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CHANGING STATUS OF RURAL WOMEN THROUGH SHG-BANK LINKAGE PROGRAMME IN TELANGANA

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ABSTRACT

The effectiveness of anti-poverty programmes like Self-Help Group-Bank Linkage programme depends, at least in part, on whether the programs do, in fact, reduce poverty or, more generally, raise the incomes of the low-income population. On one level, it is obvious that they must do so to some extent, because they provide positive benefits and hence they have to raise incomes and standard of living. On second level, SHG bank linkage programme is even provided benefits to below poverty line, an important question concerns their distributional impact and whether they affect primarily those at the very bottom of the income distribution or those just below poverty line. Since two and half decades of time, the SHG approach has been constituted the primary route towards poverty alleviation and development in Telanagana. The main objective of the study is the impact of SHG bank linkage programme on changing status of the rural poor women of Telangana. Primary and secondary data is used for the purpose of the study. A multi stage random sampling technique is used and the size of the sample is one hundred rural women SHG members. The study found out that the SHG bank linkage programme has a positive impact on the status of rural SHG women in Telangana state.

INTRODUCTION

Eradication of poverty is the greatest global challenge facing the world and a core requirement for sustainable development, especially for developing countries. Poverty is largely a rural phenomenon. Out of 900 million poor people 75 per cent of the world's 1.2 billion extremely poor live in rural areas. More than one-fourth of the poor in the world live in India. Lifting the rural poor out of their poverty, breaking the poverty circle, through investments in their basic capital stock (physical, human, social) thus appears as sound economic strategy with the added advantage that such economic growth is high quality growth and by definition broad-based and equitable. But that lending to the poor is potentially a wise investment is often not acknowledged. Another 2.6 billion live on less than US $2 a day, another common measurement of deep deprivation. Poverty entails more than the lack of income and productive resources to ensure sustainable livelihoods. Its manifestations include hunger and malnutrition, limited access to education and other basic services, social discrimination and exclusion as well as the lack of participation in decision-making. Various social groups, especially women bear disproportionate burden of poverty.

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Poverty has been a pervasive problem in India. Around one-third of our people do not have the basic resources for survival. India still has the world's largest number of poor people in a single country with 260.3 million are below the poverty line. Out of which 193.2 million are in the rural areas. More than 75 per cent of people reside in villages, which have an extremely thin presence of financial institutions and government machinery. This leads to greater poverty, slower economic growth and a lower standard of living. In India, productive employment is central to poverty reduction strategy and to bring about economic equality in the society. An economic change in the life of women, especially of rural women will be possible if they take up entrepreneurial, cottage, industry, agricultural and allied activities independently.

These activities will generate employment and income not only for these women but for other women as well. Empowerment is a major step in this direction but it has to be seen in a relational context. A clear vision is needed to remove the obstacles to the path of women's emancipation both from the government and women themselves. Self-Help Group is considered as a strategy evolved by the developing nations to empower women especially rural women to leap from the state of powerlessness to powerfulness. Micro finance through self-help groups has become the primary policy tool used by the

post liberalization state to fulfill the credit needs of the poor. In India SHGs are mushrooming in almost all parts of the country. Former United Andhra Pradesh (Telangana state was separated from the state of Andhra Pradesh on 2nd June 2014) was acclaimed as a unique state all over the world to implement the world's largest democratic programme providing micro finance services to the low-income households at lower rates of interest.

The institutional model of Andhra Pradesh has taken a considerable period of time. The process was first initiated under DWCRA programme and later intensified under different programmes such as UNDP-SAPAP programme launched in 1995, the World Bank funded Andhra Pradesh Districts Poverty Initiatives Project (APDPIP) in six districts which is under implementation from 2000 and the Andhra Pradesh Rural Poverty Reduction Project (APRPRP) which is under implementation 2003 and the Indira Kranthi Patham covering the entire state from 2005. At present Society for Elimination of Rural Poverty (SERP) is implementing Indira Kranthi Patham (IKP) in all the 22 rural districts of Andhra Pradesh and Telangana. United Andhra Pradesh has been a leading state in promoting microfinance services through SHGs for women in the poorer sections of the society.

