



Economic and Social Viability of Women under Self Help Groups Scheme: A Case Study of Srikakulam District

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Abstract

The present paper is concentrated on the economic viability of women through SHGs in the study area. In the study, a radical empowerment has identified in all fields of women. They got strong decision-making power along with their husbands in the family. Cent percent of the respondents were following thrift habit without gap. They have power of credit winner than rural male. Occupational change has taken place and increased working days, earnings and it lead to reduce in income-expenditure gap. Besides, the given policy implications may help to further improvement through micro credit to women.

Key words: Economic Viability, Social conditions, Status, decision making power

1. Introduction

In India poverty is an age old problem closely related to the evils of social system. Poverty and income inequalities are attributable in the concentration of and to the control over ownership of assets. In India the distribution of land is highly skewed and can find rigid social groups, occupations have their caste specify and preservation of knowledge is a sized as a privilege of a small groups.

Further, to achieve the objective of growth with justice Government should design specific politics to reduce the poverty and excessive inequalities in the distribution of income. There are four broad areas for the government's intervention to achieve the objective. Firstly, revise the share in national income by interfering of the factor market that accrues to each factor. Secondly, by equal distributing ownership and



control of productive assets to all the population. Thirdly, by applying special fiscal policy corrections and fourthly, by implementing effective expenditure policy. Each method has its own limitations.

The above policy package provides a comprehensive agenda for any national attack on the pervasive problem of mass poverty and income inequality. Right from the beginning of the planned era in our country, the government has been implementing several programmes to alleviate poverty. But a clear shift in the planning process can be observed

Government of India with its vast experience in planning has formulated varied programmes carefully targeted at the most deprived groups of people, like Scheduled Caste, Scheduled Tribes, women and Children, marginal farmers, small farmers etc. DWCRA is one of such schemes implemented in our country since, 1982-1983.

2. Self Help Groups scheme

Women's Empowerment movement in India is expected to reach climax by the beginning of 21st century. Efforts have been rise by

from 4th Five Year Plan. In India, the phenomenon of poverty is mostly glaring in rural areas. Unless, the benefits of development directly goes to the rural people it is not possible to alleviate poverty. Hence, the strategy of 'Rural Development' is directed to ameliorate the economic and social life of a specific group of the rural population.

The journey from the community development programme of 1950s in the present Rural Development scheme is a pretty long one.

Developmental programmes with provide special considerations to the rural women which are 85 percent in rural areas as the poor. After independence, governments launched a number of programmes for bringing about all round progress of the rural mass. And realizing the wastage of man-power the need to promote the status of women, a separate programme i.e., DWCRA. (Development of women and Children in Rural Areas which was brain child of Gramena Bank of Bangladesh started in 1975) focusing the rural poor women to provide them with



suitable averages of income generation according to their skills, abilities, attitudes, needs and local conditions was exclusively designed for women empowerment as a sub programme of Integrated Rural Development Programme (IRDP) in 1982-83 as a pilot project. Later it was extended to entire India from 1987-88.

Unfortunately the range of activities pursued by DWCRA groups was fairly diverse. Several groups become default due to lack of homogeneity among group members, poor backward and forward linkages. Its several short comings leading to its failure, DWCRA scheme subsequently merged with the newly launched anti-poverty scheme SGSY in 1999 and the paved way for the introduction of Self Help Groups scheme in the place of DWCRA scheme (Reddy, 2002)

Self-help groups emerge as an important strategy for empowering women and alleviating poverty. SHG is a 'people's scheme' and its organization is a significant step towards empowering women. A Self – help Group is a voluntary group, formed to attain some common goals, most of its members have similar

social identity, heritage, caste or traditional occupations and come together for a common cause and manage resources for the benefit of the group members.

The process of organizing women into SHGs started during the Ninth Plan to provide them permanent for articulating their needs and contributing their perspectives to development, has made tremendous progress as it brought into action more than a million SHGs all over the country. Participation of people in credit delivery and recovery and linking of the formal credit institutions to borrowers through the SHGs have been recognised as a supplementary mechanism for providing credit support to the rural poor. The SHGs are informal groups formed on a voluntary basis, for providing the necessary support to their members for their social and economic emancipation. These groups are distinct from the co-operative societies, mainly in terms of their size, homogeneity and functions. The Self Help Groups is the one of suitable programmes to useful and utilize the local resources effectively for uplift the rural women (development).



3. SHGs in Srikakulam district

During 1995-2005, there are 1455 SHGs and as many as 245264 beneficiaries in the district consisting of 7.37 per cent are S.T. beneficiaries, 10.44 per cent are SC beneficiaries, 74.31 per cent are Backward Class beneficiaries; 7.89 per cent are other beneficiaries. The pre-dominance of backward class population in the district is further continued in this period also. Meanwhile, about 67186 groups are identified in the district during 2011-2012. Ranasthalam, Etcherla and Santhabommali mandals having top position in the district in formation of groups.

