

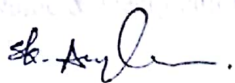
**KAKATIYA GOVERNMENT COLLEGE**  
**HANUMAKONDA**

Name : Aayesha Shaik.  
 Designation : ASSOCIATE PROFESSOR  
 Year of Award of Ph.D. : 2010  
 Name of the University : Kakatiya University.  
 Year of entering into Govt. Service : 22-12-2011

S. No.	Details of copies of Certificates	
1	Copy of Ph.D Certificate	yes (enclosed)
2	Press note	yes [ " ]
3	Research work dates of seminars and Pre-Ph.D	1/02/2014
4	Date of joining in this college	Full Time
5	Details of Ph.D Admission-part time or full time	
6	Copies of RDC Approval letters of Ph.D	
7	Name of guide/supervisors with mobile number, email id	Sakriya - 9390106918 - mail Id - Not Available.
8	Copies of guide allotment letter	
9	No. of increments sanctioned for Ph.D.	05
10	Published Research article-copies.	
	Original Ph.D Thesis.- Book.	yes

ph. D Book is Available in the college office.

  
**PRINCIPAL**  
**KAKATIYA GOVT.COLLEGE**  
**Hanamkonda.**

  
(Aayesha Shaik)  
4  
(ASSOC. Prof. in Commerce)

No. 2299/E1/KUW/2010

Date: 08-10-2010.

PRESS NOTE

Ms. Aayesha Shaik, Research Scholar in Commerce & Business Management, Kakatiya University, Warangal who has presented a thesis for the Degree of Ph.D. in **Commerce & Business Management** entitled "**SELF-HELP GROUPS FOR RURAL WOMEN EMPOWERMENT - A STUDY OF WARANGAL DISTRICT**" declared qualified for the Degree of Doctor of Philosophy (Ph.D.) of the Kakatiya University.

"By Order"

  
CONTROLLER OF EXAMINATIONS

Copy forwarded for information to:

1. The Registrar, Kakatiya University, Warangal.
2. The Secretary, University Grants Commission, Bahadurshah Zafar Marg, New Delhi - 110 002.
3. The Editor, University News, Association of Indian Universities, 16 Kotla Marg, New Delhi - 110 002.
4. The Dean, Faculty of Commerce & Business Mgt., Kakatiya University, Warangal.
5. The Co-ordinating Officer, U.G.C. Unit, Kakatiya University, Warangal.
6. The Principal, University College, Kakatiya University, Warangal.
7. The Chairman, Board of Studies in Commerce & Business Management, Kakatiya University, Warangal.
8. The Head, Department of Commerce & Business Mgt., Kakatiya University, Warangal.
9. The EXAMINER.
10. Prof. D. Sakriya (Supervisor), Department of Commerce & Business Management, Kakatiya University, Warangal.
11. The Nodal Officer, Kakatiya University, Warangal.
12. The Member-in-charge, University Library, Warangal
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14. The Deputy Registrar (Admn/Accounts/Academic), Kakatiya University, Warangal.
15. The Public Relations Officer, Kakatiya University, Warangal
16. The Secretary to Vice-Chancellor, Kakatiya University, Warangal.
17. The Sections E5 & E6, Examination Branch, Kakatiya University, Warangal
18. The Person Concerned (Ms. Aayesha Shaik. D/o Mahaboob)

\*\*\*

(1919)

(N.S)



# Kakatiya University



Faculty of Commerce & Business Management

Roll No. \_\_\_\_\_

This is to certify that Nayasha Shaik  
Soti / Daughter of Mahabub  
having pursued a course of study prescribed by this University and  
having passed the requisite Examination by thesis, has been admitted  
to the Degree of

**Doctor of Philosophy**

(Awarded in October 2010)

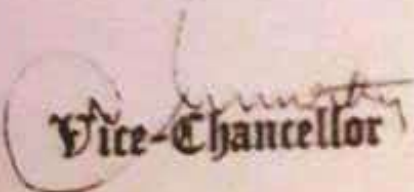
The subject in which he/she presented a thesis for the Degree  
was (Comm. & Bus. Mgmt.)

"Self-Help Groups for Rural  
Women Empowerment - A Study  
of Warangal District"

Given under the seal of the University.

Warangal

Dated 01.10.2010  
October 23, 2010

  
Vice-Chancellor

**Dr. G. BENARJEE**

M.Sc., Ph.D.

Associate Professor of Zoology &  
Addl. Controller of Examinations  
(Confidential)



**KAKATIYA UNIVERSITY**

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Date: 19-07-2010.

**CERTIFICATE**

This is to certify that Ms. **Aayesha Shaik**, D/o Mahaboob, Ph.D. Scholar in **Commerce & Business Management**, University College, Kakatiya University, Warangal, worked under the Supervision of **Prof. D. Sakriya**, Department of Commerce & Business Management, Kakatiya University, Warangal has submitted Ph.D. thesis entitled **“SELF-HELP GROUPS FOR RURAL WOMEN EMPOWERMENT – A STUDY OF WARANGAL DISTRICT”** for the award of Ph.D. Degree in Commerce & Business Management of the Kakatiya University on **19<sup>th</sup> July, 2010.**

  
**ADDL. CONTROLLER OF EXAMINATIONS**

**(Confidential)**

PROCEEDINGS OF THE COMMISSIONER OF COLLEGIATE EDUCATION  
ANDHRA PRADESH : HYDERABAD

Re.No. 220/UGC.Pf.3/2012

Dated: 07.06.2013

Subj: Government/Aided Degree Colleges - Revised UGC Pay Scales of 2006 - Guidelines for sanction of Incentive increments for acquiring additional qualifications (i.e. M.Phil./Ph.D., etc.) as per the revised guidelines issued by the University Grants Commission - Issued

- Ref:-1. G.O.Ms.No.14 Education, dated. 20.02.2010.  
2. Govt.Memo.No.6882/UE.II/2010-2, dated 24.01.2011.  
3. CCE's Procs Rc.No.651/UGC.PF.3/2011, dated. 15.07.2011.  
4. Govt.Memo No.6882/UE.II/2010-3, dated. 23.10.2012 communicated vide CCE's Procs Rc.No.220/UGC.PF.3/2012, dated: 14.12.2012.

@@@

In supersession of earlier instructions issued in the reference third and fourth read above the comprehensive guidelines for sanction of Incentive Increments for acquiring additional qualifications i.e. M.PHIL/PH.D. Etc., are given here under:

The Principals of all Government Degree Colleges/Correspondents of Aided Degree Colleges are informed that while revising UGC Pay Scales to the teachers Government also ordered incentives to the teachers for having Ph.D./M.Phil. and other higher qualifications, as under:

- Five Non-compounded advance increments shall be admissible to the teachers/Librarians/Physical Directors for having Ph.D. Degree at the entry level of recruitment
- Two Non compounded advance increments shall be admissible for having M.Phil. Degree at the time of recruitment.
- Teachers/Librarians/Physical Education personnel who complete their Ph.D. degree while in service shall be entitled to 3 non compounded increments.

- Teachers/Librarians/Physical Education personnel who acquire M.Phil. Degree or a Post Graduate degree in a professional course recognized by the relevant Statutory Body/Council, while in service, shall be entitled to one advance increment.

Keeping in view the said Government Orders the Principals of Government Degree Colleges/Correspondents of Private Aided Degree and Oriental Colleges are directed to sanction advance increments to the teachers who acquire higher qualification viz., Ph.D./M.Phil., etc., While scrutinizing such proposals the Principals/Correspondents are to be followed the following guidelines:

1. To direct the teachers seeking incentive increments for having Ph.D. at the entry level as per eligibility, to furnish a certificate from the University that Ph.D Degree is awarded to the teacher by following the process of admission, registration, course work and external evaluation as defined by the UGC at para 3.2.2. of G.O.Ms.No.14 Education, dated: 20.02.2010.
2. To sanction advance increments irrespective of the fact whether the teachers were exempted from NET/SLET for possessing Ph.D.
3. That the advancement increments will not be sanctioned in the pay band of 37400-67000 + 9000 AGP in respective of teachers acquired Ph.D./M.Phil. while in service as clarified in Govt.Memo.No.6862/UE.II/2010-2, dated: 24.01.2011.
4. That the teachers who have already availed the benefit of advance increments as per the existing scheme that was prevailed prior to issuance of G.O. 14 Education, dated: 20.02.2010 (i.e. in terms of G.O.Ms.No.208 Education, dated: 29.06.1999) as they are not entitled for the said increments.
5. As clarified by the Government vide reference second read above each non compoundable increment has to be calculated separately and the amount so arrived may be multiplied by number of increments to be sanctioned. There after the total amount may be merged with basic pay of the employee. Admissible allowances are allowed on such advance non compounded increments.



Example:

The increments have to be calculated on Rs.15600-6000 AGP @ 3% i.e. Rs.646 rounded to Rs.650. Therefore, five non compoundable increments in this case, have to be  $Rs.650 \times 5 = 3250$  and in case of two non compoundable increments it has to be  $Rs.650 \times 2 = Rs.1300$ .

Hence, the Principals are directed to calculate the advance increments in the said manner in the pay band of 15600-39100 only.

6. The non compounded Advance increments shall be allowed with effect from 01.09.2008

7. Increments to teachers who acquire Ph.D. prior to 01.01.1996

The Principals/Correspondents are informed that Government vide G.O.Ms.No.294 Education, dated. 20.12.2008 while issued amendment to para 4 of G.O.Ms.No.208 Education, dated. 29.06.1999 ordered that a teacher who acquired Ph.D. Degree prior to 01.01.1996 and not benefited in earlier schemes will be entitled for two advancement increments payable from 27.07.1998.

Hence, they are also directed to sanction two advance increments to those who acquired Ph.D. Degree prior to 01.01.1996 and not benefited in earlier schemes payable from 01.09.1998. But, such advance increments shall be shown as Personal Pay (PP) and not merged with the Pay

The Principals of Government Degree Colleges/Correspondents of Aided Degree Colleges are directed to adhere the instructions scrupulously while clearing the proposals, failing which the matter will be viewed seriously and the Principals/Correspondents concerned shall personally held responsible for the lapse action will be initiated as per Conduct Rules as and when such lapses comes to the notice of the Commissioner.

The receipt of these proceedings shall be acknowledged

N. Geetanjali  
For Commissioner of Collegiate Education

- 4 -

To All the Principals of  
Govt. Degree Colleges in the State.  
All the Correspondents of Private Aided Degree Colleges in the State  
Copy to all Regional Joint Directors of  
Collegiate Education in the State.  
Copy to the General Secretaries,  
G.C.T.A., G.C.G.T.A., & A.C.T.A., Hyderabad.  
Copy to all Officers in the Office  
Copy to Chief Accounts Officer in the Office.  
Copy to Ser I, II, III, IV, Admn I, II, III, IV & V Sections in the office  
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*Mahabharati*  
SUPERINTENDENT



**SELF HELP GROUPS RURAL WOMEN  
EMPOWERMENT – A CASE STUDY IN  
WARANGAL**

**(ABSTRACT)**



*Thesis submitted to the Kakatiya University  
for the award of the*

**DOCTOR OF PHILOSOPHY  
In Commerce & Business Management**

*Submitted by*  
**S.K. AAYESHA**

*RESEARCH SUPERVISOR*  
**Dr. D. SAKRIYA**

Professor in Commerce & Business Management,  
Kakatiya University

DEPARTMENT OF COMMERCE & BUSINESS MANAGEMENT  
KAKATIYA UNIVERSITY  
WARANGAL

2010

## **Introduction**

The present study intends to study the Self Help Group Rural Women empowerment – A Case Study in Warangal to analyse the concept and programmes for women in India and Andhra Pradesh in general, Warangal District in particular. An attempt is made to explain the necessity and requirement of the schemes of economic programme for women. Who were thrown out of the mainstream of social and economic life. The policy makers recognized the necessity of such economic programmes for the upliftment of the highly neglected sections of the society i.e., women.

In every modern state of the 19<sup>th</sup> and 20<sup>th</sup> centuries the concept of welfarism has taken a prime place in the government's objectives. Since the states declared themselves as welfare states, they have responsibilities of amelioration of various programmes for the vulnerable sections of the society. The dawn of independence has given a chance to propose several programmes. The government of India evolved several economic programmes. One such programmes is that Self Help Programmes and water shed programmes. All these programmes are designed in tune with the directives of the World Bank and IMF. After the collapse of alternative economic

systems, the world economy became a single independent unit resulting in the emergence of a unipolar economic system led by the USA, thus creating a different picture in the economics. The Indian economy is in no way different from the global economy. Whatever directives flow from these international institutions have to percolate to the nook and corner of the economics of all the states.

In this background the government of India designed a programme which answers to the needy of the society. Once the government of India opened up the controls of the economy, impetus has given to the privatization and the state has withdrawn from the responsibilities of social justice. And the slowly majority of the welfare state withdrawn from the concepts of welfarism. Ultimately the majority of the third world countries are bound to follow the directives of international economic institutions. As long as the third world economies are bound to seek the financial and technical assistance from the monopolistic states, which force them to depend on the developed economies, more so from USA, it is inevitable for these economies. They cannot go for alternative economic strategies.

Since they are seeking the financial ;aided technology on monopolistic states they have to be bound by the conditions and stipulations by international financial agencies. Hence, the

government of India evolved the economic strategies and programme in accordance with the directives given by the international agencies. Whatever the economic policy, programme or scheme are simply replicas of the US policies of incremental policies. All these policies are considered as target oriented programmes. Once the target is achieved, such policy will be disbanded. And another new target oriented policy will be introduced to meet the requirement of the situation.

Therefore, the present study deals exclusively with the policy strategies and evaluation methods.

### **The Role of Indian Government**

The Government of India, after its independence went in for social and economic transformation of the country. Before independence nearly 80% of people lived in rural areas and most of them were below the poverty line. There exist illiteracy, ill-health, and backwardness of varied nature prevailing in both rural and urban areas. After 55 years, the country is facing the major difficulties which prevailed at the time of independence.

As a result, the Government of India had to take up several policies and programmes in the direction of meeting the needs of its people. In this direction, in 1952 the Government of India introduced the Community Development Programme (CDP)



as an initiation. It had also implemented several programmes under Five Year Plans. It has been working with the determination of implementing these plans to make a direct attack on poverty by developing massive resources for the development of the poor.

### **From 'Welfare' to 'Empowerment' Strategy**

A significant outcome of the broad policy debates in the 70s was a shift from viewing women as targets of 'welfare' policies in the social sector to regard them as 'critical agent' for development. This was recognized by the VI Five Year Plan, which, for the first time, incorporated a chapter on women and development.

In the entire economy the areas that can be directly intervened by the government will be very limited and the scope to cover a substantial portion of women population under government sponsored programmes also will be extremely limited. Therefore, government's intervention can act only as indicative to the system as to which direction the natural economic development should take and such intervention can only be a declaration of the intent of the modern state.

Besides these attempts, the Government of India prepared the National Perspective Plan (1988-2000) which envisaged a

multipronged strategy for integrating women into the mainstream. “Shramshakti” (1988), A comprehensive report of the National Commission for self-employed women and women in the Informal Sector, examined related issues concerning women workers in the informal sector and made valuable recommendations for improving their status.

The realization that women had a weak and vulnerable position in the family, the most informal and primary unit, made the policy-makers focus their attention on women in fetus, as girl child, in her adolescence and in her in-laws’ family. The strategy aimed at fighting against unsafe motherhood nutritional anemia, iodine deficiency, the vulnerable years of the infancy and building up a women’s capacity to cope up with the barriers and challenges of growth, change and stabilization. Non-Governmental Organisations (NGOs) promoting women’s issues gained strength. They protested against violence against women, demanded right to abortion, sought amendments in the Dowry Prohibition Act, 1961 for making the offence cognizable and non-bailable so as to increase its effectiveness and pleaded for a better deal for women in work place etc. By the beginning of the 1990s, meek and feeble grumbling of women activists had become strong, loud and bold protests.

The early 90s saw the reshaping of strategies of socio-economic development and the emphasis shifted from “development” to “empowerment”. There was a realization that women have limited access to capital market, education, skill training, extension advice and participation ;in the decision-making process. The Constitution 73<sup>rd</sup> and 74<sup>th</sup> Amendment Acts of 1992 constitute a major milestone on the road to empowerment of women as these Amendments ensure one-third of the total seats and positions of Chairpersons in rural and urban elected bodies.

The subject of women’s development is multidimensional, multi-sectoral and multidisciplinary. In the recent past, awareness about the contribution of women at the level of family and community has been on the increase. As the issue of redistribution with growth was considered threatening, this was subverted around mid-1970s by a call from meeting “the basic needs of the poor directly”, along with efforts towards promoting economic growth. Basic needs encompassed health, nutrition, water, sanitation and shelter. Several credit, income generation, skill-building programmes were started. In this context, it was pointed out that women experienced poverty to a greater extent than men and poverty eradication intervention targeted at heads of households failed to address these. Hence, the need for

reservation for women and designing of separate poverty-alleviation programmes for women was stressed. The government has been emphasizing the need for development of rural women and promotion of their participation in the developmental programmes. Rural development programmes have laid due emphasis on the integrated development of women. And thus, a number of programmes have targeted to cover substantial proportion of rural women.

### **Objectives of the Study**

At the fore set, an attempt is made in this study to assess the level of empowerment of woman has taken place in the recent part through a bird's eye view of the problems faced by members of SHGs in Andhra Pradesh in general, and in Warangal District in particular. Also an attempt has been made to suggest the measures to be taken to achieve goals of SHGs through of rural women in Warangal District.

- i) To review the existing research studies on SHGs and empowerment of women and identify the scope for further studies.
- ii) To analysis the problems faced by SHGs in Andhra Pradesh in general and in the district of Warangal in particular



- iii) To examine the samples collected with reference to patterns, profiles and characteristics of SHGs, selected from Warangal District.
- iv) To examine the growth and development of SHGs in India, Andhra Pradesh and Warangal District.
- v) To analyse the performance of SHGs and their role in empowerment of rural women.
- vi) To present the findings of analysis and suggest measures to improve the performance of SHGs.

### **Hypothesis Of The Study**

The hypothesis of the study are formulated as follows :

- i) The success of trade and economic status of women are directly proportional.
- ii) The decision making power of women is positively effected by the success of trade.
- iii) Higher the success of scheme, Higher will be social political participation of women.
- iv) The economic empowerment of women is being increased.

### **Methodology**

Warangal district is one of the major districts in Telangana region in Andhra Pradesh covering area of 12846 Sq Kms. and

lies approximately between 17°19' and 18°13' of north latitude and 78°49' and 80°13' of east longitude with a population of 32.32 lakhs according to 2001 census. For administrative convenience the district has been divided into 4 revenue divisions and 51 mandals. The main stay of the population is agriculture. The major crops are paddy, cotton, chilly etc. In the district most of the farmers are small and marginal farmers.

### **Sample Design**

For the purpose of study five mandals namely Hanamkonda, Jangoan, Narsampet, Mahabubabad and Eturnagaram have been selected from different revenue divisions which represent differential development with respect to economic social development, literacy rates and superstition level.

A total 500 members have been selected from 50 SHGs at the rate of 10 SHGs from each mandal for the sample.

A care has been taken, while selecting the SHGs to include different levels of entrepreneurship, different levels of literacy and different economic, social and cultural backgrounds.

### **Sources of Data**

The present study based on both the primary and secondary data. The primary data is collected through questionnaire for respondents of personal discussions with official of different development training centers agencies like Velugu, DRDA, NABARD, Bala Vikasa.

### **Scope of Study**

Empirical analysis pertaining to SHGs – empowerment of rural women in Warangal District has been presented in respect of growth of development of SHGs in Warangal District.

The scope is limited to Warangal District only.

### **Techniques of Data Analysis**

In the analysis of data, statistical methods like mean, chi-square tests , test of hypothesis have been computed.

Also electronic data packages like MS excel, MS Word have been used with the help of there packages descriptive statistics like tabular, percentage have been computed.

### **Time span of the study**

The questionnaire were administered during the months of March to May, 2008 and October and November 2009. The

groups were chosen to administer the questionnaire only after the completion of three years of period.

### **Chapterization**

First Chapter deals with Introduction, Review of related literature and Methodology.

Second Chapter examine the concept, organization and management of Self Heal Groups.

Third Chapter deals with growth and development of Self Help Groups in India and Andhra Pradesh.

Fourth Chapter examine Women Empowerment through Self Help Groups in Warangal District.

Fifth Chapter analyze the Socio-Economic Background of the Sample Study.

Sixth and Last chapter summarize the Findings of the Study and offers suggestions to overcome these problems in general and empowering women of SHG in particular for further policy framework of concern authorities.

### **Limitations of the Study**

- 1) The present study has certain limitations which must be reckoned with for the purpose of the specificity and the



limited nature of the research undertaken though the concept of SHG came into effect from 1999. But prior to this it was an integral part of AWACRA Groups. Later on these emerged as Self Help Groups. Hence, in the study DWACRA groups were taken into consideration for analysis for over a period of time.

- 2) The study employed only percentage average and mean analysis. This is also to be seen in view of the purposes of the study. There is no scope for the use of other types of statistics. Since the study intends to deal with implications of public policy.
- 3) An attempt could have also been made to assess the impact of assistance given to individuals under this scheme and Self Help Groups of men. This has not been attempted since the study is concentrated on women groups.
- 4) The study was undertaken only in a few mandals. The findings naturally have relative validity. The researcher has chosen to deal with a few variables. However it encompasses innumerable variables, which the researcher considered to be significant for the study. In judging what the significant variables are the researcher may have been some what arbitrary.

- 5) The researcher was besets with time and special constraints due to his full time employment, the data might not be all exhaustive, which ideally required for this kind of study.

## **Conclusions**

The statement of problem of the present study entitled “Self-Help Groups & Rural Women Empowerment” A Case Study of Warangal District, Covers various dimensions of Self Help Groups programmes emanating from the policies of governments both at the Centre and State. This chapter presents a precise summary about all has done and found in the present study. The thesis comprises of 6 chapters in all.

In all the modern state in the 19<sup>th</sup> and 20<sup>th</sup> centuries concept of welfarism taken a prime place in the government’s objectives. Sins the states declared them selves as welfare states, the responsibilities of amelioration of the vulnerable sections of the society. The dawn of independence as given a chance to propose several programmes. The government of India evolved several economic programs. One such programme is that Self Help programme. All these programmes are designed in tune with the directives of World Bank and IMF. After the collapse of alternative economic systems, the world economy became single independent unit and it causes for the emergence

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The Government of India, after its independence went in for social and economic transformation of the country. During its independence nearly 80% of people lived in rural areas and most of them were below the poverty line. There exists illiteracy, ill-health, and backwardness of varied nature prevailing in both

rural and urban areas. After 63 years of its rule the country is facing the major difficulties which prevailed at the time of Independence.

The early 90s saw the reshaping of strategies of socio-economic development and the emphasis shifted from “development” to “empowerment”. There was a realization that women have limited access to capital market, education, skill training, extension advice and participation in the decision-making process.

The studies on women in particular, along with women’s development programmes in India and in the World has attracted the attention of scholars from various.

A review of certain important works is quite pertinent in the context of the present study. Among these the studies have been classified into two groups firstly, studies on specific programmes for women development, secondly on self help groups and studies in Andhra Pradesh including the study area.

Studies relating to Women Programmes also have significance to underlined the important findings. Among these Basu Rumki studies on “New Economic Policies and Social Welfare Programmes in India” in 1996 Islam Rizwanul Rural Poverty, Growth and Macroeconomic Policies: the Asian

Experience” (1990) Weisman, Stephen R, revealed that “Structural Adjustment in Africa : Insights from the Experiences of Ghana and Senegal” in 1990. Tripathy, S.K., Bhuyan B, Pradhan P.N., carried a Study on “The Economic Impact of the integrated Rural Development Programme” in 1990.

Studies relating to Self Help Groups are worth noting. These are B. Sudhakar Rao, G. Ramachandraiah, V. Krishnamurthy, Y. Gangi Reddy and R. Murugesan studied on, “Self-Employment Projects – Groups Approaches” D.V.L.N.V. Prasad Rao instituted a research on, “Poverty Alleviation Through Self Employment : A Case Study of East Nimar District of Madhya Pradesh” in 1997-98. D.V.V. Ramana Rao, under took a case study on “Impact of Institutional Credit on the Socio-Economic Condition of Rural Women in Self-Help Groups – A Case study in Bidar District of Karnataka in 2001. D.V.V. Ramana Rao, made a case study on “Self Help Groups, A Case Study of Voluntary Organisations “K.P.Kumaran studied on, “Case Studies on Self-Help Groups” in 1997.

Women are now active and participate. The organization of women’s groups has enabled a collective strength and solidarity in the women. It is found that the repayment of Group/Bank loan among the SHG members is very high. But the amount received through these sources are not able to meet

the credit requirements. Although several measures have been taken by the Govt. to link the SHGs with financial institutions the number of such groups are relatively few.

The concept of globalization has created a gulf between the rich and the poor, and third world economies were more vulnerable in all fronts. Which caused a great concern for the economists to preserve the privileges of the vulnerable sections of the society including women. The policy makers consciously evolved the policies to preserve the equality of gender social justice. The extent of poverty generally depends upon the extent of ownership of productive assets and the access to gainful employment opportunities. It is well established that due to lack of such productive assets and regular employment, the burden of unemployment/underemployment and poverty falls mainly on the rural poor. There is a clear inverse relationship between the assets held by the households and the incidence of poverty and the consequent needs to incur debt for meeting household expenditure. The question that arises is how do the poor who, by definition, lack adequate purchasing power, make both ends meet and survive. Generally, the gap between current income and consumption is usually bridged through occasional hand loans from relatives and friends. In some cases, the rural

poor are even compelled to borrow on extremely exploitative terms making them bonded labourers to the creditors.

In India soon after Independence, there has been an aggressive effort on the part of the Government, which concerned to improve the access of the rural poor to formal credit system. Some of these measures have been institutional, while some others were through implementation of focused programmes for removal or rural poverty. Reaching out of the far-flung rural areas to provide credit and other banking services to the hitherto neglected sections of the society is an unparalleled achievement of the Indian banking system. The main emphasis in the spread of the banking network and introduction of new instruments and credit packages and programmes was to make the financial system responsive to the needs of the weaker sections in the society comprising small and marginal farmers, rural artisans, landless agricultural and non-agricultural labourers and other small borrowers falling below the poverty line. With the implementation of above policies, further the government of India in its developmental planning emphasized the promotion of agriculture and other allied economic activities through credit intervention for ensuring integrated rural development and securing the prosperity of the rural areas. In pursuance of this, formal credit institutions have

been guided by the principle of growth with equity and a large share of the credit disbursed for various activities was channelised towards the weaker sections of the society.

The potential of SHGs to develop as local financial intermediaries to reach the poor gained wide recognition in many developing countries especially in Asia-Pacific Region.

The establishment of the SHGs could be traced to the existence of one or more common problem areas around which the consciousness of the rural poor was built and the process of group formation initiated. The group, thus, was usually responsive to a perceived need. Such groups have been formed around specific production activities and often they have promoted savings among their members and used the pooled resources to meet the emergent needs of the members of the group including consumption needs. Sometimes the internal savings generated were supplemented by the external resources loaned/donated by Vas promoting the SHGs. Since the SHGs have been able to mobilize savings from persons or groups who were not normally expected to have any “savings” and also to recycle effectively the pooled resources amongst the members, their activities have attracted attention as a supportive mechanism for meeting the credit needs of the poor.



Self Help Groups broadly go through three stages of evolution. 1) Group formation. 2) Capital formation through the revolving fund and skill development. 3) Taking up economic activity for income generation.

SHG is a group of rural poor who have volunteered to organize themselves into a group for eradication of poverty of the members. They agree to save regularly and convert their savings into a Common Fund. The members of the group agree to use this common fund and such other funds that they may receive as a group through a common management.

The poor may organize themselves, into small groups up to 20 persons, known as Self Help Groups (SHGs) to inculcate the habit of thrift and credit operations among themselves.

Its objectives are multifaceted oriented with the intention of Poverty eradication, such as Socio-economic activities, political and economic development of the village. It also intends for the promotion of economic activities. 1) To create appropriate awareness among the members for their all round development in the society. 2) To promote co-operation and self-help attitude, good habit of savings among the members and voluntary collective work. 3) To promote savings attitude and

habit among the members for their future and to encourage the members to commit themselves to a regular savings.

An analysis of general basis, it's found that the women's contribution in both the spheres is relatively more. It has been revealed that the women work for relatively longer hours with shorter breaks. On an average women work for not less than 13 hours a day while for male it is not more than 10 hours a day. Still women's work is not valued in economic terms. In fact, women work at home as well as outside. There is practically little or no free time left with them for rest or relaxation.

An analysis of work participation rates of females of Rural/Urban residence in Study area revealed that the employment status of women improved both in rural and urban areas, it is still very much less than their male counter parts.

With regard to the distribution of female workers by employment status of Rural / Urban residence in Warangal. The rural women were increasingly moving from self employment to other two statuses, urban women were increasingly taking to self employment and regular salaried work. The casual and self employed women are subjected to insecurity of either income or employment or both.

With regard to coverage of disadvantaged groups as part of SHGs revealed that on the whole, the SHG is biased towards disadvantaged groups only. It is evident from the fact that out of total 8,39,288 members assisted under SHGs in the Warangal District a major chunk of 7.27 lakhs i.e.87 percent of them belonged to SC, ST, women and handicapped. Further analysis also them belonged to SC, ST, women and handicapped. Further analysis also reveals that among all the four disadvantaged groups women dominated the scene with 48.26 percent followed by SC with 37.17 percent. It can be concluded that the SHGs is not only biased towards the disadvantaged groups but also women.

An analysis of marital status of SHGs members revealed that a great majority percent of the respondents (82.4%) were married, while 26.2 percent of them were unmarried. This confirms the fact that women are choosing their membership in SHGs only after getting married. This reveals a close relationship between marital status and choosing their membership. This may be due to the reason that women as an equal partner in the family feels the need for contributing her own share for prosperity of the family. This also reveals that there has been departure from the traditional value system of confining housewives to household activities alone. However a

sizeable portion of young married women members become members before their marriage. This indicates the growing dynamism of members of SHGs. This is a welcoming feature. This may be on account of higher levels of education among women, change in value system and the encouragement, being extended by the government and other agencies in the recent past.

Age-wise distribution of self-Help Groups revealed that among the four groups the age group of 20 – 30 ranked first; insignificant portion of 7.33 percent only were represented by the age group of above 40 years. This confirms the fact, that the age for entry into the membership of SHGs was observed between 20 and 30 years. This indicates the concern, interest and obligation among the youth to achieve something in their lives. However, other research studies also revealed that there is evidence with regard to the influence of age on group behaviour, in general and women empowerment in particular.

An enquiry into the educational background of respondent revealed that out of the total 150 respondents, a significant portion of 45.33 percent were illiterates followed by members with secondary education (29.33%). The third place is occupied by members with primary education (18.67%). A notable portion were graduates with 6.67 per cent. Though, on the whole, there

has been a change with regard to educational background of members, it is not up to the expected levels. In this ever-changing and most competitive world of business, entrepreneurs must have good professional and technical background. In rural areas, men as well as women have been suffering from lack of education. This also indicates that the women with good educational background were not attracted towards SHGs. This is also one of the reasons for the failure of some of the SHGs.

An analysis of the type of family of sample self-help groups members revealed that about a majority of the members were from nuclear families, while a minority were from joint family background. This confirms the argument that persons of joint families in general, and women, in particular become lethargic and dependent in joint family system. It is the urge of achievement and motivation that are responsible to make members of nuclear families as members of SHGs.

Thus there is a close relationship between income and membership of SHGs. It is also clear that economically poor people are interested to join SHGs to promote their financial position, to lead on independent life and to participate in social awareness programmes as a group. It is also evident the women

who belong to higher income groups were not interested to join SHGs.

An examination into the reasons for choosing their membership in SHGs, revealed that most of the members enter into Self-Help Groups because of “as a means of livelihood” (first place) followed by the “urge for independent life” (second place) and the third place is occupied by the others i.e., involved with miscellaneous reasons. It is a welcoming feature that a majority of members have chosen their membership in SHGs for socio, economic reasons such as need for earning livelihood, desire for independent life etc. This is also indicates the increasing trends of aspirations as dynamism etc., among the rural women.

This is the inner urge of the women to earn their own livelihood and to be independent economically are the reasons for taking up their membership in SHGs. It can also be observed that women who are treated as confined to houses are being given freedom to take part in social awareness programmes. Though it is modest but an important welcoming feature.

It can be concluded that women entrepreneurship in the state of Andhra Pradesh is a recent phenomenon, which has been slowly picking up. Since the trend of women entering into

entrepreneurship with the help of SHGs has set in the various agencies both in government and NGO's involved in the promotion of women entrepreneurship may have to take necessary steps to speed up the process of empowering the women by extending all possible support and co-operation.

The district-wise analysis revealed. This reflects improved nature of entrepreneurship among women members of SHGs in the state of Andhra Pradesh. In most of the societies, entrepreneurship started with commercial activity and then expanded to most important and crucial manufacturing activity when enquired into the reasons for larger preference to commercial and least preference to manufacturing women enterprises, the following reasons were stated : i) Easiness of setting up, ii) Less amount of risk involved iii) No technical background, iv) Low capital requirement, v) Heavy work pressure associated with manufacturing.

In fact, real entrepreneurial abilities can be evaluated through manufacturing than other activities. When enquired about the reasons for entry into entrepreneurship through commercial industry sector, they stated that low degree of risk involved in commercial activity as the main reason. Further, they stated that it was easy and simple to operate and involved lesser amount of capital as other reasons, with regard to

preference to service sector, they revealed that most of the services opted for such as tailoring, to the nature of women. Heavy investment, technical knowledge in inexperience, higher degree of risk involved were stated as the main reasons for poor show in the large-scale industrial activity.

As analysis of the nature of business carried out by women entrepreneurs revealed that amount these three broad sectors, milk animals in agricultural sector, toys making in industrial sector and kirana in service sector dominated the scene. Vegetable cultivation and sheep raring occupied the second and third position in agricultural sector Basket making in manufacturing sector occupied the second position. It can be conducted that a great majority of women entrepreneurs of SHGs in almost all the sector opted for traditional and women based business lines, than the modern ventures like marketing, advertising etc.,

District wise analysis reveals that the majority of industries in Warangal. When compared to women enterprises with other women enterprises set up elsewhere in India and abroad is very insignificant and primitive. But it is appreciable keeping in view that a number of women entrepreneurs of SHG. Groups have come forward to start their enterprises with whatever little capital that was available.



An examination of the impact of SHGs on savings of the members revealed that a great majority of 80 percent of the sample respondents reported that their savings were increased, while 17.33 percent of the respondents reported that there was no change and remaining 2.67 percent respondents reported that there was decrease in their savings. From this it can be concluded that membership in Self-Help Groups promoted their savings habits.

With regard to asset creation by members of SHGs that 56 percent members reported that their assets were increased, while 39.33 percent members reported that there was no change. Only 4.67 percent members reported that the assets were decreased. From this, it can be concluded that implementation of Self-Help Group bank linkage programme significantly contributed to the improvement of the asset position over a period of time.

An analysis of attitudinal change of male towards female members revealed that on the whole, a majority of 62 percent of the respondents reported that there was a positive change of attitudes among husbands towards Self-Help Group members while 38 percent of members reported that there was no change in the behaviour of male towards them. This clearly indicates the higher involvement of women in the decision-making. This

is a good sign towards the social transformation taking place due to SHG movement. However a few cases of abusing women and ill-treating them due to their exposure to the public were also reported.

An analysis of entry into politics of SHGs members revealed that the entry of SHG members into politics/public life is reported to increase with 50 percent while the remaining 50 percent of respondents reported that there was no change. There is a sea change in the mindsets of both males and females, in general, and women members of Self-Help Group, in particular. The political positions such as Sarpanches, ZPTC, MPTC, ward members etc., where the sole domain of men only. Either females wanted to enter or males allowed them into politics. It is the leadership qualities which are nurtured as members of SHGs are providing these training and building confidence in the minds of members of SHGs to gradually and slowly enter into politics and public life.

With regard to improvement in overall status of members of SHGs revealed that on the whole, a great majority of 76 percent of the respondent reported that their overall status was increased while 24 percent of the respondents reported that there was no change in their status. From this it can be concluded that the status of women, both within the households

and outside was improved. Despite there is a lot to be done to improve the status of women, in general and members of Self-Help Groups, in particular. In several cases, the incidents on discrimination, misbehaviour, lack of security to borrow loans etc., were reported. Therefore, it can be concluded that social stigmas, inhibitions and traditions etc do not change over night. This proves takes time. On the whole, it can be concluded that SHG movement is pronounced on all social and economic aspects of their members.

An enquiry about the major problems encountered by members of SHGs revealed that major problem with which a majority of respondents confronted with personal problems, followed by financial (Rank-II) and production related problems (Rank-III). Among the other problems, marketing, socio-cultural, technical and psychological problems etc. were important. Thus, it is clear that, though almost all the women faced all the problems, the intensity of different problems was varying in case of different groups interestingly for most of the sample respondents personal problems dominated over the other problems. Certain psychological problems such as inferiority complex, low risk-taking ability occupied the seventh rank.

A significant number of members expressed excessive burden of work as housewives and their dual responsibility made them not to avail of leisure time. A few of the respondents expressed excessive tension, because of competition in the business. They also reported that limited resources available with them did not allow them to take higher-level risk. In some cases, their spouses and other family members extended the required support enabling them to assume more risk while a majority of them did not get the same.

### **Suggestions**

In the light of the above findings, the following suggestions have been offered to make Self-Help groups more meaningful, worthiness, forceful and effective instrument for the improvement of women and ultimately empowering them. The government should undertake a total development package comprising stimulatory, support and sustaining activities for the development of Self-Help Groups in the state. The role of incentives and concessions, the reengineering of delivery mechanism and creation of entrepreneurial clubs will go a long way in the development and creation of successful Self-Help Groups.

In order to get better results, there must be a greater awareness, better mobilization and more scientific approach towards the development of Self-Help Groups. A major socio economic evolution has to be envisaged to harmless “Women Empowerment”. More contacts and field guidance should be made available at the grass-root levels. The following steps may be followed towards this goal.

Firstly, these organizations should come forward with awareness programmes exclusively aimed at young women. They must make an effort to diffuse information among the less educated women on the prospects of entrepreneurship. Secondly, wide range extensive campaigning should be done by these organization, particularly the non-government ones, for involving women in agricultural entrepreneurship. Thirdly, the support system should streamline and re-orient their programmes and policies in a direction leading to higher job involvement, higher achievement and motivation. Fourthly, adequate infrastructural support by one single coordinating or nodal agency should be provided to facilitate flow of adequate working capital, technology, electricity, land and marketing facilities. Post-training follow up is vital for the success of Self-Help Groups.

Respondents stated several financial problems in relation to heavy interest rate, death of fixed capital, economic incredibility, price fluctuations, non-availability of loans, and delays in releasing the loans. Further, loan under Self-Help Groups carries higher rates of interest particularly with the indigenous bankers. An uniform lower rate of interest may be charged on loans to Self-Help Groups. It is really appreciable the government in Andhra Pradesh.

Several problems were reported to have been faced by the Self-Help Groups in dealing with government agencies such as “red-tapism”, lack of guidance and advisory service in time etc. Obviously, these factors needed to be considered in re-framing and re-organising EDPS in DRDAS.

