. *Yojana*, Jan 2008, p. 25.
- Hosamani S.B, S.R. Balappa, and S.N. Megeri, (2001), “Self-Help Groups in Karnataka – Trends and Implications”, *Indian Journal of Agriculture Economic*, Vol. 56, No. 3, July-September, Pp.469.
- Indira Kumkari Y and Sambasiva Rao B (2001), “Emergence of Women Self-Help Groups and its Impact on Rural Development: A Case Study in Krishna District of Andhra Pradesh”, *Indian Journal of Agriculture Economics*, Vol. 56, No. 3, pp. 485.

- Jain, Joseph Puthenklam (2004), *Empowerment Sustainable Human Development Strategy for Poverty Alleviation*, Rawat, New Delhi.
- Jairath M.S, (2001), "Growth and Development of Self-Help Groups in Rajasthan", *Indian Journal of Agriculture Economic*, Vol. 56, No. 3, July-September, Pp.462.
- Jerinabi U and Kanniammal K (2005), "Microcredit: An Anti Poverty Tools", in Daniel Lazar and P Palanichamy (Eds.), *Micro Finance and Poverty Eradication, Indian and Global Experience*, New Century Publication, pp. 232-242.
- Jones, Nikola, Madhuri Mukherjee and S. Galab (2007) 'Ripple Effects or Deliberate Intentions? Assessing Linkages between Women's Empowerment and Childhood Poverty' Paper presented at the International Seminar
- Jothy K and I. Sundar, (2002), "Self-Help Groups under the women's development programme in Tamil Nadu—Achievements, bottlenecks and recommendations", *Social Change*: Vol. 32, No. 3&4, September-December, Pp.195-204.
- K.G. Karmakar (1999), *Ibid*, p. 210.
- K.G. Karmakar (1999), Rural credit and self-help groups. Micro-finance needs and *concepts in India*, sage publications, New Delhi, 1997, p. 210.
- Kabeer Naila (2005) "Is Microfinance a 'Magic Bullet' for Women's Empowerment? Analysis of Findings from South Asia", *Economic and Political Weekly*, Vol. 40, Nos. 44/45, pp. 4709-4718.
- Kabeer, "Credit and Empowerment in Bangladesh", IDS discussion paper 363, Brighton, Institute of Development Studies.
- Kabeer, N. (2001) 'Conflicts Over Credit: Re-Evaluating the Empowerment Potential of Loans to Women in Rural Bangladesh', in *IWorld Development*, No. 1, pp. 63-84.
- Kabeer, N. (2003) *Gender Mainstreaming in Poverty Eradication and the Millennium Development Goals. A Handbook for Policy-makers and Other Stakeholders*, London: Commonwealth Secretariat/IDRC/CIDA. www.idrc.ca/en/ev-28774-201-1-DO_TOPIC.html
- Kallur M.S. (2001), "Empowerment of Women through NGOs: A Case Study of MYRADA Self-Help Groups of Chincholi Project, Gulbarga District, Karnataka State", *Indian Journal of Agriculture Economic*, Vol. 56, No. 3, July-September, Pp.465.

- Kamal Vatta and Parminder Singh, (2001), "The Performance of Self-Help Groups in Punjab, Indian Journal of Agriculture Economic, Vol. 56, No. 3, July-September.
- Kamal Vatta and Parminder Singh, (2001), "The Performance of Self-Help Groups in Punjab: A Study of Hoshiarpur District", Indian Journal of Agriculture Economic, Vol. 56, No. 3, July-September, Pp.452.
- Karmakar K G (1997), "SHGs in Orissa: Some Conceptual Issues", *Prajnan, Journal of Social and Management Sciences*, Vol. 26, No. 2, pp. 123-131.
- Karmakar K G (1999), *Rural Credit and Self-Help Groups: Microfinance Needs and Concepts in India*, Sage Publications, New Delhi.
- Karmakar, K.G. (1990), "Rural Credit and Self-Help Groups: Micro Finance Needs and Concepts in India", Sage Publications India Pvt. Ltd., New Delhi.
- Kumar Virender, R K Sharma and H R Sharma (2008), "Impact of Micro Financing on Income and Employment: Micro Evidence from Himachal Pradesh", *Financing Agriculture: A National Journal of Agriculture and Rural Development*, Vol. 40, No. 1, pp. 3-8.
- Kumaran K P (2002), "Role of Self-Help Groups in Promoting Micro Enterprises Through Micro Credit: An Empirical Study" *Journal of Rural Development*, Vol. 21, No. 2, pp. 231-250.
- Kumaran, K.P. (1997), "Self-Help Groups: An alternative to institutional credit to the poor: A case study in Andhra Pradesh", *Journal of Rural Development*, Vol. 16 (3), July-September, Pp.515-530.
- Leslie, J. (1989) 'Women's time: a factor in the use of child survival technologies?', *Health Policy and Planning*, 4 (1), pp. 1-16.
- Loveleen Kacker (2006) : SHGs and women : Yoiana March 2006. P. 73.
- Madheswaran S and Dharmadhikary Amita (2001), "Empowering Rural Women Through Self-Help Groups: Lesson from Maharashtra Rural Credit Project", *Indian Journal of Agricultural Economics*, Vol. 56, No. 3, pp. 427-442.
- Manimekalai M and Rajeswari G (2001), "Nature and Performance of Informal Self-Help Groups: A Case from Tamil Nadu", *Indian Journal of Agricultural Economics*, Vol. 56, No. 3, pp. 453-454.

- Manimekalai N, and Rajeswari, (2001), "Nature and Performance of Informal Self-Help Groups – a Case from Tamil Nadu", *Indian Journal of Agriculture Economic*, Vol. 56, No. 3, July-September, Pp.453.
- Mayoux L (1997), "The Magic Ingredient? Microfinance and Women's Empowerment", A Briefing Paper prepared for the Micro Credit Summit, Washington.
- Mayoux, L. (1999) 'From Access to Empowerment: Gender Issues in Micro-Finance', CSD NGO Women's Caucus Position Paper for CSD-8, 2000. www.gdrc.org/icm/wind/mayouc.html
- Mayoux, L. (2002) 'Microfinance and women's empowerment: Rethinking "best practice"', *Development Bulletin* 57, pp 67-81.
- Meera Lal (2005), Information Technology Initiatives; Impact of self help groups in *India. The Indian Journal of Labour Economics* Vol. 48. No. 4, 2005. P. 882.
- Meera Lal (2005): Ibid. P. 882.
- Meera Lal (2005) : Ibid, p. 882.
- Mehrotra C K (1997), "Linkage Banking State Bank's Experience", *State Bank of India Monthly Review*, Vol. 36, No. 2, pp. 63-71.
- Mishra J.P, R.R. Verma and V.K. Singh, (2001), "Socio-Economic Analysis of Rural Self-help Groups Scheme in Block Amaniganj, District Faizabad (Uttar Pradesh)", *Indian Journal of Agriculture Economic*, Vol. 56, No. 3, July-September, Pp.473.
- Mishra S.N. ad M.M. Hossain, (2001), "A Study on the Working and Impact of Dharmadevi Mahila Mandal – A Rural Self-Help Group in Kalahandi District of Orissa", *Indian Journal of Agriculture Economic*, Vol. 56, No. 3, July-September, Pp.480.
- Mooiji, J. (2002) *Welfare Policies: A Study of Three Government Interventions in Andhra Pradesh, India*, ODI Working Paper 181, London: Overseas Development Institute.
- Mooiji, J. (2006) 'From a better past for a better future? The role of teachers in educating the nation: a case study from Andhra Pradesh, India'. Paper written for seminar Education and Inequality in Andhra Pradesh and West Bengal, CESS, Hyderabad, 21-22 September.

- Morduch Jonathan (1999), "The Microfinance Promise", *Journal of Economic Literature*. Vol. 37, No. 4, pp. 1569-1614.
- Mosedale, S. (2005) 'Assessing Women's Empowerment: Towards a Conceptual Approach', *Journal of International Development*, 7 (2): 243-57.
- Muhammad Hussain Bhatti [1999], "Rural Women Empowerment – The role of Extension and Micro Credit Services in Axad State of Jammu and Kashmir" United Nations Development Program.
- NABARD (1995): Report of the working group on Non-Governmental *Organisations* and Self-Help Groups", Mumbai.
- NABARD (1999-2000), NABARD and Micro Finance, Mumbai.
- NABARD (2000), NABARD and Micro Finance, Mumbai.
- NABARD (2002), "NABARD and Micro Finance" 2001-2002.
- NABARD (2002), "SHG-Bank Linkage: NABARD and Micro Finance" 2001-2002.
- NABARD (2010) : Ibid, p. 17.
- NABARD (2010) : Ibid, p. 22.
- National Bank for Agriculture and Rural Development (NABARD) 2010. Banking *with* the poor: SHG-Bank linkage program in Andhra Pradesh, NABARD, Andhra Pradesh Regional Office, Hyderabad. P. 16.
- Navadkar D.S, K.S. Birari and D.V. Kasar, (2001), "Self-Help Group-Bank Linkage for Micro Credit Funding to Rural People", Indian Journal of Agriculture Economic, Vol. 56, No. 3, July-September Pp.464.
- Nedumaran S, K. Palanisami and L.P. Swaminathan, (2001), "Performance and Impact of Self-Help Groups in Tamil Nadu", Indian Journal of Agriculture Economic, Vol. 56, No. 3, July-September, Pp.471.
- Nedumaran S, Palanisami K and Swaminathan L P (2001), "Performance and Impact of Self-Help Groups in Tamil Nadu", *Indian Journal of Agricultural Economics*, Vol. 56, No. 3, pp. 471-472.
- Ojha, R.K. (2001), "Self-Help Groups and Rural Employment", Yojana, Vol. 45.
- Om Raj Singh (2003), "Role of NGOs in Fostering Self-Help Groups, A case study of MYRADA", Kurukshetra, Vol. 51, No. 4, February, Pp. 33-35.
- P.K. Awasthi, Deepak Rathi and Vimal Sahu (2003), "Self-Help Groups–An experiment in Madhya Pradesh, Kurukshetra, Vol. 51, February, Pp.30-32.