4. Objectives of the Study

- To examine the SHG scheme whether the scheme is uplifting the living standards of the rural women of the society or not
- To study the income generated by the activity per annum and per beneficiary.
- To find out whether the income generated by the activity is significant or not.
- To suggest suitable measures for the effective implementation of the scheme.

5. Methodology:

Selection of the Area:

To examine the above objectives, Srikakulam District of North Coastal Andhra Pradesh has been purposively selected. The sample is based on random sampling method and the coverage spreads over 6 mandals namely Kotabommali, Narasannapeta, Srikakulam, Etcherla, Rajam and Ponduru.

Selection of the Sample:

The total number of activities implemented in the district under this programme for the year 2010-2011 is 50, of which 20 per cent of the major activities are covered. In each activity 45 beneficiaries are selected randomly.

6. Major findings of the study

i. Socio Economic Conditions

No doubt to say that micro financing through SHGs has become a powerful instrument to improving socio and economic conditions of women. The details regarding reasons for joining in SHG shows these particulars. Many of the members were joined the SHGs for getting financial assistance (23.42 per cent), promote personal savings (23.42 per cent) social status



(21.58 percent) and (14.74 percent of respondents) for job from various productive and income generating activities. They also targeted the social, cultural and political improvement (16.84 percent as others) through SHGs in the study area.

ii. Change in social conditions

An age group of 25-30 and 45- 50 are active participants in the scheme. The scheme has been benefited very much to the widowed and separated women. Nearly 46.16 percent of respondents who belongs to Scheduled Castes are illiterates. It may adversely effects on income generation through IGAs.

As the opined of the SHG members, due to the social activities of the SHG, they have aware of family planning and need/benefit of small family. Further, institutional deliveries also increased among the group members. Meanwhile, among the social groups, SCs have highest average size of family recorded with 5.4 members followed by 4.3 and 4.1 in case of BCs and OCs respectively. The average size of family of all respondents is 4.6 in the study area

Participation in social activities of Mahila Mandal , out side contact for

business , decision making in the family are also some major factors to determine the social empowerment of the women. SHG activities have pushing them to participate voluntarily or by force in social activities. Interestingly, 62.50 percent of respondents were taken membership while they joined in the scheme.

iii. Out side contact

As far as out side contact is concerned, about 53 percent of the respondents visit villages monthly and half-yearly to town. Across the Castes, 55.56 percent of SCs visit town weekly but it is 22.22 percent each in BC and OCs respectively to the purpose of business activities and social interaction. Low level of out side contacts is found in upper castes (OCs) as they said- traditions, lack of interest to their family heads and insecurity feelings.

iv. Decision-making

As far as decision making in the family is concerned, only 10.25 percent of them were reported that they used to take partake in major decisions. Moreover, 23.08 percent of the respondents pointed out that their In-laws used to take major



decisions. Meanwhile, after joining SHG, 62.82 percent of the women were reported that they also engross in decision-making process along with their husbands and now thrash out and sound out before taking any decisions. The **chi square test** value shows a positive association between SHG efforts and decision-making of the respondents.

v. Modification in House equipment

About 34 percent of the respondents were posses Pucca houses built under government scheme registered for the women, 25 percent tiled, 17 percent semi-pucca, 16 percent were Tached/ temporary houses. Nevertheless, nearly 50 percent of the tached houses are possessed by SCs alone. They possessed various items of house equipment like Watch, Stove, Rice Cooker, Electric, Iron, knitting machine, TV set, Light- furniture and other house related equipments (house decoration etc) prepared after they joining SHGs.

Awareness from out side contact, visit of offices for meetings etc, demonstration effect, and earnings from Group activities caused to improvement in the equipment

after joining SHGs. 'Deepam' a special programme for SHG members introduced by government of Andhra Pradesh and sanctioned Gas connections to some of the members. However, 30 percent of respondents (majority of them are relating to SCs) are not utilized properly and some were handover to neighbours due to hike in price of LP Gas.

vi. Occupational change of the respondents

There is a significant occupational mobility among the respondents mainly from agriculture to business activities like Mesta, Palmleaf, Cigarmaking, Poultry, Veg.Vending, Stone Cutting and Sheep Rearing. The participation of respondents in agriculture reduced from 71.79 percent to 30.77 percent after they joined SHGs. In case of Veg.itable Vending business positively increased from 3.85 percent to 17.95 percent, sheep raaring, milk business/ Milch cattle increased from 5.13 percent to 15.33 percent. The respondents who are in Small Business, their percent increased from 7.65 percent to 17.55 percent, also raised from 8.97 percent to 17.97 percent respectively in Mesta



business. This trend can be changed in earnings of the respondents.

vii. Growth in working days

Number of Working days increased after participation with help of financial support to the SHGs. The percentage growth in employment increased by 50 percent each in case of SCs and BCs and 58.33 percent in case of OCs respectively. Overall percentage growth in employment is recorded at 52.78 percent.

viii. Income earnings

Distribution of beneficiaries under different activities and income generated by the activity is significant or not are presented in table. 1. The income generated by all the beneficiaries for all the activities is Rs. 16,42,995/- The average income received by each beneficiary are annum is Rs. 5,216/- for all the activities.

