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SELF HELP GROUPS FOR PROMOTION OF SUSTAINABLE LIVELIHOODS AND INCOME SECURITY AMONG RURAL WOMEN IN INDIA

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ABSTRACT

The Millennium Development Goals (MDGs) are eight, which were officially established in the Millennium Summit of the United Nations in 2000, following the adoption of the United Nations Millennium Declaration. All 193 United Nations member states and 23 international organizations have agreed to achieve these goals by the year 2015. Among those eight goals 3rd goal is especially declared for the strengthening and empowering of women, i.e. Promote Gender Equality and Women Empowerment.

Gender equality and Women Empowerment means: The concept based on the United Nations Declaration of Human Rights, and the ultimate aim is to provide equality in law and equality in social situations or status, especially in democratic activities and securing equal pay for equal work. Empowerment refers to increasing the spiritual, political, social, educational, gender, freedom and economic strength of individuals and communities in general and special focus on women in particular. To centralize and trace out above stated ideas our study is focuses on the following objectives.

The main objectives of the study are (1) To analyze the work and progress of SHGs in Andhra Pradesh, (2) To examine the role of SHGs for poverty eradication in rural areas, (3) To discuss the role of IKP-SERP organization to promoting SHG movement in rural areas of Andhra Pradesh, (4) To identify the major problems faced by the SHG women in rural areas and (5) To Suggests for the better implementation of policies and programmes by Government as well as private organizations.

Basing on the above objectives, the information and data are collected from various secondary sources such as books, journals, reports, annual surveys, articles, working papers, govt. publications, web browsing, etc. It is to be hoped that, this study will be useful to researchers, academicians and policy makers for further reference and formulating appropriate policies in this area.

KEY WORDS: Self Help Groups, Sustainable livelihoods, Income security, Gender equality, Women empowerment.

I. INTRODUCTION

The eight Millennium Development Goals (MDGs) are provided a framework of time-bound targets by which progress towards the commitments of the internationally agreed Millennium Declaration of 2000. In 2013, with two years left for the 2015 deadline for the MDGs, women continue to be poorer than men on a global scale. The UN Secretary General's 2012 Millennium Development Goals Report focuses especially on Goal 3, which calls for Promote gender equality and women's empowerment and also tracks the impact of gender equality on the achievement of each of the remaining seven Millennium Development Goals.

The Millennium Development Goals (MDGs) are eight, which were officially established in the Millennium Summit of the United Nations in 2000, following are the adopted goals of the United Nations Millennium Declaration. All 193 United Nations member states agreed to achieve these goals by the year 2015. They are as follows...

Goal 1: Eradicate extreme poverty and hunger.

Goal 2: Achieve universal primary education.

Goal 3: Promote gender equality and empower women.

Goal 4: Reduce child mortality.

Goal 5: Improve maternal health.

Goal 6: Combat HIV/AIDS, malaria and other diseases.

Goal 7: Ensure environmental sustainability.

Goal 8: Develop a global partnership for development.

By looking at the other goals from a gender perspective, the MDGs Chart also emphasizes the inter-linkages between the goals. The important role that gender equality and women's empowerment plays in the development and the achievement of all MDGs. Among those eight goals 3rd goal is especially declared for the strengthening and empowering of women, i.e. Promote Gender Equality and Women's Empowerment.

Definition of Gender equality and Women Empowerment:

The concept based on the United Nations Declaration of Human Rights (1948), and the ultimate aim is to provide equality in law and equality in social situations or status, especially in democratic activities and securing equal pay for equal work.

Empowerment refers to increasing the spiritual, political, social, educational, gender and economic strength of individuals and communities in general and special focus on women in particular. Empowerment of women, also called gender empowerment, has become a significant topic to entire nations, businesses, communities, and groups can be benefited from the implementation of programs and policies that adopt the notion for women empowerment and economic development.

To centralize and analyse above stated ideas in this study it focuses on the following objectives.

II. OBJECTIVES OF THE STUDY

The main objectives of the present study are....

1. To analyze the work and progress of SHGs in Andhra Pradesh,
2. To examine the role of SHGs for poverty eradication in rural areas,
3. To discuss the role of IKP-SERP organization to promoting SHG movement in rural areas of Andhra Pradesh,
4. To identify the major problems faced by the SHG women in rural areas and
5. To Suggests for the better implementation of policies and programmes by Government as well as private organizations.

III. METHODOLOGY

The paper is based on the secondary information and data are obtained from various sources like books, journals, government publications, working paper, annual and monthly reports, annual surveys, abstracts, web browsing, etc. The

study period has been taken for 9 years period from 2004-05 to 2012-13.