- Prem Singh Dahiya, N.K. Pandey and Anshuman Karol, (2001), "Socio-Economic Evaluation of Self-Help Groups in Solan District of Himachal Pradesh, Impact, Issues and Policy Implications", *Indian Journal of Agriculture Economic*, Vol. 56, No. 3, July-September, Pp. 486.
- Priya Basu and Pradeep Srivastava (2005): "Exploring Possibilities Microfinance and Rural Credit Access for the Poor in India, *Economic and Political Weekly*, Vol. 40, No. 17, pp. 1747-1756.
- Prof. Arjun Y. Pangannavar (2008) : Ibid, p. 14.
- Prof. Arjun Y. Pangannavar (2008) : Self-help groups and rural development, Kurukshetra, Dec. 2008, p. 15.
- Puhazhendhi V and Satya Sai (2000), "Micro Credit for the Rural People: An Impact Evolution", Study Report, National Bank for Agriculture and Rural Development, Mumbai.
- (2001), "Economic and Social Empowerment of Rural Poor through Self-Help Groups", *Indian Journal of Agricultural Economics*, Vol. 56, No. 3, pp.450-452.
- Puhazhendhi V, and K.J.S. Satyasai, (2001), "Economic and Social Empowerment of Rural Poor through Self-Help Groups", *Indian Journal of Agriculture Economic*, Vol. 56, No. 3, July-September, Pp.450.
- Puhazhendhi, V, and Satyasaw, K.J.H, (2001), "Economic and Social Empowerment of Rural Poor through Self-Help Groups, *Indian Journal of Agriculture Economics*, Vol. 56, No. 3, July-September.
- Punithavathi Pandian and Eswaran, R. (2002), "Empowerment of women through Micro-credit", *Yojana*, Vol. 46, November, Pp.47-50.
- Radhakrishna and Shovan Roy (2005), *Handbook of Poverty in India: Perspectives, Policies and Programmes*, Oxford University Press, New Delhi.
- Radhakrishna R and Shoven Ray, (2003) *A Handbook of Poverty*, Oxford University Press, New Delhi.
- Rajasekhar D (1996), "Problems and Prospects of Group Lending in NGO Organisations in India", *Saving and Development*, Vol. 20, No. 1, pp. 33-44.
- Rajasekhar, D. (2002), "Economic Programmes and Poverty Reduction: NGO Experiences from Tamil Nadu", *Economic and Political Weekly*, Vol. 37, No. 29, July-20, Pp.3063-3068.

- Ramana Rao D V V (2001), "Impact of Institution of Credit on the Socio-Economic Condition of Rural Women in Self-Help Groups: A Case Study in Bidar District of Karnataka", NIRD Working Paper.
- Ranjani K Murthy, K. Raju, and A. Kamath with SAPAP research team (2002). 'Towards Women's Empowerment and Poverty Reduction. Lessons from the Participatory Impact Assessment of South Asian Poverty Alleviation Programme in Andhra Pradesh, India', Paper presented in the workshop 'Social Mobilisation, Micro Credit and Women's Empowerment', held during January 10-11, 2002, New Delhi, United Nations Development Programme.
- Rao CH Hanumantha and S Mahendra Dev (eds.) (2002) *Andhra Pradesh Development: Reforms and Challenges Ahead*, CESS, Hyderabad.
- Rao V M (2003), "Women Self-Help Groups Profiles from Andhra Pradesh and Karnataka", *Kurukshetra*, Vol. 50, No. 6, pp.26-32.
- Rao, C. Hanumantha and S. Mahendra Dev, eds. (2003). *Andhra Pradesh Development: Economic Reforms and Challenges Ahead*, Centre for Economic and Social Studies: Hyderabad.
- Rayavarapu and Ramakrishna, (2001), "Credit Needs of the Rural Poor and the Role of Self-Help Groups", *Indian Journal of Agriculture Economic*, Vol. 56, No. 3, July-September, Pp.459.
- Rekha R. Gaonkar, (2001), "Working and Impact of Self-Help Groups in Goa", *Indian Journal of Agriculture Economics*, Vol. 56, No. 3, July-September, Pp.471.
- Rengarajan, C. (1994), "Access to rural credit", Keynote address at the Indian National Workshop for Bankers, Bombay, January, Pp.31.
- Retu Jain, R.R. Kushawaha and A.K. Srivatsava (2002) : Socio-economic impact through self-help groups, *Yojana*, July 2003, p. 11.
- Rita Jain, Kushawaha, R.K. and Srivastava, A.K. (2003), "Socio-Economic Impact through Self-Help Groups", *Yojana*, July, Pp.11-12.
- Ritu Jain, R.K. Kushwaha & A.K. Srivatsava (2003), *Ibid*, p. 11.
- Roa, V.M. (2002), "Women Self-Help Groups profiles from Andhra Pradesh & Karnataka, Vol. 50, No. 6, April, Pp.26-31.
- Rustagi, (2004), "Significance of Gender-Related Development: Indicators: An Analysis of Indian States", *Indian Journal of Gender Studies*, Vol. 11, No. 3, pp. 291-343.

- Rustagi, Preet (2003) 'Gender Biases and Discrimination Against Women: What do different indicators say?', CWDS, UNIFEM, South Asia Regional Office.
- Sabyasachi Das (2003), "Self-Help Groups and Micro credit, synergic integration", Kurukshetra, Vol. August, Pp.25-30.
- Sa-Dhan (2004), "Indian Experience of Microfinance: A Sustainable Banking Solution for the Poor", Occasional Paper Series.
- Sale Y.C, B.V. Pagire and H.R. Shinde, (2001), "Mahila Bachat Gat: An Exemplary Story of Ahmednagar District", Indian Journal of Agriculture Economic, Vol. 56, No. 3, July-September, Pp.476.
- Samar K Datta and Raman M (2001), "Can Heterogeneity and Social Cohesion Coexist in Self Help Groups: An Evidence from Group Lending in **Andhra** Pradesh in India", *Indian Journal of Agricultural Economics*, Vol. 56, No. 3, pp. 387-400.
- Samar K. Datta and Raman M (2001), "Can Heterogeneity and Social Cohesion Coexist in Self-Help Groups: An Evidence from Group Lending in Andhra Pradesh in India", *Indian Journal of Agricultural Economics*, Vol. 56, No. 3, pp. 387-400.
- Satish P (2001), "Some Issues in the Formation of Self-Help Groups", *Indian Journal of Agricultural Economics*, Vol. 56, No. 3, pp. 410-418.
- Saundarijya Borbora and Ratul Mahanta, (2001), "Micro Finance through Self-Help Groups and its Impact: A Case of Rashtriya Gramin Vikas Nidhi – Credit and Saving Programme in Assam, Indian Journal of Agriculture Economic, Vol. 56, No. 3, July-September.
- Sharma K C (2001), "Micro Financing through Self-Help Groups", *Indian Journal of Agricultural Economics*, Vol. 56, No. 3, pp. 460-461.
- Sharma K.C, (2001), "Micro Financing through Self-Help Groups", Indian Journal of Agriculture Economic, Vol. 56, No. 3, July-September, Pp.460.
- Sharma M.L, K.R. Sharma and N.K. Sharma, (2001), "Determining Success of Non-Government Organisation in Micro Financing to Self-Help Groups of Rural Poor: a Study in Himachal Pradesh", Indian Journal of Agriculture Economic, Vol. 56, No. 3, July-September, Pp.485.
- Shetty (2002), "Working and Impact of Rural Self-Help Groups and Other Forms of Micro Financing", *Indian Journal of Agricultural Economics*, Vol. 57, No. 1, pp. 31-34.