The legislative measure for dealing with the problems of small-scale units run by women entrepreneurs should be relaxed and more liberal policies and attitudes should be adopted. Most of Self-Help Groups faced the problems of marketing. To overcome these problems, certain agencies like State Advisory Board, Women’s Development of Co-operation, Rural marketing service center, cooperative societies, Federation of Super Market, State Emporia, Govt. Departments can extend various supporting services for the supply of new materials, collecting the finished products to marketing these products.

Efforts should also be made in this direction of starting Diploma Certificate courses etc., on entrepreneurial management and development in collaboration with the local industrial and business establishment and Universities on self-financing basis. If possible, concessions in terms of tuition and other fees charged by the respective institutions, should be waived. National organization such as NABARD, SIDBI etc., should assist the University authorities in establishing centers for training and counseling. The Universities should set up consultancy centers for Self-Help Groups.

Adequate insurance coverage should be provided to the industrial and business units promoted by Self-Help Groups against the business risks, (financial losses) to safeguard the interest of the entrepreneurs as well as the employees of the enterprise.

A network of trade centers should be established in all states by the respective state governments exclusively for the benefit of Self-Help Groups. These trade centers should be linked up with the trade centers established in all foreign countries. The central and the state governments should extend all the services at the disposal of their marketing departments and other networks of distribution to the Self-Help Groups spread throughout the country.

There are no separate activities selected for women both as individuals and groups. The activities are common for men and women. Therefore, it is recommended that the key activities for women Self-Help Groups may be specially designed.

The majority of the group members indicated that the training was confined only to certain general aspects of the programme rather than focusing on specific information on inculcating savings, credit and book keeping skills. Therefore, such intensive training programmes relating to management of finances maintaining accounts, production and marketing activities etc. should be given.

To make the Self-Help Groups as effective instruments for women empowerment, there should be a continuous flow of funds to Self-Help Groups. But from the field study, it is learnt that the goods produced by Self-Help Groups are sold on credit basis and they are not able to realize cash in time resulting in holding up of the production process. In some cases, it was also reported that Self-Help Groups were unable to negotiate with the buyers and they are selling their goods at depressed rates. Therefore, DWCRAs may be opened and run on regular basis for marketing of goods of Self-Help Groups as is done in some districts. Subsequently Government may give issue on instructions to the entire Government department, schools,



Hostels etc. to purchase their requirements from Self-Help Groups. These departments may, in turn, send their payments directly to the banks from which Self-Help Groups borrowed loans. This networking among Self-Help Groups, banks Government department etc. will not only create goodwill among the parties concerned but also ensure speedy flow of funds and make the Self-Help Groups healthy and wealthy.

# **CHAPTER-I**

## **INTRODUCTION**

### **INTRODUCTION**

The present study intends to study the Self Help Group Rural Women empowerment – A Case Study in Warangal to analyse the concept and programmes for women in India and Andhra Pradesh in general, Warangal District in particular. An attempt is made to explain the necessity and requirement of the schemes of economic programme for women. Who were thrown out of the mainstream of social and economic life. The policy makers recognized the necessity of such economic programmes for the upliftment of the highly neglected sections of the society i.e., women.

In every modern state of the 19<sup>th</sup> and 20<sup>th</sup> centuries the concept of welfarism has taken a prime place in the government's objectives. Since the states declared themselves as welfare states, they have responsibilities of amelioration of various programmes for the vulnerable sections of the society. The dawn of independence has given a chance to propose several programmes. The government of India evolved several economic programmes. One such programmes is that Self Help Programmes and water shed programmes. All these programmes are

designed in tune with the directives of the World Bank and IMF. After the collapse of alternative economic systems, the world economy became a single independent unit resulting in the emergence of a unipolar economic system led by the USA, thus creating a different picture in the economics. The Indian economy is in no way different from the global economy. Whatever directives flow from these international institutions have to percolate to the nook and corner of the economics of all the states.

In this background the government of India designed a programme which answers to the needy of the society. Once the government of India opened up the controls of the economy, impetus has given to the privatization and the state has withdrawn from the responsibilities of social justice. And the slowly majority of the welfare state has withdrawn from the concepts of welfarism. Ultimately the majority of the third world countries are bound to follow the directives of international economic institutions. As long as the third world economies are bound to seek the financial and technical assistance from the monopolistic states, which force them to depend on the developed economies, more so from USA, it is inevitable for these economies. They cannot go for alternative economic strategies.

Since they are seeking the financial ;aided technology on monopolistic states they have to be bound by the conditions and stipulations by international financial agencies. Hence, the government of India evolved the economic strategies and programme in accordance with the directives given by the international agencies. Whatever the economic policy, programme or scheme are simply replicas of the US policies of incremental policies. All these policies are considered as target oriented programmes. Once the target is achieved, such policy will be disbanded. And another new target oriented policy will be introduced to meet the requirement of the situation.

Therefore, the present study deals exclusively with the policy strategies and evaluation methods.

### **The Role of Indian Government**

The Government of India, after its independence went in for social and economic transformation of the country. Before independence nearly 80% of people lived in rural areas and most of them were below the poverty line. There exist illiteracy, ill-health, and backwardness of varied nature prevailing in both rural and urban areas. After 55 years, the country is facing the major difficulties which prevailed at the time of independence.

As a result, the Government of India had to take up several policies and programmes in the direction of meeting the needs of its people. In this direction, in 1952 the Government of India introduced the Community Development Programme (CDP) as an initiation. It had also implemented several programmes under Five Year Plans. It has been working with the determination of implementing these plans to make a direct attack on poverty by developing massive resources for the development of the poor.

### **From 'Welfare' to 'Empowerment' Strategy**

A significant outcome of the broad policy debates in the 70s was a shift from viewing women as targets of 'welfare' policies in the social sector to regard them as 'critical agent' for development. This was recognized by the VI Five Year Plan, which, for the first time, incorporated a chapter on women and development.

In the entire economy the areas that can be directly intervened by the government will be very limited and the scope to cover a substantial portion of women population under government sponsored programmes also will be extremely limited. Therefore, government's intervention can act only as indicative to the system as to which direction the natural

economic development should take and such intervention can only be a declaration of the intent of the modern state<sup>1</sup>

Besides these attempts, the Government of India prepared the National Perspective Plan (1988-2000) which envisaged a multipronged strategy for integrating women into the mainstream. “Shramshakti” (1988), A comprehensive report of the National Commission for self-employed women and women in the Informal Sector,<sup>2</sup> examined related issues concerning women workers in the informal sector and made valuable recommendations for improving their status.

The realization that women had a weak and vulnerable position in the family, the most informal and primary unit, made the policy-makers focus their attention on women in foetus, as girl child, in her adolescence and in her in-laws’ family. The strategy aimed at fighting against unsafe motherhood nutritional anemia, iodine deficiency, the vulnerable years of the infancy and building up a women’s capacity to cope up with the barriers and challenges of growth, change and stabilization. Non-Governmental Organisations (NGOs) promoting women’s issues gained strength. They protested against violence against women, demanded right to abortion, sought amendments in the Dowry Prohibition Act, 1961 for making the offence cognizable and non-bailable so as to increase its effectiveness and pleaded

for a better deal for women in work place etc. By the beginning of the 1990s, meek and feeble grumbling of women activists had become strong, loud and bold protests.

The early 90s saw the reshaping of strategies of socio-economic development and the emphasis shifted from “development” to “empowerment”. There was a realization that women have limited access to capital market, education, skill training, extension advice and participation ;in the decision-making process. The Constitution 73<sup>rd</sup> and 74<sup>th</sup> Amendment Acts of 1992 constitute a major milestone on the road to empowerment of women as these Amendments ensure one-third of the total seats and positions of Chairpersons in rural and urban elected bodies.

The subject of women’s development is multidimensional, multisectoral and multidisciplinary. In the recent past, awareness about the contribution of women at the level of family and community has been on the increase. As the issue of redistribution with growth was considered threatening, this was subverted around mid-1970s by a call from meeting “the basic needs of the poor directly”, along with efforts towards promoting economic growth. Basic needs encompassed health, nutrition, water, sanitation and shelter. Several credit, income generation, skill-building programmes were started. In this context, it was

pointed out that women experienced poverty to a greater extent than men and poverty eradication intervention targeted at heads of households failed to address these. Hence, the need for reservation for women and designing of separate poverty-alleviation programmes for women was stressed. The government has been emphasizing the need for development of rural women and promotion of their participation in the developmental programmes. Rural development programmes have laid due emphasis on the integrated development of women. And thus, a number of programmes have targeted to cover substantial proportion of rural women.<sup>3</sup>

Self Help Groups (SHGs) and empowerment of Rural Women are so closely knitted that, sometimes it is very difficult to draw a line between these two. Both these issues have been prominent since the liberalization in India. Rural Women empowerment is necessarily has come to the main core of economic development of India. Indian Leaders believed that “the economic empowerment of women is regarded as a sine-qua-non of progress for a country. SHG movement gained momentum in India after 1992 and proven to be important instrument in Rural Women empowerment.

### **Status of Women – Global context**



**Economic Status:-** At present, one in every four households in the world is headed by a woman. When compared to men the majority of women earn, on an average, about three fourth of the pay of males for the same work outside of the agricultural sector, in both developed and developing countries. In most countries, women work approximately twice the unpaid time men do. Women make-up 31 percent of the official labour force in developing countries.

**Educational Status:-** There is inequality in the opportunity given to girls for their formal school education worldwide. Of the world's nearly one billion illiterate adults, two-thirds are women. Two thirds of the 130 million children worldwide, who are not in school, are girls. During the past two decades, the combined primary and secondary enrollment ratio for girls in developing countries increased from 38 per cent to 78 per cent.

**Political Status:-** United Nations observed that, despite the recent election of women heads of state in Chile, Liberia and Germany, women are making scant progress around the world in getting into leadership positions in business, government and academia.

**Health Status:-** Women outlive men in almost every country. There are slightly fewer women than men in the world 98.6

women for every 100 men. The life expectancy of women has gone up.

### **Status of Women in India**

Launching the nation-wide campaign to reverse the alarming decline in the ratio of women in the population in the country, Minister for Women and Child Development, Government of India said: "It is a tragedy that every year, half million girl children are being killed and prevented from being born, ironically with the help of modern tools of science and technology leading to the decline in the ratio of women in the population. It is shocking that the declining sex ratio has already led to a situation where brothers shared a wife and in some cases even fathers and sons shared a wife in several parts of the country". Ministry would therefore, observe the next 10 years as the decade of the Survival of Girl Child" (The Hindu, March 9, 2006 p.13)

**Contemporary Status:-** Women whose number 498.7 million according to 2001 Census represented 48.2 percent of country's population of 1,027.01 crores. The sex ratio of 933 women per 1000 men as revealed by the Census Report 2001 shows the misuse of the prenatal diagnostic technique to do away with female foetus. Health-wise, high rates of infant and maternal

deaths and severe anemia in over half of all married women in India are some of the indicators of the low priority accorded to women's health in the country (Skawatra, 2003). Life expectancy of rural women, which was 32 years in 1947, has gone up to 64 years today. The infant mortality has decreased considerably.

According to the Census of India 2001, the literacy percentage of women was only 54.16, though it has grown considerably since Independence. In 1951, the literacy rate of women was only 8.86 per cent. In 2001, it had raised manifold which went up to 54.16 per cent. The school enrollment has gone up to 99 per cent and every eligible girl child today, has all the freedom and opportunity to get education. They now have access to Higher Education.

**Gender Disparity** : According to Amartya Sen (2001), gender inequality is not one homogenous phenomenon but a collection of desperate and interlinked problems and the different kinds of gender inequality were displayed in mortality, fatality, basic facility, special opportunity professions, ownership, and household matters. We shall look into the classification of gender disparity at birth, growth and survival.

**Disparity at Birth:** In being born as female children and in giving birth to children, women experience grave disparity, while the infant mortality reveals that the right to be born is denied, the maternal mortality speaks of the lack of medical care and attention to women.

**Infant Mortality:** Sex ratio (females per 1000 males) is a simple but very strong index of the long-term status of women's welfare. India is one of the few countries where males significantly outnumber females, and their imbalance has increased over time. According to Census of India 2001, the sex ratio is 933.

**Maternal Mortality:** India's Maternal Mortality Rate (MMR) in rural areas is one of the highest in the world. From a global perspective, India accounts for 19 per cent of live births and 27 per cent of all maternal deaths. It is estimated that pregnancy related deaths account for one-third of them, considered preventable forever.

**Disparity at Growth:** As female children grow, they are treated differently in getting food and health care; they do not even have educational opportunity as that of their male counterparts.

**Food and Health Care:** Surviving through a normal life cycle is a resource-poor woman's greatest challenge. Gender disparities in nutrition are evident from infancy to adulthood. In fact,

gender has been the most statistically significant determinant of malnutrition among young children and malnutrition is a frequent direct or underlying cause of death among girls below age 5. Girls are breastfed less frequently and for shorter durations in infancy in children and adulthood. Males are fed first and better. A primary way that parents discriminate against their girl children is through neglect during illness. Sometimes the sick, little girls are not taken to the doctor as frequently as are their brothers.

**Education:** Education can pave way for an overall development of individuals and for the society. Female literacy is not only an end itself, but also serves as a catalyst for overall performance in other segments too.

### **Empowerment of Women**

Empowerment as a concept was first brought at the international women's conference in 1985, at Nairobi. The conference concluded that empowerment is an distribution of power and control of resources in favour of women through positive intervention.

According to the United Nations Development fund for women (UNDFW) Women empowerment in acquiring knowledge and understanding gender relations and the ways in which there

relations may be changed and developing a sense of self worth; a belief in one's ability to secure desired change and the right to control one's life.

In India, our laws, development policies, plans and programmes have been catered for women's achievements in every sphere of life. From fifth five year plan (1974-78) onwards there has been a remarkable shift in the approach to women's issues from welfare to development. The National commission for women was setup by an act of parliament in 1990. The 73<sup>rd</sup> and 74<sup>th</sup> Amendments (1993) to the constitution of India have provided for reservation of seats in the local bodies.

Empowerment can be defined as a process by which women get control over material as well as intellectual resources to design their life and achieve self reliance.

Empowerment assets women to challenge the ideology of patriarchy and the gender based discrimination. Slowly this will eliminate the women's subordination in all social institutes.

Empowerment of women broadly consists of social empowerment, economic empowerment and gender equality.

### **Social Empowerment**

Social Empowerment creates an environment in which there is easy and equal access all the basic needs and services to the women so that they realize their full potentials.

Women play different roles in the society such as mother, wife, daughter, sister etc. She is strong in her commitments, determination and above all has strong will in fulfilling the responsibilities demanded by above roles. The roles are defined differently by the different cultures. It is in fact arguable that which are valid roles and which are not. The roles have been defined in the process of socialization and male dominant society drew many social obligations on women which are questioned for their validity today. Women empowerment tries to bring the changes in these illusions.

A woman today is striving for her own personhood. She is ready to fight with system to change her social status. There is a need to convert promises given by different people on empowerment into practices. The development of the world is interlinked with the development of the women.

In ancient times, women were more or less treated as movable property and she was traded for sex services. Women were kept out of public life and imposed many restrictions on

her movements. Purdah system is still valid through and it is viewed that male has to protect the chastity of women.

Social values have been changing with times. With the industrialization and urbanization, nuclear family system is evident and women are gaining more and more freedom in terms of own self realization. It is paradoxical that the western educated woman tries to blend both the patriarchal ideal of womanhood and Hindu ideal of womanhood. She tries to liberate herself from the dependency on the husband/father and at the same time feel protected by the Hindu family values. In the process of empowerment there is a kind of internal colonization through which the culture of the dominant group is imposed on non confirming minorities in the name of higher morality. The middle class women are most affected with the double role she has to play in home and at the work. A woman is not defined any more by her biological function.

In India women think that they are very happy with their family life and do not need any change. Due to ignorance women do think that there no need for any kind of empowerment. With the alternatives given to them they used them to best of their ability and realizing what they actually lost in their lives. The change of status in the family and the change of status in public



life apart from their functions bringing the much needed empowerment slowly but strongly.

### **Economic Empowerment**

The status of women is intimately connected with their economic position, which in turn depends on opportunities for women for participating in economic activities. Women's ability to save and access to credit would give them an economic role not only within the household but, may be, outside it as well. Investment in economic activities of women would improve employment opportunities for women.

Economic empowerment essentially deals with economic independence of women in the society. With economic reliance women take proper decisions in her life. To ensure provision of training, employment and income-generation activities with both 'forward' and 'backward' linkages with the ultimate objective of making all potential women economically independent and self-reliant.

In most of the developing countries like India, women get less remuneration for the work than their counterparts. Even they have less access to education, jobs and income generating activities than men. It is perceived that women are inferior to the

men in physical strength and knowledge. So women are paid less than men for the same work done.

As per the human Development Reports of UNDP, the Human Development Index (HDI) is extremely gender sensitive. It indicates that there remarkable variation in terms of educational attainment, adult literacy rates, purchasing power, wage ratios and labour participation rates between women and men.

In developing countries women work in the fields besides household jobs, child rearing, and educating children. But unfortunately their work is either ignored or under valued. They do not get proper compensation for their work. In most of the countries women do not have property rights. In India, even though legislation provided equal property rights for women and men. Practically former deprived of their right in all the societies.

### **Gender Equality**

Gender equality proposes to eliminate all forms of gender discrimination and thus, allow women to enjoy not only the de-jury but also the de-facto rights and fundamental freedom on par with men in all spheres, viz. political, economic, social, civil, cultural etc.

Defining women's empowerment in this way has important consequences for understanding the meaning of women's equality. The approach to women's empowerment draws an important distinction between equality of opportunity, on the one hand and equity of outcomes, on the other.

Equality of opportunity means that women should have equal rights and entitlements to human, social, economic and cultural development, and an equal voice in civil and political life.

Equity of outcomes means that the exercise of these rights and entitlements leads to outcomes which are fair and just, and which enable women to have the same power as men to define the objectives of development.

Gender equality in India far from the normal and it is evident from the following facts;-

- ❑ During 2004, Indian population is 48.1 per cent women and 51.9 per cent men.
- ❑ Female illiteracy is 62 per cent whereas the male illiteracy rate is 34 per cent.
- ❑ The labour force participation rate of women is 22.7 per cent, less than the half of the men's rate of 51.6 per cent.

Many a times, it is observed that there is a strong belief all over the world that women can be of little help outside the home.

### **Women Self- help groups**

One of the powerful approaches to women empowerment and rural entrepreneurship is the formation of Self Help Groups (SHGs) especially among women. This strategy had fetched noticeable results not only in India and Bangladesh but world over. "Women self-help groups are increasingly being used as tool for various developmental interventions. Credit and its delivery through self-help groups have also been taken as a means for empowerment of rural women. This integrated approach, whereby, credit is only an entry point, and an instrument to operationalise other aspects of group dynamics and management, also caters to the need for social intermediation of these groups. A self-help group is conceived as a sustainable people's institution that provides the poor rural women with space and support necessary for them to take effective steps towards achieving greater control of their lives.

The SHG approach has proved successful not only in improving the economic conditions through income generation but in creating awareness about health and hygiene, sanitation

and cleanliness, environmental protection, importance of education and better response for development schemes.

Through organizing informal self-help groups (SHGs), rural women in India are provided credit and extension support for various production-oriented income generating activities. These activities usually include garment making, embroidery, food processing, bee keeping, basketry, gem cutting, weaving, and knitting. SHGs are self-governed, with decisions about production and marketing taken collectively, although the group leader is responsible for identifying potential marketing centers and consumers. These groups represent a new culture in rural development, breaking with traditional bureaucracy and top-down management. Informal groups empower rural women to manage rural industries and make decisions collectively for their common economic interests.

Studies on the development of informal women's groups in India, shows how it is possible to avoid the 'top-down management' and bureaucracy that often contribute to the failure of other schemes. Informal self-help groups in rural areas serve to empower women, and provide a basis for the provision of credit and other support for various production and income-generation activities. According to a survey conducted by Centre for Bharatiya Marketing Development (CBMD), the highest

number of SHGs are found in the southern states. On an average southern states constitutes 65% SHGs, eastern 13%, central 11%, northern 5% and western 6% at the national scene. Andhra Pradesh, followed by Tamilnadu, has the highest number of women SHGs working independently and setting up a micro enterprise, which helps in income generation. The benefits that can be reaped by the grouping together of poor women in rural areas are many.

### **SELF-HELP GROUPS**

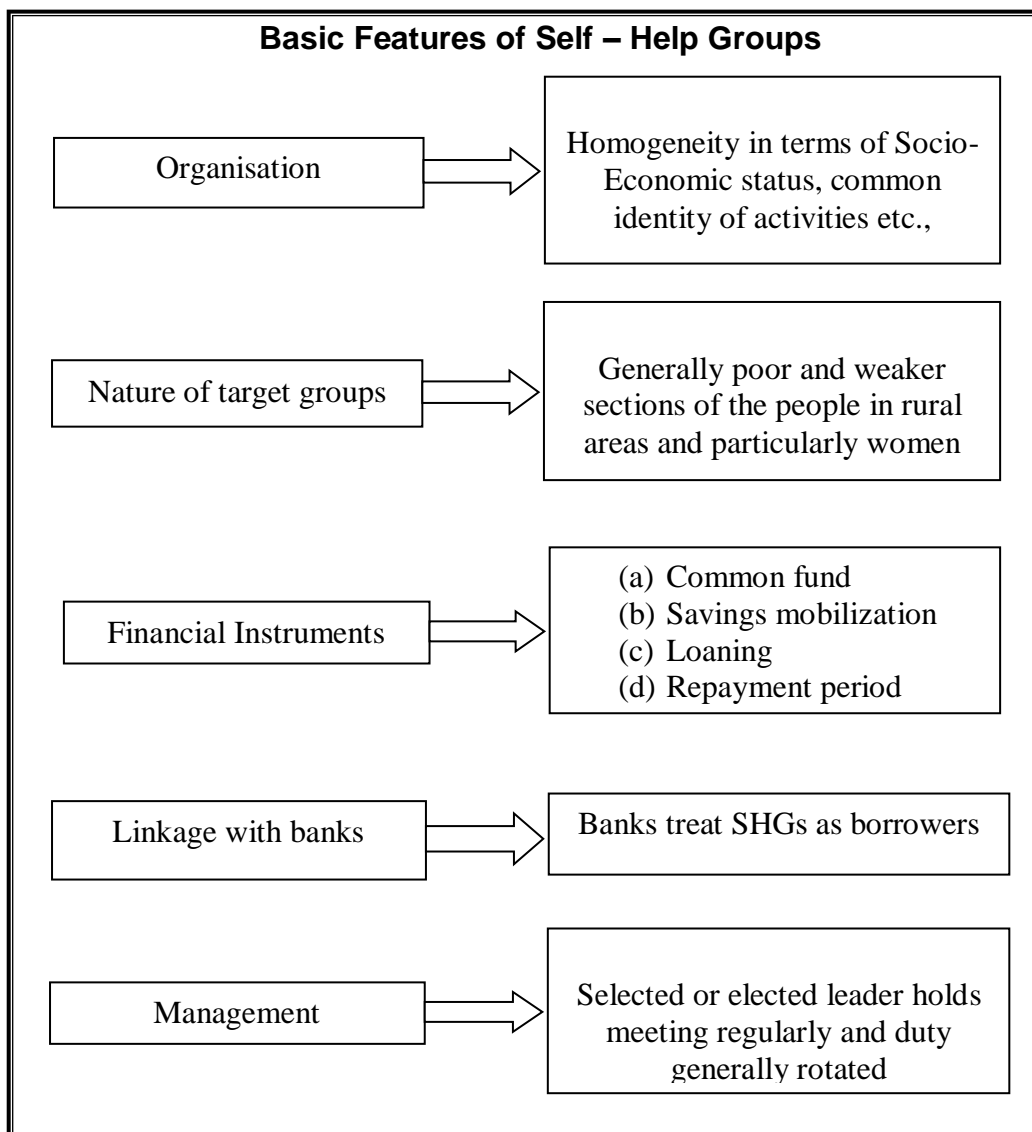
SHGs is defined as a voluntary group valuing personal interaction and mutual aid as a means of altering or ameliorating the problems perceived as alterable, pressing and personal by most of its participants.

SHGs groups are voluntary associations of people formed to attain certain collective goals that could be economic, social or both.

SHGs are small, economically homogenous and affinity groups of rural poor voluntarily formed to save and mutually agree to contribute to a common fund to be lent to its members per group decision. These groups usually formed by a Governmental or Non-Governmental organizations with

emphasis on both thrift and credit activities. The group through a consensual approach takes all financial decisions.

From the above definitions relating to SHGs the following common characteristic features can be found and summarized as follows:



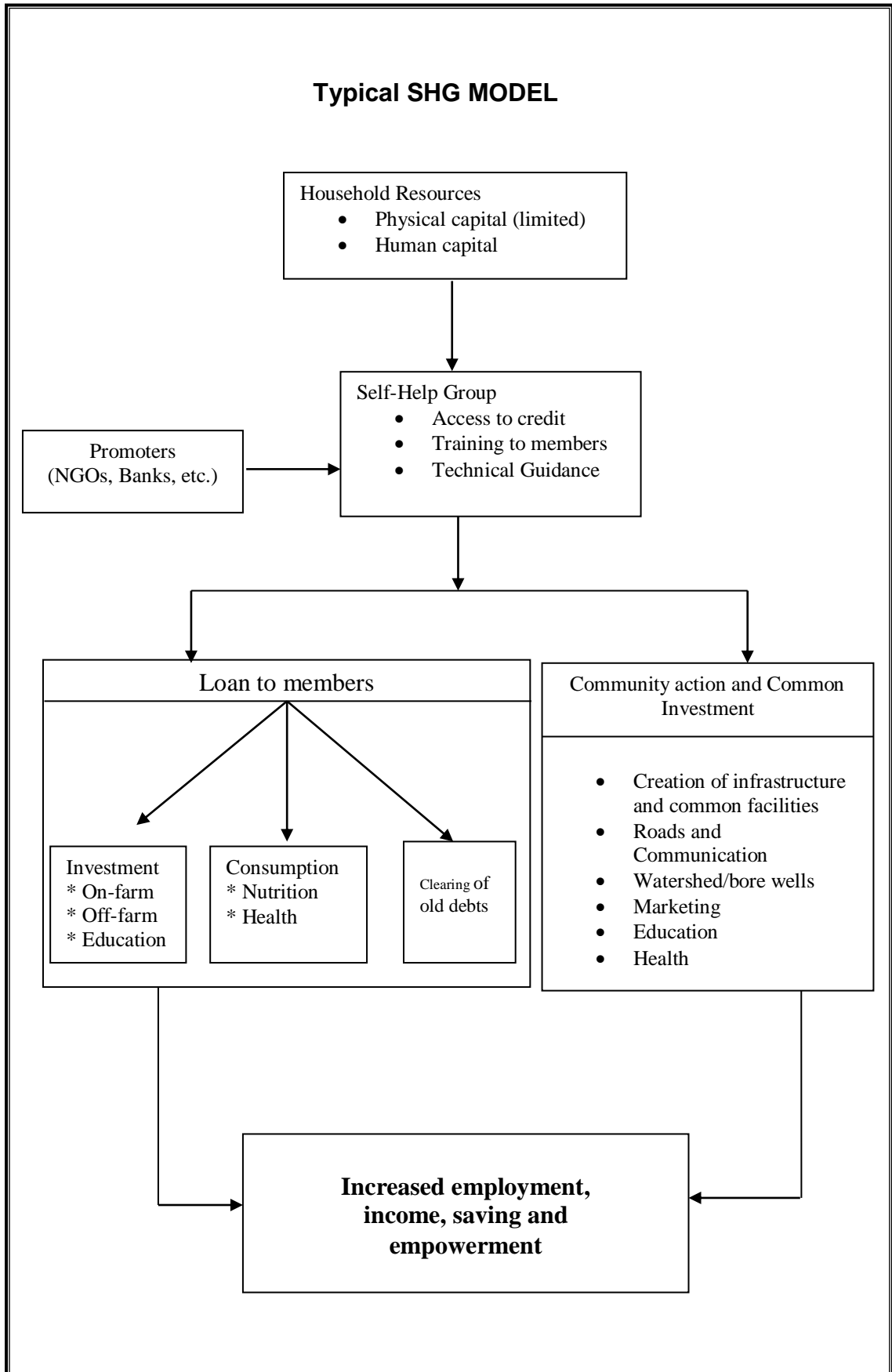
**Source** : Desai, Bhupat M and N.V. Namboodri (2001). *Organization and management of Rural Financial sector: Text, cases and Exercises*, oxford and IBI: publishing company Pvt. Ltd., New Delhi, pp 134-135.

Since the SHGs in India are informal groups, their legal status has not been defined. The initial intention was to bring together people particularly, economically weaker sections and to undertake activities of mutual interest. SHGs evolved a system for collective savings, group consumption credit, as well as integrating social and economic goals among small groups. The initial growth of SHGs has been in areas where they received support from NGOs. The NGOs supported not only in the formation of SHGs but also in identifying economic activities, imparting training and even financial support in the initial stage. The critical areas in format the groups at the beginning were their size and composition, homogeneity, group discipline, saving habits and sustainability.

### **Typical Model of SHGs**

The Typical Model of Self-Help Groups promoted by NGO and banks in various parts of the country are presented in the Figure.





## **The Effectiveness of Self-help Groups in Global context**

The emergence of self-help groups can be seen as a response to industrialization, the breakdown of the kinship system, and the decline of the community (Katz & Bender 196; Humm, 1997; Kessler et al. 1997), although alternative views see it as a reflection of an ineffective, inefficient and dehumanizing formal system of care (Gartner & Ressler, 1977). Currently, the increasing interest in providing services that are family-centered is also considered a factor contributing to the increased number of self-help groups (Rosenbaum et al., 1998). Despite the variety of explanations for the self-help phenomenon, the consensus is that there is a need for a new model to supplement and complement professional services, and that self-help groups are growing at an unprecedented speed worldwide. For example, about two per cent of Canadians belonged to self-help groups in 1987 (Gottlieb & Peters, 1991), approximately 10 per cent of Israel's population was estimated to have some type of involvement in a self-help group (Ben-Ari & Azaiza, 1995), and cancer self-help groups were found to be prevalent in major cities in China (Mok & Zhang, 2001). In the United States, self-help group participation amounted to 10 million in 1996 (Kessler et al., 1997) and it was recently noted

that more Americans try to change their health behaviors through self-help than through all other forms of professional programs combined (Davison et al., 2000). The proliferation of self-help groups in various countries can be seen as an initial indication of self-help group effectiveness, because groups will cease to exist without value.

The self-help movement is becoming a global phenomenon. In some countries, self-help groups already exist for every medical condition listed by the World Health Organization (Riessman, 2000a), and they are serving people who encounter almost very physical.

### **Self Help Groups: Path Ways To Empowerment**

Self-help groups (SHGs) play today a major role in poverty alleviation in rural India. A growing number of poor people (mostly women) in various parts of India are members of SHGs and actively engage in savings (in actual term Thrift) and credit (S/C), as well as in other activities (income generation, natural resources management, literacy, child care and nutrition, etc.). The S/C focus in the SHG is the most prominent element and offers a chance to create some control over capital. The SHG system has proven to be very relevant and effective in offering women the possibility to break gradually away from exploitation

and isolation. Almost all major donor agencies support SHGs in India in one way or another and many success stories are available, describing how membership in a SHG changed the life of a particular individual or group for the better. Many NGOs are promoting the SHG mechanism and linking it to various other development interventions. Whereas there is ample evidence that the SHG approach is a very effective, efficient and relevant tool for organizing and empowering the poor, do arise with design, development and introduction of programmes to promote income-generating activities (IGAs) that will generate sufficient, sustainable and regular income.

### **Review of Literature**

Many contemporary research studies have been conducted in the field of SHGs and women empowerment by academicians, institutions and various NGOs associated with SHGs. These studies have attempted to bring out the objectives of SHGs and the potentialities of SHGs as the catalyst for empowering rural women in association with banks, financial institutions and government agencies. The SHG-Bank Linkage programme is a landmark development in banking with the rural poor. So, the activities of SHGs are necessarily to concentrate more on economic and social empowerment of rural women.

A review of literature is the mirror of earlier studies, which enriches the researcher and helps to identify the gaps for further research. Many studies on SHGs have been conducted in different parts of India. However, the studies focusing the SHGs as the source of rural women empowerment are comparatively less. As the present study is concerned with the SHGs and rural women empowerment, an attempt is made to review the literature available so that a greater insight into the subject is obtained. Attempts have been made to review earlier researches on SHGs and the related issues of rural women. Indeed, it facilitated the selection and pursuit of this research amongst the area which has not been adequately dealt with. The review of related literature stressed the need for a study on the empowerment mechanism, which differs vastly from other erstwhile women empowerment strategies. The present research brings to limelight the effects of various kinds of women empowerment strategies employed by the SHGs of the study area.

A brief review of literature concerning the role of self help groups in women empowerment is as follows:

Mehta, Salil and Dinkar Rao (1990) in their study on working of Self Help Groups (SHGs) in Maharashtra and Gujarat found that SHGs created awareness, improved knowledge and

skills of the rural poor and assist them to take active participation in village activities. Further, these schemes helped guiding the rural poor regarding income generating activities. They opined that these schemes provided credit facilities to the local target group for establishing and developing economic activities<sup>4</sup>.

Luke (1991) in his research on the measurement of changes in a self help context says that self help groups comprise behaviour and community setting that has a life cycle<sup>5</sup>.

Quinones, Benjamin (1992) in his article states that the Self Help Groups act as financial intermediaries in providing credit facilities for women. SHGs, through micro finance make contribution in the reduction of poverty. The availability of capital through micro credit now helps rural poor women acquire assets and technology leading to higher employment, income generation and productivity enhancement<sup>6</sup>.

Manivannan (1992) in his research paper states that Self Help Groups are one of the new innovations in rural lending. He has observed that rural lending helps the people to come above the poverty line<sup>7</sup>.

Pathak (1992) gives the concept of Self Help Groups and their modes at linkages with banks. He says that the SHG

linkage with banks for micro credit take them to greater heights<sup>8</sup>.

Anita Dighe (1993) in her study on “Women, Literacy and Empowerment-An analysis of the Nellore Experience in Andhra Pradesh”, has identified the following categories of empowerment : empowerment of marginalized groups, process orient nature empowerment, holistic nature of empowerment, empowerment for dealing with strategic rather than practical gender interests, cognitive, psychological and economic components of empowerment. She also states that the empowerment for democratization and empowerment for understanding the native character of literacy influences the specific nature of empowerment, empowerment for sustainability<sup>9</sup>.

Koch Eckart (1993) in a study conducted in Indonesia has stated that the linking of banks and Self Help Groups adopt various modified strategies to empower women. The study concentrated more on banks performance and the strategies adopted by banks in Indonesia<sup>10</sup>.

Fernandez and Aloysius (1993) in their article have outlined the broad concept of Self Help Groups, which leads to total women empowerment<sup>11</sup>.

Cabmen (1993) in his research, Theories on NGOs and Self Help Organizations, has stated that SHGs must try to extend their activities and cooperation over wider areas as a process gradually covering larger parts of the under privileged segment of society<sup>12</sup>.

Aurora Sukhwinder Singh (1994) in his study on "Banking on the Poor" states that NGOs and SHGs of the poor are able to mobilized group savings to provide group guarantee, to reduce transaction costs, to achieve high repayment rate of loans. He suggests that bank can meet the credit needs of the poor by using NGOs and SHGs as financial intermediaries<sup>13</sup>.

Lalitha Shiva Kumar (1995) in her study on Self Help group formation, has stated that the small savings by SHO rural women could generate the requisite resources, which can wean the people away from the exploitation of moneylenders The voluntary savings constitutes the key for economic progress. The findings indicate that promotion of SHGs has the potential to bring women into the main stream of economic development paving the way for sustainable development<sup>14</sup>.

Chubbier and Midi (1996) in a research considered SHGs as an alternative credit delivery system. They also say that self help groups save the rural people from the clutches of



moneylenders. The Self-help Groups also reoperationalise the Development of Women and Children in Rural Areas (DWCRA) groups in the study area<sup>15</sup>.

Ajay Kumar Panda and Ashok Kumar Mishra (1996) in a research paper have made an attempt at conceptual analysis of SHGs and their implications as a development alternative. The paper depicts how, in spite of several structural weakness and bottlenecks, the SHG movement has taken a definite step towards sustainable development by pooling locally available resources<sup>16</sup>.

Ramesha (1996) in his paper on “Self Help Groups: Emerging Co-operatives” says that the marginalisation of rural poor by formal credit agencies including co-operatives have led to the formation of SHGs with the initial support from NGOs. Recognizing the self management capabilities of SHGs, RBI and NABARD have initiated steps to use them as financial intermediaries to reach the rural poor. Because of conceptual and philosophical commonalties between co-operatives and SHGs, this paper examines whether the spirit and vision of co-operative principles are seen in SHGs. The distinctiveness of SHGs lies in the fact that they are fully democratic, autonomous, and thrift based organisations, functioning in the same socio - economic and political environment. While

exhibiting the basic characteristics of co-operatives in letter and spirit, SHGs continue to be functionally effective and flexible and deserve to be better known as new wave of co-operatives<sup>17</sup>.

Dwarki, Naranaswamy and Ramesh (1996) in their study on Towards creating a participatory Self Help Credit co-operative have mentioned that despite several decades of existence, the formal credit system, including co-operatives, has not made the desired dent in the rural economy. The study identifies the replicable dimensions in the functioning of successful SHGs promoted by NGOs in Tamil Nadu in order to project the profile of a possible prototype community co-operative effort in future. The study has made a presentation of how the concept of SHG can be taken up to higher levels and broader bases<sup>18</sup>.

Suryamani Roul (1996) in her paper projects the Self-Help Groups as an alternative model for rural development. The study concentrates on the Development banking for the poor ", which appears to be popular with many NGOs. This realisation reflects the long felt need of the poor who have limited access to the formal credit system and their heavy dependence on informal systems<sup>19</sup>.

Srilatha Batiwala (1996) in her paper on Empowerment of Women in South Asia distinguishes between different

approaches. She says that those who promote women's empowerment through integral rural development Programme describe women disempowerment to their lack of education; low economic status, lack of access to resources and low decision - making power. Those who promote women's empowerment through awareness building and organizing women see women's disempowerment as stemming from a complex interplay of factors - historical, cultural, social and economic and political<sup>20</sup>.

Kumaran (1997) in his study in "An alternative to institutional credit to the poor", states that Self Help Groups have empowered the rural women effectively in Andhra Pradesh by providing micro credit. He also says that micro credit given by the banks to the Self Help groups raises the socio economic status of the rural women<sup>21</sup>.

Mayoux and Linda (1998) in their Research paper stated that the objective of SHGs is to understand the role of social mobilization and micro credit for women empowerment. There is an implicit belief that to provision of micro credit automatically means empowerment. This belief has been so internalized that policy makers and NGOs see micro credit, setting up of self help groups of women around savings and credit as the panacea of all ills. The findings of the study say that there is a positive economic impact on the needs of women. The degree of their

impact and the sustainability of the incremental benefit are analysed. The study throws light on the role of economic empowerment for overall empowerment of women borrowers and types of social mobilization strategies required for empowerment to be sustainable under differing condition<sup>22</sup>.

Mishap (1998) in his paper opines that Self Help Groups provide employment opportunities to rural youth and they educate the rural youth by training. Further, he suggests that the government must facilitate employment opportunities through SHG <sup>23</sup>.