In this paper an attempt has been made to analyse the present trends, growth and achievements of Self Help Group movements in India with special reference to Andhra Pradesh. Andhra Pradesh is a role model for the rest of the states in India.

IV. RESEARCH PROBLEMS

1. What is the meaning of Sustainable Livelihoods and Income Security?
2. What are the concepts and role of SHGs to eradicate poverty in rural areas?
3. What are the major problems faced by the SHG women in rural areas?

1. SUSTAINABLE LIVELIHOODS MEANS

The sustainable livelihoods idea was first introduced by the Brundtland Commission on Environment and Development as a way of linking socio-economic and ecological considerations in a cohesive, policy-relevant structure. The 1992 United Nations Conference on Environment and Development (UNCED) expanded the concept and advocated for the achievement of sustainable livelihoods as a broad goal for poverty eradication. It stated that sustainable livelihoods could serve as an integrating factor that allows policies to address 'development, sustainable resource management and poverty eradication' simultaneously.

"A livelihood comprises people, their capabilities and their means of living, including food, income and assets. Tangible assets are resources and stores, and intangible assets are claims and access. A

livelihood is environmentally sustainable when it maintains or enhances the local and global assets in which livelihoods depend, and has net beneficial effects on other livelihoods. A livelihood is socially sustainable which can cope with and recover from stress and shocks, and provide for future generations.”

There are four key dimensions to sustainability:- economic, institutional, social and environmental sustainability. All are important and a balance must be maintained between them.

a. Economic Sustainability: Improved access to income level, high-quality education, information and technologies, training for self reliance, better nutrition and health.

b. Institutional Sustainability: People-centered- sustainable poverty reduction will be achieved only if external support focuses on people, understands the differences between groups of people and works with them in a way that is congruent with their current livelihood strategies, social environment and ability to adapt. More secure access to financial resources.

A policy and institutional environment that supports multiple livelihood strategies and promotes equitable access to competitive markets for all.

c. Social Sustainability: Responsive and participatory- poor people themselves must be key actors in identifying and addressing livelihood priorities. Development agents need processes that enable them to listen and respond to the poor.

Multi-level- poverty reduction is an enormous challenge that will only be overcome by working at multiple levels,

ensuring that micro-level activity informs the development of policy and an effective enabling environment, and that macro-level structures and processes support people to build upon their own strengths. Better access to basic and facilitating infrastructure. Conducted in partnership- with both the public and the private sector. Dynamic-external support must recognise the dynamic nature of livelihood strategies, respond flexibly to changes in people’s situation, and develop longer-term commitments.

d. Environmental Sustainability: A more supportive and cohesive social environment; More secure access to, and better management of, natural resources;

2. INCOME SECURITY MEANS

An investment that provides a return in the form of fixed periodic payments and the eventual return of principal at maturity. Income security is about the level of income (absolute and relative to needs), assurance of receipt, expectation of income adequacy now and improvement or deterioration in the future, both during a person’s working life and in old age or disability retirement. Income security is about actual, perceived and expected income.

a. Definition: Self-Help Group (SHG) is a well known fact that every individual, how so poor she/he may be has potential to save. It became effective instruments in realizing that potential. It should be noted that “The SHG model generally requires compulsory savings from members”. SHGs have inculcated the saving habit among the poor; it saving amounts and their corpus are growing at very high rate year after year. Various studies indicate that members have been using the internal loans to meet the

deficit in household consumption, health emergencies, education expenditure, etc. It is proving to be the most effective instruments for financial inclusion. It is also helping to optimize the utilization of the India's vast formal financial institutional structure of about 30,462 institutions in the rural areas are working for the benefit of rural people.

V. HISTORICAL BACKGROUND OF SHGs

The members of SHGs are poorest of the poor with low or nil savings capacity and who depend on money lenders or private sources to meet their expenditure and other obligations. Actually they are all from same community and low income groups. Members of one SGH may be 15-20. After forming the group, they have to conduct meetings regularly and decide together about the saving size of amount per month. During the group meetings, the saved amount is pooled and given as loans to members for utilization, production or investment purposes based on the priorities determined by the group.

The SHG-Bank Linkage Programme was started as an Action Research Project in 1989, which was the offshoot of NABARD initiative during 1987 through sanctioning Rs. 1 million to Mysore Resettlement and Development Agency (MYRADA) as seed money assistance for experiencing Credit Management Groups. In the same year the Ministry of Rural Development provided Professional Assistance for Development Action (PRADAN) with support to establish SHGs in Rajasthan.