- (2002), "Working and Impact of Rural Self-Help Groups and Other Forms of Micro Financing", *Indian Journal of Agricultural Economics*, Vol. 57, No. 1, pp. 31-34.
- Shetty (2003), "Working and Impact of Rural Self-Help Groups and Other Forms of Micro Financing", *Indian Journal of Agricultural Economics*, Vol. 57, No. 1, pp. 31-34.
- Shibalal Meher (2007), "Impact of Microfinance on Poverty: A Study of Self-Help Groups in Orissa", *Journal of Rural Development*, Vol. 26, No. 3, pp. 315-333.
- Shylendra, H.S. (1999), "Micro-finance and Self-Help Groups (SHGs): A Study of the Experience of Two Leading NGOs", SEVA and AKRSP in Gujarat (India), Researcher Paper 16, Institute of Rural Management, Anand.
- Singh D K (2001), "Impact of Self-Help Groups on the Economy of Marginalized Farmers of Kanpur Dehat District of Uttar Pradesh: A Case Study", *Indian Journal of Agricultural Economics*, Vol. 56, No. 3, pp. 463-464.
- Singh D.K. (2001), "Impact of Self-Help Groups on the Economy of Marginalized Farmers of Kanpur Dehat District of Uttar Pradesh (A Case Study)", *Indian Journal of Agriculture Economic*, Vol. 56, No. 3, July-September, Pp.463.
- Singh G.P, and P.S. Sehrawat, (2001), "Self-Help Group – A Micro Bank for Poor Villagers", *Indian Journal of Agriculture Economic*, Vol. 56, No. 3, July-September, Pp.484.
- Singh J.P, Anita Singh and S.K. Rawat, (2001), "Performance of Primary Agricultural Credit Societies in Milkpur Bloxck of Faizabad District (Uttar Pradesh)", *Indian Journal of Agriculture Economic*, Vol. 56, No. 3, July-September, Pp.490.
- Singh S.K, and Gyan Prakash Singh, (2001), "Rural Financing through Primary Agricultural Co-operative Credit Societies – a Case Study of Karmi Sultanpuri, Mau District of Uttar Pradesh", *Indian Journal of Agriculture Economic*, Vol. 56, No. 3, July-September, Pp.461.
- Singh U.B, Himmat Singh and Gurnam Singh, (2001), "Role of SelfpHelp Groups in the Shivalik Foothills of Haryana", *Indian Journal of Agriculture Economic*, Vol. 56, No. 3, July-September, Pp.481.

- Sinha Frances (2005), "Access, Use and Contribution of Microfinance in India : Findings from a National Study", *Economic and Political Weekly*, Vol. 40, No. 17, pp. 1714-1719.
- Sivaramakrishnan, K. (2003), "Poverty alleviation through Self-Help Groups", Migration and Gender Place, Time and People Specific, Commission on Gender and Geography, TNJC, April, Pp.8-14.
- Soundarya Bobora and Ratual Mahanta (2000), "Micro financing through Self-Help Group and its impact. A case of Rashtriya Gram in Vikas Nidhi-credit and saving programme in Assam", *Indian Journal of Agricultural Economics*, Vol. 56, No. 3, conference No. July-September 2001.
- Srinivasan G, S. Varadharaj and M. Chandrakumar, (2001), "Financial Performance of Rural and Urban Self-Help Groups – A Comparative Aalysis", *Indian Journal of Agriculture Economic*, Vol. 5y, No. 3, July-September, Pp.478.
- Sudha Rani K, Uma Devi D and Surendra G (2002), "SHGs-Micro-Credit and Empowerment", *Social Welfare*, Vol. 48, No. 11, pp. 18-22.
- Suman Jain, (2000), *The SEVA Bank Experience*", NGOs and Socio-Economic Development Opportunities, Deep & Deep Publications Pvt. Ltd., New Delhi, Pp.112-119.
- Swaminathan Madhura (2007), "The Microcredit Alternative", *Economic and Political Weekly*, Vol. 42, No. 4, pp. 1171-1175.
- Tilekar S.N, N.J. Naikade, B.J. Deshmukh and A.A. Patil, (2001), "Women Self-Help Groups affiliated to Chaitanya: A Case Study in Pune District", *Indian Journal of Agriculture Economic*, Vol. 56, No. 3, July-September, Pp.458.
- Tiyas Biswas (2008) : Ibid, p.30.
- Tiyas Biswas (2008): women empowerment through micro finance. A boon for development, **Social Welfare**. Nov. 2008. P. 30.
- V.M. Rao, (2001), "Dairy Women and Self-Help Groups: a Study in Andhra Pradesh and Karnataka, *Indian Journal of Agriculture Economic*, Vol. 56, No. 3, July-September, Pp.467.
- Veluraj, R. (2001), "Self-Help Groups – A Comparative Study on SHG in Karnataka and Andhra Pradesh, *Journal of Development Studies*, Vol. 32, No. 2, December Pp.263-281.

- Vijayalakshmi R and Valarmathi G (2008), "Socio-Economic Empowerment of Women through Self-Help Groups (SHGs)", Daniel Lazar and P Palanichamy (Eds.), *Microfinance and Poverty Eradication: Indian and Global Experience*, New Century Publication, pp. 243-255.
- Wilson Kim (2002), "The New Micro Finance: An Essay on the Self-Help Groups Movement in India", *Journal of Micro Finance*, Vol. 4, No. 2, pp. 217-245.
- Women's Empowerment Gender Equality and the Millenium Development Goals*, A Women's Environment and Development Organisation (WEDO) Information and Action Guide.
- World Economic Forum, (2005) Women's Empowerment: Measuring the Global Gender Gap, Davos.
www.scrude.com/doc/48082688/microfinance-in-India.
- Yamuna G (2007), "Women Empowerment through Self-Help groups in Solamadevi Village" in V S Ganesamurthy (Ed.), *Indian Economic Empowerment of Women*, New Century, New Delhi.
- Yaron, Jacob (1994), "What Makes Rural Finance Institutions Successful", *The World Bank Research Observer*, Vol. 9, No.1, January, Pp.49-70.
- Zeller, Manfred and Manhar Sharma (1998), "Rural Finance Poverty Alleviation, Food Policy Report, International Food Policy Research Institute, Washington, DC, U.S.A.

SYNOPSIS

Of the Ph.D Thesis Titled

**AN EMPIRICAL STUDY OF SELF HRLP GROUPS AND
WOMEN EMPOWERMENT UNDER GREATER HYDERABAD
MUNCIPAL CORPORATION**

By

Y. SAROJINI
(Regd. No. 04SEPH04)

Under the supervision of
Dr. R.V. RAMANA MURTHY

To be submitted for the Degree of Doctor of Philosophy in
Economics



SCHOOL OF ECONOMICS
UNIVERSITY OF HYDERABAD
HYDERABAD - 500046
SEPTEMBER - 2014

SYNOPSIS
of the Ph.D. thesis titled

**AN EMPIRICAL STUDY OF
SELF-HELP GROUPS AND WOMEN EMPOWERMENT
UNDER GREATER HYDERABAD
MUNICIPAL CORPORATION**

By
Y. SAROJINI
(Regd. No. 04SEPH04)
Under the supervision of
Dr. R.V. RAMANAMURTHY



**To be submitted for the Degree of
Doctor of Philosophy in Economics**

**SCHOOL OF ECONOMICS
UNIVERSITY OF HYDERABAD
HYDERABAD - 500046
SEPTEMBER - 2014**

AN EMPIRICAL STUDY OF SELF-HELP GROUPS AND WOMEN EMPOWERMENT UNDER GREATER HYDERABAD MUNICIPAL CORPORATION

Introductory Background

Rural development and alleviation of poverty are the twin major hurdles that any developing nation faces to which India is no exception. Poverty is a multifaceted concept. A universal phenomenon. The phenomenon of poverty does not only affect the individual, but is a danger to the nations. The Philadelphia charter has postulated that poverty anywhere constitutes a danger to prosperity everywhere (C. Siva Murugan 2008).

Alleviation of poverty for a long time, has remained a very complex and critical concern among third world countries. It has been at the top of the agenda of policy planners and development specialists and a lot has been written on the subject right from the days of Adam Smith's *Wealth of Nations* (1776) to Prof. Amartyasen's *Public Action to Remedy Hunger* (1991). Today, it virtually denotes the core of all developmental efforts. Though conventionally identified with subsistence level of living – linked to lack of adequate food – it is now widely accepted that the problem of poverty is more deep rooted covering several interlocked aspects such as assetlessness, underemployment, low remuneration, lack of bargaining power, economic vulnerability, illiteracy, prone to diseases, social disadvantage and political powerlessness. A large number of Government and non-government organizations and international funding agencies all over the world have been engaged in the seemingly unending war against poverty using several strategies and instruments (Archana Sinha 2004).