Sakuntala Narasimha (1999) in her study on Empowering Rural Women focused that the Rural Women Development through SHG received priority for the first time during the sixth plan period. The emphasis, however, continue to be on the economic front through Programmes such as IRDP, DWDR, TRYSEM and others. IT was conceded that none of these projects has delivered the expected results in the form of overall betterment of women status in SC / ST communities. The reasons include lack of identification with the spirit of projects among the official entrusted with the implementation procedural bases and most important failure to involve the beneficiary population as participants<sup>24</sup>.

Indira Kumari, Rao and Rao (2000) in their study on “NGOs and empowerment of women - A case study of Sangamitra Service Society (SSS) in Krishna District” analyses the role of Sangamitra service society in empowering women. It studies the relationship between SHGs, Micro - Credit System and NGOs. The findings of the study states that the Sangamithra Service Society Friends of Service Society promoted more than a hundred women groups in 27 villages of Kanchikacheria block. It is in Krishna District, where most of the places are prone to flood and cyclones. Since employment opportunities are few, migration has been high. Self help groups have established their own federation and could successfully mobilize public resources. More than 90 per cent of them have reduced their dependence on money lenders for consumption. The Self Help oriented Poverty Alleviation Programme and Sangamithra Service Society (SHPAP & SSS) discussed the concept of poverty alleviation with a new perspective that is, Self Help Groups, Self help through women empowerment in a small region is certainly good. But the role of NGO has to go beyond this, which may be for large regions<sup>25</sup>.

Gupta (2000) in his research study stresses the importance of empowerment of women. He refers empowerment as a process of exposing the oppressive power of existing gender

relations. The study focuses on bringing together and learning lessons from efforts to strengthen the capabilities of women from marginalized sections towards their empowerment<sup>26</sup>.

Gurulingaiah (2000) has made a study on Role of NGO in Empowerment of Tribal women in Karnataka. An attempt is made here to study the efforts made by a NGO to empower the tribal women in rural areas of Gubbi taluk of Tumkur district of Karnataka. The findings indicate that though various measures have been taken by the Government financial institution and NGOs for the empowerment of women, a number of them are still lagging behind. He further states that in order to empower them, the NGOs should extend their sincere guidance and moral support for the overall progress of women<sup>27</sup>.

Raja Ram (2000) has made a research on participatory monitoring for Self Help Groups as a tool for sustainability. He looks at how monitoring systems may be put in place for SHGs under a women empowerment programme like the Mahalir Thittam. HE stresses the need to institutionalize the system of self monitoring by building capacity within SHGs or Federations and looks at Self or participative monitoring as a cornerstone for sustainability <sup>28</sup>.

Puhazhendhi (2000) has conducted a study to evaluate the Self Help Groups in Tamilnadu. In his study an attempt is made to review the progress of SHG Bank linkage programme in Tamil Nadu and assess the socio economic impact of the programme on the group members. The study covers 70 SHGs, promoted by for major NGOs. The findings revealed that the SHG - Bank linkage programme can be view from the angle of rural poor and banks. The group formation and its linkage with banks is expected to increase the availability of capital to the rural households, which in turn would relieve them from the clutches of money lenders and enable them to take up economic activities<sup>29</sup>.

Rebecca Robby and Durudee Sirchanya (2000) stated the importance of Indian Rural Development projects to empower women. They explain various projects. The objective of the various projects is to empower the poorest rural women through Self Help Groups, which aims at increasing control resources, developing income generating scheme, improving management and technical skills and gaining access to credit and social services. They have also mentioned that the World Bank had approved \$ 19.5 million to the Government of India for Rural women Development and Empowerment project<sup>30</sup>

Liestte Brunson (2000) has conducted a study on promoting family related Self-Help Group in rural areas of Illinois. The study has been conducted in two phases. In Phase - I, ninety-three Self-help groups serving in rural areas of Campaign and Vermilion countries were invited to participate in a need assessment survey. The surveys assessed the resources and needs of rural groups as well as the barriers faced by rural individual seeking groups. In Phase - II thirteen interviews were conducted with professionals and facilitators working with self help groups in rural areas. His findings provided information for the family service self-help centre on how to better serves rural Self Help Groups<sup>31</sup>.

Rao (2001) conducted a case study in Arunachal Pradesh. Based on the concentration of various tribes, 5 districts were selected with eight Anganwadi centres drawn from two Integrated Child Development Service (ICDS) areas from each district which were identified for detailed study. The sample includes 200 women respondents spread over five districts. It was found that vast majority of the women in the state is interested in organising SHGs. Women have opted for schemes like fishponds, vegetable cultivation, horticulture, garment shop, petty trade, weaving and breeding mithuns to be taken up through SHGs<sup>32</sup>.



Rasure (2002) in his study on Women's Empowerment through Self help groups endorses that empowerment should be externally induced, so that women can exercise a level of autonomy. There should also be self empowerment so that women can look at their own lives. The findings reveal that the genesis of SHGs could be traced to mutual aid in a form of co-operation. He has stated that the Self Help and reliance and strategies of survival as well as development of the poor<sup>33</sup>.

Dwaraknath (2002) conducted a study on Rural Credit and Women Self Help Groups of Ranga Reddy District in Andhra Pradesh. The study reveals that the Self Help Groups movement in the district had a greater vision of empowerment of rural women for overall human development. This movement developed thrift as a habit among the rural poor women and paved the way for decision making power for women in the family. It has also created greater awareness among the women groups about socio - economic political condition prevailing in and around the district<sup>34</sup>.

Appa Rao (2002) conducted a research on Role of SHG and DWCRA in Economic and Social Empowerment of women in Andhra Pradesh. This study is a modest attempt to evaluate the relative contribution of DWCRA and Self Help Groups for the development of women and children in rural areas. The objective

of the study is to analyse the socio economic characteristics of SHG and DWCRA and to evaluate the relative performance of SHG and DWCRA groups in the empowerment of women. He concludes that the percentage of women reporting empowerment and improvement in various aspects is more among those belonging to SHG as compared to DWCRA<sup>35</sup>

Narasimhulu and Annapurna (2002) made a study on women empowerment and DWCRA programme in Chittoor District. In the study, they bring out that to serve the purpose of women empowerment the Government of Andhra Pradesh has taken up the theme of women empowerment as one of the main agenda to tackle rural poverty and socio economic issues. Women have taken up self help movement through thrift and savings as a mass movement to shape their future destiny. The State Government is consciously making an effort to assess these SHGs by providing revolving fund under DWCRA. The study gives the details of DWCRA groups in Chittoor District. The problems of DWCRA members have been found out and suggestions have been by the researcher<sup>36</sup>.

Lalitha and Nagarajan (2002) have carried out the research on - Self Help Groups in Rural Development in three districts of Tamil Nadu namely Dindigul, Madurai and Theni. The study highlights the progress of SHGs in India with special

reference to Tamil Nadu. It also examines the structure, typology and mode of functioning of SHGs promoted by different NGOs. The study analyses the socio economic background and performance of Self Help Groups. This study provides sample evidence to the fact that the organization of women in the form of SHGs has laid the seeds for economic and social empowerment of women<sup>37</sup>.

Lakshmanasamy (2002) in his paper “A test for the economic empowerment of women”, tests whether women have economic empowerment within the household over economic resources and decision making process. He follows the recent literature on the collective models of household decision, in which women control over economic resources within household is measured in terms of independent non labour income of women<sup>38</sup>

Malcolm Harper (2002) made a study on Role of (Self Help Promotion Institutions) SHPIs in the promotion of SHGs. The objective of this study was to examine and compare the different ways in which Self Help Promotion Institutions (SHPIs) promote SHGs in order to enhance the efficiency and quality of the SHG promotion process. The following are the major findings in brief. The banks, particularly co-operatives are linked in the medium term to be the main SHPIs. They should support and eventually

be replaced by SHG members own initiatives. The SHPI roles of SHG federation and of non volunteer individuals should be examined. Incentive Schemes for NGOs and to individuals should be redesigned and tested in order to cover the full costs of the SHPI. Training should include hands on SHG record keeping, SHG promotion for lower grade bank staff and improved understanding of the importance of access vs. the cost of finance. The management of the schemes to encourage SHG promotion should be experimentally delegated to banks, in order to avoid the problems caused by NABARDs within district representation and to take full advantage of banks greater field coverage<sup>39</sup>.

Puhazhendi, Badatya and Officer of NABARD (2002) conducted a study on SHG - Bank Linkage Programme for Rural poor an impact assessment. The study is based on primary details collected from 115 members in 60 SHGs. The socio economic conditions of the members were compared between pre and post SHG situation to quantify the impact. The study findings concluded that SHG - Bank Linkage programmes has made significant contribution to social and economic improvement of the member households of SHGs<sup>40</sup>.

Mahindra (2002) focused that the approach towards women empowerment should be Self Help. Others may help the

women to help themselves. Membership in a group gives them a feeling of protection and by which they get the benefit of collective perception, collective decision making and collective implementation of programmes for common benefits. Economic independence becomes a route for improved power base and greater resourcefulness. Once established, the status of women rises and there is an increased say in decision making. Women should be helped to get into more economic activities through Self Help Groups. NGOs play a very significant role and rural women should be encouraged and supported to participate in SHGs<sup>41</sup>.

Kimberley Wilson and Marc D'silva (2002) studied the role of SHGs in preventing Rural Emergencies, throughout India. Flood, Cyclone, Drought, Earthquake and landslide threaten the survival of rural households. Natural disasters quickly turn into emergencies for poor families because of their extreme physical and socio economic vulnerability. Traditionally, conventional response by the relief service providers - government institutions, donors and local NGO's - focus on responding to an emergency as it happens. Shortcomings of this approach are a disaster becomes an emergency, responses often exclude women priorities, local markets become depressed, logistics are uncoordinated and responses do not leverage local resources.

The findings of the review revealed reduction in costs of relief effort using SHGs. Besides reduction in relief cost, there was improvement in socio economic results <sup>42</sup>.

Ramalakshmi (2002) made a study on DWCRA - A successful Experiment to Emancipate Rural women in Andhra Pradesh. She has outlined in detail the aims and objectives of DWCRA groups and their present status in the state. She has spelt out the common features of group dynamics and the content of the training to the women before and during the group formation. She has quoted many possible income generation activities pursued by women SHGs. She concluded her study saying that DWCRA has become a powerful tool in bringing women together to help them to emancipate the once mute sufferers in silence to march forward towards collective community progress <sup>43</sup>.

Shanmugam (2002) conducted a study on NABARD's Initiatives in Women Empowerment. In his study he has covered aspects like NABARD's experience in women development, NABARD exclusive schemes for women. Women Self Help Groups, highlights of SHG linkage and strategy for gender equality by institution agencies. The researcher finally concludes that NABARD is also seized of the need for transition of the SHG members as micro entrepreneurs with gainful employment

opportunities for sustainable income generation. Empowerment of women will be truly meaningful if their economic upliftment is also ensured side by side to enable the poor women lead a decent, prosperous and respectful life<sup>44</sup>.

Rama Rae and Kurmacharyulu (2002) made a case study in Vizianagaram district on the topic of women empowerment through DWCRA. The main objective of the study is to examine the composition and working of DWCRA SHGs in poor economic setting and to examine and measure the impact of DWCRA scheme on different aspects of the life styles of the poor. Rapid programme Appraisal Research Methodology is adopted. The study focuses on socio - economic characteristics of the group members, and how for the formation of SHGs and the training imparted to them helps in transmitting people from poverty to prosperity. The findings focus on the success of the DWCRA scheme in Vizianagaram district <sup>45</sup>.

Sujit Kumar Dutta and Dilip Kumar Ghosh (2002) made a study on Women Empowerment through literacy in Birbhum District in West Bengal. The study mainly concentrates on Integrated Rural Development programme, a major strategy for poverty alleviation in rural India. From the findings of the study it becomes clear that literacy is indispensable for reaping the

benefits of programme, which is meant to meet the need of the poor<sup>46</sup>.

Malathi (2003) in her research on impact of Women Self Help groups reveals the status of Women SHGs in rural, urban and tribal area of Tiruchirampapalli district. The study reveals some type of attitudinal changes in the families. Through SHGs the women realize their strength. They are aware of the importance of savings, the scope of credit in income generating activities. SHGs have brought to participation in decision making. The study gives hope that women can emerge well and improve their social and economic status<sup>47</sup>.

Treaty (2004) in his article of Self Help Groups - A Catalyst for Rural Development, brings out that the SHGs formed and developed under various programmes and they provide a upgrade opportunity for the convergence of various programme / activities of various ministries and organizations. The Groups while aiming at promotion of savings and credit should work as pressure groups to address social issues such as education, health, lack of access to natural resource etc. Necessary training could be provide do the SHG members to create awareness on community health, traditional and modern agricultural practices, micro - credit, veterinary practices, water



resource management, Panchayat Raj and other relevant issues that may be applicable to the area concerned <sup>48</sup>.

Rahman Atitur carried out a study on “*Rural Development form Below : Lessons Learned from Grameen Bank Experience in Bangladesh*” in 1996. It discusses the success of the Grameen Bank, an innovative rural banking programme, in promoting rural development in Bangladesh, particularly through poverty alleviation. The analysis draws on primary data collected in a 1990 village survey conducted in Rangpur district, involving interviews with all members (N=49) of the Gangachara branch of Grameen Bank, supplemented by data from 51 households in the adjacent villages. The organizational and management strategies of the Grameen Bank are identified, noting how it differs from other grassroots organizations initiated by the government. The bank’s socio-economic impact is assessed, and its applicability in other societies considered.<sup>49</sup>

Paoletti Isabella, carried out a study on “*Caring for Older People: A Gendered Practice*” in 1998. Describes some instances of the moral and relational universe in which caring practices are embedded, drawing on data from *The Role of Women in the Family Care of the Elderly* (INRCA, Ancona, Italy), an action project that interviewed women caregivers in Ferrara and involved them in various initiatives, eg., self-help groups. The

data were inspected, in particular, for the material and moral reasons that produce dependency of the family caregivers on the cared for. In fact, if an objective dependency of the cared for exists, in many cases, caregivers' life revolves around the cared for, even when alternative solutions are feasible. Caregivers often complain of severe psychological and physical health problems.<sup>50</sup>

Titus Mathew studied, "*Developing Financial Services for the Urban Poor : the Sharan Experience*" in 1997. Early difficulties in non-governmental organizations' mobilizing, promoting, and operating of self-help groups that provide financial services are, in fact, resources for skills, methods and insights intrinsic to both working with communities of the poor and providing financial services. Transforming the experience into a systematic training process for newer entrants into the arena is an important constituent of attempting to reduce learning time and costs. Here, some of the issues experienced by Sharan, a non-governmental organization based in Delhi, India, in developing community-based financial services for the urban poor are discussed, drawing on field notes.<sup>51</sup>

Bhole, L.M., Bhavani R.V., understood a research on "Restructuring Rural Credit System : Issues and Alternatives" in 1995. Problems of the Indian rural credit system and its

reforms are reviewed and criteria and organizing principles for a decentralized rural credit system (DRCS) are formulated. A DRCS would comprise thousands of cooperative or commercial unit banks, primary agricultural credit societies, informal credit markets and local self-help groups. Models of self-help groups, interest rate policies and relationships of existing financial institutions and non-governmental organizations are discussed. While reconstructing the formal centralized credit system will be difficult, a DRCS is possible with national consensus and a slow, persistent, and determined approach.<sup>52</sup>

Jalali, Rita made a study on “The Grass-Roots Women’s Movement in India”, in 1990. The last decade has seen the emergence of a grass-roots women’s movement in many parts of the developing world. In India, eg., self-help women’s groups have been formed by milk producers, street vendors, and agricultural labourers. Urban women have mobilized to secure forest rights and protest scarcity of water and fuel. Here, evidence from recent Indian studies is used to examine the emergence of women’s organizations in traditional, patriarchal societies; the major issues that concern women’s organizations in developing countries; how these organizations differ from their counterparts in developing countries; how these

organizations differ from their counterparts in the West; and the impact of feminist ideology on such organizations.<sup>53</sup>

*“Micro Finance through Self-Help Groups and Its Impact : A Case of Rashtriya Gramin Vikas Nidhi – Credit and Saving Programme in Assam”* was conducted by **Saundarjay Borbora and Ratul Mahanta** in 1995 as a pilot project. The study tries to evaluate the RGVN’s Credit and Saving Programme (CSP) in Assam over the years. The specific objectives of the study are to examine the role of micro-credit in the generation of income of the poor, to assess the role of SHGs in promoting the saving habits among the poor and the contribution of the programme in social and economic empowerment of the poor in general and of women in particular. The analysis of survey data revealed that 80 per cent of the members in the selected SHGs were from poor families. The members of the groups were women who were engaged in gainful economic activity. Of the 45 members selected for study, only 7 had saving bank account with the post office or bank joining SHG. The programme has succeeded in inculcating the habit of saving among the members. As many as 57.8 per cent of the members could save Rs.200 to Rs.500 and 42.2 per cent saved Rs.501 to Rs.1,000 each. It also helped them to free themselves from the clutches of non-formal sources of credit. Forty-three of the sample beneficiaries could expand

their income generating activities. The SHGs have helped to set up a number of micro enterprises for income generation. The CSP is found to be successful as its focus is exclusively on the rural poor, it adopted a credit delivery system designed specially for them with the support for a specially trained staff and a supportive policy with no political intervention at any stage in the implementation of the programme.<sup>54</sup>

“Economic and Social Empowerment of Rural Poor through Self-Help Groups” studied by V. Puhazhendhi and K.J.S. Satyasai is quite relevant because the study attempted to evaluate the performance of Self-Help Groups (SHGs) with special reference to social and economic empowerment. Primary data collected with the help of a structured questionnaire from 560 sample households in 223 SHGs functioning in 11 states representing four different regions across the country formed the basis for the study. For assessing the impact of the programme, a comparison of pre-SHG (before) and post SHG (after) situations was followed in this study. The reference year of the study was 1999-2000. With a view to quantify the economic and social empowerment of SHG members, Economic and Social Empowerment (ESE) index was computed for each household combining the social and economic parameters using the scoring technique. The empirical findings of the study revealed that the

SHG as institutional arrangement could positively contribute to the economic and social empowerment of rural poor and the impact on the latter was more pronounced than in the former. Though there was no specific pattern in the performance of SHGs among different regions, the southern region had an edge over other regions. Confirming to this situation, the SHG programme has been found more popular in the southern region and its progress in other regions is quite slow, thus there is an uneven achievement among the regions. Older groups had relatively more positive features indicating their better performance than younger groups thus confirming the stability of the SHGs at the ground level. The involvement in the group significantly contributed to improving the self-confidence of the members. The feeling of self-worth and communication with others improved after association with the SHGs. Further the model where NGOs acted as non-financial intermediary could perform better than the other models. Hence, efforts must be made to encourage the NGOs in different regions and motivate them to actively participate in this programme. An effective networking of NGOs would be a step forward in this regard. An efficient rating system of NGOs must be developed that would help in eliminating the ineffective NGOs in this system.<sup>55</sup>

Kamal Vatta and Parminder Singh studied “The Performance of Self-Help Groups in Punjab : A study of Hoshiarpur District (2000). It is revealed that about 83 per cent of BPL groups were eligible to get bank loan but only 5 per cent of them could get it. This problem was also faced by the APL groups. The provision of even very little credit helps the rural poor to improve their income levels as illustrated by the case study of an APL SHG which availed of bank loan. Undue delays in the sanctioning of loans need to be eliminated to achieve the objective of economic upliftment of the poor. An extensive awareness campaign is needed to convince the bankers that the poor are bankable and advancing credit to them is more profitable and secure in terms of recovery. The undue delay in the advancement of loan raises apprehensions among the group members regarding the benefits of group formation, which needs to be checked.<sup>56</sup>

“Nature and Performance of Informal Self-Help Groups – A Case from Tamil Nadu” by M. Manimekalai and G. Rajeswari (2000) was to study the socio-economic background of SHG women in rural micro-enterprises, to examine the factors which have motivated the women to become SHG members and eventually as entrepreneurs, analyse the nature of economic activities and the performance in terms of growth indicators

such as investment turnover, employment, capacity utilization, sources of finance and supplementary finance, marketing and other related aspects and identify the problems faced by SHG women in running the enterprises and suggested policy measures. The study found that women SHGs earned the highest profit from agriculture, followed by trade related activities and catering service. A majority of the sample units did not market their products outside the district but sold their products directly to the consumers. The income of the SHG women almost doubled after taking up micro enterprises. The study reported a significant difference between the mean performance of entrepreneurs based on their age, community, education and previous experience. Among these the majority of the respondents faced serious problems, in addition to non-availability of raw material, lack of infrastructure facilities including marketing, lack of support from family members in running the enterprises, etc. the provision of microfinance by the NGO to women SHGs has helped the groups to achieve a measure of economic and social empowerment. It has developed a sense of leadership, organizational skill, management of various activities of a business, right from acquiring finance, identifying raw material, market and suitable diversification and modernization.<sup>57</sup>



Working of Self-Help Group with Particular Reference to Mallipalayam Self-Help Group, Gobichettipalayam Block, Erode District, Tamil Nadu (2000), made by S. Lakshmanan is interesting as, it reveals that the members are engaged in the making of mats which are of high quality. Husbands of the women members support them in the proper functioning of the group. In fact they support women entrepreneurship in the rural areas. However, one of the problems faced by the group is the procurement of raw material for making the mats, besides its high cost. The study reveals that this type of SHG is really a boon in the rural areas, which gives financial autonomy to the rural women and make them economically independent.<sup>58</sup>

Women Self-Help Groups Affiliated to “Chaitanya” : A case study in Pune District, conducted by S.N> Tilekar, N.J. Naikade, B.J. Deshmukh and A.A. Patil (1999) had two hypotheses, first, role of non-governmental organizations (NGOs) in mobilizing savings and in disbursing credit in the rural areas is well known. Second many of them have done commendable work in the rural areas compared to other formal institutions. It reveals that the loans are sanctioned especially for all types of farm works, for education purpose, towards meeting the medical expenses, for carryng out the social functions, purchase of livestock and even for non-productive works.<sup>59</sup>

M.A. Anjugam and T. Alagumani studied the “Impact of Micro Finance through Self-Help Groups – A Case Study” (2000). The study revealed that the SHG helped them to use the loan properly and repayment was 100 per cent. It has increased the awareness of members for girls’ education, improved outside contact and decision making skill. This case study has clearly indicated that if the group formation is correct, then definitely there will be a positive impact on all aspects.<sup>60</sup>

M. S. Kallur, “Empowerment of Women through NGOs : A Case study of MYRADA Self-Help Groups of Chincholi Project, Gulbarga District, Karnataka State (20002) indicated that, women in India are not only poor but also are victims of a multiple socio-economic and cultural factors. Formal arrangements made through banks and cooperative institutions have failed to provide resources to them and this has prompted the non-governmental organizations (NGOs) to organize women Self-Help Groups (SHGs) to provide them credit and to encourage thrift habit among them. Finally it found that the group approach has brought to the surface many operative latent traditional values like group support thrift, group action and sustainability of women SHGs.<sup>61</sup>

R. Das, R.N. Barman and P.K. Baruah in their study of “Performance of Self-Help Groups (SHG) flourished in the

nineties at a time when formation of the non-governmental organizations has become a trend with the objective of improving the socio-economic conditions of both the urban and the rural poor.<sup>62</sup>

T.S. Raghavendra, in his study on “Three Groups in Shimoga District Performance Evaluation of Self-Help Groups” (2000), found a significant change in the participation of group member in diversifying income generating economic activities in rural areas. Though the credit needs of members are not effectively met, the study suggests that the programme is financially sustainable. Further, the resource constraint is a major detrimental factor to expand economic activities by these two groups. The level of education of the groups is another factor obstructing structural in alleviating poverty and promoting income generating activities in the rural areas. It also reduced transaction cost of lending to the rural poor and emphasized the predominance and effectiveness of group approach in rural credit delivery system. The case study clearly shows that there is a greater potential for SHGs in implementing various programmes for the rural poor in future.<sup>63</sup>

Self-Help Groups in Karnataka – Trends and Implications’ by S.B. Hosamani, S.R. Balappa and S.N. Megeri (2000), in their study found that the success story of “Srinidhi Women Self-Help

Group” in Dharwad (Karnataka) showed an encouraging trend. On an average, over the years, the group has been able to earn a rate of return of 21 per cent per annum on their savings. The women members expressed that there has been an overall increase in the purchasing power and petty business income, besides their own empowerment.<sup>64</sup>

T. Ponnarasi and M.P. Saravanan in their Comparative Study on ‘Performance of Self Help Groups, in a case study of Agaranallur Village in Cuddalore District, Tamil Nadu (2000) asserts that, all the five SHGs in the village have actively involved themselves in various developmental activities that have greatly influenced the socio-economic well-being of the villagers.<sup>65</sup>

Working and Impact of Self-Help Groups in Goa by Rekha R. Gaonkar (2000) highlights that individual loans are mostly used for productive purposes. The rate of recovery is cent per cent. Monthly interest rate charged on individual loans is high, varying from 2 to 3 per cent. The group take decision only after free and frank discussion and all the groups maintain the records such as membership register, minutes book, cash book, savings ledger and the loan ledger. Thus the SHGs have made a lasting impact ton the lives of the poor, particularly women, whose quality of life in terms of increase in the family income,

increase in savings, increase in consumption expenditure, gaining self-confidence, productive use of free time, getting opportunity to improve the hidden talent and gaining greater importance in the family. It also opined that the movement of SHGs can significantly contribute towards the reduction of poverty and unemployment in the rural significantly contribute towards the reduction of poverty and unemployment in the rural sector of the economy. The SHGs can lead to social transformation in terms of economic development and social change.<sup>66</sup>

'Performance and Impact of Self-Help Groups in Tamil Nadu' by S. Nedumaran, K. Palanisami and L.P. Swaminathan (2000) carried out with the objectives of examining empirically the performance of self-help groups (SHGs) linked with bank and to assess the performance and socio-economic impact of SHG on the members. The study on SHGs was undertaken in two districts of Tamil Nadu, namely, Erode and Tiruchirapalli covering 30 SHGs from two NGOs (viz., MYRADA and LEAD) and 150 members from the selected SHGs. Further, the study indicated that social condition of the members considerably improved after joining the group activities. Promotion of SHGs in the rural areas, training to members and involvement of local

NGOs in building the SHGs are recommended for the overall improvement of the households.<sup>67</sup>

V.K. Singh, R.K. Khatkar and S.K. Kharinta's "A study on the Working and Impact of Rural Self-Help Groups in Hisar District of Haryana" (2000). The working and impact of rural self-help groups of the seven SHGs operating in the three villages of Hisar district in Haryana State, it was observed that micro financing through SHGs is a better system for inculcating the habit of self-help among the rural poor. The beneficiaries are involved in every aspect of financing from the very beginning.<sup>68</sup>

"Socio-Economic Evaluation of Self-Help Groups in Solan District of Himachal Pradesh : Impact, Issues and Policy Implications" (2000) carried out by Prem Singh Dahiya, N.K. Pandey and Abshuman Karol, To trace a socio-economic evaluation of the working of self-help groups (SHG) in Solan District of Himachal Pradesh in terms of their impact, issues and policy implications. Thus the study found that the social impact was deep in empowering women folk, educational development of children and emancipation from social evils like drunkenness by male household members.<sup>69</sup>

## **Objectives of the Study**

At the fore set, an attempt is made in this study to asses the level of empowerment of woman has taken place in the recent part through a bird's eye view of the problems faced by members of SHGs in Andhra Pradesh in general, and in Warangal District in particular. Also an attempt has been made to suggest the measures to be taken to achieve goals of SHGs through of rural women in Warangal District.

- i) To review the existing research studies on SHGs and empowerment of women and identify the scope for further studies.
- ii) To analysis the problems faced by SHGs in Andhra Pradesh in general and in the district of Warangal in particular
- iii) To examine the samples collected with reference to patterns, profiles and characteristics of SHGs, selected from Warangal District.
- iv) To examine the growth and development of SHGs in India, Andhra Pradesh and Warangal District.
- v) To analyse the performance of SHGs and their role in empowerment of rural women.
- vi) To present the findings of analysis and suggest measures to improve the performance of SHGs.

## **Hypothesis Of The Study**

The hypothesis of the study are formulated as follows :

- i) The success of trade and economic status of women are directly proportional.
- ii) The decision making power of women is positively effected by the success of trade.
- iii) Higher the success of scheme, Higher will be social political participation of women.
- iv) The economic empowerment of women is being increased.

## **Methodology**

Warangal district is one of the major districts in Telangana region in Andhra Pradesh covering area of 12846 Sq Kms and lies approximately between 17°19' and 18°13' of north latitude and 78°49' and 80°13' of east longitude with a population of 32.32 lakhs according to 2001 census. For administrative convenience the district has been divided into 4 revenue divisions and 51 mandals. The main stay of the population is agriculture. The major crops are paddy, cotton, chilly etc. In the district most of the farmers are small and marginal farmers.

## **Sample Design**



For the purpose of study five mandals namely Hanamkonda, Janagoan, Narsampet, Mahabubabad and Eturnagaram have been selected from different revenue divisions which represent differential development with respect to economic social development, literacy rates and superstition level.

A total 500 members have been selected from 50 SHGs at the rate of 10 SHGs from each mandal for the sample.

A care has been taken, while selecting the SHGs to include different levels of entrepreneurship, different levels of literacy and different economic, social and cultural backgrounds.

### **Sources of Data**

The present study based on both the primary and secondary data. The primary data is collected through questionnaire for respondents of personal discussions with official of different development training centers agencies like Velugu, DRDA, NABARD, Bala Vikasa.

### **Scope of Study**

Empirical analysis pertaining to SHGs – empowerment of rural women in Warangal District has been presented in respect of growth of development of SHGs in Warangal District.

The scope is limited to Warangal District only.

### **Techniques of Data Analysis**

In the analysis of data, statistical methods like mean, chi-square tests , test of hypothesis have been computed.

Also electronic data packages like MS excel, MS Word have been used with the help of there packages descriptive statistics like tabular, percentage have been computed.

### **Time span of the study**

The questionnaire were administered during the months of March to May, 2008 and October and November 2009. The groups were chosen to administer the questionnaire only after the completion of three years of period.

### **Chapterization**

First Chapter deals with Introduction, Review of related literature and Methodology.

Second Chapter examine the concept, organization and management of Self Heal Groups.

Third Chapter deals with growth and development of Self Help Groups in India and Andhra Pradesh.

Fourth Chapter examine Women Empowerment through Self Help Groups in Warangal District.

Fifth Chapter analyze the Socio-Economic Background of the Sample Study.

Sixth and Last chapter summarize the Findings of the Study and offers suggestions to overcome these problems in general and empowering women of SHG in particular for further policy framework of concern authorites.

**Limitations of the Study:**

- 1) The present study has certain limitations which must be reckoned with for the purpose of the specificity and the limited nature of the research undertaken though the concept of SHG came into effect from 1999. But prior to this it was an integral part of AWACRA Groups. Later on these emerged as Self Help Groups. Hence, in the study DWACRA groups were taken into consideration for analysis for over a period of time.
- 2) The study employed only percentage average and mean analysis. This is also to be seen in view of the purposes

of the study. There is no scope for the use of other types of statistics. Since the study intends to deal with implications of public policy.

- 3) An attempt could have also been made to assess the impact of assistance given to individuals under this scheme and Self Help Groups of men. This has not been attempted since the study is concentrated on women groups.
- 4) The study was undertaken only in a few mandals. The findings naturally have relative validity. The researcher has chosen to deal with a few variables. However it encompasses innumerable variables, which the researcher considered to be significant for the study. In judging what the significant variables are the researcher may have been some what arbitrary.
- 5) The researcher was besets with time and special constraints due to his full time employment, the data might not be all exhaustive, which ideally required for this kind of study.

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## **CHAPTER-II**

# **ORGANISATION AND MANAGEMENT OF SELF HELP GROUPS**

### **Self Help Groups**

Self Help Groups (SHGs) are small, economically homogenous and affinity Groups of rural poor, consisting of 10-20 members, voluntarily formed to Cultivate saving habits and mutually agree to contribute to a common fund to be lent to its members as per group decision. These groups are usually formed by Government or Non-Governmental organisations with emphasis on both thrift and credit activities. All financial decisions are taken by the groups through a on sensual approach.

In rural areas, people who are poor, having low income levels and lower savings capacity, borrow from money lenders for meeting their consumption needs and other pressing

obligations at abnormally high interest rates. In order to facilitate credit facilities among themselves, a group of people form Self Help Group (SHG). In other words, a typical Self Help Group would comprise like minded individuals who regularly save small amounts of money and contribute to a common fund. The thrift amounts are pooled during group meetings and given out as loans to members for consumption, production or investment purposes based on the priorities decided by the group. The loans are need based and provided in time. The group members take collective decision on all matters keeping in view the welfare and propriety of the members. To facilitate groups' processes and ensure transparency of operations, group meetings are regularly convened at a predetermined place, date and time.

More often, lending decisions like purpose, size, interest rate and repayment period for loans are decided case by case, paramount consideration being given to needs and aspirations of individual borrowing members. Therefore, these groups play a role more than that of a middle man or money lender. The procedures for sanction of loan adopted by the groups are very simple and the loans are provided on the basis of mutual trust among the members. Since it is members' thrift that is given out as loans to some members at each meeting depending upon the

priorities set by the group, members exercise close supervision on utilisation of loans. Similarly, peer or moral pressure is exerted on members to continue savings to provide every member an equal opportunity to avail loans.

Likewise, prompt on-time repayments of loans are also insisted upon by remaining members in their anxiety to avail loans of higher orders. As a result, at any given point of time all members in Self-Help Group may not be borrowers, even if all of them are borrowers, their loans outstanding would not be equal. Several interesting features have been observed in the financial dynamics of groups where there is evidence in qualitative shift in loans portfolio in favour of productive purposes as against consumption loans availed earlier. So is the case with the size of the loan.

Through equitable distribution of pecuniary benefits to the members of SHGs are ensured, such benefits are not based on any entitlement mechanism but rate determined by the absorption capacity and managerial ability as perceived by the group. As a corollary, all policy decisions related to fund mobilization and management are with SHGs, unlike in other formations where the lending decisions and credit entitlements are prejudiced by promotional agencies. SHG formation necessitates an all-encompassing environment for conscious

leadership development, decentralized decision making, transparency in transactions, peer pressure for sustainable group action and enterprise development among rural poor. The flammability of credit and saving cycles in SHGs consolidates group behaviour while enhancing the capacity of individual members to manage scarce financial resources.

It must be understood that the concept of self-help and mutual help is not alien to other formations but that it has only been relegated to the background. There is a definite scope to synthesize group based thriftier and credit programmes with the SHG concept. To achieve this, special efforts are required to harmonise the group dynamics by providing for homogenised in the membership, rotation of leadership, transparency in decision making and fungicidal of savings and credit cycles in the said groups. Here it must also be emphasized that such groups should be given complete autonomy with regard to fund management, credit discipline, preordination and allocation of resources, etc. Any external assistance to the groups must be accessed by a group of individuals and not individuals - in - group mode. As a prelude to synthesizing efforts, there is a need to prepare the groups to handle managerial responsibilities besides sensitizing all functionaries concerned on concepts of SHGs. In essence, strength of SHG concept lies in its democratic

character, decentralised decision making, and financial discipline coupled with sound systems and procedures, lending transparency to all its transactions.

### **Objectives of Self Help Groups:**

- 1) Empower women with financial, technical and moral strengths
- 2) Inculcate saving and banking habits among the poor
- 3) Make the loans available for productive purposes to the members.
- 4) Gain from collective wisdom in the financial matters in organising and managing their own finance and distributing the benefits among themselves.

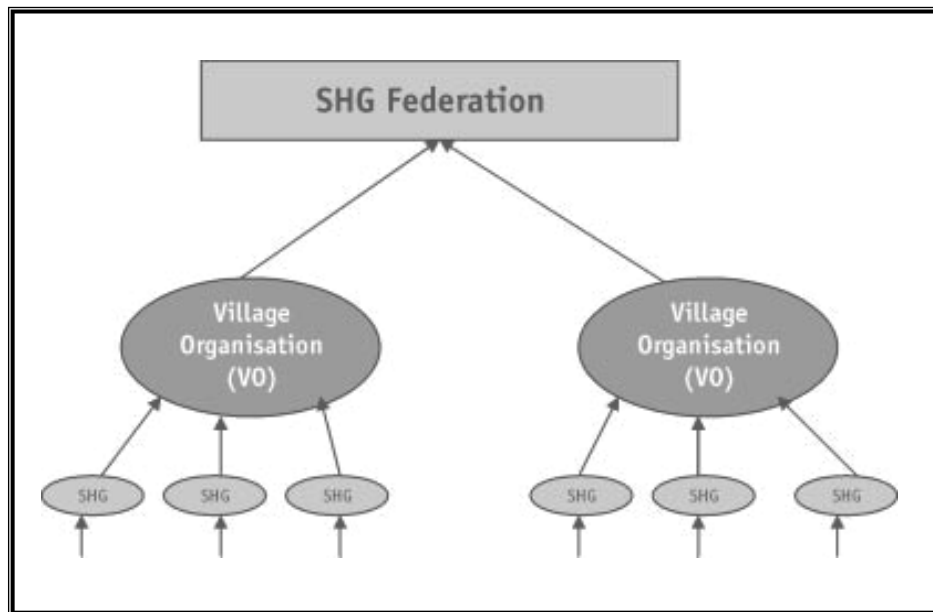
### **Structure of SHG**

A SHG is a group of about 10 to 20 people, usually women, from a similar class and region, who come together to form savings and credit organization. They pooled financial resources to make small interest bearing loans to their members. This process creates an ethic that focuses on savings first. The setting of terms and conditions and accounting of the loan are done in the group by designated members.

### **SHG Federation**

SHG Federations have presented some key benefits to SHGs as a result of their greater scale. Increasingly, SHG

Federations are being seen as a key interface with the SHG movement because of their formal registration under the MACS and recognition from bankers. But, in addition to the benefits of SHG Federations, there are some drawbacks, or constraints, that should be noted.



Members

An SHG Federation is a formal group of informal common-interest groups. As a result of its rather informal members, there are internal constraints that it faces. Namely, it has a poor capacity for self-governance, average to low quality managers and systems and process are poorly defined. Further, there is significant financial cost to organizing and registering a SHG Federation which has been estimated to be about Rs 7,000 per SHG member. To bridge these internal constraints requires savvy external assistance and there are few good quality NGOs

to provide this assistance to a burgeoning number of SHG Federations.

### **SHG Bank Linkage**

A most notable milestone in the SHG movement was when NABARD launched the pilot phase of the SHG Bank Linkage programme in February 1992. This was the first instance of mature SHGs that were directly financed by a commercial bank. The informal thrift and credit groups of poor were recognised as bankable clients. Soon after, the RBI advised commercial banks to consider lending to SHGs as part of their rural credit operations thus creating SHG Bank Linkage.

### **Factors Affecting SHG Development**

#### **Membership**

Self Help Groups (SHGs) are basically formed by rural poor people. It is important that people from poor households are made aware and made to recognize the significance of collective efforts in solving problems that seem impossible with individual efforts, by voluntarily deciding to put their efforts together to help increase their access to financial service, economic services like technology, training in skill and enterprise management, material support & marketing facilities,



etc., besides a host of other social services. Individuals with similar objectives come together to form SHGs

### **Homogenized factor**

Group dynamics play important role in the group formation. The greater the extent to which individuals share activities, the more they will interact and the higher the probability that they will form a group. Interaction enables people to discover common interests, likes and dislikes, attitudes, or sentiments. There are other important factors which encourage homogenous group formation.

