



## A Case Study on Institutions Working for the Development of Rural Women. with Reference of Shgs In Anantapur District

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### ABSTRACT

The effective functioning of any institution largely depends on the socio-economic environment in which it is functioning. It is more so in case of institutions working for the development of rural women. Hence, an attempt is made in this chapter to present a socio-economic profile of Anantapur district where this is carried out and profile of sample self help groups in selected area under study. In this research paper an attempt has been made to achieve the objectives: (i) To discuss the position of Indian women since ancient times and the problems encountered by her in social and economic spheres. (ii) To study the positive and negative impacts of the SHG programme on selected beneficiaries. The primary thrust of the programme is, formation of groups with 10 to 15 women from poor households at the village level for delivery of services like credit, skill training and infrastructural support for self employment. The strategy of group formation is aimed at improving the women's access to the basic services such as health, child care, nutrition, drinking water, sanitation and education. the progress of SHGs in Anantapur district is high in the new millennium. Formation of SHGs is not even in the district. During 2005-2006, highest numbers (5126) of new SHGs were formed. Whereas, in 2000-2001 least number (2022) of SHGs were formed. the number of SHGs linked to Banks is gradually increasing year by year. The credit mobilized is also gradually increasing, except for the years (i.e. 2008-09 and 2009-10) of study. In the same way, per each SHG group finance is also increased year by year up to 2007-08, but it started to decline during 2008-09 and 2009-10.

### KEYWORDS

Women, SHGs, Banks, beneficiaries.

Empowerment of women, gender discrimination and violence against women, which have become serious subjects of sociological research in contemporary times was hitherto neglected. While contemporary social changes have exposed women to unprotected socio-economic, cultural and political environment, there are no corresponding protective social systems and institutions of social justice to safeguard their interests. There are many who are skeptical about women's ability to exercise equal rights with men and about their capacity to play equal role with men. But such apprehensions are ill-founded in the context of the broader opportunities available for women following mechanization of industry and agriculture, enabling women to compete with men successfully.

Innovations in science and technology have removed the disparity between men and women attributed to physical strength alone. Women are able to handle modern appliances which require intelligence and training not merely physical strength. Thus, India has now several women working as pilots, driving locomotives, buses, tractors and machinery in workshops. Sex as maternal factor in the area of legal rights has practically disappeared. It is not therefore fair to relegate women as a group to an inferior position in society. The Constitution of India does not regard sex as a permitted classification and prohibits sex as a basis of differential treatment in all areas of legal rights.

Modernity has resulted in a growing flexibility and changes in the gender roles of men and women. The earlier conception that man was the provider of basic necessities for family where as women the child bearer and care taker of home, is no longer valid in the changing social structure and economic compulsions.

In spite of the progress made, rural women and those belonging to the Dalit, Tribal, and nomadic communities remain unaffected, same is the case with Muslim women among the minorities. The latter are far from realizing their basic rights. For instance, the low level of political participation of Muslim women in India is not only a consequence of the lack of resources but also the result of the status of Muslim women in

the community. Since women in India have little place in the public arena they also express less faith in the political process

In spite of the UN Charter of Human Rights and the provisions of the Indian Constitution, women continue to be victims of exploitation. The view that the future generation of a family is carried on and preserved by boys-only has degraded the position of women in society. Similarly, it is noticed that majority of the women are lacking in the spirit of rebellion. If careful attention is not paid and major steps are not taken, the situation will become extremely critical.

### Review of Literature

Review of literature is the most important aspect in any research work. It is a measure stating the recent output on a particular area of research and organized in a logical sequence to strengthen the present research techniques. The main objective of the review of literature is to understand the research activities that have taken place in a particular discipline in general and in the area of research in particular.

For clear understanding the studies were divided in to three parts. In the first part literature relating to poverty, in the second part literature relating to Self Help Groups and in the third part literature relating to role of Self Help Groups in eradication of poverty is discussed in this chapter. The review covers combinations of international and national level studies.