Though economic growth and human development have a fairly high correlation (Radhakrishna et. al.2003). One is not totally sure the former would

automatically cause the latter. However, there is some evidence that even a medium growth coupled with an empowered civil society has resulted in human development partaking those with high economic growth. This means that empowered civil society can contribute to human development along with economic growth. All this indicates that regional inequalities in human development can be reduced with economic growth coupled with empowerment. There is also evidence that a human development is contributed by women empowerment, especially in accessing reproductive services, augmenting family savings, improving children's education, etc. For instance the states in India that do more poorly on empowerment also perform poorly in the provision of reproductive health services of a reasonable quality (Galab. S and Gupta, 2004). In addition to this, women empowerment also results in reduction in gender disparities in human development (Rustogi 2004). Expenditure patterns are geared relatively more towards human development inputs, such as food, education, if women control cash income (Deep Narayan 2004). Besides empowering women improves household wellbeing that leads to better outcomes for children (Kabeer, 1998). The four major transmission mechanisms that contemplated through women empowerment entail maternal education, intrahousehold decision making power and community level empowerment enable transferring the effects of women empowerment to well-being of children (Jones et.al.2007). In other words, the inter-generational transmission of poverty can be arrested, if women are empowered. Therefore, women empowerment stands out as a crucial pathway for the achievement of human development and reduction in gender disparities. Thus women's empowerment is increasingly conceptualised as an important component of broader poverty reduction programs. Even the World Bank made this link explicit in its 2001/02 World Development Report, 2002, and gender gap has been included as a crosscutting issue in many least developed countries; and other studies commissioned by it (e.g. Whitehead and Lockwood, 1999). Empowering women, it is, argued will improve household well-being, leads to better outcomes for children and promotes, social capital, development and community involvements in social developments and poverty alleviation initiatives (Kabeer,2001).

To arrive at the understanding on empowerment project of developmental agencies, one needs to place the historical understanding of poverty and its change.

Realising the failure of 'trickle down' theories of capital formation led economic growth by the late sixties, direct interventions such as anti-poverty programs and employment programs were sought by seventies in India as well as other countries. The theoretical engagement with poverty in development literature has proceeded in several directions. World Bank has chosen to take a line of thinking that lack of access to credit markets as a prime reason for poverty of people in the informal sector. Lack of collateral to poor people has always denied access to formal credit markets, and rendering them to go to the money lenders. Money lenders lend at an exorbitant rate of interest due to high transaction costs leading to higher default rates. However, under such high interest rates, poor people would rather get caught in debt-traps rather than be able to come out of poverty. The Self-Help Group (SHG) model came as a solution to the problem of lack of collateral. SHG members share a joint liability for individual default, thus lending agency no longer faces the problem of trust. SHG members through a process of self-selection eliminate bad apples' and thus the problem of adverse selection and moral hazards are overcome [Mayoor (2002)]. Over this, evolved the idea that women are more suitable agencies for SHGs as they are more responsible, more reliable, play greater roles in their families than their counterparts and can reduce gender differences in the society. The SHG model also is loaded with capacity building component involving training in organizing, communicating and community leadership. The empowerment of women is sought to be achieved through capacity building and increased social capital.

One of the most common approaches to promoting women's empowerment has been through micro-finance programmes, this method has been adopted more enthusiastically in Andhra Pradesh along with other south Indian states of India. Mooij(2002) argues that with over five million women organised into over half a million groups, Andhra Pradesh accounts approximately 40 percent of women's self-help groups (SHGs) internationally, established by the Department of Women's Development and Child Welfare, Govt of A.P., with the support from UNICEF in the 1980's groups have proliferated since the late 1990s. They include US\$530 million world bank funded Velugu (means in Telugu 'light'). There are district poverty initiative programs (DPIP), which has now been scaled up to cover all districts in the

state as well as a number of independent non-governmental organisation (NGO) led programs (Batliwala and Dhanraj,2004).

Feminist movements all over the world have alerted that gender inequality is not unique or natural and is mostly a cultural and traditional incarnation. “Poverty in effect has been feminized”. As welfare dependents they have been stigmatized members of an ‘Underclass’. The poverty trap created through vicious cycle of development, women most significantly experience prolonged debt obligations, environment disruptions and structural adjustment.

The anti-poverty approach given by Greater Policy and Planning Program at Development Planning Unit university College, London reflects the changed policy climate of the 1990s all over the world. From 'Gender and Development' emerged the concept of 'women in development' to women to development'. However, at the early stages, as long as economic growth was seen as the priority objective of planning and development in almost all developing countries, the welfare programs for women were very much of a residual nature, offered only when the requirements of mainstream planning had been met and dispensed with in times of economic austerity. Women entered the development process passively contributors, reproductive rather than productive. (MeeraLal, 2005).

Women are the vital part of the Indian economy both at the national and the household levels. They makeup one-third of the national labour force. Compared with their men folk, Indian women contributed much larger share of their earnings to basic family maintenance with the result that womens' earnings positively and immediately affect the incidence and severity of poverty. Despite all this, social conventions and gender ideology deprive them of the access to and control over the resources which would enable them to increase their productivity (LoveleenKacker, 2006).

The effective management and development of womens' resources i.e. their abilities, interest, skills and other potentialities are of paramount importance for the mobilization and development of human resources. Yet, many women do not assert themselves owing to social inhibitions and disabilities (A. Abdul Raheem, 2006).

In India, the trickle down effects of economic policies have failed to resolve the problem of gender inequality. Women have been the vulnerable section of society and constitute a sizeable segment of the poverty-struck population. Women face gender specific barriers to access education, health and employment. The problem is more acute for women in countries like India, despite the fact that womens' labour makes a critical contribution to the economy. This is due to the low social status and lack of access to key resources(Tiyas Biswas, 2008).

Rural women in India suffer from being both economically and socially invisible. Several studies conducted in India have shown that women perform 60-90 percent of agricultural and allied activities where livelihood is insecure and wages are low. In general, womens' working time is longer than men, but there exists a significant gap in terms of wages. The women with medium number of children, a large number of dependents and lesser number of earners were mostly working on account of dire economic needs. Moreover, womens' unpaid work is invisible and unrecognized in the family. They are the pivot point around which family life revolves. To a large extent the welfare of the family depends on the productive and supportive task of women.

Since independence, a sort of awakening arose in India through womens' movements and social organizations for the betterment of women. Moreover, today the developing capitalist economy with growing global linkages, fast expanding market forces and the introduction of technology in many spheres of rural India have, to an extent brought about certain changes in the traditional values and social practices particularly for women (Dr. J. Sheela and M. Jayamala, 2008).

Women – creditworthiness :

Women form the backbone of agricultural operations and other allied activities in rural India. However, women in unorganized sector are suffering in many ways, most important of them and cause for their backwardness is that their economic status is very low. They don't have access to crucial point like credit. The World Bank Report has observed that women are central to success of poverty alleviation efforts. In other words, the role of women and the need to empower them are the central to human development progress including poverty alleviation. In spite of safeguards provided in

many poverty alleviation programs, it was observed that women from poor families are marginalized in so far as benefits are concerned. The goals of poverty reduction and empowerment of women can be effectively achieved if poor women could organize into groups for community participation as well as for assertion of their rights in various services related to their economic and social wellbeing. (A. Abdul Raheem, 2006).

The social status of women is a reliable indicator of development of a society. Women's emancipation from shackles of invisibility and gender inequality can be achieved only when they are given enough opportunities and skills to bring about their full potential and ability in gainful economic activities. Evidence shows that groups of women are better customers and the better managers of resources. If loans are routed through women, benefits of loans are spread wider among the households. Realizing that women can leverage their strength, increase bargaining power and economic capacities and skills through joint action, the Government has approved to organize women into groups (Dr. J. Sheela and Dr. M. Jayamala, 2008).

With the ascending of free market economy, rapid growth of information, communication and technology women are now seen as the key agents of change in the development process as the new micro-entrepreneurs, and the 'nimble fingers' behind success and growth (MeeraLal, 2005).

Human beings have an intrinsic propensity to form and work in groups. Sociologists are of the opinion that the tasks are best carried out by small groups as they allow active participation of the members as the interactions take place face to face. According to group behavior theory people come together and function as a group if they are organized for a purpose, which furthers their economic interest.

Individually a poor woman tends to be rather tentative, uncertain in her behavior but group membership smoothens the rough edge of her behavior pattern, making her more reliable as a borrower. A poor woman feels exposed to all kinds of hazards. She requires guidance and advice from people she knows and can trust. Members in a group give her a feeling of protection. Thus formation of a group would ensure the best participation of the poor to a credit program (K.G. Karmakar, 1999).

DWCRA groups and IKP Project :

The evolution of group concept in Andhra Pradesh can be traced back to the year 1982-83, with the implementation of Development of Women and Children to Rural Areas (DWCRA) in the country as a sub-component of the Integrated Rural Development Program (IRDP) launching by Government of India. The program was initially implemented in backward districts of Adilabad, Kadapa and Srikakulam and thereafter was extended in a phased manner to other districts in the state. By the year 1994-95 all the districts of the state were covered under the program (NABARD, 2010).

The object of DWCRA program was to empower the rural women living below poverty line by organizing through self-employment. Women living in neighborhoods with similar socio-economic background were formed into groups of 20-25 members each to take up an economic activity suited to their skills and resources. The thrift element was not part of the initial DWCRA design. However, this element of thrift was introduced to DWCRA groups in the year 1993 in an attempt to encourage bonding between the women. It is with this thrift element that DWCRA became a kind of campaign in Andhra Pradesh adopting the slogan 'Save a Rupee a Day'. The savings of DWCRA groups were deposited with banks and were managed by women themselves for meeting their consumption needs (NABAQRD, 2010).

