



**Micro Finance through SHGs
Towards Empowerment of Tribal women:
A Study of Chintapalli Mandal in Visakhapatnam District**

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Abstract

The earlier studies on the functioning of SHGs reveal that an in depth analysis of SHG scheme is very essential to find out whether such a programme is contributing for women enlistment economically and socially. In the study area, the selected SHG members are participating in the discussion on various developmental aspects to be organized by them. Majority of respondents participated in thrift (73.33 percent), family welfare and health campaign and Mahila mandal activities (68.69 percent), Prajapadam, pallebata (45 percent) and literacy aspects (57.78 percent) respectively. The findings of this study ultimately suggests that, In view of fast changing scenario in tribal areas, a vision for self reliance and urge for development has to be inculcated in tribal societies especially in the women folk.

Key words: Self help, vision, rural development, poverty eradication

1. Introduction

The Indian Government has been vigorously working for the empowerment of women in general, rural and tribal women in particular by launching various developmental programmes of which Development of Women in Rural Area is prominent

one. Therefore an attempt has been made to look through the impact of the above said scheme on alleviation of poverty of rural women. One such effort is the SHG scheme which was introduced in 1982 as a subcomponent of IRDP to accelerate the integration of women with the



rural development programmes. The primary objectives of the SHG scheme are to focus attention on the women members of rural families below the poverty line with a view to providing them with opportunities of self employment as sustained balls. Later, SHG scheme has renamed as SHG programme and in India it is initially introduced in 50 selected districts. Later, it was extended to more districts in a phased manner.

1. Need for the study

The earlier studies on the functioning of SHGs reveal that an in depth analysis of SHG scheme is very essential to find out whether such a programme is contributing for women enlistment economically and socially. There is also a need to identify the loopholes in the scheme for making them operationally successful. The above analysis shows that SHG is an important programme to rural women and it is a boon to the rural women-folk. The studies in the context of working patterns of SHGs in the tribal areas of Visakhapatnam district are very few. On the other side the earlier studies have more gaps and not covered the determinants of productive activities

various independents and appropriate statistical tools to analyze the study.

2. Objectives and methodology

The need for tribal development programmes specifically for the development of tribal women is much imperative in the interior region like Visakhapatnam District. Hence an attempt is made in this study to evaluate the SHG programme in Chintapalli tribal Mandal of Visakhapatnam District. This study is based on both primary as well as secondary date sources. The Chintapalli mandal of Visakhapatnam district is selected for the study because it is one of the most tribal concentrated areas in the state. The selected mandal has high poverty, lowest female literacy rate, high birth and infant mortality rates, poor health status and concentrated with much extent of tribal population. Thus the Chintapalli mandal is a typical case for analyzing the social dynamic operating against the emancipation of tribal women through social mobilization and economic support and self-employment programmes.



Secondary data on status of SHG programme in the selected mandal have been collected from annual reports of ITDA, Paderu.

To select the sample Multi Stage Random Sampling technique is applied in sample selection. From the Chintapalli mandal two villages Levidi and Gumma are selected. From each village 6 SHGs are selected. From each selected SHG ten member households are selected. Totally 12 SHGs from Chintapalli mandal are selected for evaluating the functioning of SHGs at group levels. For purpose of studying the impact of SHG on socio economic conditions of the SHG members 10 members from each SHG, a total of 120 households are selected by following the Multi stage, Probability Proportionate Sampling (PPS). Data was ascertained from each selected SHG member with the help of a structured questionnaire by Personal Interview method.

3. Analysis of the study

Functioning of Selected SHGs:

The center and state Governments have been implementing the SHG scheme with a

sacred objective of alleviating the poverty among downtrodden sections and women section of the society. In this study an attempt has been made to evaluate the performance of SHG scheme. More specifically an attempt has been made to study to what extent the scheme is helpful to increase the awareness of the tribal women in the Chintapalli mandal of Visakhapatnam district.