Need for the study

The effectiveness of anti-poverty programmes like SHG-Bank Linkage programme depends, at least in part, on whether the programs do, in fact, reduce poverty or, more generally, raise the incomes of the low-income population. On one level, it is obvious that they must do so to some extent, because they provide positive benefits and hence they have to raise incomes and standard of living. On second level, SHG bank linkage programme is even provided benefits to below poverty line, an important question concerns their distributional impact and whether they affect primarily those at the very bottom of the income distribution or those just below poverty line. In Telanagana state, the SHG bank linkage programme is initiated in Mahaboobnagar district under the World Bank funded Andhra Pradesh Districts Poverty Initiatives Project (APDPIP) in 2000. Since two and half decades of time, the SHG approach has been constituted the primary route towards poverty alleviation and development in Telanagana. In this context, there is a need to examine the impact of SHG bank linkage programme on rural poor women in Telangana.

Objectives

- To study the SHG-Bank Linkage Programme in Telangana.
- To study the impact of SHG bank linkage programme on rural women's economic activity in mahaboobnagar district of Telangana.
- To examine the impact of SHGs on the upliftment of rural women in the capacity of investment, employment generation and income levels.

Methodology and Analytical Techniques

Telangana state is located in southern India. It was formed as a new 29th state of India on 2nd June 2014, with the city of Hyderabad as its capital and it was separated from the state of Andhra Pradesh. A stratified multi stage random sample method was used for the purpose of the study. In the first stage one district (Mahaboobnagar district) was selected. In the second stage one mandal was selected at random from the selected district. In the third stage one village was selected at random from the selected mandal. In the fourth stage hundred SHG members, who had taken minimum of four bank linkages and above were selected at random from selected village. A proportionate random sample method was used while choosing the hundred SHG women respondents such that sample respondents of different castes selected in proportion to their total SHG members in the village. Finally, a sample of hundred women SHG members was randomly selected under SHG scheme from Mahaboobnagar district of Telanagana State. The position before and after joining in SHG of women was collected. Comparing the before and After joining SHG conditions of the respondents in the study area will give an idea about the impact of SHGs on rural women SHG members. Both primary and secondary data was used for the study. For the statistical analysis of the data pertaining to the present study is based on tabular analysis and Percentages.

RESULTS

Analysis of the Study

In India, social structure of the people is intimately connected with the economic activities. In order to understand the impact of SHG programme, it is necessary to analyze the social and economic conditions of the sample respondents. The impact of SHG-Bank Linkage Programme on sample respondents are studied by analyzing the respondent's position with respect to literacy level, number of bank linkages, loan amount, outstanding amount of loan, occupation, investment, employment and income level.

Social Group

The caste and social status continues to be one of the key drivers of poverty and inequality in India. The intensity of poverty is more among socially backward castes and schedule caste population, the main objective of SHG-Bank Linkage Programme (SBLP) is to elevate poverty by providing financial services to poor, deprived and weaker sections of the population, particularly social groups like Scheduled Castes (SCs), Schedule Tribes (STs) and Backward Classes (BCs). So, distribution of respondents by social status of Forward Castes (OCs), Backward Castes (BCs), Scheduled Castes (SCs) and Schedule Tribes (STs) is presented in Table 1. The distribution of sample respondents according to the social groups reveal that that proportion of women respondents belonging to BCs accounted for 49 per cent followed by SCs 35 per cent and STs at 5 per cent. Among the 100 sample respondents only 11 per cent belonged to forward castes (OCs) as for the primary data collected which is given in table 1. The sample selected is representative of the population in the study area that is majority of the respondents are from weaker sections which accounted for 89 per cent.

Age of the Respondents

Age is a key determinant to utilize the potentialities. Many studies point to the fact that there could be a link between age and success. Age and socio-economic activities are

interrelated. Age is an important factor to make any programme of success.

Table 1. Distribution of the Respondents by Social Group

Caste Category	Total Number of Respondents	Percentage to Total
O.C	11	11.0
B.C	49	49.0
S.C	35	35.0
S.T	5	5.0
Total	100	100.0

Source: Primary data.
Note-1: O.C- Socially, Economically Forward caste communities.
B.C- Socially, Economically backward cast communities.
S.C- Scheduled caste communities.
S.T- Scheduled Tribe communities.

Here also the age factor plays an important role in participating in income-generating activities. The young and middle age group people are expected actively to participate in the socio-economic activities, which is true in activities of SHGs in the study area. Distribution of the sample respondents by different age groups is presented in Table 2.

Table 2. Distribution of the Respondents by Age Groups

Age Range	Total Number of Respondents	Percentage to Total
Below 35	35	35.0
35 to 45	28	28.0
45 to 55	25	25.0
Above 55	12	12.0
Total	100	100.0

Source: Primary data.