The self-help groups movement took a great leap in the state with the launching of World Bank assisted poverty reduction project "Andhra Pradesh District Poverty Initiative Project (APDPIP)" in 2000. The development model adopted under South Asia Poverty Alleviation Program (SAPAP) was a precursor to the program. The second world bank assisted Andhra Pradesh Rural Poverty Reduction Project (APRPRP) was grounded in 2002. Both the projects together are now known by the name "Indira KranthiPatham (IKP)" which is implemented by an autonomous society, Society for Elimination of Rural Poverty (SERP) established by the state Government. JKP aims to build strong institution of the rural poor and enhance their livelihood opportunities so that the vulnerability of poor is reduced. IKP is a scaled up version of the SAPAP model with more focus on livelihood component. The project uses the SHG model to address the broader issues of rural poverty. In accordance with the

Government suggestion, all the SHGs in the entire state has been brought under the IKP program (NABARD, 2010).

Women – Self-Help Groups (SHGs) :

The origin of SHGs taken from the example of the Grameena Bank of Bangladesh which was founded by Prof. Mohammed Yunus (A Nobel Peace Prize winner, 2006) of Chittagong University in the year 1975. This was established exclusively for the poor. The self-help organizations are functioning with motto “if women are given power there must be a reformation in the society”. The self-help groups movement was started in India in 1992.

The approach towards poverty alleviation should be self-help. Others should help the poor to help themselves. It is felt that individual effort is too inadequate to improve their fate. This brings about the necessity for organizing them in a group by which they felt the benefit of collective perception, collective decision-making and collective implementation of programs for common benefits. The organization holds power and provides strength, it can be an antidote to the helplessness of the poor (K.G. Karmakar, 1999).

Experiments in various developing countries proved that poor can be helped by organizing them into small self-help groups. To touch the core of poverty, women are the best agents. Hence, women self-help groups have become the ray of hope to the developmental practitioners (Ambika Prasad, 2010).

The self-help group is a viable organized set up to disburse micro-credit to the poor women for the purpose of making them enterprising and encouraging to enter into entrepreneurial activities. The formation of SHGs is not ultimately a micro-credit project, but an empowerment process. And empowering women is not just for meeting their economic needs but for more holistic social development (Dr. T. Ramachandra and S. Balakrishna, 2008).

A SHG is a small economically homogeneous affinity group of the poor voluntarily coming together to save small amounts regularly which are deposited in a

common fund to meet their emerging needs and to provide collateral free loans with terms decided by the group (C. Sivamurugan, 2008). The SHGs enhance the equality of status of women as participants, decision-makers and beneficiaries in the democratic, economic, social and cultural spheres of life (Retu Jain, R.R. Kushawaha and A.K. Srivatsava, 2003). They improve socio-economic status of women. They change women from housekeepers to organizers and decision maker (Prof. Arjun Y. Pangannavar, 2008). They prepare women to take up leadership positions (Dr. T. Ramachandran and S. Balakrishnan, 2008). The basic principles of the SHGs are group approach, mutual trust, organization of small and manageable groups, group cohesiveness, spirit of thrift, demand based lending, collateral free and women friendly loans, poor group pressure in repayment and empowerment (Dr. A. VinayagaMoorthy, 2007).

A self-help group has thus been defined as a small and informal association of poor having preferably similar socio-economic background and who come together to realize some common goals based on the principle of self-help and collective responsibility (H.S. Shylendra, 2008).

SHGs have an in-built mechanism where emphasis has been given over capacity building of women through developing their dialoguing skills. An SHG functions through its regular meetings where members perform transactional activities and discuss over different related issues. This discussion among group members is the means through which they give voice to their needs and it proves to be a platform for addressing their social and economic problems and enlightening their inner selves as well (Ritu Jain, R.K. Kushwaha & A.K. Srivatsava, 2003).

Statement of the research problem:

OBJECTIVES OF THE STUDY

I) The general objective:

The general objective of the study is to assess the impact of microfinance on women's status leading social and economic empowerment.

II) The specific objectives are

- a) To study the evolution of Self-Help Groups in India and in Andhra Pradesh.
- b) To study the formation, features and functions of Self-Help Groups, SHG Federations in Andhra Pradesh.
- c) To examine the progress of SHG-Bank Linkage programme in India and in Andhra Pradesh .
- d) To understand the role of Government, NGOs, Banks and NABARD in formation of SHGs.
- e) To study the extent of increase in income earning capacity of women leading to her economic independence.
- f) To study the impact of micro finance on dimensions of women empowerment i.e. power to, power with, power over and power within dimensions.
- g) To study the various productive activities taken up by women and incomes generated from them, profits earned, and mobilized savings.
- h) To study the extent to which women have gained access to networks and markets.
- i) To study the extent to which women have secured access to information which help social and economic development.
- j) To study the extent to which women have gained honour and respect in the household and in the community.
- k) To study the extent to which women have gained autonomy in decision making in the household activities, this dimension is called “power to ”.
- l) To study the participation of women in the institutions and collective actions of the community. This dimension is called “power with” dimension.
- m) To study to what extent women have broken gender discrimination, caste discrimination and violation of child rights. This dimension is called “power over”.
- n) To study to what extent women gained greater self-confidence “self-efficacy and inner transformation of one’s own consciousness to overcome external barriers. This dimension is “power within”.

The impact of microfinance programmes on the social and economic empowerment of women is highly appreciable. It is hypothesized that the microfinance programmes empower women in all four dimensions.

Hypothesis:

- a) Access to credit increases women's income level and thus leads to greater levels of economic independence.
- b) Increased access to credit resulting women's access to networks and markets and thus expose her to the world outside the home.
- c) Exposure to the outside world gives women access to information and possibilities of development of other social and political roles.
- d) As women become financially better off their self-confidence and their bargaining power increases within the household and in the community and this brings them honour and esteem.
- e) Access to credit earns women a place in household decision making process.
- f) Additional services like training and awareness workshops enhance the knowledge of women and thereby empower them.

Micro finance	•	Economic independence	Empower ment
	•	Exposure to networks and markets	
	•	Access to information	
	•	Decision making and economy	
	•	Training programmes	
	•	Enhancement of knowledge	

Thus, given that empowerment is a process the impact of the micro finance programmes are significantly reflected on the measures of women empowerment. Various studies have revealed the fact that credit programmes allow women to take a greater role in decision making, to have greater access to financial and economic resources to have greater social networks and more bargaining power vis-à-vis their husbands; to have greater freedom of mobility.

RESEARCH METHODOLOGY

The study is basically an empirical field study to observe the qualitative aspects of empowerment and its economic and other impact on their lives through some quantitative indicators as well non-quantitative indicators. The qualitative aspects are gathered through observing the life conditions of women members and place the impact of microfinance activities in the larger contest of familial conditions, women's role in families.

DATA COLLECTION

One of the most common methods for collecting data in an ethnographic study is direct, first hand observation of daily participation. This can include participant observation. Another common method is interviewing, which may include conversation with different levels of form and can involve small talk to long interviews. Ethnography relies greatly on up-close, personal experience, participation, rather than just observation is one of the keys to the process.

Hence the present study is empirical in nature and it is mainly based on primary data collected from the selected SHG's members , in addition to the secondary data collected from different governmental and other sources such as books journals, reports and web sites.

SAMPLE DESIGN

The technique of stratified random sample was used and selected the sample of 300 respondents from 10 GHMC circles. That is 10x2 SHG groups = 20groups. Each group contain 12-18 members. In some groups there are 10members, in some other groups there are 12 members, thus a total sample of 300 members are interviewed.

Table 1.2: represents the existing number of SHG's in the 10 circles of GHMC of Hyderabad city.

S. N o	Circle	Formation of SHGs during 2011-2012	T o t a l
1	Circle-01 (Kapra)	81	2

			2 1 9
2	Circle-02 (Uppal)	168	2 1 8 6
3	Circle-03 (LB Nagar)	197	3 6 1 1
4	Circle-04 (Rajendranagar)	29	2 0 8 3
5	Circle-05 (Serilingampally)	41	2 3 1 0
6	Circle-06 (Malkajgiri)	134	1 7 9 5
7	Circle-07 (Patancheruvu)	16	8 4 4
8	Circle-08 (Quthbullapur)	361	2 9 7 1
9	Circle-09(Kukatpally)	251	4 1 4

			4
1 0	Circle-10 (Alwal)	90	1 7 5 2
Total		1368	2 3 9 1 5

Source: GHMC Records

Primary data:

The present study covered 10 circles in Hyderabad city and 2 groups from each circle thus 20 groups members i.e. 300 members are interviewed. The primary data was collected with the help of a specially prepared interview schedule. The schedule included questions related to the SHG members income, expenditure, savings and employment details and standard of living, improvement in children's education, access to banking and financial services, luxury items usage, decision making power, social activity participation .

Secondary Data:

The secondary data was collected from annual reports and administrative guidelines of the ministry of rural development, government of India web sites apart from these books journal and seminar papers also formed the sources for the collection of secondary data for the study.

