

Empowerment of Rural Women through Self Help Groups in Andhra Pradesh - A Study

Dr.B.Prabhakararao

Faculty of Political science, Dept. of Political science and Public Administration, Andhra
University, Visakhapatnam.

Abstract:

Empowerment of Rural Women through Self-Help Groups (SHGs) in Andhra Pradesh have emerged as a playing a essential role in empowering women and encouragement community development. This paper explores the enhancement, impact, and challenges faced by Self Help Groups s in Andhra Pradesh. Through the Self Help Groups the Rural women households should achieve their all round development i.e., socio - economic – cultural, political and mental. The Self Help Groups movement will improve the women’s economic freedom, decision making capacity and dare to take any policy for their community development. The Government of India, the Government of Andhra Pradesh and Other Non Governmental Organizations should provide Financial Assistance and to guidance and training to gained skill knowledge for solving their daily life activities. The women Groups participating such type of programmes through gain knowledge and understanding capabilities of their living conditions. They have to maintain small businesses, to prepare house budget and understanding the bank transactions of disbursement of loans, repay loans and saving amount in the Banks and full aware of Digital payment in the Banks.

Introduction

Self-Help Groups in Andhra Pradesh marks a significant milestone in the state's efforts towards rural women empowerment, rural development, and poverty alleviation. The concept of SHGs gained momentum in Andhra Pradesh in the late 1980s and early 1990s. It was initially championed by NGOs and civil society organizations working on grassroots development. The Government of Andhra Pradesh recognized the potential of Self Help Groups as a powerful tool for poverty reduction and women's empowerment. It began actively promoting SHGs through various state-led initiatives and programs. Self Help Groups were formed at the village or ward level, comprising 10-20 women from similar socio-economic backgrounds. These groups were encouraged to pool their savings, which were then used to provide small loans to members for income-generating activities. Bank Linkage one of the key innovations in Andhra Pradesh was the linkage of Self Help Groups with banks. This initiative supported by the National Bank for Agriculture and Rural Development, enabled Self Help Group members to access formal credit facilities and other financial services. The linkage program started in the mid-1990s and significantly boosted the economic activities of Self Help Groups. SHGs have enabled women to undertake various income-generating activities such as small-scale businesses, agriculture, and handicrafts. This has not only increased household income but also improved financial literacy among members. Self Help Groups have empowered women by enhancing their decision-

making abilities, leadership skills, and social confidence. They have become agents of change within their families and communities. SHGs have contributed to overall community development through initiatives in health, education, sanitation, and environmental sustainability. Over the years, Andhra Pradesh has implemented several flagship programs to support Self Help Groups, including the Rural Women Development and Empowerment Project. These programs provide training, capacity building, and institutional support to SHGs, further enhancing their sustainability and impact.

2. Overview of Self Help Groups

The 1990s saw a proliferation of women Self Help Groups across India, particularly in the southern states. These groups were designed not only as a strategy for poverty alleviation, but also to increase women's access to resources and their power in household decision-making. Savings and credit groups are poor women's substitute for formal banking, and a potential distribution channel for banking services. However, the rural women's savings groups themselves are microenterprises and like any other business their survival depends on their ability to satisfy the needs of the customers. Lending services in the Self Help Groups offer fast, convenient and informal service, repayments are flexible and they are willing to lend for consumption and productive purposes. The Government of Andhra Pradesh has taken up the theme of women's empowerment as one of the strategies to tackle socio-economic poverty. Self Help through savings has been taken up as a mass movement by women a path chosen by them to shape their destiny. The development agenda of the State in the last few years, of placing the people, especially women, in the forefront has enabled the formation of a large number of Self Help Groups throughout the State. The majority of the women in these Self Help Groups save one rupee a day, which is a significant percentage of their meager incomes. The State government is consciously making an effort to assist Self Help Groups by providing Revolving Funds/Matching Grants under various programmes. The primary objective of Self Help Groups is to empower rural women by providing them access to savings, credit, and other financial services. They also focus on skill development, entrepreneurship, and social awareness. The concept of Self-Help Groups has evolved over time and has roots in various movements and initiatives across different countries. The first Self Help Group of rural women workers was started in the year 1983. Later, the said movement was continued in rest of India from 1991. This movement was actually started with an objective of getting relief from the debt of the lender. Self Help Group was chosen as the best option for the said purpose.