### **Gender**

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

### **Neighborhood**

People who live in the same neighbourhood are likely to form stronger groups than people than people who live in different areas.

### **Community**

People with similar social background exhibit similar coping behaviour in times of crises and hence will be able go

extend mutual support in times of crises and hence will be able to extend mutual support.

### **Occupation**

People in similar occupation tend to be cohesive and group action is often found successful in confronting common problems. Besides these, other factors like age, physical or social disability, management of community resource/asset are also being tried out for building up community organisations.

### **Membership Requirement**

- 1) Each group consists of 10-20 members to facilitate thrift activities.
- 2) Members of a group should be at least 18 years of age.
- 3) Every member should be made aware of his rights and obligations.
- 4) Members are made aware of common objectives and of group.
- 5) Mutual selection process entails the participant to expressly indicate the list of all people who could be trusted with their money. Persons with negative characteristics tend to be left out of such formed trust groups, and those with the positive attributes tend to be included.

## **Rights and Obligations of Members**

- 1) Every member has a right to determine goals, objectives and vision of the group
- 2) Every member has a right to participate in every activity of the group
- 3) Every member has a right to participate in group meetings and decision making
- 4) Every member has a right to participate in the leadership function
- 5) Every member has a right to access loans from the pooled corpus funds of the group.
- 6) Every member has a right to share in the group's wealth
- 7) Every member has a right to scrutinise group's records and inspect property.
- 8) Every member has a right to withdraw from membership in genuine circumstances
- 9) Every member is under obligation to accept goals, objectives and vision of the group
- 10) Every member is under obligation to participate in all group activities
- 11) Every member is under obligation to make oneself aware and abide by group norms and rules

- 12) Every member is under obligation to participate in group meetings and decision making.
- 13) Every member is under obligation to contribute minimum agreed thrift amount to the group
- 14) Every member is under obligation to act with diligence in discharge of group responsibilities
- 15) Every member is under obligation to discharge debt liability contracted by the group
- 16) Every member is under obligation to participate in supervision of group finances businesses
- 17) Every member is under obligation to defend the group.

It is quite interesting to note that the rights and obligations of members are almost convergent mainly on account of Self Help Group being a member owned, managed and controlled institution. Every ordinary member is also a part of management. Hence, transparency is the watchword.

### **Governance in SHGs**

For consistent growth and development of savings and credit groups owned and managed by the community itself need competent and committed development facilitators, leaders, and enlightened and alert members. Hence the governance of Self

Help Groups that promotes democratic traditions is crucial for its success. Evolution of norms or rules and regulations for self governance, participatory decision making diligence and self-discipline among group members coupled with strong enforcement mechanism are sufficient conditions for transparency in group operations. These rules and regulations are not mere statements but reflect the understanding of group norms by members through their conduct in group activities, Rules and regulations of the group, therefore, need to address conflict satiating in day to day functioning of group and provide ready solutions. These could broadly cover:

- i) Groups to have unique name to give it a distinct identity
- ii) Goals & objectives of group; formation
- iii) Membership issues - optimal size, entry norms, exit policy
- iv) Extraordinary issues concerning membership - expulsion and co option of members
- v) Leadership structure - positions, roles and responsibilities.
- vi) Positioning of leaders - tenure, selection and change process
- vii) Financial services - savings and credit products

- viii) Fund management - cash management interest rates, expenditures
- ix) Decision making - decision making apparatus, styles and record keeping
- x) Enforcement of decisions made by the group
- xi) Enforcement of group norms - discipline procedure
- xii) Relationships management with service agencies-banks, SHPI, DRDA, 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 optimally in groups size. Also 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 Responsibilities**

The range of leadership responsibilities includes the following:

- i) Providing guidance for group activities
- ii) Assisting in information sharing among group members
- iii) Helping define problems and identify solutions

- iv) Facilitating appraisal of group performance
- v) Encouraging members to offer ideas and opinions
- vi) Resolving conflicts and disputes between group members
- vii) Conducting meetings and facilitating group decisions
- viii) Organising, implementing and coordinating group plans
- ix) Facilitating financially transactions during group meeting
- x) Maintaining and keeping books of accounts
- xi) Maintaining a bank account on behalf of the group
- xii) Representing the group's interest to outside bodies
- xiii) Conducting negotiations and doing business with other organisations
- xiv) Rendering truthful and correct accounts to members

### **Savings Functions**

In older times, the poor tend to invest their savings in “assets” such as gold, silver, livestock, etc. which can be pawned or sold in times of need. Savings pooled by members to the group must be perceived as a savings to provide financial security needs. As such savings are generated by poor households either by refraining from consumption or

postponement of their needs. The thrift contributions reflect confidence of members on the group and are seen as an index of their stake in the process. Thrift management is, perhaps, the most important function in Self-Help Group. Thrift management is achieved through following steps:

- i) Thrift collection could commence from first meeting itself.
- ii) Periodicity and quantum of thrift should be decided by group members themselves keeping in view the ability of poorest member among them to pay the agreed amount at predetermined intervals.
- iii) Minimum compulsory thrift contributions to be made by all members.
- iv) Withdrawals against compulsory thrift contributions are not permitted unless the member withdraws from primary membership.
- v) Groups must insist for on-time contribution by members.
- vi) Groups must collect thrift contribution in the presence of all members during the meetings only.
- vii) Thrift collections must be utilised for lending to group members and must not be kept idle.



- viii) Penal provisions like fines, penalties, etc. must be enforced against late payment or default in thrift.
- ix) Discouraging chronic default in thrift contributions by members with holding or delaying the pecuniary benefits to members. At times penalties for late/non payment include fees, denial of higher loan amounts, or longer waiting periods for loans.
- x) Delayed thrift contributions must not be received outside meetings.
- xi) Additional or seasonal savings are encouraged by a few numbers of groups. But it is again desirable to have equal savings without interest implications keeping in view the weak fund management capability of many groups, however, whenever optional savings are offered it is to address the equity question among various members.
- xii) It is desirable to make payment of thrift amount to a member withdrawing from the group for genuine reasons.
- xiii) Continuity of thrift is the regular of Self Help Group process and any attempt to obstruct or discontinue it after receipt of Revolving Fund, Subsidy, Grant or even a Bank Loan can only be a self-inflecting move.

## **Credit Functions**

Providing credit or loans to members of poor household on sustainable basis is the primary objective of a Self Help Group. A well conceived loan programme in a Self Help Group will enhance its attractiveness to the members. These loans are often given for various purposes without insistence on collateral but are available at cost. There is no compulsion to avail of loan facility, as such those who avail loans have to make a choice to pay the cost, or have no credit at all. The credit functions are as follows:

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

- iv) Group must have a system of giving differential priorities to several purposes for taking loaning decisions. Here, urgency of purpose is given precedence while selecting a borrowing member
- v) Groups must establish a process to assess credit requirement for arriving at loan quantum, efficacy of such system need to be seen in the context of particular Self Help Group
- vi) In few groups, the loan quantum is in proportion to the individual member's total thrift contribution. Decision of group indicating differential loan quanta based on the purpose and person availing the loan reflects their maturity
- vii) All credit decisions must be taken at the meetings only after giving due consideration to opinion of all members
- viii) Large loans to members are suitably collateralized considering the risk perception of the group. Often, groups go in for chattel financing wherein a borrower offers a critical productive asset as security for loan
- ix) Terms credit like interest rate and schedule of loan repayments are negotiated and conveyed clearly to the borrowing member.

- x) Flexible repayment schedules are worked out by groups taking into consideration the various income-flows of the household and repayment capacity of the member concerned.
- xi) Monthly or even weekly repayments (wherever weekly meetings are held) of both principal and interest payments are found to be convenient to both borrowers and the group to liquidate the loan liability
- xii) Separate schedules for principal and interest payment may be stipulated as they are easy to comprehend even by illiterate borrowers.
- xiii) Loans are issued to the borrowing members in the presence of other members of the group.
- xiv) Groups ensure proper end-use on credit as also management of asset, wherever created. This practice must be continued at frequent intervals till the loan fully repaid by the borrowing member.
- xv) Concurrent loans are generally discouraged by most groups in view of small fund base. But wherever they are given; rigorous appraisal must be undertaken on the purpose, genuine need of borrower and her performance in the earlier loan.

- xvi) Reward for on-time repayment may be given to members in the form of future access to higher loan amounts.
- xvii) Penal provisions like fines, penalties, etc. must be enforced against late payment or default in loan repayment.
- xviii) 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 fee, denial of higher loan amounts, or longer waiting periods for further loans.
- xix) Continuity of need based internal lending will strengthen Self Help Group processes and any attempt to obstruct or discontinue it after receipt of Revolving Fund. Subsidy, Grant or even a Bank Loan can only be a self-destructive move

### **Fund Management in SHGs**

Mobilizing micro thrift is part of a comprehensive saving service offered by Self Help Groups. Small saving from resource-poor households needs operative protection against loss of deposits. Misappropriation in savings and credit groups as well as imprudent lending from internally generated deposits threatens the security of savings programme.

The following are the fund management functions in SHGs:

- 1) Funds received by Group generally comprise member thrift, interest earned on loans, fines and penalties levied on defaulting members, loans and grants received in the name of the group. The groups do not discriminate between the sources of fund for meeting loaning requirements.
- 2) Efficient cash management reflects the fund management capability of the group.
- 3) Responsibility sharing in cash management on rotation basis for assisting the group leaders will not only promote transparency but also enhance fund management competence among group members
- 4) Managing of savings account with local bank branch is another 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. While members could take turns for depositing the cash into bank, the persons authorised and the borrower concerned could draw the money from bank. However, groups maintaining up-to-date records could consider extending loans out of pooled fund during the

meetings itself. Periodic reconciliation of accounts with bank transactions is considered useful.

- 5) Preparation of micro-credit plans improves considerably the credit absorption capacity as it entails acquisition of planning and financial management skill among group leaders.
- 6) In the initial stages only short term loans are extended, usually for periods ranging from 3 - 12 months, to enable larger number of members' access credit facility from the group. However, insistence on monthly repayments from borrowing members accelerates the velocity of lending within the group, which also reflect equity in loan access to group members
- 7) Groups must have a policy on interest rates. Most groups charge interest rates that are linked to contemporary market rates. It is also desirable to build in risk factor in the interest rate structure in long term.
- 8) Generally interest is not paid to the members on compulsory saving. Even in cases where interest is computed on compulsory thrift contributions, the same is merged with the member's saving rendering the very process in fructuous.

- 9) As regards interest rate on loans, a few groups have been charging differential interest rates to their borrowers keeping in view the purpose of loan which can be considered good. However, the groups are not expected to soften their rates in the short term with the receipt of grant or loan funds from institutional sources. It must be appreciated that the interest charged on loan is a source for raising additional capital to augment the corpus base. However, the interest may be charged on outstanding loan amounts as against interest rates charged by a few on EMI or flat rate basis.
- 10) Members are made aware of their cumulative thrift contributions and loan outstanding.
- 11) Investment of pooled savings in a common asset (even a productive one) and blocking internal lending will in fact run counter to the objective of giving sustainable credit access to poor households. Further, the risk of investing entire corpus in a singular activity is fraught with risk.
- 12) Groups incurring regular expenditure towards cost of bank transactions, honorarium to book keeper etc., could consider collecting additional amounts every



month from their members to avoid erosion of loaning funds.

- 13) A few groups have been holding small cash balance, say of Rs. 200/- to Rs. 300/- to give hand loans to members for meeting emergent credit requirements.

### **Record Keeping**

Record keeping is possibly the most crucial function in a Self Help Group often confined to the periphery. An efficient record keeping assumes significance for promoting transparency in the system considering the need for providing safety of micro deposits pooled in savings and credit programmes.

- 1) Critical self-awareness must be created among groups on issues relating to record keeping.
- 2) Groups must assume the responsibility for safe keeping of records.
- 3) Groups must be encouraged to discuss on nature and contents of records.
- 4) Groups must strongly encourage compensating for services rendered by book keeper.
- 5) Groups ensure that books are updated while the meeting is in progress.

- 6) Groups must ensure that book writer reads out the noting made by him in various books.
- 7) Groups must develop a practice of closing the books of accounts by year end.
- 8) Cross checking of books across groups (peer audit) could be encouraged for audit purposes.
- 9) Groups must encourage its members to learn to read and write their own books in the long run.
- 10) Members must cultivate the habit of confirming entries in member passbook.

### **Group Vigilance**

The corpus fund of a group is entirely contributed by its members and hence they alone must ensure that fund is managed and controlled by them without any outside interference whatsoever. There is no alternative to alertness of members and their participation in group meetings.

- 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 handing cash during meeting and holding impress cash thereafter.
- 5) Practice of tallying cash inflows and outflows at the end of each meeting.
- 6) Practice of clarifying member wise cumulative savings and loans position every month.
- 7) Responsibility to deposit cash and withdrawal from saving bank account on rotation basis.
- 8) Practice of bank reconciliation on periodic basis.
- 9) Ensuring end-review of deviant behaviour of members in attendance, thrift or loan repayment.
- 10) Enforcement of group discipline through fines and penalties system in a transparent manner.
- 11) Practice of rotating members accompanying leader for training and review sessions.

### **Banking Relationship**

Self Help Groups are primarily savings and credit groups and availing savings and credit services from local banks is a logical extension of their growth strategy to meet increasing credit demand from members, Moreover, accessing saving services from banks will provide safety to the pooled funds. It is

expected that groups will demonstrate desired maturity in terms of group and financial dynamics leading to inculcation of banking habits in the groups

The desirable best practices are as follows

- 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 assess their future fund requirements and articulate the credit gap in micro-credit plants.
- 4) Groups to have clarity on issues relating to eligibility conditions, credit entitlement and legal obligations arising out of credit linkage with banks.
- 5) Groups and banker must hold discussions at loan appraisal stage for enabling banker to arrive at a credit decision.
- 6) Terms and conditions of credit extended by banks including implications of joint and several liabilities in the event of credit linkage must be clearly understood by all members of the group.

- 7) 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. Here, the group must take care not to deviate from the financing norms (quantum of an, rate of interest, repayment period) lauelled laid down for giving loans out of their pooled thrifty amounts merely because outside funds are injected into the group corpus.
- 8) Groups must ensure 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 has per contracted repayment schedule.
- 9) Banks must reward for on-time repayments by means of repeat and higher finance.

### **FINANCING SHGs**

Despite vast expansion of the formal credit system encompassing spheres of social and mass banking, the dependence of the rural poor on money lenders still continues in many areas, especially for meeting their emergent needs. Under

the circumstances, a non-formal agency for credit supply to the poor, in the form of Self Help Groups.

### **SHG - Bank Linkage Programme**

NABARD introduced in 1992, a “Pilot Project for Linking SHGs with Banks” to encourage thrift and saving amongst the rural poor and to supplement their funds to meet credit needs through the banking system. With a view to studying the functioning of SHGs and NGOs and for expanding their activities and deepening their role in rural sector, RBI constituted a Working Group in November 1994, comprising eminent NGO functionaries, academicians, consultants and bankers under the Chairmanship of Shri S K Kalia, the then Managing Director, NABARD. The Working Group submitted its report, recommending for treating the linkage programme as a business opportunity for reaching rural poor.

### **Criteria for selecting SHGs**

The following criteria are adopted to select SHGs for bank linkage programme:

- i) The group should have been in active existence for at least a period of six months.

- ii) The group should have successfully undertaken saving and credit operations from its own resources.
- iii) Democratic working of the group wherein all members feel that “they have a say” should be evident.
- iv) The group is maintaining proper accounts / records.
- v) The banker should be convinced that the group has come into existence realising the genuine need to help each other and work together with participation of all its members.
- vi) The SHG members should preferably have homogeneous background and interest.
- vii) The interest of the NGO or the Self Help Promoting Institutions, (SHPI) concerned / in the group is evident and the agency is helping the SHG by way of training and other supports for skill upgrading and proper functioning.

### **Estimation of credit requirement**

The quantum of credit is determined in multiples of the saving by the group and the proportion of saving to credit could vary from 1:1 to 1:4 depending on the assessment of the SHG by the bank. Greater the degree of confidence of bank on the SHG, greater could be the proportion of loan.

The activities or purposes and size of loans, which the group purposes to lend, should be left to the common wisdom of the groups.

### **Refinance**

NABARD provides 100 percent refinance to all banks for the loans disbursed to SHGs.

### **Repayment period**

The repayment period for the loans extended by SHG to its members will be determined by the group. However the banks could give a longer repayment period for the loans extended by them to SHGs, for allowing rolling over of funds by the groups leading to greater internal capitalization of their fund base. In other words, the SHGs should be able to service their debt without having any depletion of its resources built up with own funds. As regards repayment of refinance by the banks to NABARD, it is generally repayable over a period of 2 to 5 years depending upon the requirements of each case.

### **Interest rates**

The present interest rate structure stipulated by NABARD/ RBI at different levels under the SHG - Bank Linkage Programme is as under:



NABARD to Banks : 6.0 %

Banks to SHG : To be decided by bank within the scope of RBI directives

Banks to NGO/MCO : Bank are free to decide

NGO/MCO to SHG : NGO / MCO are free to decide

### **Security**

SHGs might not be in a position to offer any collateral security other than the savings under rotation within the group. Peer pressure among members is the alternative for the collateral. RBI has therefore relaxed the security norms and classified loans under the programme as "Advance to Weaker Sections".

### **Eligible Agencies**

The eligible agencies include Commercial banks, Regional Rural Banks, Cooperative Banks and Primary Agricultural Credit Societies. Several models of credit delivery through SHG system practised in Andhra Pradesh are as follows:

- i) Financing SHGs directly by banks without any intervention/ facilitation of any SHPI
- ii) Financing SHGs directly by banks with intervention/ facilitation of Non-Governmental Organisations.

- iii) Financing SHGs directly by banks with intervention / facilitation of Governmental Agencies
- iv) Financing SHGs with financial intermediation of Non Governmental Organisations
- v) Financing SHGs with financial intermediate of NGOs/ SHG cluster Associations/ Mutually Aided Cooperative Societies.

### **Methods adopted for lending to Self Help Groups**

A banker is expected to provide credit in bulk directly to the group, which may be an informal or formal (i.e. registered) one. The group in turn would undertake on lending to the members. It would be necessary that the group prepares a simple credit plan for its members and an aggregate of that is submitted to the bank. The bank is expected to undertake critical appraisal of the Self help Group and take appropriate credit decision. A few banks have developed rating norms for assessing the performance of the groups. However, a simple rating index has been designed in the state with participation of all practitioners to capture both the structural and functional aspects of Self Help Groups.

In the case of SHGs where the local bank branch does not have adequate confidence in lending to them, or in cases where

SHGs for various reasons are not willing to be linked directly with the bank, the bank may finance such SHGs through the Voluntary Agency (VA) or the Self help Promoting Institution that has promoted the Self Help Groups. Further, if some members of SHGs require large loans than that could be covered under the savings related loaning, the SHG could appraise the requirement and recommend the proposal to the bank for directly lending to the members concerned. In such cases, the SHG should be willing to accept the responsibility for proper credit utilisation and repayment by the members and for monitoring the same.

### **Direct Method**

Under direct method the SHGs have direct access of loans from financing banks based on their independent credit standing, and savings/ loan accounts of the groups are maintained and operated at the financing branch. As a corollary, credit decisions of the banks are made based on the appraisal of individual SHGs. The credit risk under this method is borne by the financing bank. There are very few SHGs which have autonomous origin. Generally, there is a definite support mechanism from SHPI to facilitate interaction between the financing bank and the groups.

## **Indirect Method**

In the absence of necessary confidence for lending directly to SHGs, indirect methods are adopted to route finances through intermediation of Non Governmental Organizations/ SHGs. As indicated earlier, RBI/ NABARD have also recognised indirect financing of SHGs as an important method for reaching the rural poor under SHG Bank linkage programme. Under this method savings accounts are maintained and operated by SHGs at the financing branch, whereas the loans are extended to SHPI acting as financial intermediary on behalf of SHGs. While primary credit risk is that of intermediary (usually a NGO), the banks will bear only a secondary risk. Since the banks will be extending loans to an intermediary agency, it will have to primarily appraise the credit standing of that agency. However the quantum of credit will be based upon the strengths and weaknesses of borrowing SHGs, the resources mobilised and rotated by them, their credit requirements, systems and procedures adopted by them for managing savings and loan portfolios etc.

## **Network of SHGs**

With the proliferation of large number of thrift and credit groups new coalitions and networks are fast emerging the SHG scene of Andhra Pradesh.

In the initial stages, SHGs are brought on a common platform like village, cluster or mandal level conventions to facilitate cross sharing of experiences and ideas among them. These conventions gradually get formalised in the form of appropriate associations where the groups will evolve methods for sharing community and group resources. While SHGs operate independent of other groups and maintain their respective group savings account at the local bank branch they also contribute a part of their resources to the village, cluster level organisation to access various financial and non financial services available for the members. This transfer mechanism helps the groups to moderate the surpluses or deficits at the group level. Here again, the banks have an option to finance either the groups directly or choose village, cluster level organisation as an intermediary.

A few banks have opted for the latter route to obtain advantages of twin peer pressure from both - within and across the groups. Wherever such financing was attempted, the banks have to ensure that the village, cluster level organisation enforces uniformity methods of operation at each of the groups belonging to it, develop suitable accounting systems and appropriate vigilance mechanism.

A few cluster level organisations have enlarged, aligned, consolidated or amalgamated their operations with other counterparts in the nearby areas and formed Mutually Aided Cooperative Societies (MACS). Govt. of Andhra Pradesh has enacted Andhra Pradesh Mutually Aided Cooperative Societies Act, 1995 which provides corporate status to these organisations. Unlike informal SHGs, the structure and functions, roles and relationships and rights and obligations of members in MACS are clearly predefined which may add to the confidence of funding agencies. Under this system SHGs may not have any relationship with local banks and their savings may be pooled with MACS and loaning decisions are taken at group / MACS level depending upon the nature and size of credit. However, responsibility of loan assessment, monitoring and supervision is cast upon the respective groups. The extent and nature of financial assistance from banks to MACS is generally determined based on its cash flows, lending programme and resource gap. Non Governmental Organisations/ Professional and Development Agencies have been actively associating with formation, nurturing and management of these societies. At the same time, many MACS, especially those promoted by DRDAs, are facing financial crunch and are waiting for bank finance.

## **Monitoring of SHGs**

Collection of relevant information on the implementation of the SHG - Bank linkage programme is of crucial importance as it has already emerged as a supplementary credit delivery system for reaching to the rural poor. Analysis of feedback information on various performance indicators on a regular basis is essential for judging / measuring the success of the programme. The monitoring indicators could include, inter-alia, number and spread of Self Help Groups, amount of credit disbursed, number of loanees, deposit mobilisation and repayment performance of Self Help Groups, expenditure on awareness, training programmes, cost of management etc.

## CHAPTER III

# GROWTH AND DEVELOPMENT OF SHGS IN INDIA AND AP

### **The Status of Self Help Group in India**

The Indian state of Andhra Pradesh, one of India's poorest, has used development self-help groups (SHGs) extensively as a primary tool of poverty alleviation and empowerment. A SHG is a small group of persons who come together with the intention of finding a solution to a common problem such as medical issues, livelihood generation or watershed management, with a degree of self-sufficiency. However, in Andhra Pradesh, the groups largely are the conduit through which *micro credit* is routed to the poor in the belief that it will serve as a catalyst in helping them to pull out of poverty. National and state government initiatives, as well as NGO efforts, have used SHGs to implement poverty alleviation programs in Andhra Pradesh since 1979. Self-help



groups also empower poor women, more than 4.8 million of whom are mobilized into SHGs.

Early programs sought to provide self-employment, empower, and incorporate rural poor women into the development process. Homogenous groups of women would choose and collectively undertake an economic activity suited to their skills and resources, supplemented by state matching grants. Following on successes in earlier programs, which were modified to make them more meaningful, the state has promoted significant increases in SHGs using a social mobilization approach. The state-sponsored *Velugu* program working in over 860 mandals (sub-district geographical unit) in 22 districts, aims to reach 2.9 million of the poorest of rural poor. Both the number and structure of self-help groups in Andhra Pradesh has been scaled up. The state established an independent support organization to implement poverty elimination projects which aim at social mobilization to enhance livelihoods and employment generation opportunities of the poor. Self-managed grassroots institutions have been federated into village level and sub-district level groups. These groups provide an organizational identity to help SHGs realize the benefits of a larger organization without losing the advantages of small organization.

Federations of SHGs are fast becoming powerful voices expressing the social and economic needs of the poor. Capacity building is an important component in the scaling up of Andhra Pradesh's poverty alleviation initiatives. Training includes participatory training methods, SHG formation and strengthening, book keeping and financial management and also helps members and leaders develop linkages with banks and other institutions. The primary aim of the SHG-Bank linkage program is to integrate informal savings and credit groups with mainstream banking by providing them with credit to enhance their fund base. Once an SHG has demonstrated its capacity to sustain and to absorb outside credit, loans are extended to it from the formal banking structure. Using existing financial infrastructure to meet the needs of micro credit initiatives has saved on duplication and transaction costs and has also been instrumental in changing perceptions about the credit worthiness of the poor. Andhra Pradesh has chosen social mobilization and inclusiveness as methods of addressing poverty alleviation. The process uses social mobilization as an institutional mechanism to help the poor interact with government machinery so that public resources and "CASE STUDIES IN SCALING UP POVERTY REDUCTION" services are better accessed. To insure that the poor were adequately identified, and thus included, the community itself prepares a

list of its poor people. The participatory methodology of identifying the poor has been very effective in creating a transparent and inclusive methodology for community based targeting for programs. Besides group mobilization, the programs focus on expanding the assets of the poor and creating economic opportunities connected with people's livelihoods.

To reduce, mitigate and manage risk *Velugu* supports the Community Investment Fund which supports investments in sub-projects for the poor and the Comprehensive Insurance Package which seeks to develop a community-based delivery of life and health insurance services. The rice credit line is a unique and pioneering program in India which addresses food security problems of the poor. Another innovation is the value chain analysis of livelihoods. Traded-in and traded-out items, and income and expenditure of the poor are analyzed. This analysis captures the credit system, risk and uncertainties and best practices in each of these livelihoods. Infrastructure gaps, constraints and structural needs are also identified.

This process institutionalizes a mechanism that facilitates expression of voice by the poor. A number of social issues including gender and family, child labor, disability and health related to poverty alleviation need to be addressed in the context of SHGs. SHG formations largely take place around women since

women are seen as more credit-worthy than men. But the process of empowerment and poverty alleviation can be more sustainable when all the members of the family are involved. Hence women's groups are taken as an entry point for the formation of men's groups, youth groups, children groups, and groups for the physically challenged. Innovative, action research interventions using folk theatre have addressed family issues related to gender division of labor in the house, son preference and relationships between mothers-in-law and daughters-in-law. *Velugu* addresses child labor and high dropout rates through regular campaigns to sensitize parents, especially mothers, youth, other community members and school teachers. about the importance of education and its long-term implications for child welfare and poverty reduction. *Velugu* also aims to directly address the problems of the disabled by organising them into mutual support groups. *Velugu* plans a holistic approach to community based primary health care to empower people and communities to take care of their own health and take responsibility for the community's health.

There is absolutely no doubt that SHGs have lead to an expansion in the economic spaces of members. However the composition of the members reveals that the coverage of the poorest of- the-poor is low, while the coverage of non-poor is

considerable. The financial status of households and savings capacities has improved due to improvement in access to formal credit institutions, since SHGs are linked with banks. Access to credit has enabled women to undertake economic activities, which tend to be an expansion or strengthening of existing traditional activities. A smaller proportion of women have taken up new occupations. The diversification of occupation to nonagricultural activities has enhanced the quality of income of the households by reducing the dependency on risk-based agriculture. Increases in income have been spent on better nutrition for the children and on health care for the family. Kitchen gardens have enhanced the overall nutritional status of children, pregnant and lactating mothers.

### **Self-Help Groups, Poverty Alleviation and Empowerment**

Social inclusion and participation in the political process are also impacted by SHGs. Gender poverty measured in terms of gender bias with respect to norms of eating, male preference in distribution of food and access to clothing has not declined significantly. But food security of member households improved after participation in groups. There are improvements in school enrolment, attendance, drainage facilities, toilet facilities and access to electricity and gas. The political process picks up momentum with the SHGs being federated and also establishing

links with local self-governing bodies. Further, SHGs have the capacity to voice the needs of the communities.

**Table – 3.1**  
**Socio-Cultural problems of SHG Members**

Socio-cultural Problems	Rank
Male Domination	1
Non-favorable attitude	4
Traditional and social norms	2
Lack of motivation from family members.	3

\* Source: Compiled from Annexure 7.21

There is tremendous potential in this endeavor if the vision of SHGs is expanded beyond transacting money to include local concerns about the quality of life. Under *Velugu*, as the social mobilization process matures in a village, communities are encouraged to analyze their livelihood situations, which in turn reveal options for the community to act. There is no doubt of the need for accountability for any program to succeed. The most obvious relationship of accountability and transparency is between the state and the people. Both have to be accountable to each other. This requires a system of communication where intent, need and impact of programs can be conveyed both ways.

In Andhra Pradesh, the linkages between different approaches towards development, poverty reduction and

empowerment must be considered. It is not enough to address the economic indicators of poverty. While incomes have to be augmented through livelihood generation interventions, for which credit is an important component, determinants of human poverty in terms of health and education requirements require attention. Likewise, social poverty, which manifests in the presence of corrosive evils like caste taboos, norms of dowry, adherence to vices such as alcohol and drugs have to be woven into empowerment programs. The primary lesson learned from the Andhra experience is that there is value in using self-help groups as a conduit for poverty alleviation initiatives.

However one has to understand the limitations of this use and gauge the ways in which these can be surpassed to get more out of such an approach.

- ❑ The limitations of micro credit to alleviate poverty or to empower people can be overcome by integrating micro credit with a powerful .plus. component of social and economic infrastructure.
- ❑ Self-help groups. Political potential is powerful. Federations form the training ground to make leaders and potential political aspirants. This critical mass has tremendous potential to work for the betterment of the regions they represent.

- The potential of women-only SHGs for women's empowerment depends upon several other supportive measures like education, health, housing and infrastructure.
- Partnerships are fundamental for development. This kind of inclusiveness where institutions and actors both public and private, work in synergy, has considerable potential for poverty alleviation. Market dynamics are not adequate to allocate costs and benefits. It is however difficult to conclusively say what the effect of excluding NGOs will be. In a larger design of partnerships, it may not be advisable to create rifts between actors working towards similar goals.
- The linkage between the national, regional and local environment can be made with political will.
- Unless a sense of ownership is infused into any program, participants will not demand accountability or feel accountable. Involving people at every level of decision making within the program transforms beneficiaries into participants and ultimately everyone benefits.
- A complex mix of methods is needed to solve complicated problems such as poverty. Use of existing structures and the creation of new edifices have to be synchronized.



Economic and social issues are equally important if poverty is to be understood.

### **Implementation Process**

This case study focuses on Andhra Pradesh, India, where state initiative has extensively used the self-help group (SHG) as a tool of poverty alleviation and empowerment. A SHG is a small group of persons who come together with the intention of finding a solution to a common problem with a degree of self-sufficiency. Within development initiatives, SHGs can be formed around various issues related to livelihoods and resources. One sees groups around watershed management, forest management, livelihood generation, etc.

However, largely, the SHG is the conduit through which *micro credit* is routed to the poor in the belief that it will prove catalytic in helping them to pull out of poverty. Andhra Pradesh is the fifth largest state in India, with a population of 76 million, of which three fourths live, in the 26,500 rural villages. According to the Survey of the IX Five Year Plan (1997-2002) carried out by the Government of Andhra Pradesh (GOAP), the state is among the poorest in India with many indicators below the national level. Income poverty has been reduced in the

second half of the 90s but at a slower rate compared to the rest of the country.

On the positive side, Andhra Pradesh has been pursuing economic reforms to step up growth and alleviate poverty. Significant strides have been made in participatory management of land, water and forest resources. It is within this state of India that the SHG has constituted a primary route towards poverty alleviation and development. Both state and NGO initiative have recognized the value of forming small groups of poor people who have a common desire to generate livelihood options.

Further, micro credit is seen as the key to unlock the poverty trap. SHGs are also supposed to empower women. Currently Andhra Pradesh has mobilized and organized 48 lakh poor women in the rural areas into 3.7 lakh groups. These women's groups have built up a corpus fund of Rs 750 crores consisting of their savings, borrowings from banks and revolving funds from government programs. The major poverty alleviation project through which SHGs are promoted is the state sponsored *.Velugu*.<sup>3</sup>, working in over 860 *mandals*<sup>4</sup> in 22 districts, aiming to reach 29 lakhs of the poorest of rural poor.

## **Up scaling with Innovation**

In Andhra Pradesh, the use of SHGs to route and implement poverty alleviation programs has to be seen as an evolution over time of government initiative, national and state, as well as NGO efforts. The evolution goes back to 1979, with the national implementation of the Integrated Rural Development Program (IRDP) that targeted the poorest of the poor, under which as a sub-

- 1) Internationally such groups have been formed around medical problems and addictions. Self-help is seen as an inexpensive way of providing vital community services.
- 2) This study focuses specifically upon SHGs around micro credit.
- 3) "*Velugu*" means .light. in Telugu, the language of Andhra Pradesh. A mandal is a sub-district geographical unit unique to Andhra Pradesh which is both a revenue and development planning unit, but smaller in size than a block component in 1982-83, the Government of India (GOI) started the Development of Women and Children in Rural Areas program (DWCRA).

The aim of this program was to provide self employment, empower and incorporate rural poor women into the

development process. Under DWCRA, women living in neighborhoods with similar socioeconomic background formed SHGs of 25 members each, to choose and collectively undertake one economic activity suited for their skills and resources. Groups were provided with a maximum matching grant of Rs. 15,000 to be used as a revolving fund to undertake the group's economic activity, which was increased to Rs. 25,000 in 1994-95.

Besides money, DWCRA SHGs received training and their products were also distributed to *Bazaars*, providing them an opportunity to access diverse markets. In spite of well-formulated designs however, when implemented, programs do not always fit the requirements of the field. Gaps need to be ascertained and modifications made to make them more meaningful. The district of Ananthpur proved exemplary in this context. DWCRA was being criticized for being too rigid in its stipulations, since groups had to have a minimum of 25 persons that wanted to undertake the same activity. This was, first, difficult to find, and second, it was problematic for the village to absorb the production of 25 persons conducting the same activity. Further the guidelines were rigid requiring that the money be used only for the activity that the group conducts.

The administration of warangal made three modifications in an attempt to salvage the program. The size of the group was reduced, people from other castes and communities were permitted to join the same groups and different economic activities were pursued within the same group. This however, caused a problem in that, the homogeneity of background and economic activity, which had initially formed a cementing factor, was no longer present. Hence an alternate binding force was introduced through thrift and savings in women SHGs.

Between the late eighties and early nineties, this program picked up in momentum and was also up scaled to the extent that it covered 40,000 women, which constituted almost one fourth of the poor women in warangal. Over time, DWCRA groups all over the state were strengthened. Government initiative and sponsorship of SHGs link more recently to what are called the SAPAP SHG groups.

In 1996, the South Asia Poverty Alleviation *Program* (SAPAP) a pilot project was conducted in three districts of Andhra Pradesh.<sup>8</sup> The program has covered 66,000 households, who constitute 34 per cent of the total households of the project area and 64 per cent of the total target group households. Subsequent to the success of SAPAP, the processes in 5 This was done with the help of the UNICEF.

The cost of the revolving fund was paid 20 percent by UNICEF, 40 percent by each state government and 40 percent by the Central Government. Once UNICEF withdrew from the project in 1996-97, the costs were equally shared between the state and the central government. 7 The credit for the courage to break rules and for the political will in this endeavor has been attributed to Mr. Tucker who came in as District Collector in 1992 and Mr. Chandramouli, Project Director of DRDA in charge of DWCRA. The commissioner A.K. Goel, and the Rural Development Minister, Ms. Laxmi Devi also offered further support 8 SAPAP was assisted by the UNDP. It emerged out of the 1993 Dhaka declaration for Eradication of Poverty which was the result of the need for an action plan to study the regional problem of persistent poverty, felt in 1991, when the SAARC heads of the state met at Colombo and established the independent South Asian Commission on Poverty Alleviation.

The post-nationalization period in the banking sector, circa 1969, witnessed a substantial amount of resources being earmarked towards meeting the credit needs of the poor. There were several objectives for the bank nationalization strategy including expanding the outreach of financial services to neglected sectors (Singh, 2005). As a result of this strategy, the

banking network underwent an expansion phase without comparables in the world.

While the objectives were laudable and substantial progress was achieved, credit flow to the poor, and especially to poor women, remained low. This led to initiatives that were institution driven that attempted to converge the existing strengths of rural banking infrastructure and leverage this to better serve the poor. The pioneering efforts at this were made by National Bank for Agriculture and Rural Development (NABARD), which was given the tasks of framing appropriate policy for rural credit, provision of technical assistance backed liquidity support to banks, supervision of rural credit institutions and other development initiatives.

During this time, NABARD conducted a series of research studies independently and in association with MYRADA, a leading non-governmental organization (NGO) from Southern India, which showed that despite having a wide network of rural bank branches servicing the rural poor, a very large number of the poorest of the poor continued to remain outside the fold of the formal banking system. These studies also showed that the existing banking policies, systems and procedures, and deposit and loan products were perhaps not well suited to meet the most immediate needs of the poor. It also appeared that what

the poor really needed was better access to these services and products, rather than cheap subsidized credit. Against this background, a need was felt for alternative policies, systems and procedures, savings and loan products, other complementary services, and new delivery mechanisms, which would fulfill the requirements of the poorest, especially of the women members of such households. The emphasis therefore was on improving the access of the poor to microfinance rather than just micro-credit.

Microfinance programs promoted by the government and NGOs. Some of these programs have failed and the learning experiences from them have been used to develop more effective ways of providing financial services. These programs vary from regional rural banks with a social mandate to MFIs. In 1999, the GoI merged various credit programs together, refined them and launched a new programme called Swaranjayanti Gram Swarazagar Yojana (SGSY). The mandate of SGSY is to continue to provide subsidized credit to the poor through the banking sector to generate self-employment through a self-help group approach and the program has grown to an enormous size.

The rise of SHGs and more formal SHG Federations coupled now with SHG Bank Linkage have made this a dominant form of microfinance in addition to microfinance institutions (MFI). The policy environment in India has been



extremely supportive for the growth of the microfinance sector in India. Particularly during the International Year of Microcredit 2005, significant policy announcements from the Government of India (GoI) and the Reserve Bank of India (RBI) have served as a shot in the arm for rapid growth. SHGs have spread rapidly due to their ease of replication. SHG Bank Linkage has provided the capacity for SHGs to increase their capital base to fund more members and bigger projects. Today, it is estimated that there are at least over 2 million SHGs in India. In many Indian states, SHGs are networking themselves into federations to achieve institutional and financial sustainability. Cumulatively, 1.6 million SHGs have been bank-linked with cumulative loans of Rs. 69 billion. In 2004-05 alone, almost 800,000 SHGs were bank-linked.

However, the state of SHGs identifies key areas of weakness which undermine the sustainability of SHG movement. Namely, areas such as financial management, governance and human resources range from weak to average quality for a majority of SHGs. While the spread of the movement is impressive, these are key areas that need to be addressed if any external intervention is to be effective.

The formation of common-interest groups consisting primarily of women has had a substantial impact on their lives.