Period of the Study

The study is based on a field survey which was conducted during the period January 1 to May 31 2010.

The approach of study is analytical in nature based on ethnographic methodology. An attempt is made to analyse the important attributed of quality of life

such as literacy, housing, social status, and social services, employment income and expenditure, loans and savings pattern, standard of living, education household necessities status of health and access to banking and marketing services. Simple statistical tools such as percentage and average were used for the analysis of table.

Limitations of the Study:

The SHG program in urban areas of twin cities is introduced very recently, thereby sustainability aspect is not fully studied in this study. No uniform criteria is followed for selecting samples from different Self-Help Groups in the structure and composition in age, literacy and other such factors also influence the results of the analysis to some extent. Some of the members were unprepared and unwilling to extend their details for the study. However, care was taken to analyse the data in the systematic and scientific way in order that the validity of the results helps to assess the empowerment and status women.

Chapterization:

This is a study on micro finance and its role in achieving socio economic empowerment of women is a case study in Hyderabad and it consist of the following chapters

(1) Introduction (2) Micro Credit and Self Help Groups (3) Structure of SHG in Andhra Pradesh (4) SHG- Bank linkage programme in Andhra Pradesh (5) Profile of the study area (6) Socioeconomic profile of sample respondents (7) Performance of Self Help Groups (8) Dimensions of women empowerment (9) Conclusions and Suggestions

SUMMARY

Geographical and historical background of Andhra Pradesh and Hyderabad city is explained in detail. The government of AP interventions in poverty alleviation and empowerment through the agencies of SERP ad GHMC and MEPMA (Mission for Elimination of Poverty in Municipal Areas) is given in detailed. MEPMA has made 23915 women as SHG members in Hyderabad city through various programs. During 2011-2012, 1368 SHGs are formed as against target of 8947. There are 1250 slums in the state, 8020 state level federations are formed in the state .It is further proposed to

form 222 town level federations. So far 1.90 groups are given various training programs. Managerial support is extended to SLFS (State Level Federations) and TLFS (Town Level Federations) with Rs 42000 to each TLF it is decided to sustain SLFS and TLFS by more funding. Sreenidhi has been sustained through 294 Behaviour to SHG's. Capacity building steps are taken to improve various skills among SHG members through training programs Social security measures such as pension and scholarships to children's education are provided. Under the AbhayaHastam scheme 2.70 behaviour members are enrolled. Under JanasreeBhimaYojana Scheme 1.85 behaviour people were enrolled.

The socio-economic profile of the sample respondents, and their details of sample respondents were obtained before joining in the SHGs. The age, Socio – Economic status, Education, Income and Savings before joining SHGs, loans taken, interest rates, repayment, utilization of loans, training received and types of activities undertaken by SHG members are explained in the chapter 6. Thus, it is concluded that majority of respondents are relatively young in terms of their age. Most of the respondents drawn from the sample or from socially down trodden communities, it is observed that from selected circles most of the SHG members are in the age group of 26-35 and 36-45. It implies that the middle aged women are matured and are in the more productive age groups. The education levels of members show's nearly 16% of them are illiterate, 50% of them have attend primary education, followed by 30% secondary education. 4% of intermediate level education. It is also observed that majority of the families that is 74% are joint, this figure is higher in circle 1 i.e. Kapra. Similarly, it is reported that 54% of sample respondents have family members between 6 to 8. Among them 82% are married and they also bread winners of their families. It is found that 32% of SHG members are home makers or unemployed, 68% of them are daily wage labourers. 30% of the SHG members are earning 3000 to 4000.

An interesting observation from the study is that all the members have ration cards in all the circles, about 99% has white card, while only 1% has pink(Sugar card). The study shows majority of their respondents are being. Thus the occupation of the majority respondents are labour oriented and unskilled.

The study further shows that income received by the members through the occupations as 30% of them are receiving incomes from rupees 3001 to 4000 per month. The study also reveals that the number of earning members in a family 54% of members have more than three members and 4% of the families have earning members as 4.

The study further shows that 10% of husbands of SHG members are illiterate, while 90% of them are literate. It is also observed that husbands of the members have different levels of education in the selected households. On the whole the husbands of S.C and S.T members are more illiterate than the B.C and O.C and minority community. It is emerged that from the field study the husbands if few S.T community members have completed only intermediate education, while in other social groups the husbands have completed degree, P.G and technical education.

With regard to the position of land holding of respondents it is revealed that most of them do not have any assets. Those who are having land also are not receiving any considerable incomes from the land.

The study reveals that the savings per month by the respondents is very marginal. Only 5.3% of members were able to save. Among them 0.3% of members were able to save above 300, 1.6% of members were able to save between 200 and 300 and only 3.3% could save below 100. This reflects the status of poverty among the SHG members. Some of the members could not even save rupees 300 and dropped from the group membership. The reasons for continuation of membership are as follows 1) in order to get continuous loan from the bank without interest. 2) internal loans can be borrowed 3) future benefits such as pensions, social security and measures which will be implemented by government in future.

It is found from the study that even though the number of earning members is high (68%) the total income received by entire family is not more than rupees 15000 per month. Hence the income is not sufficient to meet the basic needs such as food clothing and shelter. This is reflected in low level of savings. Apart from this any additional expenditure makes them to borrow from different sources mostly from moneylenders at a very high rate of interest and they get into debt traps. Hence most of the members are motivated to join SHG groups as they are going to get loans at a very low interest rate

i.e. “*pavalavaddi*” and also to utilize for either consumption purpose or productive purpose. The intention is to contribute income to family. Further a significant number of women who are widows have also benefitted from micro finance under SHG bank linkage programme. The percentage benefited are S.Cs followed by B.Cs and S.Ts, O.Cs and minorities in a sequential manner. However, some women got motivated by the influence of others such as NGOs and government officials. The study found that majority of women had joined the SHG groups with an enthusiasm of getting a huge amount of loans at least ` 30000-50000. But they got disappointed as they are getting only ` 4000 to 5000, for the reason that the entire group is getting only ` 50000.

Rating of groups conducted by banks is most important factor for obtaining loans. It is observed that 95% of the groups received first time loan. 52% of the groups received second time loans and 6% of the groups received third time loans. It is found that group dynamics are very important for obtaining loans. The efficiency and leadership qualities of leaders are the main reasons for efficient functioning of SHG's. It is observed that initially majority of loans are used for clearing old debts and for purchasing consumer durables. As they are provided training by MEPMA and other organizations SHG women are motivated to utilize the loans for productive purposes.

Various studies conducted on the impact of SHG's on their social and economic conditions in Andhra Pradesh showed that there has been an increase in the economic activities, incomes, savings and durable and non- durable, permanent assets of the SHG members after joining in SHG groups. Apart from economic progress SHG members have also made the social progress also. The awareness regarding the social issues and family planning and adoption of good habits and about health has increased.

It is found from the study how micro finance helped poor women too come out of financial distress by becoming micro entrepreneurs and by adopting income generating activities. It has been documented that the loans provided by the SHG's has appositve impact on different socio economic groups on income and employment.

It has been observed that out of total sample 300 SHG members 186 members(62%) have taken up income generating activities such as embroidery, tailoring, mirror and beads work, tea and tiffin stalls, masala and pickle making, meals and plates making, vegetable selling, toy making, wood items, provision stores, beauty

parlours etc., Among them 135 members received training from MEPMA, 60 members received training from NGOs, 75 members received training from GHMC and 30 members received training from other agencies such as ALLEP, APMASS. Out of total sample 62 members(17.3) have started micro enterprises in the field of leather goods, garments stitching, basket making, beads and mirror works. Micro enterprises started with an initial investment of rupees 2 lakhs, appointing 2 to 3 members of workers. The workers are made piece wage rate, in some cases monthly wages. The remaining 52 members(10.7) have utilized their loans on children's education and asset building activities such as renovation of own houses, purchasing of new house or a small piece of land i.e. 300 sft.

The investments in income generating activities vary from one activity to another activity. 32.33% are investing less than 15000 rupees, 24.19% are investing from 15001 to 30000. 13.97% are investing from rupees 3001 to 45000 and 20.43% are investing above 45000. The investments are not only from the loans taken by SHG members alone. Sometimes the family members also contributed some amounts to start enterprises. However, SHG bank linkage programme initiated women to come out of their houses and start micro enterprises. The support from the family members is also to be recognised. In the case of small business the investments are varying from 15000 to 30000. In the case of businesses like cloth business, toy business, pickle and curry points it is above 1lakh rupees.

It is found from the study majority of the members have showed interest in embroidery(16.12), stitching (15.05), followed by beads and mirror work, 11.82, cloth shop(7.52).

The average investment in different activities, average revenue, average cost and net profit earned by SHG members per month depicts that the investors are making normal profits. Normal profits are those net earnings which are residual earnings after deducting variable cost plus interest plus initial monthly loan amount(EMI) from the total revenue. In order to cover fixed cost the activity should be continued for a long time.

