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Exploring The Role Of Shgs And Social Inclusion Across The Andhra Pradesh

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Abstract:

India boasts of some 12 million SHGs, of which 88 per cent are all-women-member ones. These groups usually consist of 20-25 members, mostly residents of villages. In 1992, these groups were linked to banks for disbursal of small loans called SHG Bank Linkage Project, SHG-BLP for taking up livelihood options, like livestock rearing or setting up a tailoring unit. Across the country, states have been declaring special economic packages for SHGs as part of overall livelihood development programmes. Under the National Rural Livelihood Mission (NRLM), the government has set a target of increasing each SHG's income to Rs 1 lakh by 2024. To do so, microfinance linked to livelihood development is the key strategy. Andhra Pradesh stood first among all the states in women empowerment programmes starting from equal property rights for women, reservation in jobs and educational institutions as well as political reservations in local self-Governments. The DWCRA programme in Andhra Pradesh has been judged number one in the country in terms of mobilising women for social, political and economic development of the poorest of the poor families in rural areas. All these programmes were implemented by an independent society called Society for Elimination of Rural Poverty (SERP) which functions under the Ministry of Rural Development. These groups have to graduate into promoting micro-enterprises. Though micro-enterprises are not a panacea for the complex problems of chronic unemployment and poverty, yet promoting micro- enterprises is a viable and effective strategy for achieving significant gains in income and assets for poor and marginalized people. Women run SHGs go by various names, including mothers' committees,

Keywords : Poverty, Rural**,** Sustainability, DWCRA, livelihood, social category, BLP, Bank Linkage.

Introduction:

In 2021, the government, under its COVID-19 pandemic stimulus package, increased SHGs' limit for collateral-free loans to Rs 20 lakh from Rs 10 lakh. This reportedly benefited 6.3 million women SHGs and 68.5 million households. It may be noted that more than 75 per cent of rural female workers are employed in the agricultural sector. This implies a need to upskill and create employment for women in agriculture-related sectors such as food processing. Here, the self-help groups (SHGs) can play a crucial role in shaping rural women's potential into concrete developmental outcomes of financial inclusion, livelihood diversification, and skill development," it says while recommending that these groups be further strengthened with access to loans and markets for their produce.

An SHG is usually a community of 10-12 women from a similar socio-economic background. These women form alliances to pool their financial resources for taking up joint economic activities, or to lend money at a reasonable interest rate to members for starting small businesses. Indian experience with SHGs with a focus on women is emerging as a promising financial innovation with great potential to reach the poor and marginal in a cost-effective way to bring them to the main fold of the economy. There are many positive spin-offs from this SHG programmes. The need for documenting the degree of success of SHGs in relation to the set objectives is also gaining strength. a German Economist noted that the secret of good performance seems to be not just in innovations that reduce the cost of screening, monitoring and enforcing the loan contracts by customary rights and social obligations but also in the successful demonstration to small rural communities that these innovations and institutions were not a transitory phenomenon.

Self-help Groups (SHGs) are informal associations of people who come together to find ways to improve their living conditions. They are generally self-governed and peer-controlled. People of similar economic and social backgrounds associate generally with the help of any NGO or government agency and try to resolve their issues, and improve their living conditions. Accordingly, within the ambit of the mission and with the converging schemes of the other Ministries, SHG members are being facilitated for promotion of sustainable livelihoods, so that they may reach an aspirational goal of having minimum of one lakh rupee as annual income. In every meeting, the SHG should be encouraged to discuss and try to find solutions to the problems faced by the members of the group. Individually, the poor people are weak and lack resources to solve their problems. When the group tries to help its members, it becomes easier for them to face the difficulties and come up with solutions.

Past experiments in public action to improve the socio-economic status of the poor through a host of anti-poverty programmes have not yielded the desired results. So also, is the case of various measures to extend credit to the poor through institutional channels. One such attempt is the Development of Women and Children in Rural Areas (DWCRA) programme introduced as early as in 1980s. The objective of the programme was initially to provide all the support for collective action by the women groups towards achieving sustainable livelihood and promoting the habit of savings. Later these women groups have been provided bank loans for helping them to become micro entrepreneurs. Micro- finance/promotion of Self-Help Groups (SHGs) is the resultant outcome of the emerging development perception.