SHGs participation in Developmental Activities:

At the outset to assess the functioning of selected SHGs important aspects like participation of SHG members in various developmental activities, the level of, matching/grant/revolving fund drawn and amount fertilization particulars, amount repaid by the SHG members in the study area have been discussed. Along with thrift, the SHG/SHG has been giving priority to health, family welfare, literacy, and social awareness activities like convergence activities as a basic determinant of the families' economic development and welfare. These activities also recognized by SHGs of Chintapalli mandal in Visakhapatnam District and the



SHG members are playing very active role in various developmental activities like participation in Mahila Mandal meetings, craft centers, thrift movement, health & family camp, prohibition literacy complain, and Pallebata etc. in the study area.

It is noticed that, a majority of respondents participated in thrift (73.33 percent), family welfare and health campaign and Mahila mandal activities (68.69 percent), Prajapadam, pallebata (45 percent) and literacy aspects (57.78 percent) respectively. Among the two villages SHGs the proportion is relatively higher in Levidi groups ranging from 65percent in Mahila Mandal and in thrift (100 percent). In the case of Gumma groups the selected SHG members ranging from 23.33 percent in literacy aspects and 73.33 percent in thrift. It is also noticed that, the thrift activities have occupied a good position in all aspects of SHGs. Thrift concepts linked with bank linkage and bank loans. So it may be a reason behind well performance of the SHG members in thrift activities rather than in other activities. As a whole it is observed that, a major number of the respondents have

participated in village development activities for the free of cost and they consist of 61.17 percent of the total respondents.

SHGs Participation in Different Activities:

The selected SHG members of all the selected two villages participating in different programmes. It can be noticed that, the selected SHG members are participating in the discussion on various developmental aspects to be organized by them. Among the SHG members, majority of respondents discussed about thrift (73.89 percent), followed by family planning and health (60 percent), participating in the programmes like pallebata to place their problems before the administration (48.89 percent), literacy aspects (43.33 percent) and Mahila Mandal activities (43.33 percent). It is also revealed that the selected SHGs are viable alternatives to achieve the objectives of rural development and to get community participation in all the rural



Financial Assistance received by selected SHGs from different sources:

SHG is a viable organization set up to disburse micro credit to the rural women for the purpose of making them enterprising women and encouraging them to enter into entrepreneurial activities. The women led SHG and SHG have successfully demonstrated how to mobilize and manage thrift, appraise credit needs, maintain linkages with the bank and enforce financial self – discipline. The drawn money by the SHGs may be used for productive and non-productive purposes. In tribal areas the families are very poor and they are unable to reach their daily transactions they needed money for, health, marriages, functions, cloth, education, house repairs, unforeseen distress, deliveries and maintenance of old age people child care etc. These people are depending more on moneylenders. SHGs attacking the situation and releasing money to their own needs taking into consideration the needs of respondents pushed them to draw funds from the financial institutions.

It is observed that the selected SHGs are able to tap Government support. The selected SHGs raised their resources to the tune of Rs. 88.235 as matching grant. But the above grant was kept with the concerned banks in the form of fixed deposits according to the Government rules. In recent months, by the pressure of SHGs releasing the money basing on the rate of saving and matching grant to income generating activities to eradicate middle men and bogus group formation in field, the authorities made a policy they released matching grant in the name of groups and kept with Banking institutions as the group avail credit linkage with the bank. Total amount of matching grant of SHGs is Rs. 1, 20,000 and drawn in 4 times. The drawn amount utilized for productive purposes and little portion of amount is also used to un-productive activities like family maintenance expenditure. The pattern of matching grant drawn during 1st to 4th times is registered as 44.71 per cent, 57.50% 70% and 45.83 percent respectively by unanimous decision of all SHG members. In the case of two villages, the proportion of the amount



drawn during the said period, Levidi groups drawn higher compared to the two categories. It is ranging from 75 to 100 percent. Regarding Gumma groups the percentages indicating a fluctuating trend in the drawn position. The highest amount is drawn in the third time and later it is recorded to 35.50 percent

Utilization Patterns:

