



AWARENESS OF WOMEN ON MICRO FINANCE PROGRAMMES THROUGH SELF-HELP GROUPS IN ANANTAPURAMU DISTRICT OF RAYALASEEMA REGION

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Abstract

One of the innovations being tried out in the field of rural credit in many developing countries including India to help the rural poor, especially women, to gain better access to credit facilities is the attempt to promote micro level savings and credit self-help groups (SHGs). The rural poor are being encouraged both by non-government organizations (NGOs) and formal rural financial institutions to organise themselves in to small solidarity groups which enable them to overcome many of the hassles they face while dealing with the formal credit agencies. In India, the formal rural financial institutions like commercial banks and regional rural banks are in to the promotion of SHGs as a matter of NABARD's (National Bank for Agriculture and Rural Development) new policy of improving the institutional credit delivery system for the rural poor through adopting innovative practices. The NGOs are interested in the concept of SHGs as a part of their strategy towards creating alternate peoples institutions, which can help, supplement their developmental activities as well as help attain bigger goals like poverty alleviation and empowerment of women. Based on this context, the present paper highlights the awareness of SHG women on micro finance dimensions in Anantapuramu district of Andhra Pradesh.

Introduction

One of the innovations being tried out in the field of rural credit in many developing countries including India to help the rural poor, especially women, to gain better access to credit facilities is the attempt to promote micro level savings and credit self-help groups (SHGs). The rural poor are being encouraged both by non-government organizations (NGOs) and formal rural financial institutions to organise themselves in to small solidarity groups which enable them to overcome many of the hassles they face while dealing with the formal credit agencies. In India, the formal rural financial institutions like commercial banks and regional rural banks are in to the promotion of SHGs as a matter of NABARD's (National Bank for Agriculture and Rural Development) new policy of improving the institutional credit delivery system for the rural poor through adopting innovative practices. The NGOs are interested in the concept of SHGs as a part of their strategy towards creating alternate peoples institutions, which can help, supplement their developmental activities as well as help attain bigger goals like poverty alleviation and empowerment of women.

Access to institutional credit for the rural poor is considered important from two main angles. The availability of capital may help rural poor acquire new assets and technology leading to higher employment and income generation and productivity enhancement. Second easy and timely availability of institutional credit may also help them get out of the clutches of the exploitative moneylenders, which in itself is considered as a better-off situation for them.

Despite many policy thrusts in the past under institutional lending, effective access to credit has remained elusive for the rural poor like small and marginal farmers, landless labourers and artisans. The collateral based lending policy has been one of the major hurdles faced by the poor and asset less. Even



specialized institutions created for the rural poor like the regional rural banks (RRBs) or programmes like integrated rural development programme (IRDP) implemented for the poor could not succeed fully in reaching and improving the access of the rural poor. While programmes like IRDP were best with many design related problems leading to leakages. The RRBs continued with the conventional collateral based lending leading to their failure as institutional reform for the rural poor.

The neo classical economists analysing the rural financial markets in the developing countries attribute the failure institutional agencies to reach effectively the poor mainly to the subsidised cheap credit policy. To them, the failure is due to the inability of the intuitional agencies to cover higher marginal costs associated with serving large number of small borrowers who get eliminated in the process.

Innovations like SHGs, which help overcome some of the above problems in reaching the rural poor, therefore, become important. The SHGs have acquired policy significance in many developing countries following the success of Grameen Bank of Bangladesh in adopting group-based approach to its credit and savings programmes. The five member groups of Grameen Bank organised on the principle of self-selection stand as guarantee for the borrowings of their members. This eliminates the need for producing any collateral by the poor and landless. The peer monitoring which is the result of group liability ensures better loan utilisation and recovery. Besides targeting the poor quite effectively, the Grameen Bank has been able to consistently achieve very high recovery rates. Further, the Grameen Bank, through group based approach, has also been able to successfully integrate regular savings into its lending programme.