The above table reveals that the major proportion of the sample respondents 35 per cent was in the age group of below 35 years followed by the respondents in the age group of 35 to 45 years is 28 per cent and the respondents in the age group of 45 to 55 years are 25 per cent. A notable observation was that the proportion of SHG respondents in the age group of above 55 was reported at only 12 per cent, which indicates that old people tend to leave SHGs because they could not work and could not save regularly due to old age. Death of the some sample respondents due to old age was also a reason for the reduction of older respondents in the SHGs.

Literacy

The women's literacy will reshape the untapped developmental resource of the family. The positive effects of female literacy are increased economic security, solidarity among women, and enhanced status in the family. In addition, educated women are less likely to fall into early marriage, early motherhood, HIV infection and discrimination. Mothers who are literate are much more able to run their households well and understand health, education and materials that directly impact the lives of their family members. The level of literacy of SHG members is an important characteristic for the functioning of the SHG. Education will impact maintenance of records, starting of development schemes, linkage with banks, etc. Hence, the data regarding literacy level of sample respondents in the study area is reported in Table 3. The weaker sections are the focus of the SHG Bank Linkage programme is generally characterized by high level of illiteracy without any formal education. As contradictory to

this the educational status of the sample respondents revealed that about only 32 per cent of them were illiterate. Among the literates, about 50 per cent of the respondents could only sign, 12 per cent of the women respondents are completed primary education, 2 per cent of the respondents are studied up to middle and high school level. Only four per cent of the respondents have completed the education up to level of graduation and above. The respondents reported that joining SHGs also made them realize the need of education, which resulted in increased number of respondents being able to sign after joining SHGs. This trend was due to the group effort to improve literacy levels of its respondents through informal education.

Table 3. Education level of the Respondents

Educational Status	Total Number of Respondents	Percentage to Total
Illiterate (can sign)	32	32.0
Literates	50	50.0
Primary	12	12.0
Middle/High	2	2.0
10th pass/Plus 2	4	4.0
Total	100	100.0

Source: Primary data.

SHG-Bank Linkage

The SHG bank linkage is providing financial services to the poor in a sustainable manner leading to empowerment of the members of the SHG. Under SHG Bank Linkage Programme (SBLP) SHGs usually get the first credit linkage between six months to one year. As the age of the SHGs increases, the member of linkages also increases. The age wise distribution of the sample respondents by the bank linkage pattern is presented is the Table 4. The table shows that out of total respondents 72 per cent of the respondents have taken four bank linkages and rest of them was received five bank linkages. It reveals that majority of the respondents received four bank linkages or four doses of loans from the bank. According to age wise distribution of bank linkage among the respondents out of the total respondents 56 per cent have 10 to 15 years of experience, followed by 30 per cent have above 15 years and 14 per cent have 5 to 10 years of experience. It is concluded that there are only 28 per cent of the respondents are received the fifth bank linkage and majority of them belonged to the age groups of 10 to 15 years.

Table 4. Age wise Distribution of the Sample Respondents by Bank Linkage Pattern

Formation Year Ranges	Bank Linkage		Total
	4th	5th	
5 to 10 years	9	5	14
10 to 15 years	40	16	56
Above 15	23	7	30
Total	72	28	100

Source: Primary Data.

Amount of Bank Loan

Table 5 represents the linkage wise bank loans distribution of the respondents. It is inferred that, out of total respondents majority (53 per cent) of the respondents have received amount ranging between Rs. 30,000to Rs. 45,000, followed by 25 per cent have received the bank loan amount between Rs.

15,000 to 30,000, 19 per cent of the respondents got loan amount above Rs. 45,000 and and only 3 per cent of respondents have received the bank loan amount below Rs. 15,000. According to the current bank linkage of the respondents, it is observed that majority of them in fourth bank linkage holders have received the loan amount between Rs 30,000 to Rs 45,000 and in fifth bank linkage respondents have received the amount above Rs. 45000.

Table 5. Bank Linkage wise Distribution to the Sample Respondents by Linkage Amount

Range of Bank Loan Amount (in Rupees)	Number of Bank Linkages		Percentage to Total
	4.00	5.00	
Below 15000	3	0	3
15000 to 30000	21	4	25
30000 to 45000	44	9	53
Above 45000	4	15	19
Total	72	28	100

Source: Primary Data.

Outstanding Amount of SHG Bank Loan

In the study area all respondents repay the bank loans regularly. All respondents are repaying the loans on monthly basis. The distribution of respondents according to an amount of outstanding in the bank loan is given in the Table 6. It is revealed that 60 per cent of respondents have outstanding loan between Rs. 15,000 to Rs. 30,000, followed by 26 per cent of respondents have outstanding loan between Rs. 30,000 to Rs. 45,000, 12 per cent of respondents have between Rs. 5,000 to Rs. 15,000 and only 2 per cent of respondents have outstanding amount below Rs. 5,000 respectively. According to linkage wise distributing under the fourth and fifth linkage categories majority of the respondents have outstanding between Rs. 15,000 to Rs. 30,000.