The result shows that there is a notable change in the incomes of the members due to commercial activities which they have undertaken. 3% of members are able to

earn 14000-16000. 2% are able to earn 12000-14000 rupees. Then 5% are able to earn 10000-12000. 8% are able to earn 8000-10000, and 20% are able to earn 6000-8000. 22% are able to earn 4000-6000 and 40% are able to earn 1000-4000 rupees.

By the increased incomes 21% of the SHG women could possess permanent assets such as piece of land and house. 79% of SHG's have renovated their houses. It is found that apart from permanent assets majority of the SHG women are able to possess consumer durables such as television, refrigerator, gas stove, gold and silver. It is found that 80% of SHG women are able to use mobile.

It is revealed in the study that there perceptible change in consumption of food, clothing, recreation and celebrations. It is found from the study that 60 members are using their incomes on children's education, 30 members stated that they have spent their incomes on health requirement of the family such as operation. Majority of the SHG women are able to buy fruits and eggs and feed their children with nutritious food.

Even though SHG bank linkage programme provided micro finance to the SHG members, and women also came forward in setting up micro enterprises but they are facing several problems like availability of raw material for producing goods in time, availability of labour, lack of skills in labour. Most of the time being women SHG women members cannot travel long distances to sale their products. Often they depend upon their family members and agents and middle man to sell their products. Thus there is a possibility of leakages of getting appropriate value for their products. Getting and information is also difficult aspect. Most of the time SHG women receive information about exhibitions and stalls, melas through VOs, GHMC officials and their group leaders.

Obtaining income is not easy even though banks provide loans. Women has to be strong enough courageous in facing various difficulties at every stage of production and marketing. Even they face criticism and suggestions from customers. Even though SHG women are struggling hard to generate incomes, yet the result is not so high. No SHG woman is getting more than 10% profits. Yet the women continue their membership hoping that something is better than nothing.

The impact of micro finance on women was analysed taking various indicators in the pre and post SHG formation periods. It is observed that the impact was reflected in changes of their asset values, income, consumption and above all in their savings level and thrift which was minimum or absent in the pre-SHG period. Apart from economic empowerment, the same SHG members attained social empowerment, which may be solely attributed to SHGs and the concept of Micro-financing. It was also observed that the changes in attitude against social issues such as gender discrimination, dowry, equal property rights, right to nutrition, health attention and education for girls, treatment of girl child, widow remarriage, participation in decision making within the household affairs such as deciding about the education of the children, the schools to be considered, the standard to which the children are to be educated, the course to be chosen, the mode of transport, the age of marriage and marriage of the children etc. SHG women members are now showing greater interest in matters like purchase of land, jewellery and consumer durables. They wanted to know more about sources of borrowing methods to save and invest, and how to generate incomes. They are actively participating in various training programmes given to them. They are coming collectively together to represent their problems to the authorities concerned. In solving the local problems such as drainage and drinking water they are able to travel outside without the help of family members. They are also showing interest in exercising right to vote in elections. It is found from the present study that the overall status of children in enrolling the schools is improved. Before joining SHG non enrolment of children to the schools is only 17% and is reduced to 2%. Under nourishment of children less than 5 years was 31% and it has reduces to 12%. Children's immunization within one year was improved to 25% to 39%. It is found from the study women got socio and political empowerment(power with dimension) in addressing community related problems. They have represented the problems to the concerned authorities and got solutions to the problems like community services, building a school (power over dimension) etc.

Women got awareness about family planning methods and 70% of women undergone tubectomy operation and 4% women's men folk undergone vasectomy, 11% of them are practicing other methods. SHG has helped to achieve social harmony i.e. peaceful coexistence of people from different caste and religions(this is nothing but power over dimension). SHG's helped women to move out freely because of the

courage and self confidence which they could develop by participating in the meeting. It is important that the domestic violence reduce drastically. Women could learn to organize themselves and also are able to manage various difficult situations in the family life. Regarding the decision making 55% of women reported that they have control over the financial resources. 65% women reported that they have their own independent saving. It is also found from the study that 50% of members are receiving cooperation from the family, 40% of them are able to understand in a better manner. It is found from the study that majority of the women are able to know about various government programs schemes. 54% knows about their rights about various issues, 26% knows about the subsidies given by government, 25% knows about the schemes offered by the government.

It is found from the study that the psychological empowerment power within dimension is also achieved by the SHG women. 56% women developed confidence level, 40% are able to speak and 36% are able to make decisions, 14% are able to participate in various discussions, 12% developed bargaining capacity, 8% are able to motivate others and 8% have developed leadership qualities. Thus the analysis shows that by joining SHG groups women have developed the four dimensions of women empowerment to some extent.

Empowerment of people is a complex process by which the marginalized people become aware of power dynamics at work in the life context and develop skills and capacity for gaining some control over their lives without infringing up the rights of other(law lands, 1997). In the development context, it is essentially a need for re-negotiations in regard to access and control over resources. In order to achieve women empowerment 1) formation of poor into groups, 2) awareness building 3) capacity building 4) training programs 5) initiating social or economic activity for collective or individual action 6) providing sufficient guidance and credit 7) guiding properly regarding the function and conducting the meeting 8) teaching managerial issues will help to improve new upcoming SHGs.

On the whole the performance of SHG's has been satisfactory for the following reasons. 1) the performance of SHG's is reflected in convergence of poorer sections(Rajsekhar 1994), this has been possible mainly due to emphasis of NGOs in

promoting SHGs to work mainly for the development of the tribal, landless labourers, migrant urban women and especially women from economically backward communities. 2) Most of the SHGs have been able to successively promote regular savings habit even among poor households(Farnedez 1994), 3) With the funds mobilized through savings and borrowing from the banks the SHGs are able to meet diverse loan demand of the members for the both production and household purposes. In contrast to the formal agencies, the diversity of loaning purpose appears to be their strong feature. Their autonomy as well as easy access to information about members activities, seems to have enabled the SHGs to meet such diverse loans, demands of the members finally despite not following collateral based lending like formal agencies, the SHGs have been able to register high loan distribution.

A combination practice like peer monitoring easy and flexible repayment schedules seems to have positively influenced the loan recovery performance of the SHGs. finally studies on SHGs also revealed that the SHG's promoted by NGO's from the inception, dependent upon the NGOs for their management and other requirements. Therefore it becomes clear that though the progress of SHG's has been limited in terms of its spread, they certainly seem to hold a good potential in the field of credit for the poor. Precisely based on such assessment NABARD, Government of Andhra Pradesh have an ambitious plan of expanding the SHG's all over the country and promote them as instruments which can supplement institutional agencies in providing credit and other financial services to reach the poor affectively. Thus we can conclude that the SHG bank linkage programme has helped the poor women in tapping the latent potentials of the poor. In mobilising their savings, meeting their needs and managing their affairs. Poverty alleviation through micro credit is not merely provision of credit and financial services to the poor, but help the poor to participate in the societies value edition process. The SHG credit linkage has grown remarkably over time from a mere 255 SHGs with bank loan of ` 2.9 mn during 1992-93 to 29,24,973 SHGs with a loan of ` 18040.74crores by March 2010. Therefore financing SHGs had become a mainstream activity of the banking sector by 2010 and its emerged as one of the national priorities. Banks, NGOs and other social organizations have been involved in social intermediation for forming and nurturing SHGs. But the entrepreneurship development activities of SHGs need to be qualitatively enriched so that poverty reduction will not be a transient phenomenon.

REFERENCES

- 1) C. Siva Murugan (2008) : Impact of self help groups on income, savings, assets and occupational pattern in Tamilnadu, Social Welfare, Sept 2008. P. 15.
- 2) Archana Sinha (2004): Micro finance for womens' empowerment. Kurukshetra April 2004.P. 35.
- 3) Meera Lai (2005) : Information Technology Initiatives; Impact of self help groups in India. The Indian Journal of Labour Economics Vol. 48.No. 4, 2005.P. 882.
- 4) Meera Lai (2005): Ibid. P. 882.
- 5) LoveleenKacker (2006) : SHGs and women : Yoiana March 2006. P. 73.
- 6) A. Abdul Raheem (2006): Role of SHGs. Yoiana October 2006. P, 59,
- (7) Tiyas Biswas (2008): women empowement through micro finance. A boon for development, **Social Welfare**.Nov. 2008. P. 30.
- 8) Dr. Sheela and M. Jayamala (2008) : Role of self-help group. Women in value based emancipation Social Welfare Sept. 2008, p.5.
- 9) Dr. Sheela and M. Jayamala (2008): Ibid. 9.5.
- 10) A. Abdul Raheem (2006) : Ibid, p.59.
- 11) Tiyas Biswas (2008) : Ibid, p.30.
- 12) Dr. J. Sheela and Dr. M. Jayamala (2008) : Ibid, p.5.
- 13) MeeraLal (2005) : Ibid, p. 882.
- 14) K.G. Karmakar (1999) : Rural credit and self-help groups. Micro-finance needs and concepts in India, sage publications, New Delhi, 1997, p. 210.
- 15) National Bank for Agriculture and Rural Development (NABARD) 2010. Banking with the poor: SHG-Bank linkage program in Andhra Pradesh, NABARD, Andhra Pradesh Regional Office, Hyderabad. P. 16.
- 16) NABARD (2010) : Ibid, p. 17.
- 17) NABARD (2010) : Ibid, p. 22.
- 18) K.G. Karmakar (1999) : Ibid, p. 210.
- 19) Ambika Prasad (2010) : Financial sustainability of micro-finance, Gyan Publishing House, New Delhi, 2010, p. 69-70.
- 20) Dr. T. Ramachandra and S. Balakrishna (2008) : Impact of self-help groups on womens' empowerment. A study of Kanyakumari District Kurukshetra, Dec. 2008, p. 31.