### Statement of the Problem

More than one billion people in the world today, the great majority of whom are women, live in unacceptable conditions of poverty, mostly in the developing countries. Poverty has various causes, including structural ones. Poverty is a complex, multidimensional problem, with origins in both the national and international domains. It is also characterized by lack of participation in decision-making and in civil, social and cultural life. The SHG programme was initiated to help those women who are living below poverty line. But in practice the ineligible candidates got enrolled in the SHGs and obstructing to reach the fruits to real needy people. Hence the present study is a

humble attempt to assess the role of SHG programme in eradication of poverty.

Objectives

The objectives of the study are as follows:

- 1. To discuss the position of Indian women since ancient times and the problems encountered by her in social and economic spheres.
- 2. To study the positive and negative impacts of the SHG programme on selected beneficiaries.

Need of the Present Study

There is an increasing recognition for the development of women and children, particularly in rural areas. But it has not received adequate attention in our strategies of rural development. Women who form half of the population and who constitute substantial productive and economic resources in our country have been the silent sufferers of this inadequate attention. Overwhelming evidence is available to emphasize these rural development strategies that fail to take note of the potential of the women and to make provision of such potential to be utilized will not have high sustainability. It is said that women are also more efficient converters of the resources into productive purpose and household development. The women centred development programmes can not only ensure the development of children but can also hope for the successful and sustained implementation of programmes concerning family welfare, education, nutrition, health, environment, etc., Hence, a concept like Self-Help Groups (SHGs) is conceived to realize the untapped potential of the rural women for the rural development in general and empowerment of women in particular.

The SHGs have the potential to empower women through economic changes material gain secured through access to credit and better bargaining power and social changes

brought about through group dynamics on sustainable basis. Hence the present study assumes significance in view of ever-changing rural economic scenario.

Study Area

The study was undertaken in Anantapur district of Andhra Pradesh which is economically most backward districts of Andhra Pradesh. This region is typically a dry track and has been declared as a famine district in South India. Recurrent drought and famines have been stalking this district for the past ten decades. In Anantapur district there are 70 Mandal Samakhyaas, 2, 559 Village organisations and 48 433 SHGs. In these SHGs there are 473,771 members.

Sample Design

For a detailed study the entire district of Anantapur is selected for analysis. The district is divided into three revenue divisions viz., Anantapur, Dharmavaram and Penukonda. In all these three divisions there are 63 revenue Mandals. As on 31<sup>st</sup> May 2010, there are 18941 SHGs in Anantapur division 15863 SHGs in Dharmavaram and 13629 SHGs in Penukonda division. Thus, altogether 53,470 SHGs are working in the district.

For selecting the sample for the study, a multistage and purposive sampling technique was adopted in selecting the mandals villages and the Self Help Groups. In the first stage three divisions were selected. In the second stage two mandals from each Revenue Division have been selected. In third stage, from each mandal 2 Villages Organisations were selected. In the fourth stage 3 SHGs were selected from each Village Organisation. In the last stage 9 SHG members who are completing one period and regular and availed at least one doze of loan were selected from each SHG. Finally, altogether three divisions, six Mandals, 12 Village Organizations, 36 SHGs and 324 members were selected. Thus, the total sample for the study constitutes 324 respondents. The Table 1 clearly depicts all such details.

Table 1  
Total Sample Universe for the Study

S.NO	Name of Revenue Division	Name of the Mandal	Name of the Village	No. of VOs	No. of SHGs	No. of Members
1	Anantapur	B. K. Samudram	1.	1	3	27
			2.	1	3	27
		Narpala	1.	1	3	27
			2.	1	3	27
2	Dharmavaram	Kanaganapalli	1.	1	3	27
			2.	1	3	27
		C.K. Palli	1.	1	3	27
			2.	1	3	27
3	Penukonda	Amadagur	1.	1	3	27
			2.	1	3	27
		Kaneikal	1.	1	3	27
			2.	1	3	27
Total	3	6	12	12	36	324

Methodology

To examine the objectives of this study, relevant data were collected from both primary and secondary sources. Field Survey was undertaken for collection of primary data. For this purpose, a pre-tested interview schedule was employed. Further, observation technique was followed to understand certain aspects of the problem. Separate questions were framed for borrowers of different categories. The data collected from the sample beneficiaries relating to, number bank linkages, the particulars of loans such as dates of application, sanction and disbursement as well as the amount outstanding, amount repaid and overdues were cross-checked with the bank records/ledgers and the latter were considered for analysis in the event of any discrepancy or variation.