Rural Women Self-Help Groups in Andhra Pradesh Promoting savings habits among members of Self-Help Groups in Andhra Pradesh is crucial for their financial stability and long-term empowerment. By implementing these strategies, stakeholders can effectively promote savings habits among Self Help Group members in Andhra Pradesh contributing to their financial resilience and empowerment over time. Providing access to credit for income-generating activities and entrepreneurship in Andhra Pradesh is crucial for fostering economic

growth, reducing poverty, and empowering communities. Government Schemes and Programs Encouraging, Self Help Groups and individual entrepreneurs to access government-sponsored credit schemes such as the Pradhan Mantri Mudra Yojana or state specific schemes tailored for small enterprises can provide affordable credit options with favorable terms. Capacity Building Providing financial literacy training and business management skills to potential borrowers enhances their creditworthiness and ability to manage borrowed funds effectively. Collateral-free Loan Promoting schemes that offer collateral-free loans or group guarantees through Self Help Groups can reduce barriers to accessing credit, especially for individuals who lack traditional collateral such as land or property. Technology and Digital Platforms, Localized Financial Institutions, Sector-specific Financing, Monitoring and Support, Risk Mitigation Strategies and Policy Support. By implementing these strategies, stakeholders can contribute to expanding access to credit for income-generating activities and entrepreneurship in Andhra Pradesh, thereby stimulating economic growth and promoting sustainable development.

3. Functioning of Self Help Groups in Andhra Pradesh

The movement of Self-help groups as the most effective tools for financial inclusion was started nearly forty years ago with NGOs promoting self help groups. This has evolved into a national movement with the proactive role of the state governments gaining recognition from all the major stakeholders. This article analyzes the Concept and development of Self Help Groups in Andhra Pradesh. Self Help Group is considered as one of the most significant tools for the economic empowerment of rural women. It is an important institution for improving life of rural women on various social components. The basic objective of Self Help Group is that it acts as the platform for members to provide space and support to each other. It enables its members to learn to cooperate and work in a group who do not have access to formal financial institutions. It enables its members to learn to cooperate and work in a group environment. This combines access to low-cost financial services with a process of self management and development for the rural women who are Self Help Group members. Self Help Group are seen to confer many benefits, both economic and social. Self Help Groups are enable women to grow their savings and access to the credit which banks are increasingly willing to lend.

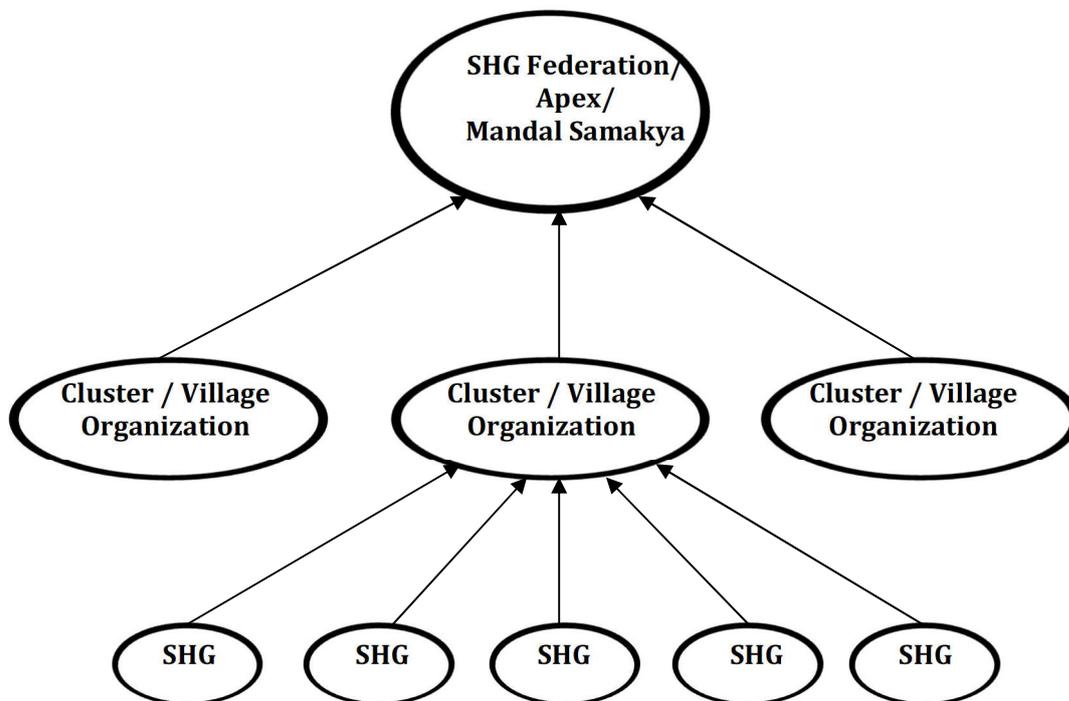
The concept of Self Help Group serves the principle by the rural women of the women and for the women. Self-Help supplemented with mutual help can be a powerful vehicle for poor people's efforts in socio-economic upward migration. Poor people need not only credit support but also savings and services. The Self-Help groups are small informal associations formed with the objective of enabling members to reap economic benefits out of mutual help, solidarity and group responsibility. These groups are composed of members, who are poor, having low savings capacity or no savings capacity and generally depending on money lenders or private sources for meeting their consumption and emergent needs. A distinctive self-help group will comprise like minded individuals who volunteer to save small amounts of money in a common pool, out of which, need based loans are given to members for meeting their emergent credit requirements