- 21) C. Sivamurugan (2008) : Ibid, p. 15.
- 22) Retu Jain, R.R. Kushawaha and A.K. Srivatsava (2002) : Socio-economic impact through self-help groups, Yojana, July 2003, p. 11.
- 23) Prof. Arjun y. Pangannavar (2008) : Self-help groups and rural development, Kurukshetra, Dec. 2008, p. 15.
- 24) Dr. T. Ramachandran and S. Balakrishnan (2008) : Ibid, p. 31.
- 25) Dr. A. VinayagaMoorthy (2008) : Women empowerment through self-help groups. A case study in the North Tamil Nadu,, Social Welfare, April 2007, p. 32.
- 26) H.S. Shylendra (2008) : Role of self-help groups. Yojana, Jan 2008, p. 25.
- 27) Prof. Arjun Y. Pangannarar (2008) : Ibid, p. 14.
- 28) Ritu Jain, R.K. Kushwaha& A.K. Srivatsava (2003), Ibid, p. 11.
- 29) Karmakar K G (1999), *Rural Credit and Self-Help Groups: Microftnance Needs and Concepts in India*, Sage Publications, New Delhi.
- 30) Shetty (2002), "Working and Impact of Rural Self-Help Groups and Other Forms of Micro Financing", *Indian Journal of Agricultural Economics*, Vol. 57, No. 1, pp. 31-34.
- 31) GirijaSrinivasan and Satish P (2001), "'Networking for Micro Credit Delivery", *Journal of Rural Development*, Vol. 20, No. 4, pp. 635-671.
- 32) Frances Sinha (2005), "Access, Use and Contribution of Microfinance in India: Finding from a National Study", *Economic and Political Weekly*, Vol. 40, No. 17, pp. 1714-1719.
- 33) Morduch Jonathan (1999), "The Microfinance Promise", *Journal of Economic Literature*. Vol. 37, No. 4, pp. 1569-1614.
- 34) Samar K Datta and Raman M (2001), "Can Heterogeneity and Social Cohesion Coexist in Self Help Groups: An Evidence from Group Lending in Andhra Pradesh in India", *Indian Journal of Agricultural Economics*, Vol. 56, No. 3, pp. 387-400.
- 35) NABARD (1995) Report of the working group on Non-government Organisations and Self-Help Groups", Mumbai.
- 36) Rajasekhar D (1996), "Problems and Prospects of Group Lending NGO Programmes in India", *Saving and Development*, Vol. 20, No. 1, pp. **33-44**.

=====

SELF-HELP GROUPS AND WOMEN EMPOWERMENT

QUESTIONNAIRE

General information about the respondents.

1. Name of the person
2. Name of the District
3. Age group of the respondent
 - a. 18-25 yrs
 - b. 26-33 yrs
 - c. 34-40 yrs
 - d. 40 yrs and above
4. Social status of the member
 - a. O.C.
 - b. S.C.
 - c. S.T.
 - d. B.C.
 - e. Minorities
5. Educational status of the respondent
 - a. Illiterate
 - b. Primary education
 - c. Higher secondary
 - d. Under-graduation
6. Education status of husbands of the respondents
 - a. Illiterate
 - b. Primary education
 - c. Higher secondary
 - d. Intermediate

- e. Technical
- f. Undergraduation
- g. post-graduation
- 7. Occupation of husbands of the SHG members
 - a. Mason
 - b. A daily wage earner
 - c. Self-employment
 - d. Private employment
 - e. Business and trading
 - f. Government employment
- 8. Marital status of the respondents
 - a. Married
 - b. Widow
 - c. Unmarried
 - d. Divorcee
- 9. Details regarding the head of the household
 - a. Husband
 - b. Father-in-law
 - c. SHG member
- 10. Details regarding the number of children
 - a. Childless
 - b. Less than 3
 - c. Between 4 and 5
- 11. Type of the family
 - a. Nucleus
 - b. Joint
- 12. Size of the family
 - a. Below 3

- b. 3 to 5
 - c. 6 to 8
 - d. 9 and above
13. Number of earning members in the family
- a. One
 - b. Two
 - c. Three
 - d. Four
14. Status of access to Ration Card
- a. White
 - b. Pink
15. Access land details
- a. Landless
 - b. Less than 2.5 acres
 - c. 2.5 to 5 acres
16. Occupational profile of the respondents
- a. Home makers/unemployed
 - b. Daily wage labourer
17. What is the income of the previous occupation
- a. Below ` 1000
 - b. ` 2000 to ` 3000
 - c. ` 3000 to ` 4000
 - d. ` 4001 to ` 5000
 - e. ` 5001 to ` 6000
18. Savings profile of the respondents
- a. Below ` 100
 - b. ` 200 to ` 300
 - c. ` 300 and above

19. What are the sources of borrowing
- Moneylenders
 - Friends
 - Relatives
 - Employer
19. What are the motivational factors to join the SHG
- Loans
 - Government
 - Banks
 - NGOs
 - Achievement of others
31. What are the types of business activity to which loans utilized.
- Farm based activity
 - Industry
 - Trade
 - Service
32. Did you receive any training to start IGA activities or to set up a micro enterprise?
- Yes
 - No
33. What are the agencies provided training to you?
- GHMC
 - NGOs
 - NEPMA
 - Other agencies
34. What is the type of activity that you have selected for IGA?
35. What is the nature of micro enterprise that you have set up?
36. How much amount did you invest on
- Less than ` 1800

- b. ` 15001 to ` 30000
 - c. ` 30001 to ` 45000
 - d. More ` 45000
37. What is the net profit earned from your activity?
 38. What is the number of days of employment you had before joining SHG and after?
 39. What is your income before joining SHG and after?
 40. Did you possess any permanent asset?
 - a. Purchase of a new house
 - b. Purchase of land
 - c. Repairs to existing house
 41. Did you possess any consumer durables?
 - a. Television
 - b. Refrigerator
 - c. LPG gas stove
 - d. Gold
 - e. Mobile phone
 - f. Bike and scooter
 42. What are your sources of raw materials:
 - a. Local
 - b. Outside the town
 - c. Outside the city
 43. Where do you sell your produces?
 - a. Self
 - b. Agents
 - c. SHGs
 - d. Middlemen
 44. What are the sources of marketing information?

- a. MFIs
 - b. Media
 - c. Members
 - d. Agents
45. What are the marketing problems that you face?
- a. Inadequate credit
 - b. Inadequate demand
 - c. Competition from rivals
 - d. Change in consumer tastes

Indicators of Women Empowerment

46. Did you enroll your children in school:
47. Did you take any action regarding your community problems?
- a. Complaint to GHMC
 - b. Complaint to local leaders
 - c. Complaint to Self-Help Group
48. Did you adopt any family planning methods
- a. Vasectomy
 - b. Tubectomy
 - c. Other methods
49. Did you have different caste and religious members in your group? If so how are the relations with them?
- a. Friendly b. Unfriendly
50. Do you think your mobility has improved after joining SHG?
- a. Yes b. No
51. Can you go without permission to local markets or SHG meetings?
- a. Yes b. No
52. Do you find any change with regard to domestic violence at home after joining SHG?

- a. Reduced b. No change
53. Did your decision making capacity improved after joining SHG with regard to
- | | |
|-------------------------------------|----------|
| a. Home repair/construction | Yes / No |
| b. Purchase of livestock | Yes / No |
| c. Borrowing money | Yes / No |
| d. Transactions involving household | Yes / No |
| e. Investment in the new business | Yes / No |
| f. Purchase of households | Yes / No |
54. Do you have complete control over your income and savings?
- a. Sole control
- b. Husband's control
- c. Joint control
55. How far you get cooperation from your husband in your activities?
- a. 50% b. 35% c. Below 5% d. No support
56. Do you have awareness about government programmes like
- a. Rights b. Subsidies c. Schemes
57. Do you find any change in your personality after joining the SHG?
- | | |
|------------------------------|-------------------------|
| a. Confidence level | Improved / not improved |
| b. Ability to speak | Improved / not improved |
| c. Decision making power | Improved / not improved |
| d. Discussion | Improved / not improved |
| e. Bargaining capacity | Improved / not improved |
| f. Ability to motivate other | Improved / not improved |
58. What are the main reasons for the success of your groups:
- a. Size b. Meetings c. Leaders
59. Do you offer any suggestions for the improvement of groups:
- a. More loans

- b. Political support
 - c. Group members
 - d. Training programmes
60. Do you give any suggestions for women empowerment?
- a. Encouragement from family
 - b. Encouragement from neighbours
 - c. Government Agencies