Besides, secondary data regarding the growth of SHGs in India, in Andhra Pradesh and Anantapur were collected from different published records which include Reports of the Government of India, Reports of the SERP, Reports of NABARD, Annual Reports and records of DRDA Anantapur, records of

selected Mandal Samakhyaas, Village Organisations, Statistical Abstracts of Government of Andhra Pradesh and District Credit Plans prepared by the Lead Bank of the District viz., Syndicate Bank.

Statistical techniques used

The collected data were processed, tabulated and calculated with the help of computers. The data were analysed and discussed with the help of averages, percentages. The data were also presented with the help of appropriate bar and pie diagrams.

Progress of SHG Movement in Anantapur District

The Self- Help Groups (SHGs) scheme is being implemented in the district since 1987-1988. The main objective behind introducing SHGs in the district is to raise the income level of the poor women and involve them in the social development by achieving economic self-reliance. The primary thrust of the programme is, formation of groups with 10 to 15 women from poor households at the village level for delivery of ser-

vices like credit, skill training and infrastructural support for self employment. The strategy of group formation is aimed at improving the women's access to the basic services such as health, child care, nutrition, drinking water, sanitation and education.

**Table : 2**  
**Year Wise SHGs formed in Anantapur District**

Sl.No.	Year	SHG Formed
1	Up to 2000	13494
2	2000-01	2022
3	2001-02	2150
4	2002-03	5027
5	2003-04	4812
6	2004-05	4188
7	2005-06	5126
8	2006-07	2578
9	2007-08	3152
10	2008-09	4555
11	2009-10	3133
<b>Total</b>		<b>50237</b>

Source: Official Report of DRDA, Anantapur 2009-2010.

It can be inferred from the Table 2 that the progress of SHGs in Anantapur district is high in the new millennium. Formation of SHGs is not even in the district. During 2005-2006, highest numbers (5126) of new SHGs were formed. Whereas, in 2000-2001 least number (2022) of SHGs were formed.

**Table 3**  
**Year-Wise VO's formed in Anantapur District**

Sl.No.	Year	No. of VO's Formed
1	2000-01	64
2	2001-02	168
3	2002-03	526
4	2003-04	621
5	2004-05	667
6	2005-06	246
7	2006-07	73
8	2007-08	52
9	2008-09	66
10	2009-10	78
<b>Total</b>		<b>2561</b>

Source: Official Reports of DRDA, Anantapur

The data in Table 3 shows that the formation of village organizations is high during 2001-2002 to 2005-2006. After that the formation of VO's is slow down. Highest number (667) of VO's has been formed in the year 2004-2005 followed by 621 VO's 2003-04 with least number (52) of VO's is formed in the year 2007-2008.

#### **SHG Bank- Linkage in Anantapur District**

The linking of SHGs to banks for financial assistance was initiated in early 1980s by National Bank for Agriculture and Rural Development (NABARD). It reached culmination by 1990s with SHG to banks.

The member of SHGs is poor with low or nil saving capacity, and who depend on moneylenders or private sources to meet their expenditure and other obligations. During the group meetings, the thrift amount is pooled and given as loans to members for utilization, production or investment purposes based on the priorities determined by the group. The group members keeping in view the interests and prosperity of the member take a collective decision regarding all matters. These groups play the role of a mid-wife or money lender. Since it is members' thrift that is given out as loans to one or two mem-

bers at each meeting depending upon the priorities as set by the group, members exercise close supervision on utilization of loans. Peer pressure is exerted on members to continue savings to enable every member to have an opportunity to avail loans. Prompt repayment of loans is insisted by the remaining members to avail themselves loans of higher order. As a result, at any given point of time all members in a SHG will not be borrowers. Even if all of them are borrowers, their loans outstanding will 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 loan.