based on the priorities decided by the group. The group members take collective decisions on all matters including those relations to terms of credit viz., purpose, size, interest rate and repayment period. They exercise close supervision on utilization of loans and exert peer and moral pressure on members to continue savings and repay loans promptly on time. In other words, self help group can be referred to as a group of poor persons who own, manage and control a micro bank of their own. The greatest contribution of self-help group in the face of their fight against deprivation and poverty is that it empowers them by their increased critical self-awareness. This gives them a feeling of self-confidence, solidarity and social security to control and guide their own destinies. "One for all and all for one" is the principle behind the concept of self help groups. Its main purpose is to pay concern to the poor and it is for the people, by the people and of the people. It is a mini agency formed with a purpose of affording the poor, services through self-help at the micro level has been a focus on the weaker sections particularly for their social security. Self Help Groups are the potential groups to create awareness on day-to-day affairs, inculcating the habit of savings, working towards development of self and community assets, generating income sources and enhancing the income level, strengthening the social power etc. The concept of Self Help Groups is to generate confidence, self-security and self-reliance among the poorer sections of the society, especially among women. In an area where there is nobody to help the helpless mass the concept of Self Help could be introduced. Hence, it would be enable them to comprehend the need and to design the remedial measure accordingly. Once the groups are trained and strengthened, they are linked to nearby banks, usually within six months of formation. Banks provide collateral-free credit in increasing proportion to the group's accumulated savings. All the initiatives such as selection of borrowers for availing credit, identification of activity, unit cost volume of loan, management of finance and procedures for repayment are undertaken by the poor at the group level. Briefly, SHGs can be stated 'as a plan by the people, of the people for the people. It reflects the real people's participation in the process of development at micro level.

Historically, there is a concentration of SHGs in Southern States particularly in Andhra Pradesh mainly on account of proactive role played by the State Governments. The SHG movement took a firm root in the State with the implementation of World Bank assisted poverty reduction project, Indira Kranti Patham a scaled up versions of the SAPAP model with more focus on livelihood component. The project aims to build strong institutions of the rural poor and enhance their livelihood opportunities so that the vulnerability of poor is reduced. IKP consists of two projects, viz. Andhra Pradesh District Poverty Initiatives Project (APDPIP) and Andhra Pradesh Rural Poverty Reduction Project (APRPRP). The state of Andhra Pradesh has been the focus of attention on the world map primarily due to its pro-active government and significant strides made by its SHGs. Self Help Groups are playing an important role in optimization of natural and human resources through people's participation. The government of Andhra Pradesh has taken up Rural Women's Empowerment as one of the main strategies to tackle socio-economic poverty. Self Help Group movement through savings has been taken up as

mass movement by women, a path chosen by them to shape their destiny for the better. Development agenda of the state in the last few years of placing the people especially women in the forefront has enabled the formation of large number of self-help groups throughout State where women are saving one rupee per a day. The state government is making efforts to assist Self Help Groups by providing revolving fund under various programmes.

