

Role of SHG's In Rural Development In Andhra Pradesh

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ABSTRACT:

The concept of SHG is the brain child of Government of India to empower the rural people especially rural women by providing economic support through loans so as to reduce the rural poverty and to avail them the financial services provided by the government. India is country which consists of nearly 75 percent of rural villages so the development of rural villages lightens the real development of the nation. The development of a nation should reflect the uplifting of people from below poverty line as well as the rural masses. To reach the rural masses it is not possible for the government without the support from them. SHG is one of the mean for the government to reach the rural masses and educate them regarding the various financial services that government is providing for their social and economic development so emphasis was given by the government for SHG's in nation growth and development. The increased attention by the government in the recent era towards SHGs is a welcoming approach to involve the rural people in nation building. This paper concerns with the helping hands of SHGs and its importance in the development of Rural as well as the nation.

DEFINITION & STRUCTURE OF SELF HELP GROUPS:

A self-help group (SHG) is a village-based financial intermediary usually composed of 10–20 local women or men from similar class or region for the purpose of increasing the habit of savings and providing credit within the group for their development. A mixed group is generally not preferred for SHG. In India we can find lots of self-help groups performing various activities with the help of the financial aids provided by the government. A Self-Help Group may be registered or unregistered. Usually the members of the group comprises of micro entrepreneurs having homogeneous social and economic backgrounds and they voluntarily form as a group and make small regular saving contributions over a few months until there is enough capital in the group to begin lending within the outside the group to meet their needs.

The resources pooled by the group will be utilized for the development of each member of the group and make them self employed and self dependable in the society. They will work collectively for the development of the group members and use peer pressure and wisdom for proper utilization and timely repayment of loan amount.

Self-help groups are started by non-governmental organizations (NGOs) that generally have broad anti-poverty agendas. They are visualized by the government as a tool for achieving variety of goals including empowering women, developing leadership abilities among poor people, increasing school enrolments, and improving nutrition and the use of birth control. In India, many SHG's are 'linked' to banks for the delivery of micro-credit under NABARD's *SHG Bank Linkage* program. SHG's borrow amount from the banks once they have accumulated sufficient capital within the group and established a track record of regular repayments of loan given within and outside the group. This model has provided a base for delivering micro-finance services to poor populations that have been difficult to reach directly

through banks or other institutions. "By aggregating their individual savings into a single deposit, self-help groups minimize the bank's transaction costs and generate an attractive volume of deposits. Through self-help groups the bank can serve small rural depositors while paying them a market rate of interest."

Bank Linkage - Report (2013-14)

District	Target		Achievement		% Achievement	
	SHG	Amount	SHG	Amount	SHG%	Amount%
Ananthapur	3500	9000	3082	10413	88.06	115.7
Chittoor	3535	11000	3836	14629.7	108.51	133
East Godavari	5581	14300	5399	14635.3	96.74	102.34
Guntur	6318	13000	5730	17108.9	90.69	131.61
GVMC	5377	15000	5643	15009.8	104.95	100.07
Kadapa	3269	9000	3665	12932.9	112.11	143.7
Krishna	2781	8000	2636	8760.69	94.79	109.51
Kurnool	4785	8200	3426	9829.7	71.6	119.87
Nellore	3833	8500	3024	8561.45	78.89	100.72
Prakasam	3025	7000	2595	7449.61	85.79	106.42
Srikakulam	1480	4000	1514	4558.05	102.3	113.95
Visakhapatnam	1403	3500	1197	3924.3	85.32	112.12
Vizianagaram	1844	5400	2020	5654.03	109.54	104.7
VMC	3646	13000	2994	10152.1	82.12	78.09
Warangal	3870	8500	4004	10673	103.46	125.57
West Godavari	3385	8700	2957	9070.57	87.36	104.26
Total	57632	146100	53722	163363	93.8894	112.6019

Source: <http://ikp.serp.ap.gov.in/MEPMAAP/View/Reports/BankLinkageMonthlyReport.aspx>

NEED FOR WOMEN GROUPS:

SHGs are created to overcome exploitation, build confidence for the economic self reliance of rural poor, particularly among women who are mostly invisible in the social structure. These groups enable them to come together for a common objective and gain strength from each other to deal with exploitation which they are facing in several forms. A group becomes the basis for action and change. It also helps to build relationship for mutual trust between the promoting organization and the rural poor for constant contact and genuine efforts. The self help groups model has been identified as a potential pathway to alleviate poverty. The number of poor women and men who are enrolling in SHGs all over rural India has been remarkably increasing. They are not only active in thrift and credit management but also taking up other activities such as natural resource development and management, literacy, knowledge management, nutritional security etc. Group cohesiveness and group integration among the members is a key to have positive impact of SHGs. The saving habit and credit management have created self reliance in women as they have their own resources base. As thrift is a group activity, it encourages mutual dependency among the members. So the cohesion in the group had a positive binding. Their economic independence has elevated their level to involve them in the developmental activities. They are enjoying a decent role in decision making process. Women are trained

to identify their needs and necessities and accordingly they are participating in rural welfare activities after becoming members of SHGs. The formation and functioning of SHGs have helped the women in realizing their leadership quality, improving self image and self respect. They are now aware of their own potential and are equally confident in facing new challenges to win more laurels.