The role of SHGs as financial intermediaries emerged from a pilot programme, with NABARD support, to link

500 SHGs to the banking system in 1992. It is now a major global microfinance programme with an outreach to nearly 7.5 million SHGs having savings accounts with banks as on 31 March 2011 and nearly 4.8 million SHGs with outstanding loans from the banking system. While the NGOs played a pivotal role in innovating and developing the SHG-bank linkage model in the initial years, state governments have contributed to the rapid scale-up and growth of SBLP with banks emerging as development partners. A wide range of SHG-based federations and community institutions have also been formed in an attempt to support livelihoods and empowerment of the rural poor.

SHGs AT A GLANCE

According to the NABARD, at the end of March 2011, 74.62 lakh SHGs cumulatively received bank loans of Rs 31,221 crores. In total, 97 million poor households have been provided with credit from formal financial institutions. And, given that the average size of the Indian family is five, this indicates that over 485 million people have been provided credit through Bank Linkage Programme to SHGs, though not all of them would be active borrowers. The majority of who were, out of the purview of mainstream financial institutions. The south Indian state of Andhra Pradesh is on the way to achieve near-universal financial inclusion because of SHGs. The success of the Self Help Groups in Andhra Pradesh has been a national level role model. Other southern states are also moving quickly in that direction as well; and all other states have realized the potential of SHGs in financial inclusion and are adopting the model. Over 90 % of the bank-linked groups are women groups and about four-fifth are situated in rural areas, a traditionally under-served areas.

VI. SHG MOVEMENT IN ANDHRA PRADESH

At the end of October, 2013, there are 1,16,42,765 members in 10,54,647 SHGs exclusively for women. A total of 41,812 Village Organizations (VOs), 1098 Mandal Samakhyas (MSs) and 22 Zilla Samakhyas have come into existence in 22 districts. As on that month, the total Savings of SHGs are Rs. 4313.68 Crores and Corpus of SHGs are Rs.5720.66 crores. The functions and policies of SHGs are coordinating and implementing by Indira Kranthi Patham under the supervision of Society for Elimination of Rural Poverty in Andhra Pradesh.

1. IKP Bank Linkage Programme:-

Since inception of the Indira Kranthi Patham in Andhra Pradesh, during the years 2004-05 to at the end of October, 2013, Rs. 3966.82 crores of bank loan are given to 1,50,338 SHGs under Bank Linkage Programme. Under Pavala Vaddi Incentive Rs. 606.74 lakhs are to be distributed to 7,57,325 SHGs up to October, 2013 during the current financial year. Under Sthree Nidhi, during 2013-14 up to end of October, 2013, Rs 509.83 Crores were disbursed to 2,44,776 members of 60,525 SHGs in 22,465 VOs in 1059 mandals, thus the total amount disbursed upto end of October, 2013 is Rs 1241.49 Crores to 1, 78,191, SHGs.

Through Self Help Movement, savings has been taken up as a mass movement by women in India. There are about 90 % of women SHGs in India covering nearly 80 % rural poor women. The SHGs are not only resorting but are also taking small loans out of the corpus available with the group. An amount of Rs. 4025.55 crores is mobilized as corpus among these groups and the savings of these SHGs have an accumulated savings of Rs. 1962.50 as on February, 2009. The state government has taken several initiatives to extend financial support to these groups.

To encourage the poor including disadvantaged groups and communities to access the credit facility services seamlessly Community Investment Fund (CIF) from project side and linkages from bank side are provided to the poor women SHG members to improve their livelihoods. The cumulative CIF expenditure up to December, 2011 is Rs.1106.91 Crores and the total numbers of beneficiaries are 28,54,167.

The SHG Bank Linkage is a great success story in A.P. The year wise progress from 2004-05 to 2012-13 are given as follows:

Year	Coverage of Groups	Amount of Loan (Rs. Crores)	No. of Branches	Per Group Finance (Rs.)	Groups Per Branch
2004-05	261254	1017.7	3,853	38,954	68
2005-06	288711	2001.4	3,853	69,322	75
2006-07	366489	3063.87	3950	83,601	93
2007-08	431515	5882.79	4000	136329	108
2008-09	4,83,601	6684.07	4150	1,37,498	118
2009-10	4,13,625	6501.35	4274	1,57,180	97
2010-11	3,89,444	7092.71	4286	1,82,123	91
2011-12	3,52,485	8084.16	4324	2,29,347	82
2012-13	4,54,561	11,128.00	4,915	2,44,808	92

In the current financial year, SERP has facilitated Rs.3966.82 crores of Bank Loans to 1,50,338 SHGs up to end of October, 2013.