ORGANIZATIONAL STRUCTURE OF SELF HELP GROUPS



This model comprises of three tiers viz., the Federation also known as Mandal Samakya, the Village Organisations and the individual Self Help Groups. The Federation operates at the mandal level, while the VO operates at the village/cluster level. Though as per the bylaws, individuals are members of the VOs, they operate more on the concept of a Representative General Body (RGB). This is so because the MACS Act does not recognise SHGs as legal entities, and the VO becomes the primary cooperative in which individuals are to be members. The concept of the RGB ensures that, in practice the SHGs do not lose their existence. At the VO level, one or two representatives from each SHG become the members of the RGB, depending upon the number of SHGs in the village. Similarly, the membership in Federation is through representation from the VOs. Furthermore, every SHG in the mandal can become a member of the MS, by paying the share capital and membership fee.

Governments of Andhra Pradesh have undertaken comprehensive eradication of poverty in rural and urban areas through the Velugu programme. As a part of the programme Self Help Groups are formed in order to develop, strengthen, and empower the women. Various activities have been undertaken through these SHGs for poverty eradication and upliftment of the poor. Though these activities were able to create new sources of income, it has been observed that these activities help them only till they are able to actively participate in income generating activities. Generally in old age physical strength deteriorates and mental stability diminishes, money power becomes bleak coupled with negligence from the younger generation. These problems are of greater magnitude for the women because they generally tend to spend disposable income on their children rather than saving for their old age. Keeping this in view, there was a need for some initiative which would provide them social and income security during their old age. On 6th February 2009, the then Honorable Chief Minister of Andhra Pradesh has inaugurated the Abhaya Hastham Velugu co-contributory insurance and pension scheme by giving out first month pension to the eligible pensioners.

The Society for Elimination of Rural Poverty was established by the Government of Andhra Pradesh as a sensitive support structure to facilitate poverty reduction through social mobilization and improvement of Livelihoods of rural poor in Andhra Pradesh. As per the Andhra Pradesh Reorganisation Act, 2014, SERP is divided into AP SERP and TG SERP for implementing Indira Kranthi Patham (IKP). SERP AP is implementing Indira Kranthi Patham in all the 679 rural Mandals of 26 rural districts in A.P. The vision of SERP is to enable every poor family in rural Andhra Pradesh to come out of poverty and stay out of poverty. SERP works on a comprehensive multi dimensional poverty alleviation strategy by focusing equally on the Livelihoods Value Chain and Human Development Indicators. The fundamental unit of development at SERP is the rural poor households and all interventions of SERP strive to achieve essentially two outcomes - sustainable per capita household incomes of Rs.1,00,000/- per annum from multiple sources and improved Human Development Indicators.. This CBOs structure in A.P. has facilitated cumulative bank loans of Rs. 43,596.60 lakhs of commercial bank loans to SHG members, Collective Marketing to the tune of Rs. 558.17 crores resulting in a benefit of Rs.75/- to Rs.100/- per quintal to the farmers, pesticide free cultivation in 22.93 lakh acres in 2023- 24 alone resulting in a saving of Rs.3000/- to Rs.15,000/- per acre to the farmers, etc. This unique model has been adopted by Ajeevika (National Rural Livelihoods Mission) at the National level in India.

At present there are over 69,31,113 Rural Household members in more than 6,52,540 Self Help Groups under the Velugu in rural and urban areas in Andhra Pradesh. Around 27,911 Village Organizations and around 108 municipal level federations, 660 Mandal Samakhyas, 26 Zilla Samakhyas, 27,708 PWD SHGs and 2,64,043 PWD SHG members and 21,552 POP Self Help Groups and 2,28,866 POP Self Help Group members have come into existence in 13 districts.

Table: 1 Self - Help Groups and its Federations Status Report as on March, 2024 of Andhra Pradesh

S.No	Federations	Total
1	Zilla Samakhya	26
2	Mandala Samakhuas	660
3	Village Organizations	27,911
4	Total Self Help Groups	6,52,440
5	Total Self Help Group Members	69,31,113
6	PoP SHGs	21, 552
7	PoP SHG Members	2,28,866
8	PWD SHGs	27,708
9	PWD SHG Members	2,64,043

Source: SERP, Vijayawada, Andhra Pradesh, 2024.