The group acts as the collateral for women's loans that, otherwise, have been denied access to. Millions of poor women, struggling to make a living through home-based enterprises or tiny initiatives in the informal sector, desperately need small amounts of credit to break their dependence on middlemen. The availability of credit without collateral on easy terms has enabled these enterprises to survive. Similarly, small loans from self-help groups for emergencies like doctor's bills, school fees, repair of huts, marriages etc., have helped women to escape from merciless moneylenders. Every self-help group can cite instances where women have used loans to repay earlier loans taken from moneylenders and to redeem mortgaged assets. Besides having access to credit, women benefit from training on management, healthcare, literacy and leadership. They also have access to information and improved technologies, production packages, family planning, etc. Women's organization gives women the opportunity to come together and cooperate with each other in order to achieve their mutual goals. They can also speak as one unmistakable voice in order to be heard by the authorities and policy makers. At the community level, they find confidence to oppose village elites and oppressors. In this process women lose fear and gain self-respect, autonomy and independence.

RURAL DEVELOPMENT THROUGH SHGs 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 throughout the State and majority of women are saving one rupee a day. The State government is consciously making an effort to assist SHGs providing Revolving Fund /Matching grant under various programmes.

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 DW CRA Groups, and this name became popular after the DW CRA 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.

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, procurement of raw materials and marketing of finished products, accessing community infrastructure facilities, providing market information and other services to the members. The following table illustrates the geographical spread of SHG in Andhra Pradesh region.

SHG STATUS REPORT

District	Total SHG	Updated SHGs	SHGs Running	SHGs Defunct	SHGs Double Entry
Ananthapur	15349	15236	14413	823	0
Chittoor	11276	11276	10777	499	0
East Godavari	18726	18446	17114	1332	0
Guntur	22290	21706	21144	562	0
GVMC	18595	18361	18346	15	0
Kadapa	13479	13479	12618	861	0
Krishna	9299	9177	8793	384	0
Kurnool	18265	18265	18163	102	0
Nellore	9943	9943	9522	421	0
Prakasam	8909	8904	8572	333	0
Srikakulam	4807	4807	4529	278	0
Visakhapatnam	4361	4358	4332	26	0
Vizianagaram	6677	6638	6370	268	0
VMC	11467	11467	11112	355	0
West Godavari	11277	11204	10578	626	0
Total	184720	183267	176383	6885	0

ECONOMIC EMPOWERMENT OF SHGS

Nearly 60% of the women take up economic activities related to agriculture and allied activities. Land lease for growing agricultural crop is a common practice. Vegetable and Flower cultivation, food crops and pulses, oil seeds cultivation are taken up on leased lands. Similarly rearing of calves, ram lamb, chicks, piggery and duckery, dairy, value addition to milk and milk products are preferred by women agricultural laborers. Illiterate and unskilled women engage in small business activities. Nearly 20% of the SHG members are artisans and engaged in making handicrafts and handloom products. Public private partnership method is adopted in promoting economic opportunities to SHG members by appointing them as dealers for the sale of products manufactured by companies like Hindustan Levers Limited, TVS, TTK-Prestige, Colgate-Palmolive, Philips etc. Companies in return train SHGs in finance

management, enterprise development, packaging, branding and pricing of products. This partnership is a win win model.

Andhra Pradesh is now engaged in intense pursuit of development programmes utilizing information technology (IT) and to strategize as to how the benefits of IT could be taken to rural areas. SHGs are encouraged to get PCs and software for accessing information and developing their business. Their products are photographed, scanned and displayed on websites. These are put on the portals of e-commerce companies. Handicrafts, herbal medicines and cosmetics, hand woven and embroidered curtains, toys, paintings etc., are thus finding national and international markets. This would not have been possible, but for the internet. The members are enabled to take a mobile telephone and use it not only for the sales but as a public telephone.