The impact of SHGs on women's empowerment and social security has been invariably an improvement from the status quo but there is a need for support in several areas which are analyzed in this report. The status of women has generally improved as they have developed stronger confidence which has changed gender dynamics and their role in the household. In south India, significant improvements in fertility rates, female literacy, participation in development programmes and economic independence are evident. Women are able to fight for their rights and entitlements and have emerged as a force to be reckoned with. Further, SHGs are becoming more than just financial intermediaries, instead they have emerged into a more political and social unit of society.

More importantly, the penetration of microfinance to the poorest of the poor is still weak and needs a wider reach. The areas of support to further the SHG impact are varied and the report describes areas for NGO technical and government policy support. The need for a coordinated and comprehensive support strategy is imperative as the financial management issues of SHGs need to be addressed otherwise the benefits of the civil society impacts will be lost as SHGs will become overburdened and un-sustainable.

## **SHGs and local politics**

This chapter explores linkages between SHGs and women's increasing visibility in local politics, whether as representatives in *panchayati raj* institutions of local governance or as potential vote banks for political parties. The 73rd Constitutional amendment through the Panchayati Raj Act (passed in 1992) reserved one-third of local governance seats for women. Legal fiat by itself led to a spate of 'proxy' elections in many areas, in that women were elected but were hardly involved since male relatives (in the form of the '*sarpanch pati*' - the sarpanch husband) continued to manage the panchayat's affairs. This was hardly surprising, given women's traditional exclusion from any participation, let alone decision-making, in institutions of governance.

Women were thus merely co-opted with little power, respect or political status. Over time, however, there have been examples of women beginning to campaign in elections and, once elected, developing into active leaders, maybe with support from male relatives but no longer acting as mere 'rubber stamps'. NGOs have sometimes played a role in this process, by guiding women's candidature and facilitating interactions between women leaders. The question for this study was whether SHGs (and SHPAs) are facilitating this process,

enhancing women's engagement in local politics as more aware voters, as candidates and as effective representatives. The synergies between SHGs and politics lie in the processes and positioning of the group, and maybe the clustering or federations of groups in village life.<sup>1</sup> Through these, village women are not only more 'visible' but they gain experience of processes (regular meetings, taking decisions, allocating money, appointing a leader) that can prepare them for more public interactions.

**Table – 3.2**

**WORK PARTICIPATION RATES OF FEMALES BY RURAL/URBAN RESIDENCE-INDIA (IN PERCENTAGE)**

	1971 Census	1981 Census	1991 Census	2001 Census
India	13.9	19.8	21.4	28.9
Rural	15.5	23.2	24.6	32.6
Urban	7.1	8.3	9.3	15.3

*\* Source: 2001 Census Data*

The above table shows participation of female workers are more in rural than in urban area. According to the Census the growth rate is high in Rural areas from 1971 – 2001 the work participation of women in urban areas are only 1-2% increase for every ten years comparing to the rural areas the growth rate was 8-10% increased.

This analysis gives the exact growth rate of Work participation of women in Rural and Urban areas in our India.

**Table – 3.3**

**Distribution of Female Workers By Employment status and rural/urban Residence (in percentage)**

Year	Rural			Urban		
	Self Employed	Regular Employee	Casual Worker	Self Employed	Regular Employee	Casual Worker
1971	64.5	4.1	31.4	48.5	27.8	23.7
1981	61.9	2.8	35.3	48.8	25.8	28.4
1991	60.9	3.6	35.5	47.1	27.5	25.4
2001	61.9	4.1	30.6	50.2	29.5	25.4

*Source : NSS: 28<sup>th</sup> , 32<sup>nd</sup> and 43<sup>rd</sup> Rounds*

An analysis in the above table shows the female workers employment status in Rural and Urban areas from 1971 to 2001. The increase level of Self employed workers in Rural areas are high, the regular employee and casual workers also increased in Rural areas. Comparing to the Urban areas the Self employed, Regular employee and Casual workers increased up to 2-5%.

**Table – 3.4**

**Distribution of female workers by industry-wise (In percentage)**

<b>Industry Groups</b>	<b>1971</b>	<b>1981</b>	<b>1991</b>	<b>2001</b>
Agriculture and Allied	33.0	31.5	29.8	34.5
Manufacturing	21.2	21.9	21.6	21.00
Trade	09.5	09.5	09.8	09.5
Services	25.8	25.8	25.6	25.5

*Source : The new economic policy and women by Sudha desh pande*

The above table shows the female workers by industry-wise distribution of SHGs in Industrial sector from 1971 to 2001. The increase level of Agriculture and allied of female workers are high from all fields, the other fields like Manufacturing, Trade, Services are equal percentage from 1971 to 2001, the percentage level of female workers are not increased but in Agriculture sector the female workers are increased.

**Technical Livelihood Support**

The support of livelihoods is increasingly being seen as an important area related to microfinance. Indeed, the term of livelihood finance has been coined and is en vogue at leading NGOs. The need for livelihood support is critical to SHGs development as livelihoods are typically financed by the loans that members receive from the SHG. The needs of SHGs varies from the introduction of new livelihoods to providing support such as market linkages or procurement techniques to refine

existing livelihoods. State government programs such as Indira Kranthi Patham (IKP) in Andhra Pradesh have successfully executed livelihood interventions on various non-timber forest products that have brought about increased cash flows to SHG members as they have been able to bypass middlemen and sell their goods at market and cut costs. Experience has indicated that these benefits would not have been possible without external intervention. Thus, SHPIs can provide the technical livelihood support as needed to help develop SHGs.

### **Policy Considerations**

In addition to actual technical support, government policy can help support the SHG movement in the previously mentioned areas. Poverty is invariably characterized by lack of public investment in infrastructure or dysfunctional public systems including education and health care and underdeveloped markets. Large scale investment is required to build infrastructure like roads and bridges so that there can be access to markets. These sorts of investment will have to be completed by the state government. The payoff such costs though is infinite. An improved infrastructure will help to increase investment and mobility of staff. Further, livelihoods can be enriched through greater access to markets.

In some areas, there is a reasonable amount of infrastructure that state-owned rural banks operate. As some SHGs have grown and matured to a sizeable scale, they need access to more financial services. Governments can address this need through their state-owned banks by introducing flexible and easily accessible products. Specifically, products such as innovative savings products, micro-insurance, larger loans and enterprise financing can be introduced. Banks lending to SHG federations could also facilitate access to livelihood finance by the women SHG members.

### **Women Empowerment Through Self Help Groups in Andhra Pradesh**

The Government of Andhra Pradesh has taken up the theme of women's empowerment as one of the strategies to tackle the socio - economic poverty. Self Help movement through savings has been taken up as a mass movement by women - a path chosen by them to shape their destiny for better. Development Agenda of the State in the last few years placing the people, especially women in the fore - front has enabled formation of a large number of Self Help Groups (SHGs) throughout the State and majority of women are saving one rupee a day. The state government is consciously making an



effort to assist SHGs by providing Revolving Fund / Matching grant under various programmes.

### **SHGs – A Movement In Andhra Pradesh**

There are about 4.65 lakhs women SHGs in Andhra Pradesh covering nearly 61.70 lakhs poor women. Andhra Pradesh alone has about half of SHGs organized in the Country. The SHGs are also popularly called DWCRA Groups, and this name became popular after the DWCRA programme (Development of Women and Children in Rural Areas) through which women's groups were assisted initially. The SHGs are not only resorting to thrift but also are taking small loans out of the corpus available with the group. The group corpus consists of savings, government assistance and also bank loan. Members use the loan out of group corpus for their personal needs initially. However in the long run such loans are utilized for income generation activities. Since inception an amount of Rs. 1556.90 crores is mobilized as corpus by these groups.

### **MICRO CREDIT TO SHGs :**

Micro credit summit conducted in 1997 in Washington resolved to reach 100 million poor women by 2005 all over the world. In Andhra Pradesh alone, 61.70 lakh women were covered under micro credit with a saving of a rupee per day and

the financial institutions extending loans upto 4 times to the amount of group savings. From the year 1997 to January 2003, Banks extended a loan of Rs.1345 crores to SHG and the recovery of loans is more than 95%. Recently commercial banks have reduced interest rate on the loans extended to SHGs from 12% to 9%.

### **Building institutions for SHGs :**

Women's savings movement started in 1993 as an off shoot of total literacy campaigns successfully conducted by the pro-active government initiatives in the Southern part of Andhra Pradesh, poor women agitated against sale of arrack, organized themselves into 'Thrift and Credit groups' with one rupee saving in a day had now turned into a mass movement in which 61.70 lakh members saved more than Rs. 887.47 crores which is rotated internally and lent amongst the members twice in a year as per the interest rates fixed by the groups. Such amounts are used for their daily consumption needs and also for production of goods for sales to earn incomes.

### **Geographical Spread**

All the villages in the state have at least one SHG and 75% of the villages have 15-20 groups in each. Government felt the necessity of building institutions for SHG at the village and

mandal level ('Mandal' is an administrative unit equivalent 1/3 size of a block). Village organizations and mandal federations are formed and the latter are registered under the mutually aided co-operative societies Act. 1995. Such federations take up functions like pensions to old people, insurance services to members, and procurement of raw materials and marketing of finished products, accessing community infrastructure facilities, providing market information and other services to the members.

### **Impact Of SHG Movement**

Various organizations evaluated SHGs. NGOs universities, National Bank for Agricultural & Rural Development (NABARD) and ORG-Marg. Some of the salient features are:

- ❑ 98% of the members make savings regularly as the norms prescribed by the groups.
- ❑ All the groups meet at least once in a month to discuss various social issues related to their day to day life.
- ❑ 98% of eligible members adopt small family norms.
- ❑ 100% children of SHG members are able to access immunization services against the 6 diseases.

- ❑ 30% of the members have access to safe cooking fuels (LPG) under the Government promoted scheme popularly known as “DEEPAM”.
- ❑ 80% of the total SHGs have accessed financial assistance from banks and repayment is 98%
- ❑ 1,00,000 SHG members were elected to the local bodies (3 term Panchayat Raj Institutions) in 1997 November elections.
- ❑ Members are engaged in 450 varieties of income generating activities.
- ❑ Additional family incomes to member range from Rs.1000-3000 per annum depending on the income generating activities.
- ❑ Increase in self confidence and self esteem.
- ❑ Increase in awareness levels about the society and community. Voluntary participation in community activities like laying roads, planting trees conserving environment, construction of water harvesting structures, donations to the victims of natural calamities helping to reduce crime against girls & women, campaign against eradication of social evils like dowry, child marriages, untouchability, AIDS, rescue and rehabilitation of

orphaned children, counseling adolescent girls, support to widows and destitute are a few to mention.

SHG members learning from the past experiences are walking through the present are marching ahead for a bright future. Government of Andhra Pradesh has rightly realized that the involvement of the rural poor women in development will speed up attainment of Swarnandhrapradesh and realizing the Vision indeed.

## **CHAPTER IV**

# **WOMEN EMPOWERMENT THROUGH SELF HELP GROUPS IN WARANGAL DISTRICT**

Poverty and unemployment are the major problems of any under developed countries, to which India is no exception. In India, at the end of ninth five year plan, 26.1% of the population was living below poverty line. In the rural area 27.1% of the population was living under poverty. The overall unemployment rate is estimated to 7.32%. The female unemployment rate is 8.5%. The rate of growth of women unemployment in the rural area is 9.8%. This is because of the low growth rate of new and productive employment. In the end of IX plan the rate of growth of implemented various schemes to reduce poverty and to promote the gainful employment. But the more attractive scheme with less effort (finance) is “Self Help Group”. It is a tool

to remove poverty and improve the rural development (sabyasachi Das 2003)

### **Origin and Concept of SHGs**

The origin of SHGs is from the brainchild of Graeme Bank of Bangladesh, which was founded by Mohammed Yens. SHGs were started and formed in 1975. In India NABARD is initiated in 1986-87. But the real effort was taken after 1991-92 from the linkage of SHGs with the banks. A SHG is a small economically homogeneous affinity group of the rural poor voluntarily coming together to save small amount regularly, which are deposited in a common fund to meet members emergency needs and to provide collateral free loans decided by the group.

They have been recognized as useful tool to help the poor and as an alternative mechanism to meet the urgent credit needs of poor through thrift (V. M. Rao 2002) SHG is a media for the development of saving habit among the women (S. Rajamohan 2003).

SHGs enhance the equality of status of women as participants, decision-makers and beneficiaries in the democratic, economic, social and cultural spheres of life. (Ritu Jain 2003). 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, women friendly loan, peer group pressure in repayment, skill training capacity building and empowerment (N.Lalitha).

In Andhra Pradesh the SHGs were started in 1989 at Warangal District. At present 1.40 lakh groups are function with 23.83 lakh members. At present, many men also eager to form a SHGs. (Abhaskumar Jha 2000)

### **Working of SHGs**

SHGs are working in democratic manner. The upper limit of members in a group is restricted to 20. Among them a member is selected as an 'animator' and two members are selected as the representatives. The animator is selected for the period of two years. The group members meet every week. They discuss about the group savings, rotation of sangha funds, bank loan, repayment of loan, social and community action programmes.

### **Functions of SHGs**

- Create a common fund by the members through their regular savings.



- ❑ Flexible working system and pool the resources in a democratic way.
- ❑ Periodical meeting. The decision making through group meeting.
- ❑ The loan amount is small and reasonable. So that easy to repay in time.
- ❑ The rate of interest is affordable, varying group to group and loan to loan. However it is little higher than the banks but lower than the money lenders.

From the previous studies related to SHGs, it is clearly understood that the SHGs are tool to promote rural savings and gainful employment. Through this the rural poverty is reduced considerably. Therefore women members are economically independent and their contribution to household income is also increased. The present study is also focusing the economic improvement of women after they joining SHGs.

### **Analysis and Interpretation**

The present study is related to the economic empowerment of women in the north Andhra Pradesh. For this study five Mandals were selected from Warangal district.

This section deals the economic improvement of women through SHGs. In the study area totally twenty SHGs are functioning with 398 members (Table-4.1). From the 398 members 134 respondents were selected for the study.

**Table – 4.1**

**Marital Status of Members of SHGs upto 31<sup>st</sup> March 2009**

S. No	Marital Status	Number of Respondents					
		Dharma-sagar	Hasan-parthy	Hanam-konda	Sangem	Narsampet	Athmakur
1	Married	60%	55%	70%	80%	65%	82%
2	Un-Married	30%	40%	21%	15%	15%	10%
3	Divorced /Widows	10%	5%	9%	5%	20%	8%
	TOTAL	100	100	100	100	100	100

*Source :- Compiled from questionnaire data wise.*

The above table shows the Marital Status of Members of SHGs upto 31<sup>st</sup> march 2009 in various Mandals of Warangal District. The above analysis shows that more of the SHG members are married and 30-40% are unmarried and 10-20% divorced /widows. The married womens actively participate in SHGs groups and they encourage all the members of group.

**Table – 4.2****Educational Background of Members of SHGs upto 31<sup>st</sup> March 2009**

S. No	Educational Background	Number of SHGs				
		Dharma-sagar	Maha'bad	Hanamkonda	Etumagaram	Narsampet
1	Illiterates	48%	52%	24%	74%	51%
2	Below 10 <sup>th</sup>	47%	24%	25%	25%	45%
3	Intermediate	2%	42%	20%	1%	1%
4	Diploma course	1%	1%	1%	-	1%
5	Degree	1%	1%	25%	-	1%
6	Masters Degree & Above	1%	1%	5%	-	1%
	Total	100%	100%	100%	100%	100%

*Source :- Compiled from questionnaire data wise.*

*Note : Figure in parenthesis indicate percentage.*

The above table shows Educational Background of Members of SHGs upto 31<sup>st</sup> march 2009 in different Mandals of Warangal District. In all the mandals illiterates are more only in Hanamkonda mandal educated SHGs members are more than comparing to the other mandals, in these mandals those who are educated they only playing the main role as a group leader. Only 1 % members are only fully educated in four mandals and 25 % or above in Hanamkonda mandal. The above table shows the clear description of Illiterates in these mandals.

**Table – 4.3****Type of Family of Members of SHGs**

S. No	Type of Family	Number of SHGs				
		Dharmasagar	Mahabad	Hanamkonda	Etumagaram	Narsampet
1	Joint Family	6%	8%	4%	12%	10%
2	Nuclear Family	94%	92%	96%	88%	90%
	Total	100%	100%	100%	100%	100%

Source :- Complied from questionnaire data wise.

Note : Figure in parenthesis indicate percentage.

The above table shows different families in SHGs in different Mandals of Warangal District. In all the mandals of Warangal District Joint families are of below 15% and the remaining above 85% are Nuclear families in these mandals because all the people are habitated to individuality due to their financial problems they are separately living. Overall the Nuclear families percentage is more in these mandals.

**Table – 4.4****Source of Knowing about the SHGs Schemes**

S. No	Source of Knowing	Number of SHGs				
		Dharmasagar	Mahabad	Hanamkonda	Etumagaram	Narsampet
1	Friends and Relatives	43%	38%	61%	33%	39%
2	Govt. Officials	32%	36%	28%	46%	34%
3	Village Sarpanch	02%	02%	02%	02%	02%
4	Others	23%	24%	09%	19%	25%
	Total	100%	100%	100%	100%	100%

Source :- Complied from questionnaire data wise.

Note : Figure in parenthesis indicate percentage.

An analysis in the above table shows the Source of Knowing about the SHGs Schemes in different Mandals of Warnagla District. In all these Mandals main Friends and Relatives plays a main role, they are the main sources of SHGs schemes and next Govt. Officials also says about SHGs schemes, after that Village Sarpanch and others will tells the people about these schemes. But overall due to friends and relatives people knows the benefits of SHGs.

### **Financial Management**

The financial management of SHGs has been found to be ranging from weak to average. Specifically, internal controls at SHGs and SHG Federations are lacking. Internal controls represents the systems and processes that manage the day to day transaction flow and ensure that roles and responsibilities are defined and executed to safeguard assets. Since SHGs are accessing external borrowings through SHG Bank Linkage and then lends these funds to its members, there have been cases of poor cash flow management to repay debts not just externally but also internally. The risk of overleveraging SHGs is high.

### **Governance**

Since SHGs are an informal organization and a SHG Federation is a composition of informal groups, there is poor

governance and the capacity of the members to enact good governance is weak. The members of SHGs do not have much experience with establishing formalized monitoring and review functions or complying with legal regulations. With the growing size of the loans being made to SHGs, a strong governance system is needed to ensure that there is accountability.

### **Impact of SHGs**

With the structure and model of SHGs and SHG Bank Linkage firmly established, the nature of the impacts of SHGs can be more closely examined and evaluated. The latest published estimates from NABARD state that, to date of March 31, 2005, 1.6 million SHGs have benefited from approximately Rs 69 billion in financing (NABARD, 2005). There is no doubt that there has been greater outreach of financial services to the poor through SHGs. Of course the outreach has been good in South India. However, there outreach has been limited in the rest of the country. Political engagement includes active involvement by SHGs in government including local.

### **Social Harmony**

Broadly defined, social harmony encompasses the equality and integrity of relationships between different social groups. To

frame the following analysis, SHGs typically consists of the following social groups:

- ❑ Schedule Caste (SC)
- ❑ Scheduled Tribe (ST)
- ❑ Minorities (MN)
- ❑ Backward Caste (BC)
- ❑ Other Caste (OC)

### **Supporting the SHG Movement**

The impact of the SHG movement on various aspects of civil society have been varied. As mentioned, the development of SHGs has varied from state to state but, regardless of the phase of evolution, SHGs require external help to continue to grow and have greater outreach and impact to civil society. It is clear from research that some of the obstacles to evolution are beyond the control of the SHGs. The following is a pointed analysis of where government, NGOs, Banks and others, including the private sector, can work together to help answer the needs to SHGs in a measured and effective manner in hopes of not overloading them leading to failure.

### **Communities: Provide Strategic Support**

SHGs have helped their members and their communities. By taking a leadership role in community development, SHGs are perceived to be a guiding force for the village. Though the

instances of SHGs engaging in community development is low, given the capacity, there has been proven results. SHPIs could help facilitate processes whereby women made long-term plans for their villages as a whole, and worked steadily towards the transformation of their villages into modern and equitable hubs of creative and sustainable actions (APMAS, 2005). They might choose to focus on some core issues in each set of plans that they make, and work towards the fulfillment of these. Having persons trained to work on a larger canvas can contribute to a new cadre of political activists. Women may choose to engage directly in party politics, or to play a watchdog role from the environs of civil society – either way, they will usher in a new era of more responsible politics and public life.

Being a group based organization of members of similar caste and geography, the community resources that are shared by are affected by the SHG. Recent analysis has shown that the impact that SHGs have on the community at large have been minor. There have been few instances of significant contributions from SHGs to education, family planning, eradication of child labour and hygiene. To interpret these findings further it should be noted that such community problems are often large financial commitments which SHGs simply do not have the capacity to afford. Also, of the few



instances where there have been significant contributions from the SHGs to the community, the SHG demonstrated a clear leadership role and rallied the support of the entire village. This demonstrates that given the opportunity, SHGs, assuming they have the capacity, can act as a director of community development. The perception of taking of a women's based organization taking a leading role for the betterment of the greater good has monumental impacts on the local community. Gender dynamics begin to balance in instances such as these.

**Table – 4.5**

**Community–Wise Distribution of Members of SHGs upto 31<sup>st</sup> March 2009**

S. No	Community	Caste-wise & Mandal-wise SHGs				
		Dharma-sagar	Mahabuba-bad	Hanam-konda	Etuma-garam	Narsampet
1	Schedule Caste	42%	24%	34%	23%	27%
2	Schedule Tribe	09%	42%	04%	42%	24%
3	Backward Community	33%	21%	45%	27%	28%
4	Others	16%	13%	17%	08%	21%
	TOTAL	100%	100%	100%	100%	100%

Source :- Compiled from questionnaire data wise.

Note : Figure in parenthesis indicate percentage.

The above table shows the Community wise distribution of SHGs in various Mandals of Warangal District. The number of SHGs are in Dharmasagar S.C and B.C. are high and others are at average level, In Mahabubad S.Ts are high and others are at average level. In Hanamkonda S.C and B.C are high and others are at average level. In Eturnagaram S.Ts are high and others are at average level and in Narsampet all communities are at equal level.

**Table – 4.6**

**Age Group of Members of SHGs  
Age of Members of SHGs upto 31<sup>st</sup> March 2009**

S. No	Age – Group (in years)	Number of SHGs				
		Dharma-sagar	Mahaba-bad	Hanam-konda	Eturu-nagaram	Narsam-pet
1	Below – 18	2%	4%	2%	5%	3%
2	18-30	96%	95%	94%	94%	95%
3	30-60	2%	1%	4%	1%	2%
4	Above – 60	-	-	-	-	-
	TOTAL	100%	100%	100%	100%	100%

*Source :- Complied from questionnaire data wise.  
Note :- Figure in parenthesis indicate percentage.*

**Reasons for Joining SHGs**

The major aim of the SHGs is to promote savings and to credit for the productive and consumption purposes. This is true because many people in the study area join the SHGs for

getting loan and promote their personal savings, in addition to get social status Table – 4.6 In the study area many people (81%) joined in SHGs for getting financial assistance, 16.8% of the respondents joins the SHGs for the social status to have independent life, because SHGs give the identify to the members. some members join in the SHGs for other reasons like saving, for social, cultural and political improvement (others2.2%)

**Table – 4.7**  
**Reasons for coming into the fold of members of SHGs**

S.No	Reasons	Number of SHGs					
		Dharma-sagar	Mahaba-bad	Hanam-konda	Eturu-nagaram	Narsampet	Total
1	Un-employment	81%	85%	64%	93%	82%	81%
2	Urge of Independent life	16%	13%	32%	07%	16%	16.8%
3	Others	3%	2%	04%	-	2%	2.2%
	Total	100%	100%	100%	100%	100%	100%

Source :- Complied from questionnaire data wise.

Note : Figure in parenthesis indicate percentage.

### **Income Level of the Members**

Income is the major determinant of the standard of living of the people. The SHGs member income has been increased after joining the SHGs. Hence women members of the groups are independent to meet their personal expenditure, and they

contribute more to their household income. Many housewives (22.39% ) did not earn anything before joining SHGs, but after a member of the SHGs, they are also earning reasonably. This increases the willingness to participate in the SHGs' activities (Table – 4.7). Many women members independently involve in the economic activities individually and with other group members after joining SHGs. Therefore they are now economically independent and contribute to increase their household income.

**Table – 4.8**

**Reasons for coming into the fold of members of SHGs  
Annual Income-wise Distribution of Families of SHGs**

S.No	Annual Income (In. Rs)	Number of SHGs				
		Dharma-sagar	Mahabuba-bad	Hanam-konda	Etur-nagaram	Narsam-pet
1	Below – 5,000	24%	32%	8%	46%	20%
2	5,000-10,000	18%	20%	26%	10%	23%
3	10,000-25,000	32%	28%	32%	26%	32%
4	25,000-50,000	18%	14%	16%	6%	17%
5	Above 50,000	8%	6%	18%	2%	8%
	Total	100%	100%	100%	100%	100%

*Source :- Complied from questionnaire data wise.  
Note : Figure in parenthesis indicate percentage.*

**Women Empowerment Through Self Help Groups:**

Poverty and unemployment are the major problems of any under developed countries, to which India is no exception. In

India, at the end of ninth five year pan 26.1% of the population was living below poverty line. In the rural area 27.1% of the population was living under poverty. The overall unemployment rate is estimated to 7.32%. The female unemployment rate is 8.5%. The rate of growth of women unemployment in the rural area is 9.8%. This is because of the low growth rate of new and productive employment. In the end of IX plan the rate of growth of implemented various schemes to reduce poverty and to promote the gainful employment. But the more attractive scheme with less effort (finance) is “Self Help Group”. It is a too to remove poverty and improve the rural development.

### **Origin and Concept of SHGs**

The origin of SHGs is from the Grameena Bank of Andhra Pradesh, SHGs were started and formed in 1975. In India NABARD is initiated in 1986-87. But the real effort was taken after 1991-92 from the linkage of SHGs with the banks. A SHG is a small economically homogeneous affinity group of the rural poor voluntarily coming together to save small amount regularly, which are deposited in a common fund to meet members emergency needs and to provide collateral free loans decided by the group. They have been recognized as useful tool to help the poor and as an alternative mechanism to meet the urgent credit needs of poor through thrift SHG is a media for the development

of saving habit among the women. SHGs enhance the equality of status of women as participants, decision-makers and beneficiaries in the democratic, economic, social and cultural spheres of life. 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, women friendly loan, peer group pressure in repayment, skill training capacity building and empowerment.

In Andhra Pradesh the SHGs were started in 1989 at Warangal District. At present 1.40 lakh groups are function with 23.83 lakh members. At present, many men also eager to form a SHGs.

### **Working of SHGs**

SHGs are working in democratic manner. The upper limit of members in a group is restricted to 20. Among them a member is selected as an 'animator' and two members are selected as the representatives. The animator is selected for the period of two years. The group members meet every week. They discuss about the group savings, rotation of sangha funds, bank loan, repayment of loan, social and community action programmers.

## **Functions of SHGs**

- ❑ Create a common fund by the members through their regular savings.
- ❑ Flexible working system and pool the resources in a democratic way.
- ❑ Periodical meeting. The decision making through group meeting.
- ❑ The loan amount is small and reasonable. So that easy to repay in time.
- ❑ The rate of interest is affordable, varying group to group and loan to loan. However it is little higher than the banks but lower than the money lenders.

From the previous studies related to SHGs, it is clearly understood that the SHGs are tool to promote rural savings and gainful employment. Through this the rural poverty is reduced considerably. Therefore women members are economically independent and their contribution to household income is also increased. The present study is also focusing the economic improvement of women after they joining SHGs.

## **Objectives**

The overall objective of the present study is to analysis the economic empowerment of women through SHGs in the Warangal district of Andhra Pradesh. However more specifically:

- 1) To study the income, expenditure and savings of the members after joining SHGs.
- 2) To know the role of SHGs in providing rural credit.

The present study has covered the three mandals in Warangal districts of Andhra Pradesh Viz., Hanamkonda, Eturnagaram, Narsampet, Mahabubabad, Dharmasagar. These five mandals were selected for this study, because of the SHGs in these villages are functioning very successful manner. The Hanamkonda mandal of Warangal district is in starting make SHGs. Therefore these villages were selected for the present study.

This study is compiled with the help of the primary data covered only one year period (2005-09). The primary data were collected with the help of specially prepared interview schedule. The schedule included the questions related to the general information about the SHGs members, income, expenditure, savings and loan schemes available to SHGs' members. Totally 134 respondents were selected from 20 SHGs (398 total members) of Warangal District. y simple random sapling method. The sample size was 1/3 of the total members in the SHGs. This is purely a descriptive study. Therefore no complicated models and tools were used, only percentage and average were used for the analysis.



# **CHAPTER V**

## **SOCIO-ECONOMIC BACKGROUND OF THE SAMPLE STUDY**

In this study, an attempt is made to know the extent to which SHGs succeeded in empowering rural women in Warangal district through analysis of various factors contributing to the empowerment by taking a sample of 500 members of SHGs. Detailed analysis is divided into Three sections- A,B and C. In section A basic characteristics of all the respondents and the constituents of overall growth are studied. In section B an attempt is made to assess the extent which SHGs helped the women empowerment in Warangal District. Detailed study on economic empowerment of women vis-a-vis occupational shift is provided in section C.

In this the socio-economic status of sample respondents in the study area is analysed based on the following characteristics:

- 1) Religion and Community.
- 2) Size of family and headship.
- 3) Age and place of birth.
- 4) Marital status and Age at marriage.
- 5) Educational status.
- 6) Occupation.
- 7) Household income and Respondents income.
- 8) Domestic expenditure.
- 9) Household savings and liabilities.
- 10) Shouldering of domestic responsibilities.
- 11) Household decision-making process.
- 12) Access and control over productive assets.
- 13) Membership in SHGs.
- 14) Change in social-customs and social restrictions.

Data collected on these aspects is presented through tables with analysis and inferences in the following paragraphs.

### **Religion and Community**

Even though India is secular in its character, religion and community determine the extent to which men and women take path to develop in their lives. It is more prominent in case of rural women. Some religions and communities ban women from participating in any kind of social activities. Table ? shows social composition of the respondents.

**Table – 5.1**  
**Religion and Community of the Respondents**

S.No.	Particulars	Number (n=500)	Percentage
1	<b>Religion</b>		
	<input type="checkbox"/> Hindu	<b>409</b>	<b>81.8</b>
	<input type="checkbox"/> Christian	<b>56</b>	<b>11.2</b>
	<input type="checkbox"/> Muslim	<b>35</b>	<b>7.0</b>
2	<b>Community</b>		
	<input type="checkbox"/> SC/ST	<b>112</b>	<b>22.4</b>
	<input type="checkbox"/> Most Backward Class	<b>203</b>	<b>40.6</b>
	<input type="checkbox"/> Backward Class	<b>143</b>	<b>18.6</b>
	<input type="checkbox"/> Forward Classes	<b>42</b>	<b>8.4</b>

*Source: Primary data*

Table-5.1 reveals that nearly 82.0 per cent belonged to the Hindus, 11.2 per cent to Christianity and 7.0 per cent of them were from Islam.

Among these 22.4 per cent of the respondents belonged to SC/ST and 59.2 per cent was from backward and most backward communities.

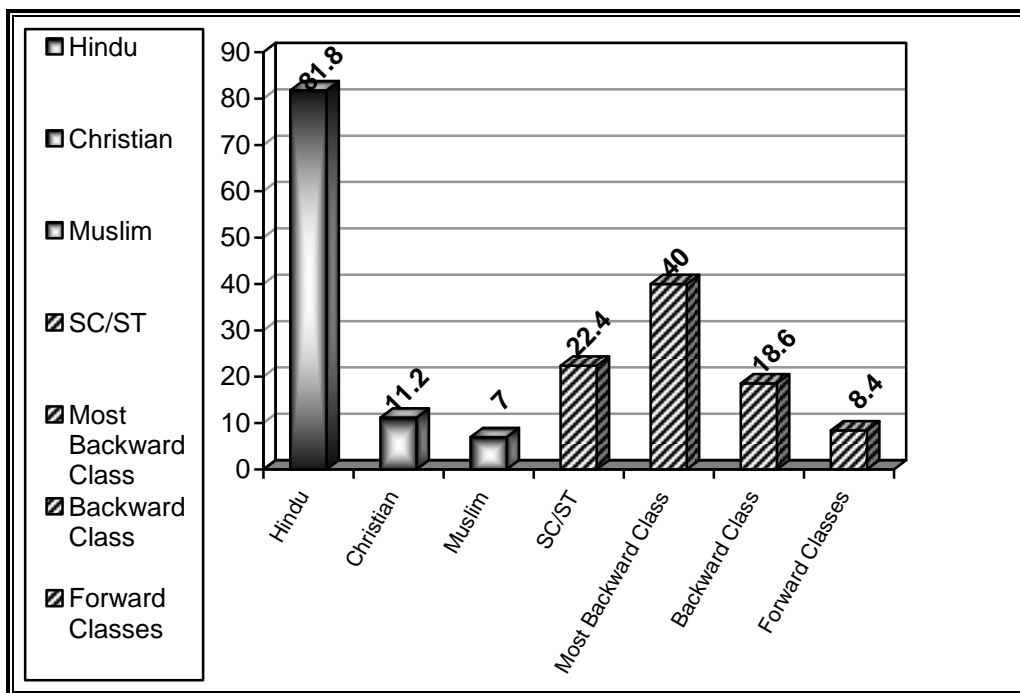
It is conclude that respondents therefore, largely comprised Hindus (81.8%), and belonged to backward (59.2%) and scheduled communities (22.4%). Great care has been taken to include respondents from all religions, but majority of Hindu group suggest the pattern of the society.

Similarly, the picture on the community composition with two thirds from Backward and Most Backward segments and

one-third from SC/ST portrays the representation from all segments of the community, particularly a greater number among the Backward and most Backward communities.

Such composition allows us to infer that the views and opinions expressed by the respondents will represent a cross-section of the community and thus be comprehensive and holistic of the study area. In addition, the views of SC/ST sections are represented better in the study population.

**Religion and community of the Respondents.**



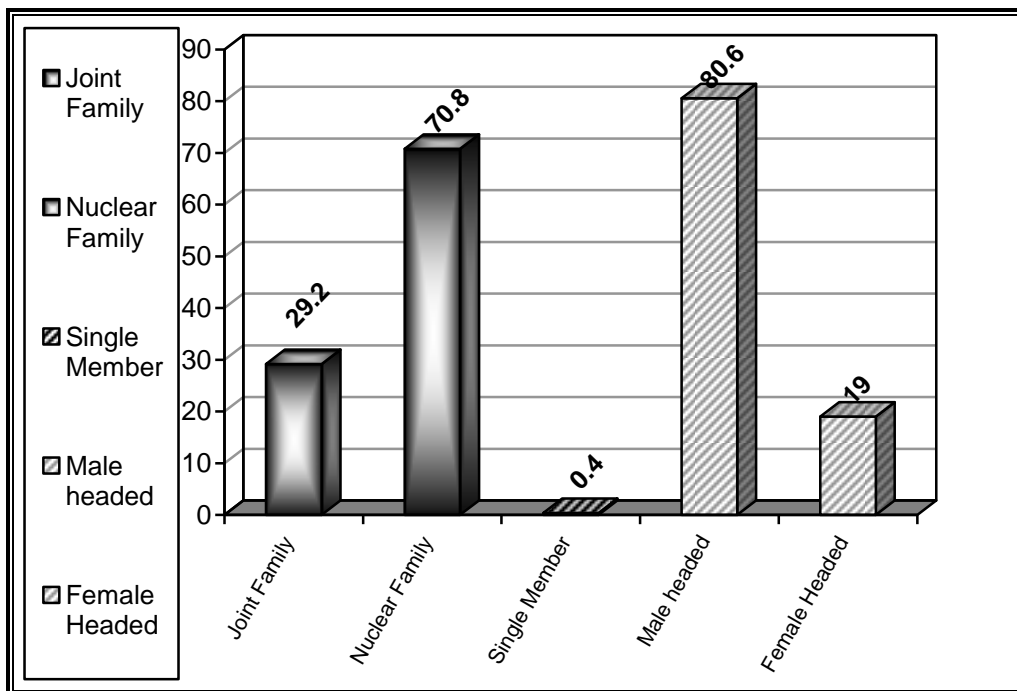
**Table – 5.2**  
**Family Type and Headship**

S. No.	Particulars	Number (n=500)	Percentage
1	<b>Family Type</b>		
	□□□□ Joint family	<b>146</b>	<b>29.2</b>
	□□□□ Nuclear family	<b>354</b>	<b>70.8</b>
2	<b>Pattern of family</b>		
	□□ Single member	<b>02</b>	<b>0.4</b>
	□□ Male headed	<b>403</b>	<b>80.6</b>
	□□ Female headed	<b>95</b>	<b>19.0</b>

*Source:- Primary data*

**Table : Family Type and Pattern of Family of the Respondents.**

From the Table We can infer that out that 70.8 per cent of the respondents hailed from nuclear families, while the remaining 29.2 per cent represented joint families.



Further it is clear from the fact that 80.6 per cent respondents lived in male-headed families. Families headed by female comprised 19.0 per cent.

Nuclear families (70.8 per cent) and male headed families (80.6 per cent) were predominant among the respondent households.

From the above conclusion, we may infer that while the prevalence of more nuclear families represents the gradually changing scenario of Nuclearization, in favor of empowering women, the preponderance of male headed families manifests the patriarchal hold of the respondent households.

**Table – 5.3**  
**Age and Nativity**

S.No.	Particulars	Number of Respondents (n=500)	Percentage
1	<b>Age</b>		
	<input type="checkbox"/> Below 35 years	<b>208</b>	<b>41.8</b>
	<input type="checkbox"/> Above 35 years	<b>292</b>	<b>58.2</b>
2	<b>Place of Birth</b>		
	<input type="checkbox"/> Rural	<b>452</b>	<b>90.4</b>
	<input type="checkbox"/> Urban	<b>48</b>	<b>9.6</b>

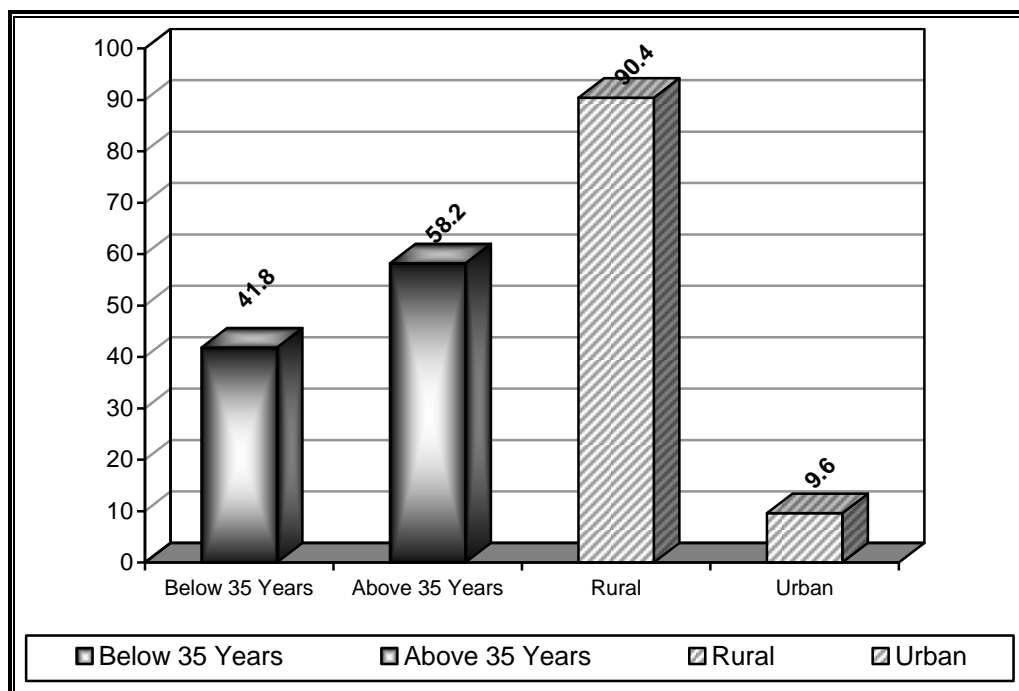
*Source:- Primary data*

*Table : Age and Place of Birth of the Respondents*

Table shows the details about the age and place of birth of the respondents. The age profile of respondents shows that 41.8

per cent were aged below 35 years while the remaining 58.2 per cent were aged above 35 years.