4. Savings of Self Help Group Members in Andhra Pradesh

There are more than 20 lakh rural women from poor families who have become members of these groups. The majority of them save one rupee a day. The State Government is consciously making an effort to assist these SHGs by providing Revolving Fund under DWCRA.

Table: 2 Year wise SHG Savings in Andhra Pradesh, March,2024.

Year	No of SHGs	No of SHG Members	Savings	Growth
2019-20	364122	3641220	212,063,500	00.0
2020-21	395231	3952310	215,183,000	45.6
2021-22	423511	4235110	239,812,500	51.6
2022-23	478237	4782370	258,960,000	62.1
2023-24	566181	5661810	283,090,500	73.3

Source : SERP, Vijayawada, Andhra Pradesh, 2024

The SHG Federations promoted by both NGOs and Government explored various legal forms such as public society, trust and APMACS Act for the registration of SHG Federations.

5. SHGs Bank Linkages

To facilitate the SHGs with financial assistance to run income generating activities many formal financial institutions have come forward to support the SHGs. Years of effort has ensured that AP leads in the SHG bank linkage programme and it accounts for almost 50% of all bank loans given to SHGs in India. The broad vision of the program is to enable the poor households in accessing adequate formal credit at their doorsteps through their membership in SHGs. The objective of the program: Consumption smoothening or even servicing previous high cost debts Support existing livelihoods Finally, to implement Microcredit Plan (MCP), when households reach a stage where they can assume a higher degree of risk. The SHG movement in the Andhra Pradesh started in 1998, built on the principles of thrift, self-help and internal lending. The credit worthiness of these groups, which are otherwise unbanked, having no collaterals, have been built on their group discipline, repayment culture and accumulated corpus funds; and this resulted in SHG Bank linkage programme, under which, SHGs are being provided with credit by service area banks as per Micro Credit Plans of SHGs. Started in 2000, so far, the groups have availed bank loans of over Rs.50 thousand crores.

Almost all members (89%) reported easy availability of credit, and 77.75% of members reported easy access to formal financial institutions. This is a remarkable situation, given that most villages in Andhra Pradesh now have several SHGs that are bank linked. With SHGs accessing loans from banks on an on-going basis, the average rural woman, ignored by financial institutions even 10 years ago, appears to have become accustomed to being serviced by banks. Most women reported an increase in the habit of saving. 5.2 Nearly 72% of the members reported increase in income and 47% reported generation of new employment, as a result of access to credit.

Table: 3 SHG- Bank linkage in Andhra Pradesh (2019-20 to 2023 -24)

Year	Target		Achievement		% of Achievement	
	No of SHGs	Loan Amount (Rs.In Crores)	No of SHGs	Loan Disbursed (Rs.In Crores)	No of SHGs	Fin (Rs In Crores)
2019-20	464127	18,041.020	204,127	11,041.020	61.19	61.19
2020-21	490366	22,308,550	210,366	13,308,550	42.89	59.66
2021-22	529625	26,383,211	236,701	16,214.53	44.69	61.46
2022-23	557920	29,120.24	246,707	18,915.65	44.22	64.96
2023-24	579426	32,190.00	265,218	19,860.05	45.77	61.70

Source: Andhra Pradesh, SERP, Vijayawada.march,2024.

6. Role of SHGs in Women Development

The role of SHGs in the field of women development is explained in the following points:

1. SHGs enhance the equality of status of rural women as participants, decision makers and beneficiaries in the democratic, economic, social and cultural spheres of life.
2. Involvement of rural women in all stages of socio-economic activities has become essential and the SHGs encourage women to take active part in all round development of our nation.
3. The SHGs encourage all the possible energies of rural women in molding the community in right perspective and explore the initiatives of rural women to take up entrepreneurial ventures.
4. The SHGs also made sincere efforts by providing training opportunities and empower the rural women to take active part in the all-round development of the rural areas and make them sensitized, self made and self disciplined.
5. It is possible under SHGs concept to remove the social limitations of rural women by superstitions and its contribute to enhance for their dormant role in decision-making at all levels; and
6. These groups have inculcated a sense of confidence in the minds of rural women to succeed in their day-to-day life.

According to Gore Social development is a plea for the integrated view of the scope of development which should embrace development in all aspects. It is something more than merely economic plus environmental development. It should mean growth and development in all aspects which ensure equality, status, security and complete physical, mental and social well being of the target group. The social status of women is a reliable indicator of the social development of a society.