2. Exploring further:-

The development agenda of the State of Andhra Pradesh in the last few years is provision and delivery of credit and financial services to the poor to take them out of poverty by taking up meaningful & productive activities. The government has taken up appropriate steps on mobilization of loans to the women SHGs which enabled credit utilization of Rs.1869.00 crore by the women SHGs, under SHG - Bank linkage program so far in addition to credit mobilized under state revolving fund (SMG) and group loaning under SGSY. NABARD introduced a pilot project in 1992 for linking banks with SHGs to encourage thrift and savings amongst the rural poor and to supplement their credit needs through the banking system and constituted working group in the matter.

3. Some of the Salient features of SHG bank linkage programmes are:

- ❖ The group should have been in active existence for minimum six months.
- ❖ The group should have successfully undertaken savings and credit operation from its own resources.
- ❖ Evidence of democratic setup in the group where members have a say in all matters.
- ❖ The group should be maintaining proper accounts / records.
- ❖ The banker should be convinced that the group has not come into existence only for the sake of participation in the project and availing benefits.

There should be a genuine need to help each other and work together among the members.

- ❖ The SHG members should preferably have homogeneous back ground And interest.
- ❖ Any interested NGO or the Self Help Promoting Institutions (SHPI) Concerned should help the SHG by way of training and other support for skill up gradation and proper functioning.
- ❖ To generate livelihood for poor women.

4. Linking banks with SHGs:

It was initiated in Andhra Pradesh in 1992-93 with the linkage of 8 SHGs with SBI, Vysya bank and Sri Anantha Grameena Bank. Due to constant efforts by the government, the program has gathered momentum only since 1997. All nationalized banks, RRBs and district Co-operative banks were involved in the program.

VII. OUTSTANDING ACHIEVEMENTS

In Andhra Pradesh more than 52 per cent SHGs were financed by banks under SHG Linkage. This number is more than the all India figure excluding that of Andhra Pradesh. 310488 SHGs were provided repeat finance by banks during 2008-09 which comes to 76 per cent of total SHGs in the state of Andhra Pradesh. As per the reports of the bankers, the recovery of loans is around 95 per cent as against 87 per cent when comparative to other states.

According to Paul D. Woolfitz "This is a great learning experience. We can tell others about the model. I have visited places in Africa, and Indonesia, but I found the Self-

Help Group movement in Andhra Pradesh to be the biggest one”.

VIII. FINDINGS OF THE STUDY

1. Frequent sickness of the rural people- in rural areas deceases like malaria; dengue, typhoid, etc. are common. So, they are spending much amount for procurement of the sickness.
2. Consumption and poor saving habits- Most of the people are daily wage labourers. Hence, savings also very low.
3. Poverty- causes many things in rural areas.
4. Illiteracy is the main draw back of SHGs in India.
5. Ignorance of the people in rural areas.
6. Misguidance by outsiders- they are misguided by agents or money lenders.
7. Over debts of borrowing from money lenders.
8. Lack of well trained leaders- because of illiteracy, they are unable to trained well in effective management of SHGs.
9. Lack of awareness about this programme in rural areas.
10. Difficulties in repayment of borrowed amount.

IX. POLICY SUGGESTIONS AND CONCLUSION

1. Focus on:

Government and non-governmental organizations should play a vital role, not only to provide facilities to the weaker

sections of the society, but also they should pay attention to provide facilities for the empowerment of women.

2. Facilitate the Groups:

Funds should also be made available for research and experimentation. Organizing SHGs into federations must be seen as a public investment which ought to be done. SHG federations could be appropriately incorporated to optimize the benefits of both informal and formal institutions.

3. Building Capacity:

There is a need for decentralized capacity building and support services in order for the SHG movement to strengthening. For every 5-10 SHGs, there must be a mentor that emerges from the movement itself. Federation staff should be SHG members trained to be trainers, auditors, motivators and para-professionals to support the agenda of the SHGs.

4. Innovative:

There is a need for continuous innovation to promote growth and ensure sustainability. With the advent of technology, SHGs could take on several intermediary or agent roles that benefit their members.

5. Institutional Support:

To make the SHGs organisationally sound and functionally effective, training is imparted on group formation, micro-credit planning, bank linkage, and maintenance of records through proper bookkeeping and creating awareness on social evils such as child marriages, child labor, illiteracy and superstitions is necessary among women.

There is a great potential if the movement is supported with a vision and strategy. It should be eliminated discriminatory thinking and practices against women that have a negative effect not only on women but also on entire communities and nations.

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