The highest income (Rs. 6,750/-) is received by stone cutting activity followed by vegetable vending (Rs. 5,780/-), cigar making (Rs.4, 976/-), plan leaf (Rs. 4,875/-), mesta (Rs. 4,855/-), poultry (Rs. 4,830/-) and sheep rearing (Rs. 4,445/-).

Further, the table clearly shows that 83.81 per cent of the beneficiaries reported that the income generated by the activity is significant and the remaining reported that the income generated by the activity is insignificant. All the beneficiaries in the activities of palm leaf, vegetable vending and stone cutting expressed that the income generated by the activity is significant.

The scheme is intended to uplift the living standards of the weaker sections of the society to cross the poverty line.

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The average income generated by all the activities per annum per beneficiary if Rs. 5,216/- the highest income (Rs. 6,750/-) is generated from the stone cutting activity and the least (Rs. 4,445/-) by sheep rearing.

ix. Regular practice of saving

Micro finance facilitates small savings from rural women who were hither to consider incapable of having any capacity to save. Interestingly, About 50 percent of the respondents were



not in saving practice before joining. Cent percentage of respondents entered into the saving practice after they joined in SHGs.

7. Conclusion and policy implications:

It is observed that the amount of assistance given to the beneficiaries under DWCRA is only marginal and not adequate. In order to reap the desired benefits the assistance must be enhanced in order to achieve the economic viability of the scheme.

The main aim of SHG is collective works of all the members in the group at one common place. But in reality collective works of the members at one common place is not found anywhere in the study areas. As a result, the buildings constructed for these activities are lying. It is

therefore, suggested that, the members will be compelled to perform the works at one place at least for activities like palm leaf, cigar making, mesta etc.

It is observed that the SHG groups are making effectively on sound lines in those villages where there are voluntary organizations.

To make the SHG programme more effectively, it is suggested to constitute the SHG awareness committees by involving the voluntary organizations, youth clubs and mahila mandals as members in the committee. For effective functioning of the SHG scheme, it is not advisable to have 1.5 members in the group. It is therefore suggested that the size of the group may be reduced between 7 and 10.

Table – 1: Annual Income Generated by the Activity (In Rupees)

S.No	Name of the Activity	No. of beneficiaries Covered	IGA (Rs)	Income generated by the activity is significant		Total
				Yes	No	
1	Mesta	45	4855	26(57.78)	19(42.22)	45(100.0)
2	Palmleaf	45	4875	45(100.0)	-	45(100.0)
3	Cigarmaking	45	4976	31(68.89)	14(31.11)	45(100.0)
4	Poultry	45	4830	37(82.22)	8(17.78)	45(100.0)
5	Veg.Vending	45	5780	45(100.0)	-	45(100.0)
6	Stone Cutting	45	6750	45(100.0)	-	45(100.0)
7	Sheep Rearing	45	4445	35(77.78)	10(22.22)	45(100.0)
Total		315	5216	264(83.81)	51(16.19)	315(100.0)

Source: Field survey. IGA= Beneficiary' Annual Income generated by the activity



The study identified that the activities undertaken themselves by respondents with their knowledge. No modern methods in their activities, ultimately they face losses. They should be need of conduct awareness camps to choose remunerative activity. It can reduce waste of monetary resources. Major portion of micro finance should be given only according to profit motive other wise the funds are likely to be lost.

2. Many of SHG members are using the credit for consumption purpose only. This may not be provided additional returns from credit. Hence, possible efforts must be prepared by the concern authorities to take up income generating activities at least with half of sanctioned credit.

3. Formation of SHGs by SCs and minorities are very limit in the study area. Therefore, the concern authorities should take care to achieve goal that equal distribution of credit facilities.

4. At present, the group members have to save for a minimum period of six months to get loan. This provision may discourage the IGAs; hence, it

should reduce the period at least for three months.

5. Strict supervision to be needed by the concerned bank officials for proper utilization of finance on productive purpose; it can avoid diversion of funds for other useless purposes.

6. Unless training of technical skills imparted to the women by SHGs they will not get meaningful self-employment in their villages. Technical skills are required in addition to finance e.g. training to make milk products and store facilities etc.

8. The banks should provide sufficient time to repayment of loan and they must be supervising the economic activities. Because better monitoring of SHGs will yield better results.

9. Micro credit cannot push the rural into debt traps. It should come in the form of a participatory model and not as a profit model. It should be bottom up and not top down. The effectiveness of SHGs would be considerably enhanced if a symbiosis could be worked out between them and panchayat Raj Institutions. The given policy implications may help to



further improvement through micro credit of the women

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