

Jignasa - Student Study Project - Academic Year 2021-22  
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Study project on

Impact of SHGs-Bank Linkage Programme on the Women  
Empowerment in Wanaprthy District

By

1. Rajitha, BA III Year
2. Lavanya, BA III Year
3. Sruthi, BA II Year
4. Narmada, BA II Year
5. Srihari BA I Year
6. Govardhan BA I Year

Under Supervision of

M. Mallikarjun

Asst. Prof. of Economics

Govt. Degree College, Atmakur, Wanaparthy Dist, TS.,

The study project is submitted to Jignasa/ Academic Cell O/o the  
Commissioner of Collegiate Education, TS, Nampally, Hyderabad.

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## Impact of SHGs-Bank<sup>1</sup> Linkage Programme on the Women Empowerment in Wanaprthy District

**1. Introduction:** Women participation in Self Help Groups have created a drastic impact upon the life pattern and style of poor women and have empowered them at various levels not only as individuals but also as members of the family members. They come together for the purpose of solving their common problems through self-help and mutual help. The more attractive scheme with less effort is "Self Help Group" (SHGs). It is a tool to remove poverty and improve the women entrepreneurship and financial support. Prof. Mahammad Yunus<sup>[1]</sup>, a great Economist, was awarded the Nobel Peace Prize for founding the Grameen Bank and pioneering the concepts of microcredit and microfinance. He established the Grameen Bank in Bangladesh in 1983, His objective was to help poor people escape from poverty by providing loans on terms and by teaching them a few sound financial principles so they could help themselves.

Self Help Group is a concept emerged in the direction of helping rural poor by forming groups so that they will improve their living conditions through voluntary participation in thrift and availing credit. Micro finance is the provision of thrift and credit and other financial services and products of very small amount to the poor in rural, semi-urban and urban areas for enabling them to raise their income levels and improve their standard of living.

SHG is a voluntary homogenous group of 10 to 20 individuals having common interest among other things, in promoting savings habit, developing self and community assets improving empowerment etc., the group comprises of men/women from weaker sections, small and marginal farmers, landless labourers and rural poor (particularly women) engaged in agricultural, allied agricultural activities / small business. SHG creates economic freedom in women through financial support, bank linkage programmes etc.

**1.1 Need and relevance of the study:** Economic development fruits can be distributed equally to the people especially to deprived people in the country. Participation of the women in developmental activities should be encouraged to get inclusive growth. In which, self help groups are one to improve empowerment in women. SHGs can improve financial status,

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<sup>1</sup> <http://www.muhammadyunus.org/>

financial independence in women. So we need to study women empowerment through self help groups bank linkage programme.

**2. Objectives of the study:** In the view of the importance of the study, this study is proposed to examine the following specific objectives.

1. To examine the socio economic conditions of the beneficiaries in the sample area.
2. To examine the impact of SHG bank linkage programme on generating income and employment and to examine the empowerment of the women through activities in the study area.

**3. Hypothesis of the study:** The following are the hypothesis of the study.

1. Impact of the SHG bank linkage programme on beneficiaries is positive in terms of generating employment and income in the study area.

**4. Period of the Study:** The research is done in the period of 1st to 15th December 2021. In this period data were collected and scheduled by questionnaire/survey methods.

**4.1 Secondary and Primary data:** In the analysis, this study majorly depends on primary data. we have taken secondary data from the Andhra Pradesh Grameen Vikas Bank, Atmakur and Primary data were collected from the SHG's beneficiaries in the sample area.

**4.2 Limitations of the study:** The study is done only in the sample area. The study covered SHG beneficiaries in the sample area. The respondents were limited to only 25 SHG beneficiaries. This study is intended to assess the income and employment of the beneficiaries experienced by bank linkage programme.

**5. Research Methodology:** Different tools like ratios, proportions, multiple sampling methods have been used in this research. **Firstly**, In wanaparthy district there are 14 mandals. Out of 12 mandals one mandal i.e., Atmakur selected on random sampling method. In Atmakur there are 15 villeges and from which Atmakur was selected on random sampling basis. **Secondly**, APGVB Atmakur branch gave loans to 90 SHGs in the financial year 2020-21. **Thridly**, out of 90, 5 SHGs were selected by random sampling method in the sample area. Five beneficiaries from each SHG were selected on random sampling method. Total 25 beneficiaries were selected and they were interviewed and asked by questionnaire.