Bank Wise SHG Report in Andhra Pradesh (2013-2014)

Bank	Total SHGs	Valid SHGs	InValid SHGs	Duplicate SHGs	NotUpdated SHGs
UNMAPPED TO ANY BANK	26705	0	9227	17353	125
Allahbad Bank	1676	1503	63	107	3
ANDHRA BANK	63340	53547	1618	7208	967
AP GRAMEENA VIKAS BANK	28158	23568	472	3647	471
AP PRAGATI GRAMEENA BANK	14320	12496	342	1445	37
AXIS BANK	14	6	1	7	0
B N P PARIBAS	1	0	1	0	0
BANK OF BARODA	2708	2403	65	222	18
BANK OF INDIA	12441	10409	238	1625	169
BANK OF MAHARASHTRA	452	356	12	81	3
CANARA BANK	14939	13727	219	936	57
CENTRAL BANK OF INDIA	4792	4162	100	464	66
CHAITANAYA GODAVARI GRAMEENA BANK	2322	2077	59	126	60
CITY BANK	1	0	0	1	0
CITY UNION BANK	23	18	5	0	0
CORPORATION BANK	4484	4023	105	326	30
DCC Bank	6743	5867	135	583	158
DECCAN GRAMEEN BANK	5822	5019	195	600	8
DENA BANK	419	352	31	35	1
DEVELOPMENT CREDIT BK	1	0	0	1	0
DHANALAKSHMI BANK	5	0	3	2	0
FEDERAL BANK	1	0	0	1	0
H D F C	9	0	1	8	0
H S B C	1	0	0	1	0
I C I C I	1	0	0	1	0
I D B I	3	1	0	2	0
INDIAN BANK	23765	19834	569	3184	178
INDIAN OVERSEAS BANK	6170	5526	113	501	30
ING VYSYA BANK	577	449	55	72	1
KARNATAKA BANK	212	150	6	50	6

KARUR VYSYA BANK	34	20	7	7	0
ORIENTAL BANK OF COMR	361	308	7	37	9
PUNJAB & SIND BANK	1	0	0	1	0
PUNJAB NATIONAL BANK	1905	1555	177	164	9
RESERVE BANK OF INDIA	31	0	6	21	4
SAPTAGIRI GRAMEENA BANK	5070	4170	78	748	74
SOUTH INDIAN BANK	2	0	0	2	0
STANDARD CHARTERED BANK	1	0	0	1	0
STATE BANK OF HYDERABAD	42178	34832	1765	5184	397
STATE BANK OF INDIA	59658	49327	1715	7896	720
STATE BANK OF MYSORE	258	234	6	16	2
STATE BANK OF TRAVNCR	43	33	2	3	5
STATE BK OF BIK & JAIPUR	5	0	1	4	0
SYNDICATE BANK	10487	9063	327	1029	68
U C O BANK	2668	1993	68	578	29
UNION BANK OF INDIA	12869	10869	289	1540	171
UNITED BANK OF INDIA	293	196	17	55	25
VIJAYA BANK	3637	3045	116	463	13
Total	359606	281138	18216	56338	3914

Source: <http://ikp.serp.ap.gov.in/MEPMAAP/View/Reports/BankWiseSHGsReport.aspx>

ACTIVITIES PROMOTED THROUGH SHGS:

1. Providing primary education to children in English and educating women regarding savings and its importance and also about indigenous money lenders.
2. Imparting leadership and management skills, various income generating skills, skill based custom made training and skills up gradation with time.
3. Teaching about health issues (Women and Children) family planning, child health and other child related issues and care for TB/HIV affected families.
4. Helping the women to manage their organization (federation). Training is provided for the women in the community for reading and Writing skills, training on accounting and the SHG and micro finance concepts and also computer training to women and children
5. Bank account operations for the group thus increasing their exposure to bank staff and to enable them to obtain loans from the bank
6. Helping out on small business enterprises such as agarbatti, rolling, incense stick making, dairying, handicrafts, tailoring, powder making etc., by the women SHGs.
7. Financial auditing services for slum women's savings and credit SHGs.
8. Counseling for people on drugs, alcoholism, etc.
9. Linking up with the possible blue colored jobs in the city.

IMPACT OF SHG IN RURAL DEVELOPMENT:

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%.
- 10,000 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.

CONCLUSION:

It is very important and vital to address these issues and for this an integrated approach of Government, Banks and NGOs is crucial. The institutional efficiency needs to be increased. Speeding up the delivery process is also very important. Easy access to credit, flexibility in the repayment schedule, conceptualization of new schemes for the poor should be considered. Role of NGOs, too, is equally important as they serve as the most important element to create awareness among the rural poor. They should give wide publicity to rural banking and its linkage programmes at local level and must enable the Rural Indians to participate in the decision making process at the bottom level. These measures can significantly make the Self Help Groups effective and efficient in order to boost-up the Rural Economy of India.

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