The concerned Banks have not able to release or accept to draw amount if the saving position of SHGs are not in good position and if they are not able to fulfill the required ratio with matching grant. It is found that Levidi groups are better in saving position in the study area. In addition to the matching grant, SHGs have bank linkage facilities. The concerned branches extended their support to SHGs in the form of credit advance. The three selected villages SHGs have receive the bank facilities but Levidi village stood in first place in utilizing the amount to income generating productive activities. The utilization pattern of bank finance towards productive and other purposes shows that from the total amount sanctioned to SHGs , only 67.91 per cent of amount is utilized in

various income generating productive activities viz; sheep rearing, vegetable cultivation and vegetable vending, jute based products, dairy, petty trade and agarbathi production. The proportion of amount utilized on the above-mentioned productive economic activities is 67.91 percent. Out of which 16.65 percentage of amount utilized on sheep raring, petty trade has occupied 9.56 percent of amount. The remaining amount is utilized for vegetable cultivation and vegetable vending (18.26), Jute based products (16.22%), Agabatti Production (11.28%) and Dairy (4.83%). Among the three village SHG members, large proportion of amount is utilized in Levidi (80.0%) when compared to Gumma..

Repayment Position:

Amount repaid by SHG members of bank loans including, Bank linkages, bank micro enterprises credit loan shows that the loan repayment performance of the SHG members out of the total amount taken by the groups is quite satisfactory, As a whole the proportion of amount repaid is 88.83 percent and the remaining 11.17 per cent is recorded as outstanding registered with the



institutions. Among the selected villages SHG members, the proportion of amount repaid is sent percent in case of Levidi village groups where as the repayment of Gumma groups is recorded as 87.91 percent. Similarly the amount outstanding is recorded as zero in case of Levidi groups and 12.09 percent in case of Gumma groups. This situation explains that the proportion of amount outstanding is different from village to village. Low level of incomes, returns, high consumption may be attributed as the reasons behind the poor recoveries of loans in the Gumma village. It is observed from this study that the amount drawn by different SHGs in the selected villages shows that, the SHGs in Gumma village drawn finance from the banks on the name of productive activities and the amount are utilized for consumption purposes. The SHGs in Gumma are spending the loan amounts received by them for consumption purposes. Hence this study suggests the need for providing proper guidance and supervision to all the SHGs in the adoption of productive and income generating activities.

4. Conclusions & Suggestions:

There are several benefits being bestowed by the different activities under the SHG scheme. According to the study, the women respondents are receiving both the employment opportunities and the income under the scheme in the study villages. Among the villages, the respondents of Levidi are able to get more employment opportunities and incomes as the resources are available at cheaper rate for their activities when compared to other villages. Regarding activities, the vegetable marketing activity, kirana business activity and dairy activity under this scheme are providing more employment opportunities and incomes to the tribal women in the study area. The findings of this study ultimately indicate that micro finance is playing very vital role in the upbringing of the living conditions of tribal women. The findings of this study ultimately suggests that, In view of fast changing scenario in tribal areas, a vision for self reliance and urge for development has to be inculcated in tribal societies especially in the women folk. These



vital changes can be accomplished by establishing thrift and credit societies. SHG groups have to be established adult literacy centers in all the interior tribal villages. The local organisations have to be empowered and guided properly in functioning and maintenance by women liaison workers and community coordinators

Based on the findings of this study, the following suggestions are made. In view of various problems faced by tribal women, empowerment of tribal woman is essential not only improve their quality of life styles but also improving the conditions of tribal families and tribal villages. In this regard the exploitative traditional hierarchical relations have to be replaced by empowered local institutions. The empowerment process encompasses social, cultural, financial, skill and knowledge empowerment. Unless all these vital aspects are integrated and greater vision is developed in local female population, the sustainable development among tribals cannot ensure. To promote awareness and to motivate the tribal women about SHG roles, literacy has to be carefully

formulated to suit changing scenario in tribal areas. To empower local tribal communities and traditional institutions, greater awareness has to be created among tribal women about sustainable exploitation of forest resources and eco development and for the effective participation of tribal women in the SHG activities it should be made as mandatory to all the Departments to introduce all the Government programmes through participatory management. Tribal women folk have to be imparted skills in exclusive groups in management of various development activities.

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