The total amount of Capitalisation Support (Revolving Funds and Community Investment Funds) provided to SHG Members is Rs. 48,290 crores. This has helped in developing credit history of the SHGs. Accordingly, the SHGs have been able to leverage Bank credit of Rs. 9.71 lakh crore, till November, 2024. Further, in order to reduce the effective cost of Bank credit to women SHGs, DAY-NRLM provides interest subvention to SHGs on loans from Banks. Micro-finance and Self-Help Groups (SHGs) are often used as synonyms but there is a qualitative difference. The former refers to the quantum of credit and the latter to the means of providing small sums of credit to the poor to reduce transaction costs to the lender, and to reduce risks of non-repayment. Defined in another way, micro-finance refers to the financial sector or formal credit organizations that respond to the credit needs of low-income households and SHGs refer to the group approach in channelling micro-finance instead of dealing with individuals by the formal financial organizations.

Self-Help Group is a small and economically homogeneous group of 15-20 women belonging to rural poor, voluntarily formed for mutual benefit and support with thrift and credit as entry point. While access to financial services is a basic objective of SHGs, they are essentially credit plus groups. SHGs is organised by members with the facilitation and guidance of a social animator. They (SHGs) are self-managed community banking institutions at micro level, collectively accessing credit and non-financial services critical for effectiveness of micro-credit. Non-Governmental Organisations (NGOs) were involved initially in social mobilization and formation of SHGs as Self-Help Promoting Institutions (SHPIs).

To facilitate group processes and ensure transparency of operations, group meetings are regularly convened at a pre-determined place, date and time. 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 prosperity of the members. More often lending decisions like purpose, size, interest rate and repayment period for loan are decided case-by-case, paramount consideration being given to needs and aspirations of individual borrowing members. Therefore, these groups play the role of a mid-wife than that of a middleman or moneylender. The procedures for sanction of loan adopted by the groups are very simple and loans provided on the basis of mutual trust among the members.

Thrift and credit activities have since emerged as solitary binding force to mobilise 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. There is, thus, a need for promotional agencies which can function as catalysts and facilitators to act as intermediate link, between the poor and formal credit agencies. NGOs can help the poor organise themselves into groups, assist in their organisational, managerial and financial matters, upgrade their skills, counter the pressures from vested interest. Besides, a host of professional and developmental agencies have also been engaged in empowerment of rural poor through implementing socio-economic development programmes. It has been realised that group approach is a cost effective, equitable and sustainable way to canalise developmental efforts. Similarly, the State Governments have also recognised the potential of SHGs in implementing community development programmes. In fact, a few banks have also attempted forming and nurturing of SHGs on their own. Thus, both governmental and non-governmental sectors have been instrumental in promotion of SHGs. The institutions promoting such groups are called Self-Help Promotion Institutions (SHPI). SHPIs play a vital role in organising the groups, ensuring their proper functioning and guiding them from internal collapse.

Reports indicate that self-help programmes often in the form of savings and credit or micro credit schemes have succeeded in changing the lives of poor women in enhancing their incomes and increasing their self-esteem. Therefore, it is appropriate and necessary to promote such empowered groups in the present situation. The various grounds for SHG formation are: As women are an important part of the community, it is necessary to build and enhance their capabilities to manage community projects; SHGs have been instrumental in empowering women by enabling them to work together as a collective agency; The participation of women in such groups is serving as an incubator for community leadership; SHGs have played valuable roles in reducing the vulnerability of the poor through asset creation, income and consumption smoothing, provision of emergency assistance, and empowering and emboldening women by giving them more control the over assets and increasing their self-esteem and knowledge.

Above all, individually, a person tends to be insecure but group membership reduces the insecurity, makes him/her a more reliable borrower and provides access to community assets. Thus, the formation of a group would ensure best participation and the approach towards poverty alleviation should be ‘self-help’. This brings out the need for organising them into groups by which they get the benefit of collective perception, collective decision making and collective implementation of programmes for common benefit. This collective effort results from the balance between the driving forces that push for change and restraining forces that act against change. In order to make change happen, the balance of these forces must be altered so that the equilibrium moves.