Table 6. Linkage wise Distribution of the Sample Respondents by Amount of SHG Bank Loan Outstanding

Bank Loan Outstanding (in Rupees)	Number of Bank Linkages		Percentage to Total
	4.00	5.00	
Below 5000	2	0	2
5000 to 15000	8	4	12
15000 to 30000	38	22	60
30000 to 45000	24	2	26
Total	72	28	100

Source: Primary Data.

Economic Activity

Occupation is the predominant factor to determining the one's income and employment. The objective of the SHG programme is to divert their members from non-economic activities or non-income generating activities to economic activities through providing the bank loans. The loans amount is utilized worth fully when it is invested in economic activity. Economic activities are broadly classified into four activities namely-- agriculture, dairying, petty business and artisan. Petty business is included that small micro entrepreneurial activities like, cloth business, kirana shop, vegetable vending, etc. Artisan is included that the income generating activities like, weaving, basket making, tailoring and handicrafts making

etc. The distribution of the respondents according to their economic activity is presented in Table 7.

Table 7. Distribution of the Sample Respondents by Economic Activity

Type of Economic Activity	Pre-SHG	Post-SHG
Agriculture	3 (3.0)	6 (6.0)
Dairying	5 (5.0)	23 (23.0)
Petty Business	8 (8.0)	20 (20.0)
Artisan	7 (7.0)	9 (9.0)
Total Respondents Engaged in Economic Activity	23 (23.0)	58 (58.0)
No Economic Activity	77 (77.0)	42 (42.0)
Total	100 (100.0)	100 (100.0)

Source: Primary Data.
Note: Figures in parentheses are percentages to the total.

It is observed that out of the 100 sample respondents 42 per cent are not engaged in any economic activity in post-SHG situation while it was 77 per cent respondents in pre-SHG situation. Further, it is observed that out of the total sample respondents 58 per cent respondents have engaged in economic activities like agriculture, dairying, petty business and artisan as their occupation in post-SHG situation while it was 23 per cent respondents were engaged in pre-SHG situation. During post-SHG situation 23 per cent respondents have engaged in dairying, followed by 20 per cent have engaged in petty business, 9 per cent in artisan and 6 per cent have engaged in agriculture. Similarly, during pre-SHG situation 8 per cent of the respondents engaged in petty business, followed by artisan with the share of 7 per cent, 5 per cent in dairying and only 3 per cent engaged in the activity of agriculture.

Investment

The easy access to credit through SHG has motivated the SHG members towards increase in investment in economic activities. It further leads to investment in new activities and as well as increase in an amount of investment in past economic activities. Distribution of the respondents according to the investment level is presented in the Table 8.

Table 8. Distribution of the Sample Respondents by Monthly Investment Capacity

Monthly Investment (in Ranges)	Pre-SHG	Post-SHG
Below Rs. 1000	13 (13.0)	0 (0.0)
Rs. 1000 to Rs. 2500	5 (5.0)	7 (7.0)
Rs. 2500 to Rs. 5000	4 (4.0)	24 (24.0)
Above Rs. 5000	1 (1.0)	27 (27.0)
No Investment	77 (77.0)	42 (42.0)
Total	100 (100.0)	100 (100.0)

Source: Primary Data.
Note: Figures in parentheses are percentages to the total.

It is revealed that out of the total sample respondents 13 per cent of sample respondents have invested below Rs. 1000 per month on economic activities during pre-SHG situation, followed by 5 per cent invested in the range of Rs. 1,000 to Rs. 2,500, 4 per cent invested in the range of Rs. 2,500 to Rs. 5,000 and only one per cent have invested above Rs. 5,000. Similarly, during post-SHG situation 27 per cent of sample respondents have invested above Rs. 5,000 per month, followed by 24 per cent in the range of Rs. 2,500 to Rs. 5,000

and 7 per cent of the respondents have invested in the range of Rs. 1,000 to Rs. 2500. During post-SHG situation 42 per cent of the sample respondents have not invested in any economic activity while it is 77 per cent in the pre-SHG situation.

Employment Generation

Easy and timely access to credit results in enhanced opportunities for undertaking different economic activities, which is further leads to increase of employment. Distribution of the sample respondents according to their employment days is given in the Table 9.