#### **Thrift and credit working together**

Thrift and credit activities have thus emerged as solitary binding force to mobilize rural poor in group mode. The rural poor may not be able to form groups by themselves to command a sufficient strength to approach and negotiate with external agencies like banks for funds. With a view to make thrift and credit activities meaningful for economic empowerment, the groups are gradually encouraged to deploy their funds investment or income generating activities. While doing so, conscious efforts are made by Self Help Promoting Institutions (SHPIs) / Mutually Aided Cooperative and Thrift Societies (MACTS) to build appropriate capacities for managing micro enterprises. Capacity building efforts include training in functional areas of management, skill development, technology up-gradation, market support etc.

SHGs meet the immediate needs of the women. However, the loan amounts are so small that the urge of women to take up income generation activities is not met. Similarly larger issues like buying raw products in bulk, production in large quantity, packing, marketing etc., cannot be undertaken by SHGs due to limitation of membership and corpus. The government decided to provide financial assistance by mobilizing loans from banks etc., to overcome the problem.

#### **Loan Amount**

Under the bank linkage program banks / financial institutions are giving minimum loan amount equal to 2 times the savings of the group to the maximum of 6 times to the savings depending on the assessment of the SHG by the bank / financial institutions. 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 proposes to lend should be left to the common wisdom of the group.

#### **Interest Rates**

The rate of interest will be decided by the banks / financial institutions which finance SHGs under SHG-bank linkage program within the scope of RBI directives. The Nationalized banks, Regional Rural Banks & Cooperative Banks are coming forward to issue loans to SHGs with lower rate of interest under the program. The interest rates collecting by various banks in the district are as follows:

1. Andhra Bank 8% (Irrespective of loan amount).
2. State Bank of Hyderabad 8%.
3. State Bank of India 8.75% up. to Rs 2.00 lakhs and 9.5% above 2.00 lakhs.
4. Syndicate Bank 10.5%.
5. Indian Bank 10 %.
6. Andhra Pragathi Grameena Bank 10 %.

The repayment period for the loans extended by SHG 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 carry out activities without having any depletion of their resources built up with own funds.

The government waived the stamp duty on all the loan documents executed by SHGs for accessing loans from the banks

and other financial institutions under SHG bank linkage program in the state. Sales tax is exempted in case the SHGs conducting the sales of SHG products.

The SHGs in the district are financed by the Village Organisations, Mandal Samakyas, Zilla Samakya, SC Finance Corporation, ST Corporation, BC Corporation and Government. The year wise SHGs linked to Banks through various financial institutions in the district is given in the Table 4.

**Table :4**  
**Year-Wise SHG Bank Linkage in Anantapur District**

Sl.No.	Year	No. of SHG's Linked to Banks	Credit Mobilized (Rs. in Lakhs)	Per Group Finance (Rs. in Lakhs)
1	2000-01	3105	526.1	0.17
2	2001-02	5594	1113.6	0.20
3	2002-03	4674	1221.92	0.26
4	2003-04	6862	2123.78	0.31
5	2004-05	10105	3545.95	0.35
6	2005-06	12675	6073.25	0.48
7	2006-07	12401	10065	0.81
8	2007-08	20038	32872	1.64
9	2008-09	20377	32416	1.59
10	2009-10	20907	30126	1.44

Source: Official Records of DRDA, Anantapur.

It is evident from the table 3 that the number of SHGs linked to Banks is gradually increasing year by year. The credit mobilized is also gradually increasing, except for the years (i.e. 2008-09 and 2009-10) of study. In the same way, per each SHG group finance is also increased year by year up to 2007-08, but it started to decline during 2008-09 and 2009-10.