Review of Literature

The study examined the complex dynamics of women's empowerment through Self-Help Groups (SHGs) and micro-enterprises, specifically focusing on the impacts of social and economic empowerment. Through empirical analysis and statistical techniques like ordinal regression and correlation analysis, significant insights emerged (Santhosh Kumar K. and P. S. Aitha, 2024). The level of awareness of functioning of registered Self-Help Groups among women in rural areas of Malda district, to find out the rate of employment generated through registered Self-Help Groups, give valuable suggestion for better improvement of working profile and standard of living among the SHGs members. Malda district of West Bengal has been selected as study area. (Md Areful Hoque and Md Reza Kaushar Hasmi, 2023). Beyond economic benefits, SHGs foster social empowerment by encouraging women to engage in collective problem-solving, gain knowledge, and participate in community leadership (Were, P. O., & Kimaru-Muchai, S. W. 2021). The study delves into the motivations driving women entrepreneurs to establish beauty parlours and explores the hurdles they encounter while sustaining their ventures. Focusing on women entrepreneurs in the beauty parlour services sector in Delhi NCR, the study employs random sampling techniques for its research. Various demographic factors can influence the self-empowerment of women entrepreneurs, including age, education, marital status and income status (Shweta Sharma and P. K. Agarwal, 2024). Women faced many challenges because of societal discrimination and psychological disempowerment. The study concluded that the evolution of the microfinance model created for welfare of the rural women that is a good attempt to social change (Parwez, S. and Patel, R. 2022). This study explored the motivations driving women entrepreneurs to establish beauty parlours and explores the hurdles they encounter while sustaining their ventures. The aim of the study was to provide valuable insights and the challenges faced by these entrepreneurs and offer practical suggestions based on the findings (Suchitra and Ramesh Pai, 2021). determined the collective strength of women Self-help groups in combating the covid 19 diseases and the significant role of rural women of India towards sustainability pandemic crisis. The study collected the data from secondary sources. The findings concluded that during the covid 19 empowering women of rural India is essential not only to the well-being of families, rural community, individuals as a whole, but also towards huge economic productivity, providing women's huge participation in the self-employment segments of the country's workforce. Further, the study suggested that it's the high time to give chance to women who are challenging the deluge of fear and negativity (Baneerjee, Moumita, 2020). 400 SHGs were selected at random from four districts of Tamil Nadu for the study. The study revealed that better performance could be noticed among the SHGs in Theni district, aged and middle-aged groups and in mono-caste groups in terms of institutional sustainability (Baskar B, 2019). It is also found that the SHGs created confidence for social, economic self-reliance among the members in two villages. However, there is a positive impact of SHG on women empowerment in Andhra Pradesh (Kondal Kappa, 2014). On the issue of working against social evils, the response was quite good as nearly 21 per cent stated high level involvement and average involvement. In village level problems such as roads, drinking water, infrastructure and education, 21 per cent of respondents showed high and average level of participation (Vikas Batra, 2013). SHGs lead to the way through which the problem of unemployment and poverty can be removed in the Indian economy. But the real empowerment is possible only when a woman has increased access to economic resources, more confidence and self-motivation, decision making in the family matters and more involvement through participation. SHGs have the potential to have an impact on women empowerment (Uma Narang, 2012).

Social Category wise SHG Members

Information was extracted from the Directorate of Economics and Statistics on number of SHGs, total members, and the members of SHGs social group wise in districts of Andhra Pradesh are presented in Table 1 & 2. The total number of SHGs in Andhra Pradesh is reported at 8,54,120 of which highest number of SHGs reported in Srikakulam district 495777 next in order to Prakasam 45345, Eluru 43912, Vizianagaram 39890 and Anakapalli are top five districts in Andhra Pradesh while the lowest SHGs found in Visakhapatnam 5292, Parvathipuram Manyam 19426, Alluri Sitharama Raju 21475, Guntur 23508 and NTR 25816 are lowest five districts in Andhra Pradesh. SHGs are community-based groups that help members save money and become financially stable. They also provide a platform for women to discuss issues related to health, nutrition, governance, and gender justice. Across districts, Prakasam stood first with 125908 of Scheduled caste women members joined in SHG groups followed by Eluru 121261, Tirupati 110538, SPSR Nellore 108805 and Konaseema 92766 are top five districts while it is Visakhapatnam 4520, Alluri Sitharama Raju 8032, Parvathipuram Manyam 27785, Anakapalli 34404 and Srikakulam 45894 are lowest five districts reported Scheduled caste women members joined in SHG groups. The data reveals that 7 Districts are reported below 50000 SC women members, 15 Districts are between 50000-100000 SC women members and the remaining 4 districts above 100000 SC women members joined in SHGs in the state of Andhra Pradesh.