**Figure : Age and Place of Birth of Respondents.**



Nearly 90 per cent of the respondents were born in rural areas, while the rest (10 per cent) were born in towns or cities.

We may conclude that less number of respondents belonged to age group of below 35 years (41.8 per cent) and respondents from age group of above 35 years (58.2 per cent) out numbered. Further a large majority (90 per cent) were born in rural areas.

From the above conclusion, we may infer that the difference between those aged below and above 35 years points to composition SHGs while the predominance of village born

respondents may bring about a less progressive view towards empowerment.

### **Marital Details**

Marriage has a role to play in deciding the social status and living conditions of women in India. As the society is by and large patriarchal, the husband's social status defined the social status of woman, (Sahay, 1998).

**Table – 5.4**  
**Married level status of SHGs**

<b>S.No.</b>	<b>Particulars</b>	<b>Number (n=500)</b>	<b>Percentage</b>
1	<b>Martial Status</b>		
	<input type="checkbox"/> Married	<b>405</b>	<b>81.0</b>
	<input type="checkbox"/> Unmarried	<b>43</b>	<b>8.6</b>
	<input type="checkbox"/> Widows, separated, divorces, deserted	<b>52</b>	<b>10.4</b>
2	<b>Age at Marriage</b>		
	<input type="checkbox"/> 4-18	<b>202</b>	<b>40.4</b>
	<input type="checkbox"/> 18-21	<b>197</b>	<b>39.4</b>
	<input type="checkbox"/> 21 and above	<b>101</b>	<b>20.2</b>
3	<b>Type of Marriage</b>		
	<input type="checkbox"/> Love marriage	<b>23</b>	<b>4.6</b>
	<input type="checkbox"/> Arranged marriage	<b>477</b>	<b>95.4</b>
4	<b>Religion to Spouse</b>		
	<input type="checkbox"/> Close relatives	<b>144</b>	<b>29.8</b>
	<input type="checkbox"/> Relatives	<b>163</b>	<b>32.6</b>
	<input type="checkbox"/> Not known earlier.	<b>193</b>	<b>38.6</b>
	Total		

*Source:- Primary data from Questionnaire*

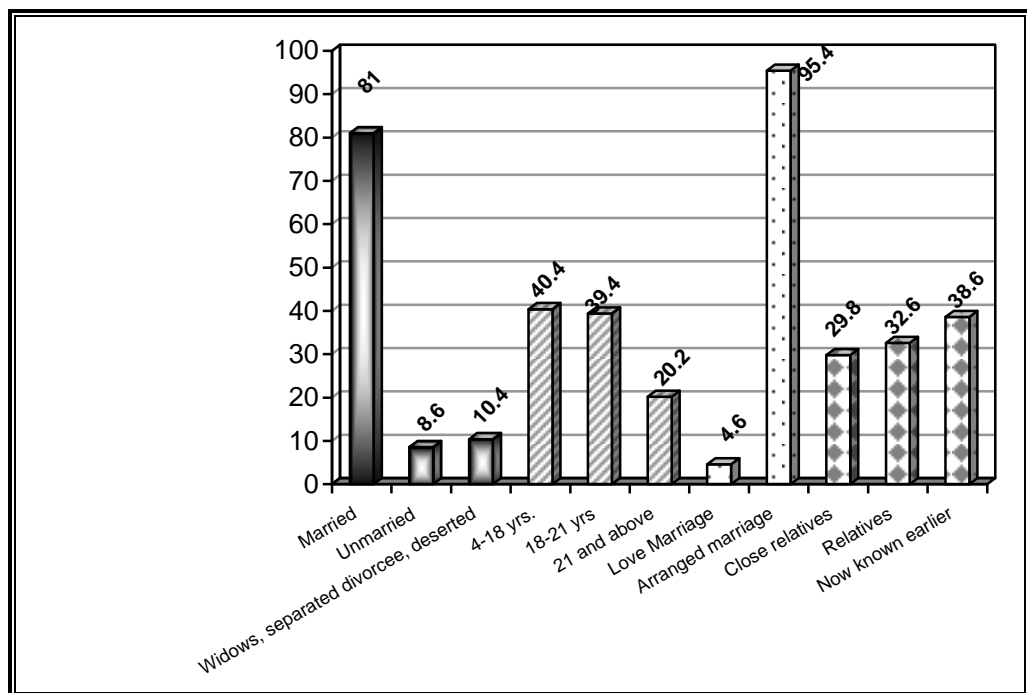


Table 5.4 shows that married women were in large majority (81.0 per cent). Eighty per cent of respondents were married at the young age of 14-18 and 18.21 years.

Ninety five per cent of respondents had arranged marriage, while 5 per cent had love marriage.

Nearly 30 per cent of respondents married within their close relatives while another 32 per cent married among their relatives.

We may infer from the above conclusion that predominance married women, their marriage reveal the prevalence of existing social norm among the sample population.



**Table – 5.5**  
**Education of Respondents and their Spouses.**

S.No.	Particulars	Number (n=500)	Percentage
1	<b>Education of Respondents</b>		
	□□ Illiterates	<b>303</b>	<b>60.6</b>
	□□ Primary and middle	<b>164</b>	<b>32.8</b>
	□□ Secondary and above	<b>33</b>	<b>3.6</b>
2	<b>Education of Spouses</b>		
	□□ Illiterate	<b>66</b>	<b>13.2</b>
	□□ Primary	<b>202</b>	<b>40.4</b>
	□□ Middle level	<b>100</b>	<b>20.0</b>
	□□ Secondary level	<b>63</b>	<b>12.6</b>
	□□ Higher secondary	<b>36</b>	<b>7.2</b>
	□□ College/Professional	<b>33</b>	<b>6.6</b>

*Source :- primary data from Questionnaire*

*Table : Educational Status of the Respondents and their Spouses.*

Table 5.5 gives an account of the educational status of the respondents, and their spouses.

Two thirds of the respondents were illiterate (60.6%). Only primary and middle level of education was received by a large majority of the respondents (32.8%). On the contrary, about 87 per cent of the spouses of the respondents were educated and 27 per cent of them has secondary level of education.

We may infer from above conclusion that only a third of the respondents were literate as against 87 per cent of their spouses. Women's illiteracy in the respondent households was found to be 5 times greater than that of their spouses. It is

probable that they are less empowered. We may infer that illiteracy among majority of the respondents and a lower level of education among those literate may hinder women's empowerment.

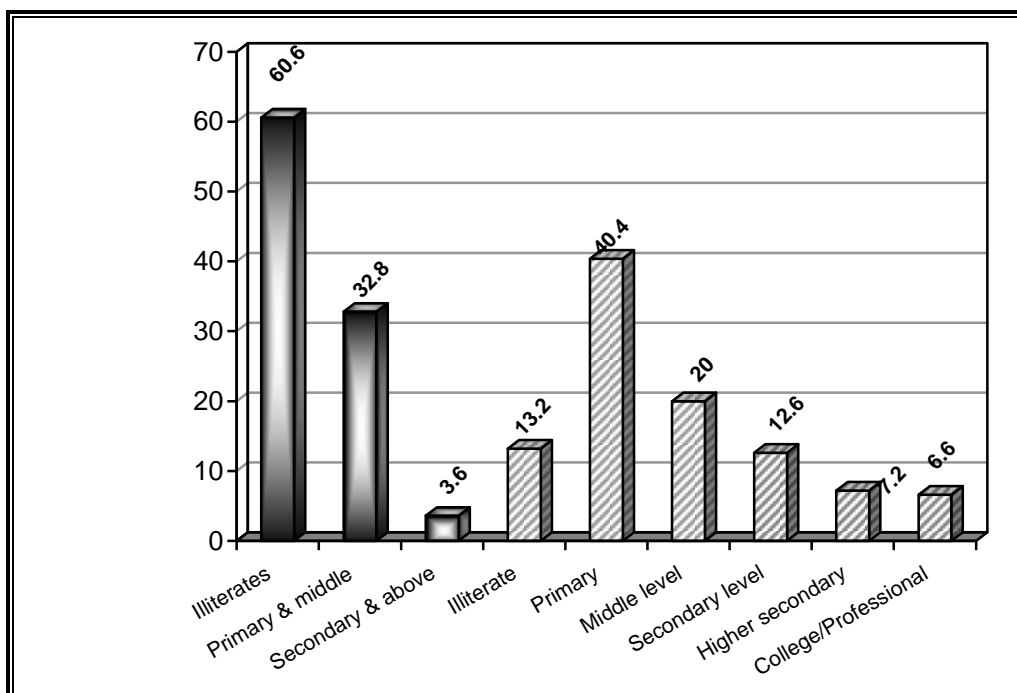


Table 5.6 presents the occupation of respondents and their spouses- both at present and prior to their marriage. At present, 39.8 per cent of the respondents are engaged in their domestic activities, while 5.4 per cent were in self employment and 15.6 per cent of them as non-farm laborers. 48.6 per cent of them are engaged as agricultural labourers.

**Table – 5.6**  
**Occupation – Present and Prior**

S.No.	Particulars	Number (n=500)	Percentage
1	<b>Present Occupation</b>		
	<input type="checkbox"/> Agricultural labour	<b>243</b>	<b>48.6</b>
	<input type="checkbox"/> Domestic activities	<b>198</b>	<b>39.8</b>
	<input type="checkbox"/> Self employment	<b>27</b>	<b>5.4</b>
	<input type="checkbox"/> Non-Farm labour	<b>78</b>	<b>15.6</b>
	<input type="checkbox"/> Salaried employment.	<b>64</b>	<b>12.8</b>
2	<b>Occupation Before Marriage</b>		
	<input type="checkbox"/> Domestic work	<b>276</b>	<b>55.2</b>
	<input type="checkbox"/> Employed	<b>123</b>	<b>24.6</b>
	<input type="checkbox"/> Studying	<b>101</b>	<b>20.2</b>
3	<b>Occupation of Spouse</b>		
	<input type="checkbox"/> Farm labour	<b>232</b>	<b>46.4</b>
	<input type="checkbox"/> Self employed	<b>70</b>	<b>14.0</b>
	<input type="checkbox"/> Not employed	<b>23</b>	<b>4.6</b>
	<input type="checkbox"/> Salaried	<b>98</b>	<b>19.6</b>
	<input type="checkbox"/> Non-farm labour	<b>77</b>	<b>15.4</b>
	Total		

Source : Primary data from Questionnaire

Table : Occupation of Respondents and their Spouses – Before and After Marriage.

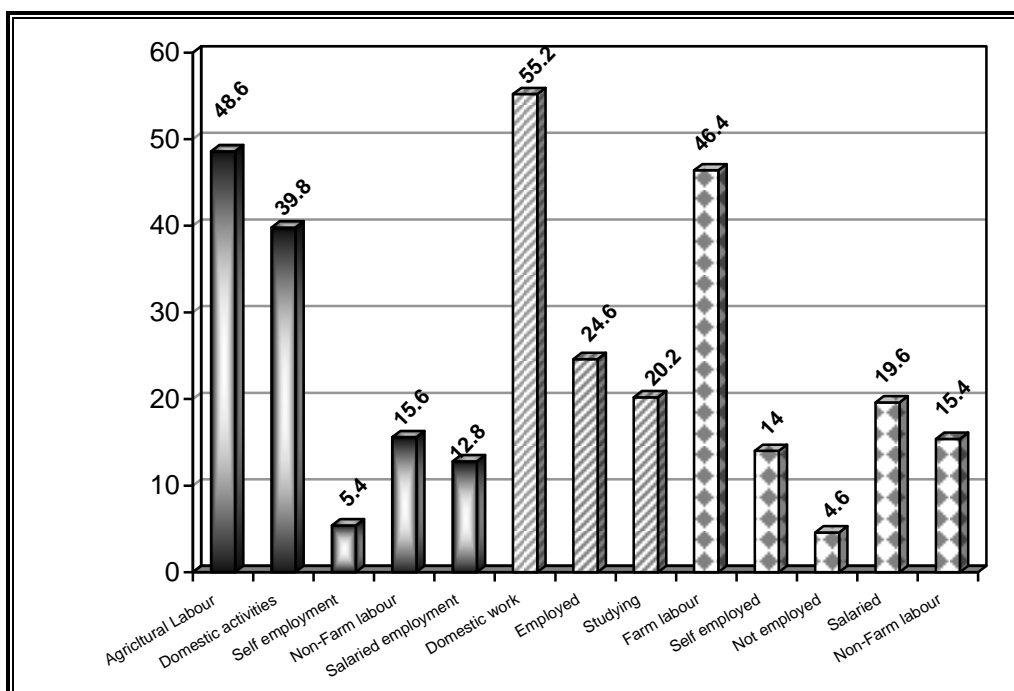
Prior to the marriage of the respondents, 24.6 per cent of them were employed, 20.2 per cent were studying and the remaining 55.2 per cent of them were engaged in domestic work.

Similarly, about 4.6 per cent of the respondents spouses were not employed. 46.4 of them were in farm labour, 15.4 per cent employed as non-farm labour, 14 per cent in self-employment and 19.6 per cent were occupied in salaried employment.

We may conclude from the above analysis that 64 per cent of the respondents are in farm and non-farm labour activities at present. Prior to their marriage, 55 per cent were engaged in domestic work while the remaining were employed (25 per cent) or studying (20 per cent). Sixty one per cent of the spouses of the respondents were engaged in farm and non-farm labour.

The findings reveal the predominance of the sample respondents in farm and non-farm activities typical of rural settings and their views on women empowerment may be typical of a peasant society.

Studies have shown that unlike traditional farm/non-farm based labour activities, self employment programmes reduce the barriers to entrepreneurship by increasing women's access to credit and capital, technical expertise, management training and information and support networks. Since majority of the respondents are confined to the traditional activities, their opportunity to advance then, through self employment avenues remain closed because female entrepreneurship has the potential for women's empowerment.



### Household Annual Income

Table – 5.7

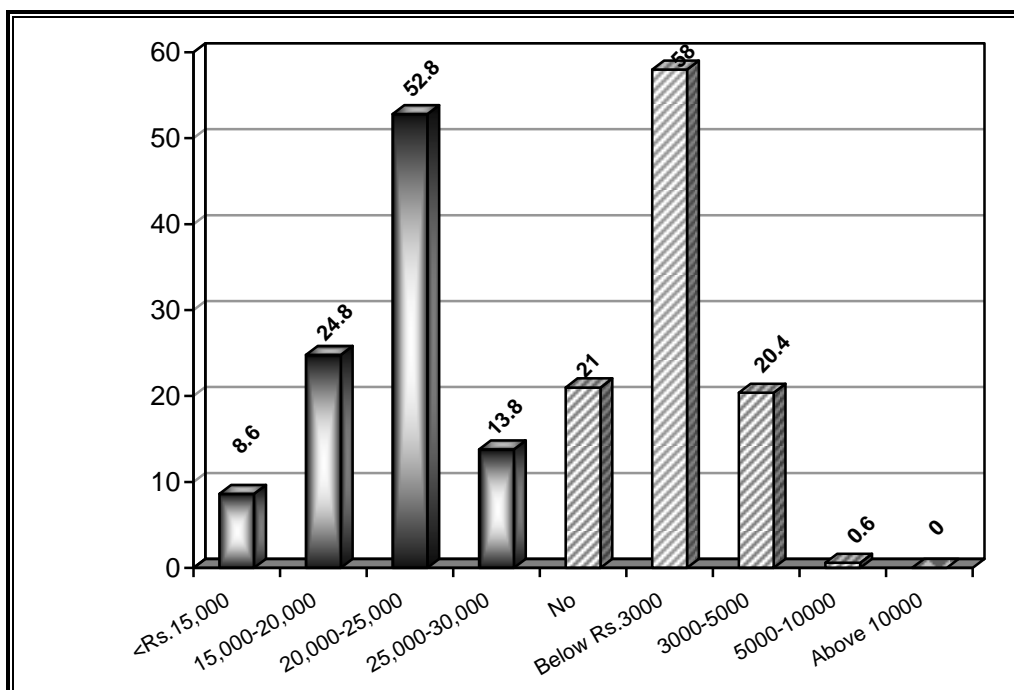
### Occupation, Household Income and Annual Income of the Respondents

S.No.	Particulars	Number (n=500)	Percentage
1	<b>Household Annual Income</b>		
	□□ < Rs. 15,000	43	8.6
	□□ Rs.15,000-20,000	124	24.8
	□□ Rs.20,000-25,000	264	52.8
	□□ Rs. 25,000-50,000	69	13.8
2	<b>Annual Income of Respondents</b>		
	□□ No	105	21.0
	□□ Below Rs. 3000	290	58.0
	□□ Rs. 3000-5000	102	20.4
	□□ Rs. 5000-10,000	03	0.6
	□□ Above Rs. 10,000	--	--

Source :- primary data from Questionnaire

Table 5.7 shows that one-third of the respondents had an income of less than Rs. 20,000 per annum, about half earned

between Rs. 20,000 and Rs. 25,000, while the remaining one-sixth had Rs. 25,000 to Rs. 50,000 as their annual income.



### **Domestic Responsibility Sharing**

Table ..... consists of details regarding the discharge of domestic responsibilities by the respondents in the categories viz., independently, with other family members and by the men in their households, in respect of certain basic domestic chores. These include cooking, fetching water, washing clothes, cleaning of vessels, collection of fuel wood, maintenance of the house and care of the sick and elderly.

Respondents took care of cooking responsibility at home independently in 86.3 per cent cases, and with other female

members in the remaining (13.7%) households. No male member shared this responsibility.

Eighty to eighty seven per cent of the respondents shouldered the following responsibilities independently:

- 1) Fetching of drinking water during summer
- 2) Collection of fuel wood
- 3) Maintenance of house
- 4) Washing of clothes
- 5) Cleaning of vessels
- 6) Care of the sick/disabled

The other family members joined the respondents in the above tasks ranging from 14.7 to 18.3 per cent.

Men's share in the above tasks related to fetching of water during summer (2.8%), maintenance of house (2.7%) and collection of fuel wood (1.8%).

1) Care of the sick/disabled	84.5
2) Cleaning of vessels	84.0
3) Washing of clothes	83.7
4) Maintenance of house	82.6
5) Collection of fuel wood	82.4
6) Fetching of drinking water during summer	81.4

Men's share was limited to about two to three per cent in respect of fetching drinking water during summer, maintenance



of house and collection of fuel wood. Family members assisted in all the activities ranging from 14 to 18 per cent.

We may infer from the above facts that cooking continues to be the prime preserve of women and the men keep away from all major domestic responsibilities. This reinforces the constancy in gender roles and the caution exercised by men from purveying into the women's domain.

### **Occupational Shift**

In this section an attempt is made to assess the extent to which SHGs helped the women empowerment in Warangal District.

Majority of people living in India area belong to BPL. Specifically, rural women are suffering from lack of education, mal nutrition, large scale unemployment, in hygienic living conditions, poor health care, acute drinking water problem, male exploitation etc. All these problems occur due to lack of economic independency. Economic development is not possible without the development of women. Development of women in general and rural women in particular facilitates socio-economic transformation of a nation. It is in this context, self help groups play a vital role. SHGs are trying their best to provide employment to rural women, encouraging them to shift to new

occupations which are more income generating and profitable. SHGs are encouraging rural women to take up challenging new occupations SHGs are providing necessary guidance, training and financial assistance to the rural women for undertaking challenging jobs.

Occupational shift is considered as the change of job after joining SHGs so that they gain knowledge, experience, and level of performance in changed activities. Before joining SHGs, women were suffering from insufficient or no wages, poor earning capacity, exploitation, physical and mental occupational hazards. Further, migration of husband subjected the women to insecurity, displacement of job, etc. However, after joining SHGs, with the up gradation of knowledge and technological skills, women could gain the confidence and courage to carry on their activities without any dislocation.

The occupational shift depends on demographic factors like age, education level and family size support from family members, friends and relatives which are considered as internal factors. External factors like Govt. Policies, role of Govt. agencies and role of NGOs, also influence the change of occupation after joining SHGs.

The impact of Occupation shift has been studied in terms of the following:

- 1) Occupation pattern before joining SHGs
- 2) Occupation shift after joining SHGs
- 3) Occupation shift vis-à-vis Age
- 4) Occupation shift vis-à-vis Education
- 5) Occupation shift vis-à-vis Family size

### **1. Occupation pattern before joining SHGs**

An attempt is made to analyse the occupation pattern of respondents before they joined SHGs. The information in this regard is presented.

It is clear from the data reveals that 27 per cent of respondents were unemployed before they joined SHGs. About 25.6 per cent of the respondents were daily wage employees. Further, 21 per cent were involved in household activities, 18.6 per cent were helping their husbands. Thus, majority of women were either unemployed or involved in non-remunerative activities.

Thus, it is clear from the analysis that majority of women were either unemployed or helping their husbands or involved in non-remunerative activities. This is due to lack of knowledge, awareness and exposure.

In order to test whether there is any association between occupation structure and area represented by villages, the following null hypothesis has been tested:

**Null Hypothesis-1:**

“There is no significant difference between villages so far as employment pattern before joining SHGs is concerned”.

Null hypothesis-1 has been tested with the help of Pearson Chi-square and the results are as follows:

**Table – 5.8**  
**OCCUPATION STRUCTURE OF WOMEN BEFORE JOINING SHGs**

		UED	DW	HHA	HLH	OTS	total
1.	Respondents	23	10	10	5	2	50
	% within VLGS	46.0%	20.0%	20.0%	10.0%	4.0%	100.0%
	%within OCPN	17.0%	7.8%	9.0%	5.4%	5.1%	10.0%
	% of total	4.6%	2.0%	2.0%	1.0%	4%	10.0%
2.	Respondents	15	15	10	6	4	50
	% within VLGS	30.0%	30.0%	20.0%	12.0%	8.0%	100.0%
	%within OCPN	11.1%	11.7%	9.5%	6.5%	10.3%	10.0%
	% of total	3.0%	3.0%	2.0%	1.2%	8%	10.0%
3.	Respondents	18	8	10	10	4	50
	% within VLGS	36.0%	16.0%	20.0%	20.0%	8.0%	100.0%
	%within OCPN	13.3%	6.3%	9.5%	10.8%	10.3%	10.0%
	% of total	3.6%	1.6%	2.0%	2.0%	8%	10.0%
4.	Respondents	12	20	8	2	8	50
	% within VLGS	24.0%	40.0%	16.0%	4.0%	16.0%	100.0%
	%within OCPN	8.9%	15.6%	7.6%	2.2%	20.5%	10.0%
	% of total	2.4%	4.0%	1.6%	4%	1.6%	10.0%
5.	Respondents	10	10	15	12	3	50
	% within VLGS	20.0%	20.0%	30.0%	24.0%	6.0%	100.0%
	%within OCPN	7.4%	7.8%	11.1%	12.9%	7.7%	10.0%
	% of total	2.0%	2.0%	3.0%	2.4%	6%	10.0%
6.	Respondents	15	15	5	10	5	50
	% within VLGS	30.0%	30.0%	10.0%	20.0%	10.0%	100.0%
	%within OCPN	11.1%	11.7%	4.8%	10.8%	12.8%	10.0%
	% of total	3.0%	3.0%	1.0%	2.0%	1.0%	10.0%
7.	Respondents	14	12	12	10	2	50
	% within VLGS	28.0%	24.0%	24.0%	20.0%	4.0%	100.0%
	%within OCPN	10.4%	9.4%	11.4%	10.8%	5.1%	10.0%
	% of total	2.8%	2.4%	2.4%	2.0%	4%	10.0%
8.	Respondents	15	5	5	20	5	50
	% within VLGS	30.0%	10.0%	10.0%	40.0%	10.0%	100.0%
	%within OCPN	11.1%	3.9%	4.8%	21.5%	12.8%	10.0%
	% of total	3.0%	1.0%	1.0%	4.0%	1.0%	10.0%
9.	Respondents	5	25	10	8	2	50
	% within VLGS	10.0%	50.0%	20.0%	16.0%	4.0%	100.0%
	%within OCPN	3.7%	19.5%	9.5%	8.6%	5.0%	10.0%
	% of total	1.0%	0%	2.0%	1.6%	4%	10.0%
10.	Respondents	8	8	20	10	4	50
	% within VLGS	16.0%	16.0%	40.0%	20.0%	8.0%	100.0%
	%within OCPN	5.9%	6.3%	19.0%	10.8%	10.3%	10.0%
	% of total	1.6%	1.6%	4.0%	2.0%	8%	10.0%
Total:	Respondents	135	128	105	93	39	500
	% within VLGS	27.0%	25.6%	21.0%	18.6%	7.8%	100.0%
	%within OCPN	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	% of total	27.0%	25.0%	21.0%	18.6%	7.8%	100.0%

Sample size	D.F	Significance Level	Computed value of Chi-square	Critical value of chi-square
500	36	0.05	90.923	0.000

Source :- Primary data from Questionnaire

Computed value of chi-square is significant at 5 per cent level. As such, the null hypothesis is rejected. Therefore, it may be concluded that there is significant difference between the villages so far as employment pattern before joining SHGs is concerned.

## **2. Occupation shift after joining SHGs**

The emergence of SHGs helped the rural women in undertaking new and remunerative jobs. For the purpose of the study the new jobs undertaken by the respondents have been grouped into 'Traditional' and 'Non Traditional occupations'. Traditional occupations include (1) Agriculture & Allied Activities (2) Animal Rearing, and (3) Paddy Hulling. These occupations do not require advanced technology, training, investment and knowledge. Non traditional occupations include printing, Xeroxing, RMG, RTT, BPR, TLG and CMG. These occupations need training, knowledge and skills and advanced technology. The details of analysis pertaining to village wise occupational shift of women after joining SHGs are represented in Table- 3.2.

**Table – 5.9**

**OCCUPATION SHIFT TOWARDS NON-TRADITIONAL JOBS**

			OCPN		Total
			TRDL	NTRDL	
Vlgs	1	Respondents	25	25	50
		Expected respondent	27.5	27.5	50.0
		%within VLGS	50.0%	50.0%	100.0%
		%within OCPN	9.1%	11.1%	10.0%
		% of total	5.0%	5.0%	10.0%
	2	Respondents	20	30	50
		Expected Respondents	27.5	22.5	50.0
		%within VLGS	40.0%	60.0%	100.0%
		%within OCPN	7.3%	13.3%	10.0%
		% of total	4.0%	6.0%	10.0%
	3	Respondents	30	20	50
		Expected Respondents	27.5	22.5	50.0
		%within VLGS	60.0%	40.0%	100.0%
		%within OCPN	10.9%	8.9%	10.0%
		% of total	6.0%	4.0%	10.0%
	4	Respondents	28	22	50
		Expected Respondents	27.5	22.5	50.0
		%within VLGS	56.0%	44.0%	100.0%
		%within OCPN	10.2%	9.8%	10.0%
		% of total	5.6%	4.4%	10.0%
	5	Respondents	35	15	50
		Expected Respondents	27.5	22.5	50.0
		%within VLGS	70.0%	30.0%	100.0%
		%within OCPN	12.7%	6.7%	10.0%
		% of total	7.0%	3.0%	10.0%
	6	Respondents	30	20	50
		Expected Respondents	27.5	22.5	50.0
		%within VLGS	44.0%	40.0%	100.0%
		%within OCPN	8.0%	8.9%	10.0%
		% of total	4.4%	4.0%	10.0%
	7	Respondents	22	28	50
		Expected Respondents	27.5	22.5	50.0
		%within VLGS	44.0%	56.0%	100.0%
		%within OCPN	8.0%	12.4%	10.0%
		% of total	4.4%	5.6%	10.0%
	8	Respondents	23	27	50
		Expected Respondents	27.5	22.5	50.0
		%within VLGS	46.0%	54.0%	100.0%
		%within OCPN	8.4%	12.2%	10.0%
		% of total	4.6%	5.4%	10.0%
	9	Respondents	27	23	50
		Expected Respondents	27.5	22.5	50.0
		%within VLGS	54.0%	46.0%	100.0%
		%within OCPN	9.8%	10.2%	10.0%
		% of total	5.4%	4.6%	10.0%
	10	Respondents	35	15	50
		Expected Respondents	27.5	22.5	50.0
		%within VLGS	70.0%	30.0%	100.0%
		%within OCPN	12.7%	6.7%	10.0%
		% of total	7.0%	3.0%	10.0%
total		Respondents	275	225	500
		Expected Respondents	275.0	225.0	500.0
		%within VLGS	55.0%	45.0%	100.0%
		%within OCPN	100.0%	100.0%	1000%
		% of total	55.0%	45.0%	100.0%

Source :- Primary data from Questionnaire

It is clear from the Table- 5.9 that majority i.e. 55 per cent of the respondents have taken up traditional occupations after joining SHGs. Remaining 45% shifted to Non-Traditional occupations.

Thus it may be concluded that majority of respondents who have changed their occupation after joining SHGs opted for traditional jobs not requiring advanced knowledge, skills and technology.



**Table – 5.10**

**OCCUPATION STRUCTURE OF WOMEN BEFORE JOINING SHGs**

		Non Traditional								
		PPG	XXG	RMG	RTT	BPR	TLG	CMG	TOTAL	
Villages	1	Respondent	5	2	2	2	11	2	1	25
		% within villages	20.0%	8.0%	8.0%	8.0%	44.0%	8.0%	4.0%	100.0%
		% within nontraditional	11.6%	9.5%	5.9%	6.7%	25.6%	7.1%	3.8%	11.1%
		% of total	2.2%	9%	9%	9%	4.9%	9%	4%	11.1%
	2	Respondent	5	2	8	5	2	5	3	30
		% within villages	16.7%	6.7%	26.7%	16.7%	6.7%	16.7%	10.0%	100.0%
		% within nontraditional	11.6%	9.5%	23.5%	16.7%	4.7%	17.9%	11.5%	13.3%
		% of total	2.2%	9%	3.6%	2.2%	9%	2.2%	1.3%	13.3%
	3	Respondent	5	2	3	3	2	2	3	20
		% within villages	25.0%	10.0%	15.0%	15.0%	10.0%	10.0%	15.0%	100.0%
		% within nontraditional	11.6%	9.5%	8.8%	10.0%	4.7%	7.1%	11.5%	8.9%
		% of total	2.2%	9%	1.3%	1.3%	9%	9%	1.3%	8.9%
	4	Respondent	5	2	5	3	2	2	3	22
		% within villages	22.7%	9.1%	22.7%	13.6%	9.1%	9.1%	13.6%	100.0%
		% within nontraditional	11.6%	9.5%	14.7%	10.0%	4.7%	7.1%	11.5%	9.8%
		% of total	2.2%	9%	2.2%	1.3%	9%	9%	1.3%	9.8%
	5	Respondent	2	2	2	2	3	2	2	15
		% within villages	13.3%	13.3%	13.3%	13.3%	20.0%	13.3%	13.3%	100.0%
		% within nontraditional	4.7%	9.5%	5.9%	6.7%	7.0%	4.7%	4.7%	6.7%
		% of total	9%	9%	9%	9%	1.3%	9%	9%	6.7%
	6	Respondent	5	2	3	3	3	2	2	20
		% within villages	25.0%	10.0%	15.0%	15.0%	15.0%	10.0%	10.0%	100.0%
		% within nontraditional	11.6%	9.5%	8.8%	10.0%	7.0%	7.1%	7.7%	8.9%
		% of total	2.2%	9%	1.3%	1.3%	1.3%	9%	9%	8.9%
	7	Respondent	5	2	2	2	10	3	4	28
		% within villages	17.9%	7.1%	7.1%	7.1%	35.7%	10.7%	14.3%	100.0%
		% within nontraditional	11.6%	9.5%	5.9%	6.7%	23.3%	10.7%	15.4%	12.4%
		% of total	2.2%	9%	9%	9%	4.4%	1.3%	1.8%	12.4%
	8	Respondent	5	2	2	5	5	5	3	27
		% within villages	18.5%	7.4%	7.4%	18.5%	18.5%	18.5%	11.1%	100.0%
		% within nontraditional	11.6%	9.5%	5.9%	16.7%	11.6%	17.9%	11.5%	12.0%
		% of total	2.2%	9%	9%	2.2%	2.2%	2.2%	1.3%	12.0%
	9	Respondent	4	3	5	3	3	2	3	23
		% within villages	17.4%	13.0%	21.7%	13.0%	13.0%	8.7%	13.0%	100.0%
		% within nontraditional	9.3%	14.3%	14.7%	10.0%	7.0%	7.1%	11.5%	10.2%
		% of total	1.8%	1.3%	2.2%	1.3%	1.3%	9%	1.3%	10.2%
	10	Respondent	2	2	2	2	2	3	2	15
		% within villages	13.3%	13.3%	13.3%	13.3%	13.3%	20.0%	13.3%	100.0%
		% within nontraditional	4.7%	9.5%	5.9%	6.7%	4.7%	10.7%	7.7%	6.7%
		% of total	9%	9%	9%	9%	9%	1.3%	9%	6.7%
Total:		Respondent	43	21	34	30	43	28	26	225
		% within villages	19.1%	9.3%	15.1%	13.3%	19.1%	12.4%	11.6%	100.0%
		% within nontraditional	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
		% of total	19.1%	9.3%	15.1%	13.3%	19.1%	12.4%	11.6%	100.0%

			Non Traditional							
			PPG	XXG	RMG	RTT	BPR	TLG	CMG	TOTAL
Villages	1	Respondent % within villages % within nontraditional % of total	5 20.0% 11.6% 2.2%	2 8.0% 9.5% 9%	2 8.0% 5.9% 9%	2 8.0% 6.7% 9%	11 44.0% 25.6% 4.9%	2 8.0% 7.1% 9%	1 4.0% 3.8% 4%	25 100.0% 11.1% 11.1%
	2	Respondent % within villages % within nontraditional % of total	5 16.7% 11.6% 2.2%	2 6.7% 9.5% 9%	8 26.7% 23.5% 3.6%	5 16.7% 16.7% 2.2%	2 6.7% 4.7% 9%	5 16.7% 17.9% 2.2%	3 10.0% 11.5% 1.3%	30 100.0% 13.3% 13.3%
	3	Respondent % within villages % within nontraditional % of total	5 25.0% 11.6% 2.2%	2 10.0% 9.5% 9%	3 15.0% 8.8% 1.3%	3 15.0% 10.0% 1.3%	2 10.0% 4.7% 9%	2 10.0% 7.1% 9%	3 15.0% 11.5% 1.3%	20 100.0% 8.9% 8.9%
	4	Respondent % within villages % within nontraditional % of total	5 22.7% 11.6% 2.2%	2 9.1% 9.5% 9%	5 22.7% 14.7% 2.2%	3 13.6% 10.0% 1.3%	2 9.1% 4.7% 9%	2 9.1% 7.1% 9%	3 13.6% 11.5% 1.3%	22 100.0% 9.8% 9.8%
	5	Respondent % within villages % within nontraditional % of total	2 13.3% 4.7% 9%	2 13.3% 9.5% 9%	2 13.3% 5.9% 9%	2 13.3% 6.7% 9%	3 20.0% 7.0% 1.3%	2 13.3% 4.7% 9%	2 13.3% 4.7% 9%	15 100.0% 6.7% 6.7%
	6	Respondent % within villages % within nontraditional % of total	5 25.0% 11.6% 2.2%	2 10.0% 9.5% 9%	3 15.0% 8.8% 1.3%	3 15.0% 10.0% 1.3%	3 15.0% 7.0% 1.3%	2 10.0% 7.1% 9%	2 10.0% 7.7% 9%	20 100.0% 8.9% 8.9%
	7	Respondent % within villages % within nontraditional % of total	5 17.9% 11.6% 2.2%	2 7.1% 9.5% 9%	2 7.1% 5.9% 9%	2 7.1% 6.7% 9%	10 35.7% 23.3% 4.4%	3 10.7% 10.7% 1.3%	4 14.3% 15.4% 1.8%	28 100.0% 12.4% 12.4%
	8	Respondent % within villages % within nontraditional % of total	5 18.5% 11.6% 2.2%	2 7.4% 9.5% 9%	2 7.4% 5.9% 9%	5 18.5% 16.7% 2.2%	5 18.5% 11.6% 2.2%	5 18.5% 17.9% 2.2%	3 11.1% 11.5% 1.3%	27 100.0% 12.0% 12.0%
	9	Respondent % within villages % within nontraditional % of total	4 17.4% 9.3% 1.8%	3 13.0% 14.3% 1.3%	5 21.7% 14.7% 2.2%	3 13.0% 10.0% 1.3%	3 13.0% 7.0% 1.3%	2 8.7% 7.1% 9%	3 13.0% 11.5% 1.3%	23 100.0% 10.2% 10.2%
	10	Respondent % within villages % within nontraditional % of total	2 13.3% 4.7% 9%	2 13.3% 9.5% 9%	2 13.3% 5.9% 9%	2 13.3% 6.7% 9%	2 13.3% 4.7% 9%	3 20.0% 10.7% 1.3%	2 13.3% 7.7% 9%	15 100.0% 6.7% 6.7%
Total:		Respondent % within villages % within nontraditional % of total	43 19.1% 100.0% 19.1%	21 9.3% 100.0% 9.3%	34 15.1% 100.0% 15.1%	30 13.3% 100.0% 13.3%	43 19.1% 100.0% 19.1%	28 12.4% 100.0% 12.4%	26 11.6% 100.0% 11.6%	225 100.0% 100.0% 100.0%

It has been attempted to test whether there is any relationship between occupation shift and areas represented by villages.

**Null Hypothesis-2:**

“There is no significant difference between villages so far as occupation shift of SHGs members is concerned”.

**Table – 5.11**

**OCCUPATION SHIFT OF SHGs MEMBERS**

Null hypothesis-2 has been tested with the help of Pearson Chi-square and the results are as follows:

Sample size	D.F	Significance Level	Computed value of Chi-square	Critical value of chi-square
500	09	0.05	19.273	0.023

Computed value of chi-square is significant at 5 per cent level. As such, the null hypothesis is rejected. Therefore, it may be concluded that there is significant difference between the villages so far as employment pattern before joining SHGs is concerned.

An attempt is also made to analyse village wise and traditional occupation wise shift of respondents. The details are shown in Table- 3.3. Among those opted for traditional jobs,

38.2% preferred Agriculture, 32.4% Paddy Hulling and 29.5% Animal Rearing. Thus, the analysis reveals that majority of SHG members opted for Traditional jobs confined to agriculture and allied activities.

An attempt is made to study the association between villages and occupation shift towards traditional jobs. For this, the following null hypothesis is formulated and tested:

**Null Hypothesis-3:**

“There is no significant difference between villages so far as occupation shift towards traditional jobs is concerned”.