Objectives of the present study

1. To study the importance of micro finance
2. To analyse the awareness about micro finance through SHGs in Anantapuramu district
3. To draw the conclusions

Methodology

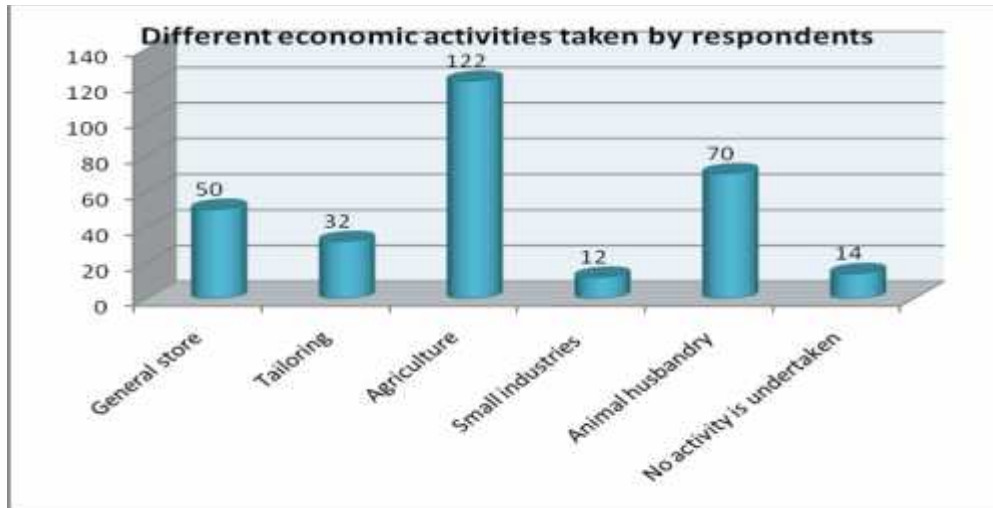
The present study is based on both dimensions like primary and secondary data. The primary data was collected through interview-scheduled. The sample respondents were selected from three revenue divisions in Anantapuramu district. Each division 100 sample respondents were selected who are effectively participated in Self-Help Groups in respective sample villages. Altogether 300 sample respondents were selected. The conceptual background information was also collected from the various journals, dailies, books and various reports.

Results and discussions

Table 1, Details of economic activity taken by the selected SGH members

S No	Name of the activity	No. of respondents	Percentage
1	General store	50	16.66
2	Tailoring	32	10.67
3	Agriculture	122	40.67
4	Small industries	12	4.00
5	Animal husbandry	70	23.33
6	No activity is undertaken	14	4.67
	Total	300	100.0

Source: Field Survey

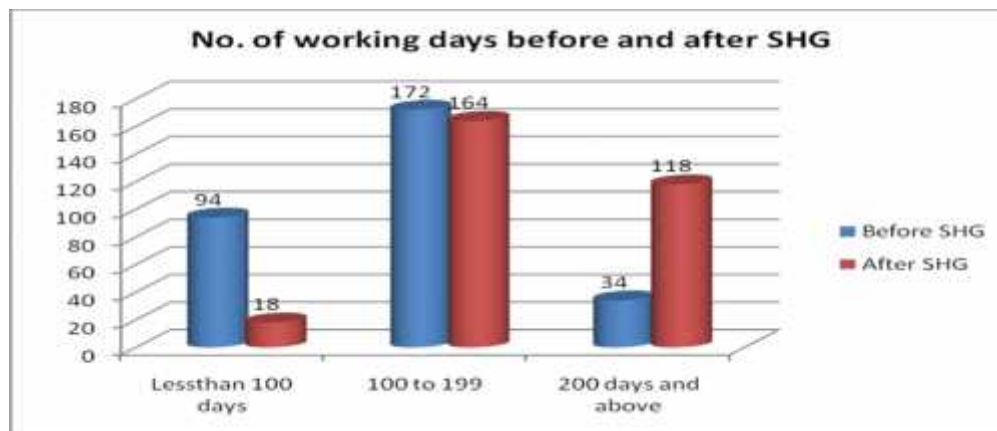


The details of economic activity take up by the SHG members are shown in table 1. It is observed from the table that, as many as 40.67 per cent of SHG members under the study have take-up agriculture as their economic activity. It is also noticed that more than one fifth of the respondents have take-up animal husbandry as the next important economic activity for their livelihood. About 25 respondents representing 16.66 per cent of the total respondents are owning and maintaining general store as an economic activity for their living. This is followed by tailoring (10.67 per cent) and small industries (4 per cent).