Among the Scheduled Tribe women 5,76,375 members joined in SHG groups in Andhra Pradesh. The highest number of ST women joined in SHGs, Alluri Sitharama Raju district 194488 next in order to Parvathipuram Manyam 61077, Palnadu 31177, SPSR Nellore 30664 and Eluru 29480 and while it is lowest ST women members 446 joined SHGs in Visakhapatnam district followed by Konasema 3179, West Godavari 3402, East Godavari 3989 and YSR 5384. It is found that 9 Districts are reported below 10000 ST women members, 11 Districts are between 10000-20000 ST women members and the remaining 6 districts above 20000 ST women members joined in SHGs in the state of Andhra Pradesh. The women members belong to Minority category are more 688 in SPSR Nellore district while it is lower in Parvathipuram Manyam district only 7 members.

The data reveals that majority of the other category women members joined SHGs found in Srikakulam district 497081, followed by Vizianagaram 388274, Anakapalli 358145, Kakinada 307834 and Prakasam 306293, these districts occupy top five places to registered SHG women members in respective groups. It is noted that 3 lack above women members joined in SHGs in five districts, 2 to 3 lakhs of women members joined in SHGs in 15 districts, 1 to 2 lakhs of women members joined in SHGs in 4 districts and only two districts i.e., Visakhapatnam and Alluri Sitharama Raju are below one lakh women members joined in SHGs. The data found that highest number of the PWDs women members joined SHGs found in Vizianagaram district 17990, followed by Srikakulam 16247, Sri Satya Sai 15878, Anantapur 15862 and Eluru 13906 are top five districts in Andhra Pradesh while it is Visakhapatnam 1535 next in order to Alluri Sitharama Raju 4530, Guntur 5812, Parvathipuram manyam 6407 and YSR 7218 districts PWDs women members joined SHGs are lowest five districts in Andhra Pradesh.

Table-1

Number of SHG Members under Social Category wise: 2024

Si. No.	DISTRICT	Total Number of SGHs	Number of SHG Members					PWDs
			SC	ST	Minority	Others	Total	
1	ALLURI SITHARAMA RAJU	21,475	8,032	1,94,488	11	28,026	2,30,557	4,530
2	ANAKAPALLI	39,376	34,404	11,177	161	3,58,145	4,03,887	10,903
3	ANANTAPUR	35,210	70,933	14,887	185	2,69,976	3,55,981	15,862
4	ANNAMAYYA	29,838	49,301	11,191	637	2,32,832	2,93,961	9,585
5	BAPATLA	33,324	89,106	15,194	167	2,25,646	3,30,113	7,883
6	CHITTOOR	35,862	90,457	10,178	460	2,56,076	3,57,171	11,797
7	EAST GODAVARI	32,202	70,759	3,989	380	2,37,682	3,12,810	9,431
8	ELURU	43,912	1,21,261	29,480	85	2,81,814	4,32,640	13,906
9	GUNTUR	23,508	74,876	9,839	105	1,52,554	2,37,374	5,812
10	KAKINADA	38,839	66,617	6,979	73	3,07,834	3,81,503	12,925
11	KONASEEMA	37,912	92,766	3,179	123	2,73,582	3,69,650	9,559
12	KRISHNA	31,590	89,381	7,953	113	2,17,184	3,14,631	7,877
13	KURNOOL	32,468	68,546	5,510	330	2,50,109	3,24,495	10,941
14	NANDYAL	31,607	73,923	10,401	496	2,34,106	3,18,926	8,807
15	NTR	25,816	80,881	16,170	240	1,57,747	2,55,038	7,256
16	PALNADU	37,040	91,530	31,177	166	2,49,065	3,71,938	8,987
17	PARVATHIPURAM MANYAM	19,429	27,785	61,077	7	1,27,086	2,15,955	6,407
18	PRAKASAM	45,345	1,25,908	16,334	205	3,06,293	4,48,740	10,161
19	SPSR NELLORE	39,249	1,08,805	30,664	688	2,55,043	3,95,200	11,027
20	SRIKAKULAM	49,577	45,894	22,074	244	4,97,081	5,65,293	16,247
21	SRI SATHYA SAI	33,320	53,988	19,045	298	2,63,884	3,37,215	15,878
22	TIRUPATI	34,096	1,10,538	24,879	266	1,94,202	3,29,885	9,193
23	VISAKHAPATANAM	5,292	4,520	446	27	51,674	56,667	1,535
24	VIZIANAGARAM	39,890	46,087	11,278	94	3,88,274	4,45,733	17,990
25	WEST GODAVARI	30,503	53,046	3,402	29	2,45,270	3,01,747	8,294
26	Y S R	27,440	60,756	5,384	221	2,04,992	2,71,353	7,218
	ANDHRA PRADESH	8,54,120	18,10,100	5,76,375	5,811	62,66,177	86,58,463	2,60,011