Null hypothesis-3 has been tested with the help of Pearson Chi-square and the results are as follows:

**Table –5.12**

**OCCUPATION SHIFT VIS- A-VIS TRADITIONAL JOB OF SHGs MEMBERS**

villages			Traditional			Total
			A&A	AR	PHG	
1	Respondent	12	7	6	25	
	% within villages	48.0%	28.0%	24.0%	100.0%	
	% within traditional	11.4%	8.6%	6.7%	9.1%	
	% of total	4.4%	2.5%	2.2%	9.1%	
2	Respondent	10	5	5	20	
	% within villages	50.0%	25.0%	25.0%	100.0%	
	% within traditional	9.5%	6.2%	5.2%	7.3%	
	% of total	3.6%	1.8%	1.8%	7.3%	
3	Respondent	12	8	10	30	
	% within villages	40.0%	26.7%	33.3%	100.0%	
	% within traditional	11.4%	9.9%	11.2%	10.2%	
	% of total	4.4%	2.9%	3.6%	10.2%	
4	Respondent	12	4	12	28	
	% within villages	34.3	14.3%	42.9%	100.0%	
	% within traditional	11.4%	4.9%	13.5%	10.2%	
	% of total	4.4%	1.5%	4.4%	10.2%	
5	Respondent	12	12	11	35	
	% within villages	34.3%	34.3%	31.4%	100.0%	
	% within traditional	11.4%	11.4%	12.4%	12.7%	
	% of total	4.4%	4.4%	4.0%	12.7%	
6	Respondent	12	8	10	30	
	% within villages	40.0%	26.7%	33.3%	100.0%	
	% within traditional	11.4%	9.9%	11.2%	10.9%	
	% of total	4.4%	2.9%	3.6%	10.9%	
7	Respondent	7	10	5	22	
	% within villages	31.8%	45.5%	22.7%	100.0%	
	% within traditional	6.7%	12.3%	5.6%	8.0%	
	% of total	2.5%	3.6%	1.8%	8.0%	
8	Respondent	8	10	5	23	
	% within villages	34.8%	43.5%	21.7%	100.0%	
	% within traditional	7.6%	12.3%	5.6%	8.4%	
	% of total	2.9%	3.6%	1.8%	8.4%	
9	Respondent	10	5	12	27	
	% within villages	37.0%	18.5%	44.4%	100.0%	
	% within traditional	9.5%	6.2%	13.5%	9.8%	
	% of total	3.6%	1.8%	4.4%	9.8% s	
10	Respondent	10	12	13	35	
	% within villages	28.6%	34.3%	37.1%	100.0%	
	% within traditional	9.5%	14.8%	14.6%	12.7%	
	% of total	3.6%	4.4%	4.7%	12.7%	
Total:	Respondent	105	81	89	275	
	% within villages	38.2%	29.5%	32.4%	100.0%	
	% within traditional	100.0%	100.0%	100.0%	100.0%	
	% of total	38.2%	29.5%	32.4%	100.0%	

sample size	D.F	Significance Level	Computed value of Chi-square	Critical value of chi-square
500	18	0.05	15.223	0.647

Computed value of chi-square is significant at 5 per cent level. As such, the null hypothesis is rejected. Therefore, it may be concluded that there is significant difference between the villages so far as occupation shift of SHGs members towards traditional jobs is concerned.

The analysis pertaining to occupational shift towards Non-Traditional jobs is presented in Table- 3.4.

An attempt is also made to test whether there is any association between the villages and occupation shift towards non- traditional jobs. For this, the following null hypothesis is formulated and tested with the help of chi-square test:

**Null Hypothesis-4:**

“There is no significant difference between villages so far as occupation shift towards non- traditional jobs is concerned”.

The results of Pearson chi-square test are as follows:

Sample size	D.F	Significance Level	Computed value of Chi-square	Critical value of chi-square
500	54	0.05	34.961	0.979

The computed value of chi-square is greater than its corresponding critical value. As such, the null hypothesis is

rejected. Therefore, it may be concluded that there is significant difference between villages so far as occupation shift towards traditional jobs is concerned.

### **3. Occupation shift vis-à-vis Age**

An attempt is made to analyse the impact of age of respondents on the choice of traditional/non-traditional occupations. The details are shown in Table- 3.5. The table reveals that while 30% and 70% of less than 25 years age opted for traditional and non-traditional jobs respectively, 75% and 25% of 35-45 age group opted respectively for traditional and non-traditional jobs. In respect of above 45 years age group 80% opted for traditional and 20% non traditional jobs. Thus it is very clear that respondents of higher age groups preferred traditional jobs. SHG members belonging to less than 25 years and 25-35 age groups opted for non-traditional jobs. Thus aged people preferred traditional and younger people preferred more challenging occupations which need higher skills and knowledge.

An attempt is made to examine the relationship between the occupation structure and different age groups of SHGs members. For this, the following null hypothesis is formulated and tested with the help of Pearson chi-square test:

**Null Hypothesis-5:**

“There is no significant difference between the age groups so far as occupation shift is concerned”.

**Table – 5.13**

**OCCUPATION SHIFT VIS-À-VIS AGE GROUPS**

Age (Yrs)	Particulars	Occupation		Total
		Traditional	Non-Traditional	
<25	Respondent	30	70	100
	%within age	30.00	70.00	100.00
	%within occupation	10.90	31.10	20.00
	% of total	6.00	14.00	20.00
25-35	Respondent	55	95	150
	%within age	36.70	63.30	100.00
	%within occupation	20.00	42.20	30.00
	% of total	11.00	19.00	30.00
35-45	Respondent	150	50	200
	%within age	75.00	25.00	100.00
	%within occupation	54.50	22.20	40.00
	% of total	30.00	10.00	40.00
>45	Respondent	40	10	50
	%within age	80.00	20.00	100.00
	%within occupation	14.50	4.40	10.00
	% of total	8.00	2.00	10.00
TOTAL	Respondent	275	225	500
	%within age	55.00	45.00	100.00
	%within occupation	100.00	100.00	100.00
	% of total	55.00	45.00	100.00

Sample size	D.F	Significance Level	Computed value of Chi-square	Critical value of chi-square
500	03	0.05	90.572	0.000

The computed value of chi-square is greater than its corresponding critical value. As such, the null hypothesis is



rejected. Therefore, it may be concluded that there is significant difference between the age groups so far as occupation shift (towards traditional/non-traditional) jobs is concerned.

#### **4. Occupation shift vis-à-vis Education**

An attempt is made to analyse the impact of level of education on the choice of occupational shift. The details are shown in Table- 3.6. Among those who shifted to traditional occupations, 65% had non-Formal Education. Remaining 35% had formal education. Among those with Non-Formal Education 69.2% preferred Traditional jobs. On the other hand 71.4% SHG members with formal education preferred Non-Traditional jobs whereas, members with Non-formal education preferred traditional jobs.

#### **Null Hypothesis-6:**

“There is no significant difference between the type of education so far as the choice of occupation shift is concerned”.

**Table – 5.14**

**OCCUPATION SHIFT VIS-À-VIS EDUCATIONAL LEVEL**

Education	Particulars	Occupation		Total
		Traditional	Non-Traditional	
Non-formal	Respondent	225	100	325
	% within age	69.2	30.8	100.0
	% within occupation	81.8	44.4	65.0
	% of total	45.0	20.0	65.0
Formal	Respondent	50	125	175
	% within age	28.6	71.4	100.0
	% within occupation	18.2	55.6	35.0
	% of total	10.0	25.0	35.0
Total	Respondent	275	225	500
	% within age	55.0	45.0	100.0
	% within occupation	100.0	100.0	100.0
	% of total	55.0	45.0	1.00

*Source: Field Survey.*

The results of Pearson chi-square test are as follows:

Sample size	D.F	Significance Level	Computed value of Chi-square	Critical value of chi-square
500	01	0.05	75.980	0.000

The computed value of chi-square is greater than its corresponding critical value. As such, the null hypothesis is rejected. Therefore, it may be

**5. Occupation shift vis-à-vis Family size**

An attempt is also made to analyse the choice of occupation vis-à-vis size of family of SHG members. For the purpose of the study the following classification is adopted:

- Family
- Micro
- Small
- Medium
- Large

The details of analysis in this regard are presented in Table- 5.15.

**Table – 5.15**  
**OCCUPATION SHIFT VIS-À-VIS FAMILY SIZE**

Type of Family	Particulars	Occupation		Total
		Traditional	Non-Traditional	
Micro	Respondent	80	102	182
	%within family size	44.0	56.0	100.0
	%within occupation	29.1	45.3	36.4
	% of total	16.0	20.4	36.4
Small	Respondent	163	80	243
	%within family size	67.1	32.9	100.0
	%within occupation	59.3	35.6	48.6
	% of total	32.6	16.0	48.6
Medium	Respondent	22	33	55
	%within family size	40.0	60.0	100.0
	%within occupation	8.0	14.7	11.0
	% of total	4.4	6.6	11.0
Large	Respondent	10	10	20
	%within family size	50.0	50.0	100.0
	%within occupation	3.6	4.4	4.0
	% of total	2.0	2.0	4.0
Total	Respondent	275	225	500
	%within family size	55.0	45.0	100.0
	%within occupation	100.0	100.0	100.0
	% of total	55.0	45.0	100.0

*Source: Field Survey.*

The Table reveals that majority of the respondents belonged to Micro and Small families. 16% Micro, 32.6% small, 4.4% medium and 2.0% large families preferred traditional jobs.

On the other hand 20.4% Micro, 16.0% small, 4.4% medium and 2.0% large families opted for non-traditional jobs.

Of those who opted for traditional jobs majority belonged to Micro and Small Families on the other hand, majority of Micro, Medium and large families opted for Non-traditional jobs. On the whole, majority i.e. 55% preferred Traditional jobs, chi-square value computed is significant at 5% level and as such, it may be concluded that there is association between sizes of family and choice of occupation shift.

An attempt is made to study the relationship between the sizes of family and occupation shift. For this, the following null hypothesis is formulated and tested:

**Null Hypothesis-7**

“There is no significant difference between the size of family so far as occupation shift is concerned”.

The Chi-square test results are as follows:

Sample size	D.F	Significance Level	Computed value of Chi-square	Critical value of chi-square
500	03	0.05	28.494	0.000

The computed value of chi-square is greater than its corresponding critical value. As such, the null hypothesis is rejected. Therefore, it may be concluded that there is significant

difference between the family sizes so far as occupation shift is concerned.

### **Economic Empowerment**

Occupation shift of SHG members helped them in gaining economic empowerment. Women earn money and become economically independent. They feel more secured in the society. In the process they gain knowledge and actively participate in decision making. They acquire fixed assets.

In this section, an attempt is made to analyse the economic empowerment of SHG members. In this regard, analysis has been made with the help of the following parameters:

- 1) Acquisition of assets
- 2) Possession of own residence
- 3) Acquisition of household appliances
- 4) Possession of vehicles
- 5) Acquisition of assets vis-à-vis occupational shift
- 6) Type of houses and nature of occupation shift
- 7) House hold appliances and nature of shift in occupation
- 8) Vehicles acquired and nature of occupational shift
- 9) Change in income level
- 10) Change in savings level

## 1. Acquisition of Assets

Detailed analysis regarding the acquisition and possession of assets by SHGs members are shown in Table- 5.16

**Table – 5.16**

### VILLAGE WISE ACQUISITION AND POSSESSION OF ASSETS

		ASSETS				ASSETS		Total
		WL	DL	HP	JO	FD	N	
1	Respondent	5	8	20	5	2	10	50
	%within VLGS	10.0%	16.0%	40.0%	10.0%	4.0%	20.0%	100.0%
	%within ASSETS	16.7%	8.9%	14.3%	7.1%	8.0%	6.9%	10.0%
	% of total	1.0%	1.6%	4.0%	1.0%	4%	2.0%	10.0%
2	Respondent	5	10	15	8	2	10	50
	%within VLGS	10.0%	20.0%	30.0%	16.0%	4.0%	20.0%	100.0%
	%within ASSETS	16.7%	11.1%	10.7%	11.4%	8.0%	6.9%	10.0%
	% of total	1.0%	2.0%	3.0%	1.6%	4%	2.0%	10.0%
3	Respondent	2	15	10	8	5	10	50
	%within VLGS	4.0%	30.0%	20.0%	16.0%	10.0%	20.0%	100.0%
	%within ASSETS	6.7%	16.7%	7.1%	11.4%	20.0%	6.9%	10.0%
	% of total	4%	3.0%	2.0%	1.6%	1.0%	2.0%	10.0%
4	Respondent	2	12	15	3	1	16	49
	%within VLGS	4.1%	24.5%	30.6%	6.1%	2.0%	32.7%	100.0%
	%within ASSETS	6.7%	13.3%	10.7%	4.3%	4.0%	11.0%	9.8%
	ASSETS % of total	4%	2.4%	3.0%	6%	2%	3.2%	9.8%
5	Respondent	2	10	20	6	3	10	51
	%within VLGS	3.9%	19.6%	39.2%	11.8%	5.9%	19.6%	100.0%
	%within ASSETS	6.7%	11.1%	14.3%	8.6%	12.0%	6.9%	10.2%
	% of total	4%	2.0%	4.0%	1.2%	6%	2.0%	10.2%
6	Respondent	5	10	20	10	2	3	50
	%within VLGS	10.0%	20.0%	40.0%	20.0%	4.0%	6.0%	100.0%
	%within ASSETS	16.7%	11.1%	14.3%	14.3%	8.0%	2.1%	10.0%
	% of total	1.0%	2.0%	4.0%	2.0%	4%	6%	10.0%
7	Respondent	4	5	10	10	6	15	50
	%within VLGS	8.0%	10.0%	20.0%	20.0%	12.0%	30.0%	100.0%
	%within ASSETS	13.3%	5.6%	7.1%	14.3%	24.0%	10.3%	10.0%
	% of total	8%	1.0%	2.0%	2.0%	1.2%	3.0%	10.0%
8	Respondent	2	8	12	9	1	20	50
	%within VLGS	4.0%	12.0%	24.0%	18.0%	2.0%	40.0%	100.0%
	%within ASSETS	6.7%	6.7%	8.6%	12.9%	4.0%	13.8%	10.0%
	% of total	4%	1.2%	2.4%	1.8%	2%	4.0%	10.0%
9	Respondent	2	4	10	6	1	27	50
	%within VLGS	4.0%	8.0%	20.0%	12.0%	2.0%	54.0%	100.0%
	%within ASSETS	6.7%	4.4%	7.1%	8.6%	4.0%	18.6%	10.0%
	% of total	4%	8%	2.0%	1.2%	2%	5.4%	10.0%
10	Respondent	1	10	8	5	2	24	50
	%within VLGS	2.0%	20.0%	16.0%	10.0%	4.0%	48.0%	100.0%
	%within ASSETS	3.3%	11.1%	5.7%	7.1%	8.0%	16.6%	10.0%
	% of total	2%	2.0%	1.6%	1.0%	4%	4.8%	10.0%
Tot al:	Respondent	30	90	140	70	25	145	500
	%within VLGS	6.0%	18.0%	28.0%	14.0%	5.0%	29.0%	100.0%
	%within ASSETS	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	% of total	6.0%	18.0%	28.0%	14.0%	5.0%	29.0%	100.0%

The table reveals that 28% SHG members acquired house plots, 18% Dry land, 14% of Jewellery, 6% wet land and 5% fixed deposits. However 29% have not acquired any thing.

From the analysis, it is clear that majority of SHGs members of all the villages acquired house plots, followed by dry land. Thus, it may be concluded that the SHGs members still need knowledge and training for acquiring fixed assets as this provides them with confidence and social security. Further, possession of assets secures them social status and recognition.

An attempt has been made to verify whether the villages significantly differed with regards to the acquisition and possession of assets. For this, the following null hypothesis is tested:

**Null hypothesis-1**

“There is no significant difference between the villages so far as possession of assets is concerned”

For this, Pearson chi-square test has been conducted and the results are as follows:

Sample size	D.F	Significance Level	Computed value of Chi-square	Critical value of chi-square
500	45	0.05	84.261	0.000

The computed value of chi-square is greater than its corresponding critical value. As such, the null hypothesis is rejected. Therefore, it may be concluded that the villages

significantly differ regarding the acquisition and possession of assets.

## **2. Possession of own residence**

SHGs members with their increased economic status prefer to acquire improved housing facility. An attempt is made to analyse the type of houses occurred by SHGs members. The details are presented in Table-5.17.

From the analysis, it is clear that majority of SHG members occurred either titled houses or concrete houses. Though, this is a welcome feature, still in some of the villages like HGA, majority (68%) live in huts. On the whole, it may be concluded that there is increased awareness and social consciousness among the SHGs members regarding the improved housing facilities.



**Table – 5.17**

**VILLAGE WISE OWNERSHIP OF HOUSES**

1	Respondent	20	20	5	5	50
	% within VLGS	40.0%	40.0%	10.0%	10.0%	100.0%
	% within HOUSES	8.9%	18.2%	4.2%	11.1%	10.0%
	% of total	4.0%	4.0%	1.0%	1.0%	10.0%
2	Respondent	15	15	15	5	50
	% within VLGS	30.0%	30.0%	30.0%	10.0%	100.0%
	% within HOUSES	6.7%	13.6%	12.5%	11.1%	10.0%
	% of total	3.0%	3.0%	3.0%	1.0%	10.0%
3	Respondent	25	10	10	5	50
	% within VLGS	50.0%	20.0%	20.0%	10.0%	100.0%
	% within HOUSES	11.1%	9.1%	8.3%	11.1%	10.0%
	% of total	5.0%	2.0%	2.0%	1.0%	10.0%
4	Respondent	25	10	10	5	50
	% within VLGS	50.0%	20.0%	20.0%	10.0%	100.0%
	% within HOUSES	11.1%	9.1%	8.3%	11.1%	10.0%
	% of total	5.0%	2.0%	2.0%	1.0%	10.0%
5	Respondent	19	18	8	5	50
	% within VLGS	38.0%	36.0%	16.0%	10.0%	100.0%
	% within HOUSES	8.4%	16.4%	6.7%	11.1%	10.0%
	% of total	3.8%	3.6%	1.6%	1.0%	10.0%
6	Respondent	20	10	15	5	50
	% within VLGS	40.0%	20.0%	30.0%	10.0%	100.0%
	% within HOUSES	8.9%	9.1%	12.5%	11.1%	10.0%
	% of total	4.0%	2.0%	3.0%	1.0%	10.0%
7	Respondent	30	10	5	5	50
	% within VLGS	60.0%	20.0%	10.0%	10.0%	100.0%
	% within HOUSES	13.3%	9.1%	4.2%	11.1%	10.0%
	% of total	6.0%	2.0%	1.0%	1.0%	10.0%
8	Respondent	35	5	5	5	50
	% within VLGS	70.0%	10.0%	10.0%	10.0%	100.0%
	% within HOUSES	15.6%	4.5%	4.2%	11.1%	10.0%
	% of total	7.0%	1.0%	1.0%	1.0%	10.0%
9	Respondent	25	10	13	2	50
	% within VLGS	50.0%	20.0%	26.0%	4.0%	100.0%
	% within HOUSES	11.1%	9.1%	10.8%	4.4%	10.0%
	% of total	5.0%	2.0%	2.6%	4%	10.0%
10	Respondent	11	2	34	3	50
	% within VLGS	22.0%	4.0%	68.0%	6.0%	100.0%
	% within HOUSES	4.9%	1.8%	28.3%	6.7%	10.0%
	% of total	2.2%	4%	6.8%	6%	10.0%
Total:	Respondent	225	110	120	45	500
	% within VLGS	45.0%	22.0%	24.0%	9.0%	100.0%
	% within HOUSES	100.0%	100.0%	100.0%	100.0%	100.0%
	% of total	45.0%	22.0%	24.0%	9.0%	100.0%

An attempt is made to test whether there is any significant difference among the villages so far as housing pattern is concerned. For this, the following null hypothesis is tested:

**Null hypothesis-2**

“There is no significant difference between villages so far as possession of different types of houses is concerned”.

The results of chi-square test are as follows:

Sample size	D.F	Significance Level	Computed value of Chi-square	Critical value of chi-square
500	27	0.05	102.619	0.000

The computed value of chi-square is greater than its corresponding critical value. As such, the null hypothesis is rejected. Therefore, it may be concluded that the villages significantly differ regarding the pattern of housing is concerned.

### **3. Acquisition of House Hold Appliances**

SHGs members, with their increased income and savings prefer to lead a comfortable life. Therefore, they acquire technically advanced appliances. An attempt is made to study the type of appliances acquired by SHGs members in the selected villages. The details are presented in Table- 5.18.

It is clear from the table that 42 per cent of SHGs members acquired radio followed by 34% LPG, 12% mixies, 8% Grinder and 4% other appliances. Thus majority of SHG members acquired either Radios or LPG connections. When enquired about the details, they revealed that with radio, they can educate them self regarding the community development, social welfare; family welfare and health care etc. possession of

LPG, Mixie, and Grinders are the indication of better living conditions.

**Table –5.18**  
**VILLAGE OWNERSHIP OF APPLIANCES**

		APPLNS					Total
		RADIO	LPG	MIXIE	GRINDER	OTHERS	
1	Respondent	20	15	8	5	2	50
	% within VLGS	40.0%	30.0%	16.0%	10.0%	4.0%	100.0%
	% within APPLNS	9.5%	7.1%	13.3%	12.5%	10.0%	10.0%
	% of total	4.0%	3.0%	1.6%	1.0%	4%	10.0%
2	Respondent	15	20	8	5	2	50
	% within VLGS	30.0%	40.0%	16.0%	10.0%	4.0%	100.0%
	% within APPLNS	7.1%	11.8%	13.3%	12.5%	10.0%	10.0%
	% of total	3.0%	4.0%	1.6%	1.0%	4%	10.0%
3	Respondent	15	21	7	5	2	50
	% within VLGS	30.0%	42.0%	14.0%	10.0%	4.0%	100.0%
	% within APPLNS	7.1%	12.4%	11.0%	12.5%	10.0%	10.0%
	% of total	3.0%	4.2%	1.4%	1.0%	4%	10.0%
4	Respondent	15	21	7	5	2	50
	% within VLGS	30.0%	42.0%	14.0%	10.0%	4.0%	100.0%
	% within APPLNS	7.1%	12.4%	11.0%	12.5%	10.0%	10.0%
	% of total	3.0%	4.2%	1.4%	1.0%	4%	10.0%
65	Respondent	15	21	7	5	2	50
	% within VLGS	30.0%	42.0%	14.0%	10.0%	4.0%	100.0%
	% within APPLNS	7.1%	12.4%	11.0%	12.5%	10.0%	10.0%
	% of total	3.0%	4.2%	1.4%	1.0%	4%	10.0%
6	Respondent	20	16	7	5	2	50
	% within VLGS	40.0%	32.0%	14.0%	10.0%	4.0%	100.0%
	% within APPLNS	9.5%	9.4%	11.0%	12.5%	10.0%	10.0%
	% of total	4.0%	3.2%	1.4%	1.0%	4%	10.0%
7	Respondent	30	13	3	2	2	50
	% within VLGS	60.0%	26.0%	6.0%	4.0%	4.0%	100.0%
	% within APPLNS	14.3%	7.6%	5.0%	5.0%	10.0%	10.0%
	% of total	6.0%	2.6%	6%	4%	4%	10.0%
8	Respondent	30	13	3	2	2	50
	% within VLGS	60.0%	26.0%	6.0%	4.0%	4.0%	100.0%
	% within APPLNS	14.3%	7.6%	5.0%	5.0%	10.0%	10.0%
	% of total	6.0%	2.6%	6%	4%	4%	10.0%
9	Respondent	20	20	5	2	3	50
	% within VLGS	40.0%	40.0%	10.0%	4.0%	6.0%	100.0%
	% within APPLNS	9.5%	11.8%	8.3%	5.0%	15.0%	10.0%
	% of total	4.0%	4.0%	1.0%	4%	6%	10.0%
10	Respondent	30	10	5	4	1	50
	% within VLGS	60.0%	20.0%	10.0%	8.0%	2.0%	100.0%
	% within APPLNS	14.3%	5.9%	8.3%	10.0%	5.0%	10.0%
	% of total	6.0%	2.0%	1.0%	8%	2%	10.0%
Total	Respondent	210	170	60	40	20	500
	% within VLGS	42.0%	34.0%	12.0%	8.0%	4.0%	100.0%
	% within APPLNS	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	% of total	42.0%	34.0%	12.0%	8.0%	4%	100.0%

An attempt is made to study the relationship between the villages and the type of appliances they own. For this, the following null hypothesis is formulated and tested:

### **Null Hypothesis-3:**

“There is no significant difference between villages so far as possession of appliances is concerned”.

Null hypothesis-3 has been tested with the help of Pearson Chi-square and the results are as follows:

Sample size	D.F	Significance Level	Computed value of Chi-square	Critical value of chi-square
500	36	0.05	72.023	0.364

Since the computed chi-square value is significant at 5 per cent level, the null hypothesis is rejected and as such it may be concluded that villages significantly differ regarding the ownership of appliances.

### **4. Possession of Vehicles**

With increased economic status, SHGs members could now afford to occur and maintain vehicles. An attempt is made to analyse the type of vehicles occurred by SHGs members in sample villages. The details are shown in Table- 5.19.

**Table – 5.19**  
**VILLAGE OWNERSHIP OF VEHICLES**

Vehicles	Particulars	Occupation		Total
		Traditional	Non-Traditional	
Bicycle	Respondent	50	15	65
	%within vehicles	76.9	23.1	100.0
	%within occupation	18.2	6.7	13.0
	% of total	10.0	3.0	13.0
Moped	Respondent	100	100	200
	%within vehicles	50.0	50.0	100.0
	%within occupation	36.4	44.4	40.0
	% of total	20.0	20.0	40.0
Scooter/ Motorcycle	Respondent	100	100	200
	%within vehicles	50.0	50.0	100.0
	%within occupation	36.4	44.4	40.0
	% of total	20.0	20.0	40.0
Car/van/tractor	Respondent	5	5	10
	%within vehicles	50.0	50.0	100.0
	%within occupation	1.8	2.2	2.0
	% of total	1.0	1.0	2.0
Nil	Respondent	20	5	25
	%within vehicles	80.0	20.0	100.0
	%within occupation	7.3	2.2	5.0
	% of total	4.0	1.0	5.0
Total	Respondent	275	225	500
	%within vehicles	55.0	45.0	100.0
	%within occupation	100.0	100.0	100.0
	% of total	55.0	45.0	100.0

*Source : Field Survey*

The table reveals that majority (80%) occur either moped or scooter/motor cycles. 13% occurred bicycles. Thus, it may be concluded that SHGs members now could afford to occur automobiles. Village-wise analysis reveals that in Anantharam, 82% acquired either moped or scooter/motorcycles. The same trend is found in all other sample villages. This is a welcome feature.

An attempt is made to examine the relationship between the villages and the type of vehicles owned by SHGs members. For this, the following null hypothesis is formulated and tested:

**Null Hypothesis-4:**

“There is no significant difference between villages so far as possession of vehicles is concerned”.

Null hypothesis-4 has been tested with the help of Pearson Chi-square and the results are as follows:

Sample size	D.F	Significance Level	Computed value of Chi-square	Critical value of chi-square
500	36	0.05	54.823	0.023

Since the computed value of chi-square is greater than its corresponding critical value, the null hypothesis is rejected. As such, it may be concluded that there is significant difference between the villages so far as the ownership of vehicles by the SHGs members is concerned.

**5. Occupational shift and Type of Fixed Assets:**

An attempt is made to study the relationship between occupation structure and type of assets occurred by SHGs members. The details are shown in Table- 5.20.

**Table – 5.20**

**OCCUPATION SHIFT AND OWNERSHIP OF ASSETS**

		OCPN		Total
		TRDNL	NTRDNL	
1	Respondent	10	20	30
	% within ASSETS	33.3%	66.7%	100.0%
	% within OCPN	3.6%	8.9%	6.0%
	% of total	2.0%	4.0%	6.0%
2	Respondent	35	55	90
	% within ASSETS	38.9%	61.1%	100.0%
	% within OCPN	12.7%	24.4%	18.0%
	% of total	7.0%	11.0%	18.0%
3	Respondent	40	100	140
	% within ASSETS	28.6%	71.4%	100.0%
	% within OCPN	14.5%	44.4%	28.0%
	% of total	8.0%	20.0%	28.0%
4	Respondent	55	15	70
	% within ASSETS	78.6%	21.4%	100.0%
	% within OCPN	20.0%	6.7%	14.0%
	% of total	11.0%	3.0%	14.0%
5	Respondent	10	15	25
	% within ASSETS	40.0%	60.0%	100.0%
	% within OCPN	3.6%	6.7%	5.0%
	% of total	2.0%	3.0%	5.0%
6	Respondent	125	20	145
	% within ASSETS	86.2%	13.8%	100.0%
	% within OCPN	45.5%	8.9%	29.0%
	% of total	25.0%	4.0%	29.0%
Total	Respondent	275	225	500
	% within ASSETS	55.0%	45.0%	100.0%
	% within OCPN	100.0%	100.0%	100.0%
	% of total	55.0%	45.0%	100.0%

The table reveals that majority of those who acquired wet and, dry land and house plot belonged to Non-Traditional occupational occupations, whereas among those who acquired jewellery, fixed deposits belonged to Traditional occupational. Thus it is clear that those who shifted to Non-Traditional occupations preferred acquisition of land and house plots.

An attempt is made to study the relationship between occupation shift and types of assets acquired by SHGs members. For this, the following null hypothesis is set and tested:

**Null Hypothesis-5:**

“There is no significant difference between occupation shifts so far as possession of assets is concerned”.

This has been tested with the help of Pearson Chi-square and the results are as follows:

Sample size	D.F	Significance Level	Computed value of Chi-square	Critical value of chi-square
500	05	0.05	129.680	0.000

Since the calculated chi-square value is greater than its corresponding critical value at 5% significant level, the null hypothesis is rejected. As such, it is concluded that there is significant difference between the type of occupation shift so far as the ownership of assets is concerned.



## 6. Nature of Occupation shift and Type of Houses owned

It has been proposed to study the relationship between occupation structure and type of house occurred by SHGs members. Details are shown in Table- 5.21.

**Table – 5.21**  
**OCCUPATION SHIFT AND OWNERSHIP OF HOUSES**

HOUSES			OCPN		Total
			TRDNL	NTRDNL	
1	TILES	Respondent	100	125	225
		% within HOUSES	44.4%	55.6%	100.0%
		% within OCPN	36.4%	55.6%	45.0%
		% of total	20.0%	25.0%	45.0%
2	CONCRETE	Respondent	50	60	110
		% within HOUSES	45.5%	54.5%	100.0%
		% within OCPN	18.2%	26.7%	22.0%
		% of total		12.0%	22.0%
3	HUTS	Respondent	100	20	120
		% within HOUSES	83.3%	16.7%	100.0%
		% within OCPN	36.4%	8.9%	24.0%
		% of total	20.0%	4.0%	24.0%
4	NIL	Respondent	25	20	45
		% within HOUSES	55.6%	44.4%	100.0%
		% within OCPN	9.1%	8.9%	9.0%
		% of total	5.0%	4.0%	9.0%
Total		Respondent	275	225	500
		% within HOUSES	55.0%	45.0%	100.0%
		% within OCPN	100.0%	100.0%	100.0%
		% of total	55.0%	45.0%	100.0%

The table reveals that 55.6%, 54.5% of those who occurred tiled houses and huts belonged to Non-Traditional jobs. However, this conclusion indicates the extreme and exceptional aspect. On the whole, it may be concluded that majority of those who occurred better quality houses belonged to Non-Traditional occupations. To test, this chi-square value has been computed.

Since the computed value of chi-square is significant at 5% level, it may be concluded that the nature of occupation structure significantly differ regarding the attitude of SHGs members acquiring different types of houses.

An attempt is made to study the relationship between the occupation shift and the type of houses owned by SHGs members. For this, the following null hypothesis is formulated and tested:

**Null Hypothesis – 6**

“There is no significant difference between the occupation shifts so far as the possession of houses is concerned”

For this chi-square test has been conducted and the results are as follows:

Sample size	D.F	Significance Level	Computed value of Chi-square	Critical value of chi-square
500	36	0.05	90.923	0.000

Since the calculated value of chi-square is greater than its corresponding critical value at 5% level of significance, the null hypothesis is rejected. Therefore, it may be concluded that there is significant difference between the occupation shifts so far as ownership of houses is concerned.

## 7. Nature of Occupation shift and Household Appliances

An attempt is made to study the relationship between occupation structure and type of appliance owned by SHGs members. Details are shown in Table- 5.22.

**Table – 5.22**  
**OCCUPATION SHIFT AND OWNERSHIP OF APPLIANCES**

EQUIPMENT			OCPN		Total
			TRDNL	NTRDNL	
EQUIPMT	RADIO	Respondent	100	110	210
		% within EQUIPMT	47.6%	52.4%	100.0%
		% within OCPN	36.4%	48.9%	42.0%
		% of total	20.0%	22.0%	42.0%
	LPG	Respondent	90	80	170
		% within EQUIPMT	52.9%	47.1%	100.0%
		% within OCPN	32.7%	35.6%	34.0%
		% of total	18.0%	16.0%	34.0%
	MIXIE	Respondent	50	10	60
		% within EQUIPMT	83.3%	16.7%	100.0%
		% within OCPN	18.2%	4.4%	12.0%
		% of total	10.0%	2.0%	12.0%
	GRINDER	Respondent	25	15	40
		% within EQUIPMT	62.5%	37.5%	100.0%
		% within OCPN	9.1%	6.7%	8.0%
		% of total	5.0%	3.0%	8.0%
	OTHS	Respondent	10	10	20
		% within EQUIPMT	50.0%	50.0%	100.0%
		% within OCPN	3.6%	4.4%	4.0%
		% of total	2.0%	2.0%	4.0%
Total		Respondent	275	225	500
		% within EQUIPMT	55.0%	45.0%	100.0%
		% within OCPN	100.0%	100.0%	100.0%
		% of total	55.0%	45.0%	100.0%

The table reveals that 52.4% of those who owned Radio belonged to Non-Traditional jobs on the other hand 52.9% and 83.3% of those who belonged to Traditional occupations owned LPG and Mixie, respectively. Of those who acquired Grinder,

62.5% belong to traditional jobs. Thus, it may be concluded that majority of those who belong to traditional occupations owned modern appliances.

To examine the relationship between the occupation shift and appliances owned by SHGs members, the following null hypothesis is formulated and tested:

**Null Hypothesis-7:**

“There is no significant difference between occupation shifts so far as possession of appliances is concerned”.

The results are as follows:

<b>Sample size</b>	<b>D.F</b>	<b>Significance Level</b>	<b>Computed value of Chi-square</b>	<b>Critical value of chi-square</b>
500	04	0.05	25.486	0.000

It is clear that the computed value of chi-square is greater than its corresponding critical value at 5% significance level. As such, the null hypothesis is rejected. Therefore, it may be concluded that there is significant difference between the occupation shifts so far as ownership of appliances is concerned.

## **8. Nature of Occupational Shift and Acquisition of Vehicles**

An attempt is made to analyse the association between nature of occupation shift of SHGs members and ownership of different types of vehicles.

The table reveals that of those who occurred Mopeds, Scooters, Motorcycles and Car/Van/Tractor belongs to traditional and remaining 50% of Non-traditional. Regarding Bicycles, majority i.e. 76.9% belonged to Traditional job holders. Thus, it is clear that majority of those who own different type of vehicles belonged to traditional occupations. Among the SHGs members, 7.3% traditional and 2.2% Non-Traditional occupations do not occur any vehicles.

To examine the relationship between the occupation shift and vehicles owned by SHGs members, the following null hypothesis is formulated and tested:

### **Null Hypothesis-8:**

“There is no significant difference between occupation shifts so far as ownership of vehicles is concerned”.

The results are as follows:

Sample size	D.F	Significance Level	Computed value of Chi-square	Critical value of chi-square
500	04	0.05	23.077	0.000

It is clear that the computed value of chi-square is greater than its corresponding critical value at 5% significance level. As such, the null hypothesis is rejected. Therefore, it may be concluded that there is significant difference between the occupation shifts so far as ownership of vehicles is concerned.

**Table – 5.23**

**VILLAGE WISE CHANGE IN INCOME LEVEL OF SHGs Members**

VLGS		INCOME				Total
		<1000	1001-2000	2001-3000	>3000	
1	Respondent	13	17	16	4	50
	% within VLGS	26.6%	34.0%	32.0%	8.0%	100.0%
	% within INCOME	13.0%	15.5%	6.7%	8.0%	10.0%
	% of total	2.6%	3.4%	3.2%	8%	10.0%
2	Respondent	9	11	22	8	50
	% within VLGS	18.0%	22.0%	44.0%	16.0%	100.0%
	% within INCOME	9.0%	10.0%	9.2%	16.0%	10.0%
	% of total	1.8	2.2%	4.4	1.6%	10.0%
3	Respondent	11	11	24	4	50
	% within VLGS	22.0%	22.0%	48.0%	8.0%	100.0%
	% within INCOME	11.0%	10.0%	10.0%	8.0%	10.0%
	% of total	2.2%	2.2%	4.8%	8%	10.0%
4	Respondent	10	10	26	4	50
	% within VLGS	20.0%	20.0%	52.0%	8.0%	100.0%
	% within INCOME	10.0%	9.1%	10.8%	8.0%	10.0%
	% of total	2.0%	2.0%	5.2%	8%	10.0%
5	Respondent	13	9	19	9	50
	% within VLGS	26.6%	18.0%	38.0%	18.0%	100.0%
	% within INCOME	13.0%	8.2%	7.9%	18.0%	10.0%
	% of total	2.6%	1.8%	3.8%	1.8%	10.0%
6	Respondent	12	11	22	5	50
	% within VLGS	24.0%	22.0%	44.0%	10.0%	100.0%
	% within INCOME	12.0%	10.0%	9.2%	10.0%	10.0%
	% of total	2.4%	2.2%	4.4%	1.0%	10.0%
7	Respondent	11	10	24	5	50
	% within VLGS	22.0%	20.0%	48.0%	10.0%	100.0%
	% within INCOME	11.0%	9.1%	10.0%	10.0%	10.0%
	% of total	2.2%	2.0%	4.8%	1.0%	10.0%
8	Respondent	8	11	26	5	50
	% within VLGS	16.0%	22.0%	52.0%	10.0%	100.0%
	% within INCOME	8.0%	10.0%	10.8%	10.0%	10.0%
	% of total	1.6%	2.2%	5.2%	1.0%	10.0%
9	Respondent	8	10	30	2	50
	% within VLGS	16.0%	20.0%	60.0%	4.0%	100.0%
	% within INCOME	8.0%	9.1%	12.5%	4.0%	10.0%
	% of total	1.6%	2.0%	6.0%	4%	10.0%
10	Respondent	5	10	31	4	50
	% within VLGS	10.0%	20.0%	62.0%	8.0%	100.0%
	% within INCOME	5.0%	9.1%	12.9%	8.0%	10.0%
	% of total	1.0%	2.0%	6.2%	8%	10.0%
Total	Respondent	100	110	240	50	500
	% within VLGS	20.0%	22.0%	48.0%	10.0%	100.0%
	% within INCOME	100.0%	100.0%	100.0%	100.0%	100.0%
	% of total	20.0%	22.0%	48.0%	10.0%	100.0%

**9. Village-wise Analysis of Income of SHGs members**

An attempt is made to study the monthly income of SHGs members. It is clear from the table- 4.8 that majority (54%) of the respondents are earning monthly income of Rs.2001-3000, followed by 18.8%, Rs.1001-2000, 14.0% less than 1000 and 13.2% are earning monthly income of more than 3000.