1. The roles played by the SHGs in social development of rural women in a country like India are explained in the following points: Imbibing concept of We for Ourselves among women.
2. It brings unity among rural women and reduces the differences of caste, religion and other discriminations faced by them.
3. The concept of SHGs will improve the social awareness among rural women as well as awareness in family and health.
4. It involves women constantly to fulfill the basic needs of people living in rural areas.
5. The SHGs encourage rural women to participate in democratic activities through the Panchayati Raj system particularly after 73rd constitutional Amendment Act.
6. It can also encourage women to participate in eradication of social problems like dowry, violence against women, child marriage, child labour etc.
7. Providing basic education to the female child and encouraging women to educate them.
8. Creates awareness to women on legal rights and access to legal aid, and

9. Liberating the rural women from exploitation and empowering them through capacity building activities.

We have clear picture that the government of the Andhra Pradesh having taken up the theme of women's empowerment has one of the main agenda items to tackle rural poverty impoverishment has lend support to SHG movement has mass movement to improve the lot of the rural populace especially women, both socially and economically. There are more than 20 lakh women from poor families who have become member of these groups, majority of them saving one rupee a day.

The disadvantage groups who members of SHG groups are provided access to credit related services both from community investment fund and the linkages from bank side. The members of the SHGs can utilize these funds for various profitable economic ventures and benefits themselves both financially otherwise. The performance of the SHGs has been extremely encouraging and has a tremendous social impact. SHG has a model for raising socio-economic standards; level of empowerment of the rural poor women has now reached a stage of irreversibility with increasing involvement of government and non-government machinery and agencies experimenting various initiatives directed for fighting impoverishment.

Enhancing social empowerment through capacity building, skill development, and awareness programs in Andhra Pradesh through Self-Help Groups (SHGs) involves comprehensive strategies aimed at fostering personal growth, community engagement, and overall empowerment. Here are key approaches: Capacity Building Workshop, Organizing workshops and training sessions on leadership, communication skills, financial literacy, and governance empowers SHG members to take active roles in decision-making processes within their groups and communities. Skill Development Programs, Entrepreneurship Development, Facilitating entrepreneurship development programs that guide SHG members in starting and managing small businesses. Legal Awareness and Rights Education, Health and Hygiene Initiatives, Digital Literacy, Leadership Development, Community Engagement and Advocacy, Monitoring and Evaluation and Partnerships and Networking. By implementing these strategies, stakeholders can effectively enhance social empowerment among SHG members in Andhra Pradesh, contributing to inclusive growth, sustainable development, and improved quality of life within communities. Improving decision-making and leadership skills among women in Andhra Pradesh can be a transformative initiative that empowers them socially, economically, and politically..

Here are several strategies and approaches that could be effective: 1. Education and Training Programs (a) Leadership Workshops (b) Skill Development (c) Mentorship Programs 2. Awareness Campaigns (a) Role Models: Highlight successful women leaders from Andhra Pradesh as role models to inspire others. (b)Media Campaigns: Use media platforms to showcase stories of women making significant contributions in various fields. 3. Policy and

Advocacy: (a) Advocacy Groups: Support the formation of advocacy groups that lobby for policies promoting gender equality and women's leadership (b) Policy Recommendations: Work with policymakers to create policies that support women's leadership development and empowerment. 4. Community Engagement (a) Local Initiatives: Encourage community-based organizations to create platforms where women can discuss leadership challenges and solutions. (b) Networking Events: Organize networking events that connect aspiring female leaders with established professionals and leaders. 5. Technology and Innovation: (a) Digital Literacy: Provide training in digital skills and online platforms to expand women's access to information and resources. (b) Tech Entrepreneurship: Support initiatives that encourage women to start tech-based businesses and ventures. 6. Financial Support: Grants and Funding: (a) Provide grants or funding opportunities specifically for projects led by women or aimed at empowering women. (b) Microfinance: Facilitate access to microfinance and small business loans for women entrepreneurs. By implementing these strategies collaboratively with local organizations, government bodies, and community leaders, it's possible to create a supportive environment where women in Andhra Pradesh can develop their decision-making and leadership skills, ultimately contributing to broader societal development and gender equality

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