Source: National Rural Livelihoods Mission (NRLM), Ministry of Rural Development (MoRD) in - 2024.

Table-2

Percentage of SHG Members under Social Category wise: 2024

Si. No.	DISTRICT	Total Number of SGHs	Number of SHG Members					PWDs
			SC	ST	Minority	Others	Total	
1	ALLURI SITHARAMA RAJU	2.51	0.44	33.74	0.19	0.45	2.66	1.74
2	ANAKAPALLI	4.61	1.90	1.94	2.77	5.72	4.66	4.19
3	ANANTAPUR	4.12	3.92	2.58	3.18	4.31	4.11	6.10
4	ANNAMAYYA	3.49	2.72	1.94	10.96	3.72	3.40	3.69
5	BAPATLA	3.90	4.92	2.64	2.87	3.60	3.81	3.03
6	CHITTOOR	4.20	5.00	1.77	7.92	4.09	4.13	4.54
7	EAST GODAVARI	3.77	3.91	0.69	6.54	3.79	3.61	3.63
8	ELURU	5.14	6.70	5.11	1.46	4.50	5.00	5.35
9	GUNTUR	2.75	4.14	1.71	1.81	2.43	2.74	2.24
10	KAKINADA	4.55	3.68	1.21	1.26	4.91	4.41	4.97
11	KONASEEMA	4.44	5.12	0.55	2.12	4.37	4.27	3.68
12	KRISHNA	3.70	4.94	1.38	1.94	3.47	3.63	3.03
13	KURNOOL	3.80	3.79	0.96	5.68	3.99	3.75	4.21
14	NANDYAL	3.70	4.08	1.80	8.54	3.74	3.68	3.39
15	NTR	3.02	4.47	2.81	4.13	2.52	2.95	2.79
16	PALNADU	4.34	5.06	5.41	2.86	3.97	4.30	3.46
17	PARVATHIPURAM MANYAM	2.27	1.53	10.60	0.12	2.03	2.49	2.46
18	PRAKASAM	5.31	6.96	2.83	3.53	4.89	5.18	3.91
19	SPSR NELLORE	4.60	6.01	5.32	11.84	4.07	4.56	4.24
20	SRIKAKULAM	5.80	2.54	3.83	4.20	7.93	6.53	6.25
21	SRI SATHYA SAI	3.90	2.98	3.30	5.13	4.21	3.89	6.11
22	TIRUPATI	3.99	6.11	4.32	4.58	3.10	3.81	3.54
23	VISAKHAPATANAM	0.62	0.25	0.08	0.46	0.82	0.65	0.59
24	VIZIANAGARAM	4.67	2.55	1.96	1.62	6.20	5.15	6.92
25	WEST GODAVARI	3.57	2.93	0.59	0.50	3.91	3.48	3.19
26	Y S R	3.21	3.36	0.93	3.80	3.27	3.13	2.78

Source: National Rural Livelihoods Mission (NRLM), Ministry of Rural Development (MoRD) in - 2024.

Conclusion

DWCRA groups, and thrift groups. While most groups function to mobilise household savings, a few have attempted to deliver services previously rendered by government agencies. The total number of SHGs in Andhra Pradesh is reported at 8,54,120 of which highest number of SHGs reported in Srikakulam district 495777. The women members belong to Minority category are more 688 in SPSR Nellore district while it is lower in Parvathipuram Manyam district only 7 members. The highest number of the PWDs women members joined SHGs found in Vizianagaram district 17990 and least is Visakhapatnam 1535. In a male-dominated society, where women play significant but never-recognised roles, being a member of an SHG has become a badge of honour and an assertion of a new identity of power. SHGs offer outstanding examples of how such groups have managed and sustained development works that had seemed impossible to deliver.

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