## **6. Wanaparthy district Profile:**

Wanaparthy District is one of the districts in Telangana State. Before formation of Wanaparthy district, it was in erstwhile Mahabubnagar District. It was formed in 2016 after Telangana State formation. Geography of the Wanaparthy District, Mahabubnagar district is situated in the north of this district, Nagarkurnool district in the east, Andhra Pradesh in the south and Jogulamba Garhwal district in the west.

As per 2011 census of India the district covers an area of 2152 square kilometers and has a population of 5,77,758 of which 2,94,833 Male population and 2,82,925 Female population. Sex ratio is 960 per 1000 male which is lower than state sex ratio 988. Literacy rate is 55.67%, out of which 65.73%, 45.27% male and female literacy rates respectively these indices also lower than state literacy indices.

The district has a revenue department and 14 zones at Wanaparthy. The Raja of wanaparthy, Rameshwar Rao II, belonged to the Nizam of Hyderabad, who was under the feudal control of the Wanaparthy or Wanaparthi establishment. Wanaparthy Palace is one of the oldest establishments in Telangana. Wanaparthy Palace is located in the heart of the town of Wanaparthy covering an area of 640 square miles. It is also known as "Mustafa Mahal". The palace was later converted into a polytechnic university.

### **6.1 Socio Economic Conditions of the beneficiaries in the sample area:**

Atmakur mandal is one of the mandals in the district, later it was converted as municipality. State's pride project Jurala dam is situated on the Krishna River near the Mandal. TSGENCO's power generation company also established near the mandal. General occupations of the people are farmers, petty traders, weavers, shop keepers, etc. Lots of farmers in the area are cultivating many crops like paddy, sugarcane etc. Women are mostly farmers, agricultural labours, weavers, making beedis(cigarettes), vegetable vendors, etc. in the area.

## 7. Employment and Income generation through SHG Bank Linkage Programme

### 7.1 Income generation through SHGs Bank Linkage Programme

The main aims of SHG BLP are providing loans to the groups, generation of employment, income; increasing saving habits, etc. In this research, we found that employment has been

generated a lot through this programme which created income and wealth to the beneficiaries. In the below table-1 states that comparison between before joining SHG and after joining SHG.

Table: 1 Income generation before and after joining SHG

Income per annum (in Rs)	Before joining SHG (No.of Beneficiaries)	% share	After joining SHG (No.of Beneficiareis)	% share
10000- 30000	6	24	3	12
30000-50000	10	40	4	16
50000-70000	3	12	6	24
70000-90000	4	16	9	36
90000-110000	2	8	3	12
Total	25	100	25	100

In the above table clearly stated that before joining SHG income of the beneficiaries were low. After joining SHG their incomes have increased. Before SHG, 40% of the beneficiaries were earning between income range Rs.30000-50000. But after joining SHG this percentage has been reduced and 36% of beneficiaries' income increased between range Rs.70000-90000. It stated that after joining SHG their incomes have been increased than before. Income between 90000-110000, only 8 to 12% increased.

### 7.2 Employment generation through different activities

SHGs are generating employment opportunities. Especially, women are getting more opportunities in different activities through SHGs. After receiving group based loans, they spent on different activities.

Table: 2 Employment generation through different activities

S. no.	Activies	No.of beneficiaries	% share
1	sheep rearing	5	20
2	agriculture	10	40
3	kiran shops	2	8
4	beauty parlor	1	4
5	beedi making	2	8
6	personal use	5	20
<b>Total</b>		<b>25</b>	<b>100</b>

In the above table-2, data clearly stated that 40% of the beneficiaries have been spent their loans on agricultural activities. Then they spent on sheep rearing activity. But 20% of the beneficiaries have spent on their personal use includes spending on birthday parties, clearing their previous debts etc. So here 5 out of 25 beneficiaries spent on unproductive activities.

### **8. Findings and Conclusion:**

The study on the SHG bank linkage programme on women empowerment clearly stated that there is a positive impact on the women. After joining SHGs, they got opportunities in different activities. Their incomes also increased a lot. But few beneficiaries have diverted their loans on unproductivities. It is not a positive sign. So our purpose is to generate employment, financial stability of women, and their empowerment. Government and NGOs should create awareness about usefulness of banking habits, purpose of loans, establishing small firms etc.

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