#### **Pavalavaddi Scheme**

The Government of Andhra Pradesh introduced Pavalavaddi Scheme (Interest Subsidy) during the year 2004-05 with an objective to provide interest subsidy on the Bank loans taken by the Self Help Groups in Andhra Pradesh to reduce the financial burden on them. The scheme is applicable to all loans extended by banks on or after 01.07.2005, under SHG bank linkage programme. The DRDA will obtain the details of SHG repayment for the purpose of interest subsidy twice a year through the Mandal Samakhyas. DRDA will calculate the Pavalavaddi to be given to each SHG basing on the bank statement. The DRDA will give the Pavalavaddi cheques to the Mandal Samakhya along with the statement of particulars accruing to each SHG. The Mandal Samakhya in turn will distribute the cheques to the SHGs through the village organisations in the presence of non officials.

Year wise beneficiaries under Pavalavaddi scheme in Anantapur district is presented in the table 5

**Table :5**  
**Year Wise SHGs Availed Pavalavaddi Loan in Anantapur District**

S. No	Year	No. of SHGs Members	Amount Released (Rs. in Lakhs)	Average among for the Member
1.	2005-06	10248	71.29	695.64
2.	2006-07	32597	334.02	1024.70
3.	2007-08	29765	478.27	1606.82
4.	2008-09	46145	1290.00	2795.54
5.	2009-10	35654	1432.00	4016.38
6.	2010-11	30192	1452.77	4811.77
<b>TOTAL</b>		<b>184601</b>	<b>5058.35</b>	<b>2740.15</b>

Source: Official Records of DRDA, Anantapur

It can be inferred from the table 4 that number of SHGs availed loans for Pavalavaddi (3%) in the initial year (2005-06) of the scheme is 10248. The average amount for the member is Rs.695.64. In the following year the number of SHG members benefited increased sharply to 32597 and the average amount for the member is Rs.1024.70. In the year 2007-08, the number of SHG members benefited by the scheme declined to 29765 but the amount released increased from Rs.334.02 lakhs to Rs.478.27 lakhs. In 2008-09 the amount released increased more than the double. The average amount for member is Rs.2795.54. In 2009-2010 the amount released is Rs.1432 lakhs for 35,654 members. During the last year of study at the average amount per member is Rs.4811.77.

#### **Swarnajayanthi Gram Swarozgar Yojana (SGSY) Wing in Anantapur District**

Swarnajayanthi Gram Swarozgar Yojana came into existence in 1999-2000 duly merging the schemes of Integrated Rural Development Program (IRDP), Training for Rural Youth under Self Employment (TRYSEM) Development of Women & Children in Rural Areas (DWCRA) and Supply of Improved Toolkits to Rural Artisans (SITRA).

Swarnajayanthi Gram Swarozgar Yojana scheme is a holistic approach towards poverty eradication in rural India through creation of self-employment opportunities to the rural Swarozgaries. This scheme is implemented in the country through District Rural Development Agencies. The Centre and State fund this program in the ratio of 75:25. It is designed to help poor rural families cross the poverty line. This is achieved through providing income generating assets and inputs to the target groups through a package of assistance consisting of subsidy and bank loan.

The scheme aims to bring every assisted poor family above the poverty line by ensuring appreciably sustainable level of income over a period of time. This objective is to be achieved by organizing the rural poor in to Self Help Groups (SHG) through the process of social mobilization, their training and capacity building, and provision of income generating assets. For the proper implementation of SGSY programme a separate wing was functioning since 2000 in District Rural Development Unit, Anantapur.

**Table :6**  
**Physical and Financial Achievements under SGSY Individual loans in Anantapur District**

S.No.	Year	Physical Achievements (No. of SHGs)	Financial Achievements (in Rs.)
1	2005-06	445	3812500
2	2006-07	476	4167500
3	2007-08	642	5774834
4	2008-09	222	2200000
5	2009-10	385	3397500
6	2010-11	951	8300000
<b>Total</b>		<b>9513</b>	<b>80100495</b>

Source: Official Records of DRDA, Anantapur.

It is evident from the table 6 that the physical and financial achievements are not evenly distributed. The physical as well as financial achievements gradually increased during first three years (2005-06 to 2007-08). Whereas, these achievements sharply declined in 2008-2009. Again from 2009-2010 the physical achievements increased to 385. During the last year of study the physical achievements increased more than two times. The financial achievements are corresponding to physical achievements.

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