Table 9. Distribution of the Sample Respondents by Employment Days

Employment Days (in Ranges)	Pre-SHG	Post-SHG
Below 91 Days	4 (4.0)	2(2.0)
91 to 182 Days	8 (8.0)	4 (4.0)
182 to 273 Days	5 (5.0)	15 (15.0)
273 to 365 Days	4 (4.0)	14 (14.0)
Full Employment	2 (2.0)	23 (23.0)
No Employment Days	77 (77.0)	42 (42.0)
Total	100 (100.0)	100 (100.0)

Source: Primary Data.
Note: Figures in parentheses are percentages to the total.

Table 10. Distribution of the Sample Respondents by the Level of Monthly Income

Monthly Income (in Ranges)	Pre-SHG	Post-SHG
Below Rs. 1,000	9 (9.0)	0 (0.0)
Rs. 1,000 to Rs. 2,500	8 (8.0)	12 (12.0)
Rs. 2,500 to Rs. 5,000	4 (4.0)	24 (24.0)
Above Rs. 5,000	2 (2.0)	22 (22.0)
No Income	77 (77.0)	42 (42.0)
Total	100 (100.0)	100 (100.0)

Source: Primary Data.
Note: Figures in parentheses are percentages to the total.

It is revealed that in post-SHG situation 23 per cent have got full employment, followed by 15 per cent of the respondents have got employment through economic activities in between the range of 182 to 273 days, 14 per cent have got employment in between 273 to 365 man days, 4 per cent have got employment in between 91 to 182 man days and 2 per cent have got employment below 91 days. During pre-SHG situation 8 per cent have got employment days in between 91 to 182 days, followed by 5 per cent have got employment in between 182 to 273 man days, 4 per cent have got between 273 to 365 days of employment, 4 per cent have got employment in below 91 days and only 2 per cent have got full employment. Further, it is observed that 23 per cent have got full employment through economic activities in post-SHG situation while it was only 2 per cent in pre-SHG situation. It is found that 52 per cent of the respondents have got gainful employment (considering 182 days and above employment days) in post-SHG situation while it was only 11 per cent in pre-SHG situation.

Income Generation

The SHG bank linkage programme with better access to credit expected to brings in increased income to the SHG members. The distribution of the respondents by their average level of monthly income is presented in the table 10. The frequency distribution of monthly income of the sample respondents revealed that out of the total sample respondents 9 per cent of the respondents are having income below Rs.1000 during pre-SHG situation, followed by 8 per cent having income in the range of Rs. 1000 to Rs. 2,500, 4 per cent having monthly income in the range of Rs. 2,500 to Rs. 5,000 and only 2 per cent having above Rs. 5,000. Further, it is observed that 77 per cent of the sample respondents have no income during pre-SHG situation. Similarly, it is observed that during post-SHG situation out of the total sample respondents, 24 per cent of respondents are having monthly income in the range of Rs. 2,500 to Rs. 5,000, followed by 22 per cent are earning above Rs. 5,000 monthly income and 12 per cent have income in the range of Rs. 1,000 to Rs. 2,500. Further, it is observed that 42 per cent of the respondents have no income during post-SHG situation. The percentage of respondents under Rs. 1,000 category during pre-SHG situation is decreased to zero level and it is shifted to above Rs. 1,000 income ranges during post-SHG situation. The number of respondents who do not have income decreased by 35 per cent from pre-SHG situation to post-SHG situation; it indicates that there is a 35 per cent shift from no income category to income generated category due to joining in SHG.

Conclusion

The study reveals that there is a positive impact of SHG-Bank Linkage Progarmme on the livelihoods of rural women in Telanagana state but not significant. It is revealed that 35 per cent of the respondents additionally got economic activities as their occupation in post-SHG as compared to pre-SHG situation. It is all because of the reason of availing required credit from the SHG and the other reason is dairying and petty business activities are generally give quick returns as compared to the agriculture and artisan activities. It is observed that 35 per cent of the respondents additionally got employment opportunity due to economic activities through joining in SHGs and 41 per cent of the respondents have got gainful employment additionally during post-SHG situation as compared to pre-SHG situation.

It is concluded that during post-SHG situation both category of respondents that the respondents who do not have any income and less income category respondents are significantly benefited. To sum up, the formation of SHG has created opportunities for the poor to participate into the various income earning activities for the women respondents in Telangana. Therefore, it can be concluded that the SHG programme can be taken as resource mobilization support for the rural poor women since the self-help approach give a sense of achieving collective strength by generating their income as well. Thus SHG provides a motivation for the building up capabilities on the part of their members in the sample area through providing various capacity building processes.

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