Thus it is clear that the monthly income level of SHGs members of sample villages has significantly improved as they have gained knowledge of non-traditional jobs. They are taking up new and relatively challenging occupations.

To examine the relationship between the occupation shift and income level of SHGs members, the following null hypothesis is formulated and tested:

**Null Hypothesis-9:**

“There is no significant difference between the villages so far as income level is concerned”.

The results are as follows:

Sample size	D.F	Significance Level	Computed value of Chi-square	Critical value of chi-square
500	27	0.05	38.434	0.071

The computed value of chi-square is greater than its corresponding critical value at 5% significance level. As such, the null hypothesis is rejected. Therefore, it may be concluded that there is significant difference between the occupation shifts so far as ownership of vehicles is concerned.



## 10. Village-wise Savings per month

An attempt is made to analyse the pattern of monthly savings of SHGs members in sample villages. The details of the analysis are presented in Table- 4.9.

**Table – 5.24**

### VILLAGE WISE CHANGE IN INCOME LEVEL OF SHGs MEMBERS

VLGS		INCOME				Total
		<1000	1001-2000	2001-3000	>3000	
1	Respondent	13	17	16	4	50
	% within VLGS	26.6%	34.0%	32.0%	8.0%	100.0%
	% within INCOME	13.0%	15.5%	6.7%	8.0%	10.0%
	% of total	2.6%	3.4%	3.2%	8%	10.0%
2	Respondent	9	11	22	8	50
	% within VLGS	18.0%	22.0%	44.0%	16.0%	100.0%
	% within INCOME	9.0%	10.0%	9.2%	16.0%	10.0%
	% of total	1.8	2.2%	4.4	1.6%	10.0%
3	Respondent	11	11	24	4	50
	% within VLGS	22.0%	22.0%	48.0%	8.0%	100.0%
	% within INCOME	11.0%	10.0%	10.0%	8.0%	10.0%
	% of total	2.2%	2.2%	4.8%	8%	10.0%
4	Respondent	10	10	26	4	50
	% within VLGS	20.0%	20.0%	52.0%	8.0%	100.0%
	% within INCOME	10.0%	9.1%	10.8%	8.0%	10.0%
	% of total	2.0%	2.0%	5.2%	8%	10.0%
5	Respondent	13	9	19	9	50
	% within VLGS	26.6%	18.0%	38.0%	18.0%	100.0%
	% within INCOME	13.0%	8.2%	7.9%	18.0%	10.0%
	% of total	2.6%	1.8%	3.8%	1.8%	10.0%
6	Respondent	12	11	22	5	50
	% within VLGS	24.0%	22.0%	44.0%	10.0%	100.0%
	% within INCOME	12.0%	10.0%	9.2%	10.0%	10.0%
	% of total	2.4%	2.2%	4.4%	1.0%	10.0%
7	Respondent	11	10	24	5	50
	% within VLGS	22.0%	20.0%	48.0%	10.0%	100.0%
	% within INCOME	11.0%	9.1%	10.0%	10.0%	10.0%
	% of total	2.2%	2.0%	4.8%	1.0%	10.0%
8	Respondent	8	11	26	5	50
	% within VLGS	16.0%	22.0%	52.0%	10.0%	100.0%
	% within INCOME	8.0%	10.0%	10.8%	10.0%	10.0%
	% of total	1.6%	2.2%	5.2%	1.0%	10.0%
9	Respondent	8	10	30	2	50
	% within VLGS	16.0%	20.0%	60.0%	4.0%	100.0%
	% within INCOME	8.0%	9.1%	12.5%	4.0%	10.0%
	% of total	1.6%	2.0%	6.0%	4%	10.0%
10	Respondent	5	10	31	4	50
	% within VLGS	10.0%	20.0%	62.0%	8.0%	100.0%
	% within INCOME	5.0%	9.1%	12.9%	8.0%	10.0%
	% of total	1.0%	2.0%	6.2%	8%	10.0%
Total	Respondent	100	110	240	50	500
	% within VLGS	20.0%	22.0%	48.0%	10.0%	100.0%
	% within INCOME	100.0%	100.0%	100.0%	100.0%	100.0%
	% of total	20.0%	22.0%	48.0%	10.0%	100.0%

The table reveals that 48% SHGs members are saving Rs.1001-1500 per month. This is followed by 22% Rs.501-1001 and 20% less than Rs.500. Another 10% are saving more than Rs.1500 per month.

A comparative analysis of monthly income (Table – 4.11) and monthly savings (Table 4.12) reveals that the savings pattern of the members in sample villages is in the proportion of their monthly income.

An attempt is also made to test whether the sample villages significantly differ so far as their monthly savings pattern is concerned. For this the following null hypothesis is formulated and evaluated with chi-square test:

**Null Hypothesis-10:**

“There is no significant difference between villages so far as savings levels are concerned”.

The results of Pearson chi-square test are as follows:

Sample size	D.F	Significance Level	Computed value of Chi-square	Critical value of chi-square
500	27	0.05	25.317	0.557

The calculated value of Chi-square is not significant at 5 per cent level. As such it may be concluded that the sample

villages do not differ significantly so far as the monthly savings pattern of SHG members is concerned.

### **III. SOCIAL EMPOWERMENT OF SHGS MEMBERS**

When women shift to modern occupations, their earnings level improves and as such they feel more secured in the society. This enables them to take active part in community development activities. They fight for the cause of women welfare by participating in sanitation, equal rights for women, abolition of child labour, prohibition, etc. They participate in decision making process regarding the issues concerning women welfare.

In this section, an attempt is made to analyse the following aspects concerning the social empowerment of women.

- i) Awareness and participation on sanitary aspects by age.
- ii) Awareness and participation on sanitary aspects by education.
- iii) Awareness and participation on women welfare aspects by age; and
- iv) Awareness and participation on women by education.

**i. Awareness and participation on sanitary aspects by age**

An attempt is made to analyse the awareness and participation of SHGs members in sanitary aspects by age. The details are shown in Table- 5.25.

**Table – 5.25  
AWARENESS AND PARTICIPATION ON SANITARY ASPECTS BY AGE**

			AWARENESS				Total
			Poor	Average	Good	V.Good	
AGE	<25	Respondent	5	40	30	25	100
		Expected Respondent	10.0	36.4	32.4	21.2	100.0
		% within AGE	5.0%	40.0%	30.0%	25.0%	100.0%
		% within AWARENESS	10.0%	22.0%	18.5%	23.6%	20.0%
		% of total	1.0%	8.0%	6.0%	5.0%	20.0%
	26-35	Respondent	20	50	50	30	150
		Expected Respondent	15.0	54.6	48.6	31.8	150.0
		% within AGE	13.3%	33.0%	33.3%	20.0%	100.0%
		% within AWARENESS	40.0%	27.5%	30.9%	28.3%	30.0%
		% of total	4.0%	10.0%	10.0%	6.0%	30.0%
	36-54	Respondent	10	82	52	46	200
		Expected Respondent	20.0	72.8	64.8	42.4	200.0
		% within AGE	5.0%	41.0%	31.0%	23.0%	100.0%
		% within AWARENESS	20.0%	45.1%	38.3%	43.4%	40.0%
		% of total	2.0%	16.4%	12.4%	9.2%	40.0%
	>45	Respondent	15	10	20	5	50
		Expected Respondent	5.0	18.2	16.2	10.6	50.0
		% within AGE	30.0%	20.0%	40.0%	10.0%	100.0%
		% within AWARENESS	30.0%	5.5%	12.3%	4.7%	10.0%
		% of total	3.0%	2.0%	4.0%	1.0%	10.0%
Total		Respondent	50	182	162	106	500
		Expected Respondent	50.0	182.0	162.0	106.0	500.0
		% within AGE	10.0%	36.4%	32.4%	21.2%	100.0%
		% within AWARENESS	100.0%	100.0%	100.0%	100.0%	100.0%
		% of total	10.0%	36.4%	32.4%	21.2%	100.0%

It is clear from the table that 36.4% of the respondents said that the participation level is average followed by 32.4% Good 21.2% said it is very good. However, 10% of the respondents said that it is poor. Thus, it may be concluded that

majority of the respondents i.e. 53.6% are satisfied with the participation of SHGs members in sanitary aspects. Further, attempt is made to analyse this in terms of age. Of the respondents who said good and very good, about 21.6% belongs to the age group 35-45 followed by 16% to 26-35, 11% less than 25 yrs and 5% to above 45 yrs. Age group. Among those who said very good, 43.4 belongs to 36-45 age group. Among those who said average 45.1% belonged to 36-45 age groups. 40% of those who said it is poor belonged to 26-35 age group. Thus, on the whole, it may be concluded that respondents of 36-45 age group are satisfied with the participation level of SHGs members in sanitary aspects. On the other hand, people who belong to less than 36 and above 45 yrs. Age group are not satisfied with the participation level. Probably the reason may be that the members of less than 36 yrs. Age are aggressive and above 45 yrs. Age group are indifferent.

An attempt is made to study the relationship between age groups and their participation in sanitary aspects.

For this, the following null hypothesis is formulated and tested statistically:

**Null Hypothesis-11:**

“There is no significant difference between age groups so far as their participation in sanitary aspects is concerned”.

Null hypothesis-11 has been tested with the help of Pearson Chi-square and the results are as follows:

Sample size	D.F	Significance Level	Computed value of Chi-square	Critical value of chi-square
500	36	0.05	90.923	0.000

The calculated value of chi-square is greater than its corresponding critical value at 5% significance level. As such, the null hypothesis is rejected. Therefore, it is concluded that there is significant difference between the age groups so far as their participation in various sanitary aspects is concerned.

## **2. Awareness and Participation in Social activities**

An attempt is made to study the participation of SHGs members in social activities. This has been studied in relation to type of education, namely, formal education and non-formal education. The details are shown in Table- 5.26.

**Table – 5.26**  
**AWARENESS AND PARTICIPATION ON SANITARY ASPECTS BY**  
**EDUCATION**

			AWARENESS				Total
			Poor	Average	Good	V.Good	
END	Non-formal	Respondent	20	100	100	50	270
		Expected respondent	27.0	93.3	87.5	57.2	270.0
		% within end	27.0	37.0%	37.0%	18.5%	100.0%
		% within perform	40.0%	54.9%	61.7%	47.2%	54.0%
		% of total	4.0%	20.0%	20.0%	10.0%	54.0%
	Formal	Respondent	30	82	62	56	230
		Expected respondent	23.0	83.7	74.5	48.8	230.0
		% within end	13.0%	35.7%	27.0%	24.3%	100.0%
		% within perform	60.0%	45.1%	38.3%	52.8%	46.0%
		% of total	6.0%	16.4%	12.4%	11.2%	46.0%
Total		Respondent	50	182	162	106	500
		Expected respondent	50.0	182.0	162.0	106.0	500.0
		% within end	10.0%	36.4%	32.4%	21.2%	100.0%
		% within perform	100.0%	100.0%	100.0%	100.0%	100.0%
		% of total	10.0%	36.4%	32.4%	21.2%	100.0%

The table reveals that 53.6% of the respondents said that the participation of SHGs members in social activities is Good/Very Good. 36% said it is average and 10% said it is poor. Among those who said Good, 61.7% have non-formal education and 38.3% had formal education. 47.2% of those who said very good has non-formal education and 52.8% had formal education. Among those who rated it as average had non-formal education and 45% had formal education. On the other hand, 60% of those who said poor had formal education and remaining 40% had non-formal education. Thus, it is clear that majority of respondents with non-formal education are satisfied with the participation level of SHGs members in social activities, whereas

majority or respondents with formal education are not satisfied with the participation level.

An attempt is made to test whether the type of education influences the level of satisfaction regarding the participation of SHGs members. For this Chi-square test has been calculated. Since the corrupted value of chi-square is not significant at 5% level, it may be concluded that there is no significant difference between formal and Non-formal education as far as the level of participation of SHGs members in social activities.

**Null Hypothesis-12:**

“There is no significant difference between types of education so far as their participation in social activities is concerned”.

Sample size	D.F	Significance Level	Computed value of Chi-square	Critical value of chi-square
500	36	0.05	90.923	0.000

The calculated value of chi-square is greater than its corresponding critical value at 5% significance level. As such, the null hypothesis is rejected. Therefore, it is concluded that there is significant difference between the types of education so far as their participation in social activities is concerned.



### 3. Awareness & Participation on Women Welfare Aspects by Age

An attempt is made to examine the participation level of SHGs members in women welfare aspects age. The details are presented in Table- 5.27.

**Table – 5.27**  
**AWARENESS AND PARTICIPATION ON WOMEN WELFARE ASPECTS BY AGE**

AGE	<25	Respondent Expected respondent % within age %within PERFORM % of total	20 11.0 20.0% 36.4% 4.0%	60 44.0 60.0% 27.3% 12.0%	10 37.0 10.0% 5.4% 2.0%	10 8.0 10.0% 25.0% 2.0%	100 100.0 100.0% 20.0% 20.0%
	26-35	Respondent Expected respondent % within age %within PERFORM % of total	10 16.5 6.7% 18.2% 2.0%	50 66.0 33.3% 22.7% 10.0%	80 55.5 53.3% 43.2% 16.0%	10 12.0 6.7% 25.0% 2.0%	150 150.0 100.0% 30.0% 30.0%
	36-54	Respondent Expected respondent % within age %within PERFORM % of total	15 22.0 7.5% 27.3% 3.0%	100 88.0 50.0% 45.5% 20.0%	75 74.0 37.5% 40.5% 15.0%	10 16.0 5.0% 25.0% 2.0%	200 200.0 100.0% 40.0% 40.0%
	>45	Respondent Expected respondent % within age %within PERFORM % of total	10 5.5 20.0% 18.2% 2.0%	10 22.0 20.0% 4.5% 2.0%	20 18.5 40.0% 10.8% 4.0%	10 4.0 20.0% 25.0% 2.0%	50 50.0 100.0% 10.0% 10.0%
Total		Respondent Expected respondent % within age %within PERFORM % of total	55 55.0 11.0% 100.0% 11.0%	200 220.0 44.0% 100.0% 44.0%	185 185.0 37.0% 100.0% 37.0%	40 40.0 8.0% 100.0% 8.0%	500 500.0 100.0% 100.0% 100.0%

The table reveals that 44.0 per cent of the respondents said that it is poor. Thus about 45% of the respondents are satisfied with the participation level. Further, among those who rated poor, 36% belonged to below 25 yrs age group followed by 27.3% 36-45, 18.2% to 26-35 years and 18.2% to above 45 years age group. Among those who rated Average, 45.5% belonged to 36-

45 age group followed by 27.3% to below 25 yrs. 22.7% to 26-35 Yrs. 4.7% to above 45 years age group. Among these who rated the participation level as good, 43.2% belonged to 26-35 years age group followed by 40.5% to 36-45 years, 10.8% above 45 years and 5.4% to below 25 years age group. Thus, it may be concluded that respondents belonging to 36-45 years age group are satisfied with the participation level of SHGs members in women welfare aspects. This is may be due to the fact that women of this age group are more committed to the cause of women welfare.

Further, an attempt is also made to test whether different age groups influence the participation level of SHGs members in Women Welfare aspects. For this purpose, the following null hypothesis is tested:

**Null Hypothesis-13:**

“There is no significant difference between age groups so far as participation in women welfare aspects is concerned”.

The results are as follows:

Sample size	D.F	Significance Level	Computed value of Chi-square	Critical value of chi-square
500	36	0.05	90.923	0.000

The calculated value of chi-square is greater than its corresponding critical value at 5% significance level. As such, the null hypothesis is rejected. Therefore, it is concluded that there is significant difference between the age groups so far as their participation in women welfare activities is concerned.

An attempt is made to study the relationship between type of education and participation level of SHGs members in women welfare aspects. The details are shown in Table- 5.28.

**Table – 5.28**  
**AWARENESS AND PARTICIPATION IN WOMEN WELFARE BY EDUCATION**

			EDN		Total
			Non-Formal	Formal	
Perform	Respondent	Respondent	20	30	50
		% within perform	40.0%	60.0%	100.0%
		%within edn	7.4%	13.0%	10.0%
		% of total	4.0%	6.0%	10.0%
Average	Average	Respondent	110	110	220
		% within perform	50.0%	50.0%	100.0%
		%within edn	40.7%	47.8%	44.0%
		% of total	22.0%	22.0%	44.0%
Good	Good	Respondent	100	75	175
		% within perform	57.1%	42.9%	100.0%
		%within edn	37.0%	32.6%	35.0%
		% of total	20.0%	15.0%	35.0%
V.Good	V.Good	Respondent	40	15	55
		% within perform	72.7%	27.3%	100.0%
		%within edn	14.8%	6.5%	11.0%
		% of total	8.0%	3.0%	11.0%
Total		Respondent	270	230	500
		% within perform	54.0%	46.0%	100.0%
		%within edn	100.0%	100.0%	10.0%
		% of total	54.0%	46.0%	100.0%

The table reveals that 54 per cent of respondents have non-formal education and the rest have formal education. 44 per

cent of the respondents said that the participation level is average followed by 35% good, 11% very good and 10% poor. Further among those rated poor, 60% had formal and 40% had non formal education. Of those who rated average 50% each had formal and non-formal education respectively 57.1 per cent of those who rated good had non-formal and 42.9 per cent had formal education. 72.7 per cent of those who rated very good had non-formal and 27.3 per cent has formal education. Thus, it may be concluded that majority, i.e. 51.8 per cent of those who had Non-Formal Education are satisfied with the participation level of SHGs members in women welfare aspects.

In order to test whether there is any significant difference between the types of education so far as the participation level of SHGs members in women welfare activities. The computed value of chi-square value is significant at 5% level. As such, it may be concluded that the types of education influence the participation level of SHGs members in women welfare activities.

An attempt is made to study the relationship between type of education and participation level of SHGs members in women welfare aspects. For this purpose the following null hypothesis is tested.

**Null Hypothesis-14:**

“There is no significant difference between types of education so far as their participation in women welfare aspects is concerned”.

The results of chi-square test are as follows:

Sample size	D.F	Significance Level	Computed value of Chi-square	Critical value of chi-square
500	36	0.05	90.923	0.000

The calculated value of chi-square is greater than its corresponding critical value at 5% significance level. As such, the null hypothesis is rejected. Therefore, it is concluded that there is significant difference between the type of education so far as their participation in women welfare activities is concerned.

## **CHAPTER – VI**

# **CONCLUSIONS AND SUGGESTIONS**

The statement of problem of the present study entitled “Self-Help Groups & Rural Women Empowerment” A Case Study of Warangal District, Covers various dimensions of Self Help Groups programmes emanating from the policies of governments both at the Centre and State. This chapter presents a precise summary about all has done and found in the present study. The thesis comprises of 6 chapters in all.

In all the modern state in the 19<sup>th</sup> and 20<sup>th</sup> centuries concept of welfarism taken a prime place in the government’s objectives. Sins the states declared them selves as welfare states, the responsibilities of amelioration of the vulnerable sections of the society. The dawn of independence as given a

chance to propose several programmes. The government of India evolved several economic programs. One such programme is that Self Help programme. All these programmes are designed in tune with the directives of World Bank and IMF. After the collapse of alternative economic systems, the world economy became single independent unit and it causes for the emergence of unipolar economic system led by the USA, has created a different picture in the economics. The Indian economy is no way different from the global economy. Whatever directives flow from these international institutions they have to percolated to the nook and carner of the economics of the all the states.

In this background the government of India designed a program with soots to the needy of the society. Once the government of India opened up the controls of the economy has given empetus to the privatization and the state with drawn from the responsibilities of social justice. And the slowly majority of the welfare state with drawn from the concepts of the welfarism. Ultimately the majority of the third world countries are bound to follow the directives of international economic institutions. As long as the third world economies are bound to seek the financial and technical assistance from the monopolistic states. Which force them to depend on the

developed economics more so from USA, it is inevitable for these economies. They cannot go for alternative economic strategies.

The Government of India, after its independence went in for social and economic transformation of the country. During its independence nearly 80% of people lived in rural areas and most of them were below the poverty line. There exists illiteracy, ill-health, and backwardness of varied nature prevailing in both rural and urban areas. After 63 years of its rule the country is facing the major difficulties which prevailed at the time of Independence.

The early 90s saw the reshaping of strategies of socio-economic development and the emphasis shifted from “development” to “empowerment”. There was a realization that women have limited access to capital market, education, skill training, extension advice and participation in the decision-making process.

The studies on women in particular, along with women’s development programmes in India and in the World has attracted the attention of scholars from various.

A review of certain important works is quite pertinent in the context of the present study. Among these the studies have been classified into two groups firstly, studies on specific



programmes for women development, secondly on self help groups and studies in Andhra Pradesh including the study area.

Studies relating to Women Programmes also have significance to underlined the important findings. Among these Basu Rumki studies on “New Economic Policies and Social Welfare Programmes in India” in 1996 Islam Rizwanul Rural Poverty, Growth and Macroeconomic Policies: the Asian Experience” (1990) Weisman, Stephen R, revealed that “Structural Adjustment in Africa : Insights from the Experiences of Ghana and Senegal” in 1990. Tripathy, S.K., Bhuyan B, Pradhan P.N., carried a Study on “The Economic Impact of the integrated Rural Development Programme” in 1990.

Studies relating to Self Help Groups are worth noting. These are B. Sudhakar Rao, G. Ramachandraiah, V. Krishnamurthy, Y. Gangi Reddy and R. Murugesan studied on, “Self-Employment Projects – Groups Approaches” D.V.L.N.V. Prasad Rao instituted a research on, “Poverty Alleviation Through Self Employment : A Case Study of East Nimar District of Madhya Pradesh” in 1997-98. D.V.V. Ramana Rao, under took a case study on “Impact of Institutional Credit on the Socio-Economic Condition of Rural Women in Self-Help Groups – A Case study in Bidar District of Karnataka in 2001. D.V.V. Ramana Rao, made a case study on “Self Help Groups, A Case

Study of Voluntary Organisations “K.P.Kumaran studied on, “Case Studies on Self-Help Groups” in 1997.

Women are now active and participate. The organization of women’s groups has enabled a collective strength and solidarity in the women. It is found that the repayment of Group/Bank loan among the SHG members is very high. But the amount received through these sources are not able to meet the credit requirements. Although several measures have been taken by the Govt. to link the SHGs with financial institutions the number of such groups are relatively few.

The concept of globalization has created a gulf between the rich and the poor, and third world economies were more vulnerable in all fronts. Which caused a great concern for the economists to preserve the privileges of the vulnerable sections of the society including women. The policy makers consciously evolved the policies to preserve the equality of gender social justice. The extent of poverty generally depends upon the extent of ownership of productive assets and the access to gainful employment opportunities. It is well established that due to lack of such productive assets and regular employment, the burden of unemployment/underemployment and poverty falls mainly on the rural poor. There is a clear inverse relationship between the assets held by the households and the incidence of

poverty and the consequent needs to incur debt for meeting household expenditure. The question that arises is how do the poor who, by definition, lack adequate purchasing power, make both ends meet and survive. Generally, the gap between current income and consumption is usually bridged through occasional hand loans from relatives and friends. In some cases, the rural poor are even compelled to borrow on extremely exploitative terms making them bonded labourers to the creditors.

In India soon after Independence, there has been an aggressive effort on the part of the Government, which concerned to improve the access of the rural poor to formal credit system. Some of these measures have been institutional, while some others were through implementation of focused programmes for removal or rural poverty. Reaching out of the far-flung rural areas to provide credit and other banking services to the hitherto neglected sections of the society is an unparalleled achievement of the Indian banking system. The main emphasis in the spread of the banking network and introduction of new instruments and credit packages and programmes was to make the financial system responsive to the needs of the weaker sections in the society comprising small and marginal farmers, rural artisans, landless agricultural and non-agricultural labourers and other small borrowers falling below

the poverty line. With the implementation of above policies, further the government of India in its developmental planning emphasized the promotion of agriculture and other allied economic activities through credit intervention for ensuring integrated rural development and securing the prosperity of the rural areas. In pursuance of this, formal credit institutions have been guided by the principle of growth with equity and a large share of the credit disbursed for various activities was channelised towards the weaker sections of the society.

The potential of SHGs to develop as local financial intermediaries to reach the poor gained wide recognition in many developing countries especially in Asia-Pacific Region.

The establishment of the SHGs could be traced to the existence of one or more common problem areas around which the consciousness of the rural poor was built and the process of group formation initiated. The group, thus, was usually responsive to a perceived need. Such groups have been formed around specific production activities and often they have promoted savings among their members and used the pooled resources to meet the emergent needs of the members of the group including consumption needs. Sometimes the internal savings generated were supplemented by the external resources loaned/donated by Vas promoting the SHGs. Since the SHGs

have been able to mobilize savings from persons or groups who were not normally expected to have any “savings” and also to recycle effectively the pooled resources amongst the members, their activities have attracted attention as a supportive mechanism for meeting the credit needs of the poor.

Self Help Groups broadly go through three stages of evolution. 1) Group formation. 2) Capital formation through the revolving fund and skill development. 3) Taking up economic activity for income generation.

SHG is a group of rural poor who have volunteered to organize themselves into a group for eradication of poverty of the members. They agree to save regularly and convert their savings into a Common Fund. The members of the group agree to use this common fund and such other funds that they may receive as a group through a common management.

The poor may organize themselves, into small groups up to 20 persons, known as Self Help Groups (SHGs) to inculcate the habit of thrift and credit operations among themselves.

Its objectives are multifaceted oriented with the intention of Poverty eradication, such as Socio-economic activities, political and economic development of the village. It also intends for the promotion of economic activities. 1) To create

appropriate awareness among the members for their all round development in the society. 2) To promote co-operation and self-help attitude, good habit of savings among the members and voluntary collective work. 3) To promote savings attitude and habit among the members for their future and to encourage the members to commit themselves to a regular savings.

An analysis of general basis, its found that the women's contribution in both the spheres is relatively more. It has been revealed that the women work for relatively longer hours with shorter breaks. On an average women work for not less than 13 hours a day while for male it is not more than 10 hours a day. Still women's work is not valued in economic terms. In fact, women work at home as well as outside. There is practically little or no free time left with them for rest or relaxation.

An analysis of work participation rates of females of Rural/Urban residence in Study area revealed that the employment status of women improved both in rural and urban areas, it is still very much less than their male counter parts.

With regard to the distribution of female workers by employment status of Rural / Urban residence in Warangal. The rural women were increasingly moving from self employment to other two statuses, urban women were

increasingly taking to self employment and regular salaried work. The casual and self employed women are subjected to insecurity of either income or employment or both.

With regard to coverage of disadvantaged groups as part of SHGs revealed that on the whole, the SHG is biased towards disadvantaged groups only. It is evident from the fact that out of total 8,39,288 members assisted under SHGs in the Warangal District a major chunk of 7.27 lakhs i.e.87 percent of them belonged to SC, ST, women and handicapped. Further analysis also them belonged to SC, ST, women and handicapped. Further analysis also reveals that among all the four disadvantaged groups women dominated the scene with 48.26 percent followed by SC with 37.17 percent. It can be concluded that the SHGs is not only biased towards the disadvantaged groups but also women.

An analysis of marital status of SHGs members revealed that a great majority percent of the respondents (82.4%) were married, while 26.2 percent of them were unmarried. This confirms the fact that women are choosing their membership in SHGs only after getting married. This reveals a close relationship between marital status and choosing their membership. This may be due to the reason that women as an equal partner in the family feels the need for contributing her

own share for prosperity of the family. This also reveals that there has been departure from the traditional value system of confining housewives to household activities alone. However a sizeable portion of young married women members become members before their marriage. This indicates the growing dynamism of members of SHGs. This is a welcoming feature. This may be on account of higher levels of education among women, change in value system and the encouragement, being extended by the government and other agencies in the recent past.

Age-wise distribution of self-Help Groups revealed that among the four groups the age group of 20 – 30 ranked first; insignificant portion of 7.33 percent only were represented by the age group of above 40 years. This confirms the fact, that the age for entry into the membership of SHGs was observed between 20 and 30 years. This indicates the concern, interest and obligation among the youth to achieve something in their lives. However, other research studies also revealed that there is evidence with regard to the influence of age on group behaviour, in general and women empowerment in particular.

An enquiry into the educational background of respondent revealed that out of the total 150 respondents, a significant portion of 45.33 percent were illiterates followed by members



with secondary education (29.33%). The third place is occupied by members with primary education (18.67%). A notable portion were graduates with 6.67 per cent. Though, on the whole, there has been a change with regard to educational background of members, it is not up to the expected levels. In this ever-changing and most competitive world of business, entrepreneurs must have good professional and technical background. In rural areas, men as well as women have been suffering from lack of education. This also indicates that the women with good educational background were not attracted towards SHGs. This is also one of the reasons for the failure of some of the SHGs.

An analysis of the type of family of sample self-help groups members revealed that about a majority of the members were from nuclear families, while a minority were from joint family background. This confirms the argument that persons of joint families in general, and women, in particular become lethargic and dependent in joint family system. It is the urge of achievement and motivation that are responsible to make members of nuclear families as members of SHGs.

Thus there is a close relationship between income and membership of SHGs. It is also clear that economically poor people are interested to join SHGs to promote their financial

position, to lead on independent life and to participate in social awareness programmes as a group. It is also evident the women who belong to higher income groups were not interested to join SHGs.

An examination into the reasons for choosing their membership in SHGs, revealed that most of the members enter into Self-Help Groups because of “as a means of livelihood” (first place) followed by the “urge for independent life” (second place) and the third place is occupied by the others i.e., involved with miscellaneous reasons. It is a welcoming feature that a majority of members have chosen their membership in SHGs for socio, economic reasons such as need for earning livelihood, desire for independent life etc. This also indicates the increasing trends of aspirations as dynamism etc., among the rural women.

This is the inner urge of the women to earn their own livelihood and to be independent economically are the reasons for taking up their membership in SHGs. It can also be observed that women who are treated as confined to houses are being given freedom to take part in social awareness programmes. Though it is modest but an important welcoming feature.

It can be concluded that women entrepreneurship in the state of Andhra Pradesh is a recent phenomenon, which has been slowly pick;ing up. Since the trend of women entering into entrepreneurship with the help of SHGs has set in the various agencies both in government and NGO's involved in the promotion of women entrepreneurship may have to take necessary steps to speed up the process of empowering the women by extending all possible support and co-operation.

The district-wise analysis revealed. This reflects improved nature of entrepreneurship among women members of SHGs in the state of Andhra Pradesh. In most of the societies, entrepreneurship started with commercial activity and then expanded to most important and crucial manufacturing activity when enquired into the reasons for larger preference to commercial and least preference to manufacturing women enterprises, the following reasons were stated : i) Easiness of setting up, ii) Less amount of risk involved iii) No technical background, iv) Low capital requirement, v) Heavy work pressure associated with manufacturing.

In fact, real entrepreneurial abilities can be evaluated through manufacturing than other activities. When enquired about the reasons for entry into entrepreneurship through commercial industry sector, they stated that low degree of risk

involved in commercial activity as the main reason. Further, they stated that it was easy and simple to operate and involved lesser amount of capital as other reasons, with regard to preference to service sector, they revealed that most of the services opted for such as tailoring, to the nature of women. Heavy investment, technical knowledge in inexperience, higher degree of risk involved were stated as the main reasons for poor show in the large-scale industrial activity.

As analysis of the nature of business carried out by women entrepreneurs revealed that among these three broad sectors, milk animals in agricultural sector, toys making in industrial sector and kirana in service sector dominated the scene. Vegetable cultivation and sheep rearing occupied the second and third position in agricultural sector Basket making in manufacturing sector occupied the second position. It can be concluded that a great majority of women entrepreneurs of SHGs in almost all the sector opted for traditional and women based business lines, than the modern ventures like marketing, advertising etc.,

District wise analysis reveals that the majority of industries in Warangal. When compared to women enterprises with other women enterprises set up elsewhere in India and abroad is very insignificant and primitive. But it is appreciable

keeping in view that a number of women entrepreneurs of SHG. Groups have come forward to start their enterprises with whatever little capital that was available.

An examination of the impact of SHGs on savings of the members revealed that a great majority of 80 percent of the sample respondents reported that their savings were increased, while 17.33 percent of the respondents reported that there was no change and remaining 2.67 percent respondents reported that there was decrease in their savings. From this it can be concluded that membership in Self-Help Groups promoted their savings habits.

With regard to asset creation by members of SHGs that 56 percent members reported that their assets were increased, while 39.33 percent members reported that there was no change. Only 4.67 percent members reported that the assets were decreased. From this, it can be concluded that implementation of Self-Help Group bank linkage programme significantly contributed to the improvement of the asset position over a period of time.

An analysis of attitudinal change of male towards female members revealed that on the whole, a majority of 62 percent of the respondents reported that there was a positive change of

attitudes among husbands towards Self-Help Group members while 38 percent of members reported that there was no change in the behaviour of male towards them. This clearly indicates the higher involvement of women in the decision-making. This is a good sign towards the social transformation taking place due to SHG movement. However a few cases of abusing women and ill-treating them due to their exposure to the public were also reported.

An analysis of entry into politics of SHGs members revealed that the entry of SHG members into politics/public life is reported to increase with 50 percent while the remaining 50 percent of respondents reported that there was no change. There is a sea change in the mindsets of both males and females, in general, and women members of Self-Help Group, in particular. The political positions such as Sarpanches, ZPTC, MPTC, ward members etc., where the sole domain of men only. Either females wanted to enter or males allowed them into politics. It is the leadership qualities which are nurtured as members of SHGs are providing these training and building confidence in the minds of members of SHGs to gradually and slowly enter into politics and public life.

With regard to improvement in overall status of members of SHGs revealed that on the whole, a great majority of 76

percent of the respondent reported that their overall status was increased while 24 percent of the respondents reported that there was no change in their status. From this it can be concluded that the status of women, both within the households and outside was improved. Despite there is a lot to be done to improve the status of women, in general and members of Self-Help Groups, in particular. In several cases, the incidents on discrimination, misbehaviour, lack of security to borrow loans etc., were reported. Therefore, it can be concluded that social stigmas, inhibitions and traditions etc do not change over night. This proves takes time. On the whole, it can be concluded that SHG movement is pronounced on all social and economic aspects of their members.

An enquiry about the major problems encountered by members of SHGs revealed that major problem with which a majority of respondents confronted with personal problems, followed by financial (Rank-II) and production related problems (Rank-III). Among the other problems, marketing, socio-cultural, technical and psychological problems etc. were important. Thus, it is clear that, though almost all the women faced all the problems, the intensity of different problems was varying in case of different groups interestingly for most of the sample respondents personal problems dominated over the

other problems. Certain psychological problems such as inferiority complex, low risk-taking ability occupied the seventh rank.

A significant number of members expressed excessive burden of work as housewives and their dual responsibility made them not to avail of leisure time. A few of the respondents expressed excessive tension, because of competition in the business. They also reported that limited resources available with them did not allow them to take higher-level risk. In some cases, their spouses and other family members extended the required support enabling them to assume more risk while a majority of them did not get the same.

### **Suggestions:**

In the light of the above findings, the following suggestions have been offered to make Self-Help groups more meaningful, worthiness, forceful and effective instrument for the improvement of women and ultimately empowering them. The government should undertake a total development package comprising stimulatory, support and sustaining activities for the development of Self-Help Groups in the state. The role of incentives and concessions, the reengineering of delivery mechanism and creation of entrepreneurial clubs will go a long



way in the development and creation of successful Self-Help Groups.

In order to get better results, there must be a greater awareness, better mobilization and more scientific approach towards the development of Self-Help Groups. A major socio economic evolution has to be envisaged to harness “Women Empowerment”. More contacts and field guidance should be made available at the grass-root levels. The following steps may be followed towards this goal.

Firstly, these organizations should come forward with awareness programmes exclusively aimed at young women. They must make an effort to diffuse information among the less educated women on the prospects of entrepreneurship. Secondly, wide range extensive campaigning should be done by these organization, particularly the non-government ones, for involving women in agricultural entrepreneurship. Thirdly, the support system should streamline and re-orient their programmes and policies in a direction leading to higher job involvement, higher achievement and motivation. Fourthly, adequate infrastructural support by one single coordinating or nodal agency should be provided to facilitate flow of adequate working capital, technology, electricity, land and marketing

facilities. Post-training follow up is vital for the success of Self-Help Groups.

Respondents stated several financial problems in relation to heavy interest rate, death of fixed capital, economic incredibility, price fluctuations, non-availability of loans, and delays in releasing the loans. Further, loan under Self-Help Groups carries higher rates of interest particularly with the indigenous bankers. A uniform lower rate of interest may be charged on loans to Self-Help Groups. It is really appreciable the government in Andhra Pradesh.

Several problems were reported to have been faced by the Self-Help Groups in dealing with government agencies such as “red-tapism”, lack of guidance and advisory service in time etc. Obviously, these factors needed to be considered in re-framing and re-organising EDPS in DRDAS.

The legislative measure for dealing with the problems of small-scale units run by women entrepreneurs should be relaxed and more liberal policies and attitudes should be adopted. Most of Self-Help Groups faced the problems of marketing. To overcome these problems, certain agencies like State Advisory Board, Women’s Development of Co-operation, Rural marketing service center, cooperative societies, Federation

of Super Market, State Emporia, Govt. Departments can extend various supporting services for the supply of new materials, collecting the finished products to marketing these products.

Efforts should also be made in this direction of starting Diploma Certificate courses etc., on entrepreneurial management and development in collaboration with the local industrial and business establishment and Universities on self-financing basis. If possible, concessions in terms of tuition and other fees charged by the respective institutions, should be waived. National organization such as NABARD, SIDBI etc., should assist the University authorities in establishing centers for training and counseling. The Universities should set up consultancy centers for Self-Help Groups.

Adequate insurance coverage should be provided to the industrial and business units promoted by Self-Help Groups against the business risks, (financial losses) to safeguard the interest of the entrepreneurs as well as the employees of the enterprise.

A network of trade centers should be established in all states by the respective state governments exclusively for the benefit of Self-Help Groups. These trade centers should be linked up with the trade centers established in all foreign

countries. The central and the state governments should extend all the services at the disposal of their marketing departments and other networks of distribution to the Self-Help Groups spread throughout the country.

There are no separate activities selected for women both as individuals and groups. The activities are common for men and women. Therefore, it is recommended that the key activities for women Self-Help Groups may be specially designed.

The majority of the group members indicated that the training was confined only to certain general aspects of the programme rather than focusing on specific information on inculcating savings, credit and book keeping skills. Therefore, such intensive training programmes relating to management of finances maintaining accounts, production and marketing activities etc. should be given.

To make the Self-Help Groups as effective instruments for women empowerment, there should be a continuous flow of funds to Self-Help Groups. But from the field study, it is learnt that the goods produced by Self-Help Groups are sold on credit basis and they are not able to realize cash in time resulting in holding up of the production process. In some cases, it was also reported that Self-Help Groups were unable to negotiate with the

buyers and they are selling their goods at depressed rates. Therefore, DWCRA Bazars may be opened and run on regular basis for marketing of goods of Self-Help Groups as is done in some districts. Subsequently Government may give issue on instructions to the entire Government department, schools, Hostels etc. to purchase their requirements from Self-Help Groups. These departments may, in turn, send their payments directly to the banks from which Self-Help Groups borrowed loans. This networking among Self-Help Groups, banks Government department etc. will not only create goodwill among the parties concerned but also ensure speedy flow of funds and make the Self-Help Groups healthy and wealthy.