Table 2, No. of working days before and after joining the SHG

S No	Working Days	Before	After
1	Less than 100 days	94 (31.33)	18 (6.00)
2	100 to 199	172 (57.33)	164 (54.67)
3	200 days and above	34 (11.34)	118 (39.33)
	Total	300 (100)	300 (100)

Source: Field Survey





The main aim of SHGs is to generate employment and thereby enhance economic conditions of the rural poor. Besides, the scheme has been framed as a strategy to eradicate poverty especially among the poor. For the purpose of the study, the selected self help group respondents are asked to respond the number of working days they had before and after joining the SHG in the study area. Figures shown in table 2 disclosed all such details.

Table 3, Showing the number of beneficiaries under SHG in sub - programmes

S.No	Programmes	No. of SHG members	Percentage
1	Bank linkage	300	100.00
2	Pavala vaddi	194	64.66
3	Land	30	10.00
4	Collective Marketing	34	11.33
5	Health and Nutrition	52	17.33
6	Dairy Development	20	6.66
7	YSR Abhaya Hastam	36	12.00
8	Abhaya Hastam Scholarship for SHG members childrens	98	32.66
9	Jobs for SHG childrens	44	14.66

Source: Field Survey

One of the objectives is to improve the livelihood and enhance quality of life through their own-organization. It aims to cover all the rural poor households in the State with special forms as the poorest of the poor households. In this regard a questions was addressed to the SHG members to elicit their opinion on different benefits enjoyed by them. The details are shown in table 3. It is witnessed from the table that all the SHG SC members have availed bank linkages loans, 49 per cent have borrowed loans through pavala vaddi, 32.67 per cent have been benefited through the Abhaya hastam scholarships and 14.66 per cent have sought benefit in the form of jobs for SHG members. Besides, 17.33 per cent SHG beneficiaries have got benefit from health and nutrition programme, 12 per cent of beneficiaries from YSR Abhaya hastam and 11.33 per cent have got benefited through collective marketing. It has also been observed that marginal percent of beneficiaries have been availed benefits by getting advantages from dairy development (6.66 per cent), land acquisitions (10 per cent). Thus, it can be concluded the sub-schemes have benefits the SHG members in Anantapuramu district.

Table 4 ,Opinion of the SGH members on the overall functioning

S No	Opinion	No. of Members	Percentage
1	Excellent	182	60.67
2	Good enough	114	38.00
3	Somewhat good	04	01.33
	Total	300	100.0

Source: Field Survey

The opinion details can be seen in table 4. As per the findings, it can be understood that as many as 182 respondents out of 300 representing 60.67 per cent selected for the study have stated that the functioning of the scheme is excellent and 38 per cent have opined that the functioning of the said scheme is good enough and 1.3 per cent of the respondents have said that the functioning of the scheme is somewhat good. From the analysis above, it can be understood that majority (i.e., 98.67 per cent) of the respondents are of the opinion have and stated that the scheme has been successfully functioning.



Table 5, Major life changes on account of association with SHG members

S. No	Changes	No. of Members	Percentage
1	Improved my knowledge about society	28	9.33
2	Improved my children's education	110	36.67
3	Maintaining good human relations with other caste people	52	17.33
4	Increased family income through SHG	112	37.33
	Total	300	100

Source: Field Survey

The very purpose of the any poverty alleviation programme including SHG is aimed at creating work, earn good family income and ensure socio-economic upliftment of the families of the poor people. Keeping in this view, a question is designed and sought the opinion of the SHG members on the major changes in their life styles. The details of the opinion expressed by the selected beneficiaries are depicted in table 5. It is quite interesting to note that out of 300 SHGs as many as 110 households could improve their family income through the SHG followed by improving their children's education, (36.67per cent) maintaining good relations with fellow communities (9.33 per cent) and get exposure towards knowledge about the society. From this, it can be inferred that the SHGs could bring a tangible impact in generating income, improving the education levels of the children of the households and moving freely with other caste people and gained knowledge about the society. The overall observation of the findings stated in the table, it can be concluded that the impact of SHG could be seen obviously in increasing family income, improving their children's education, maintaining good relations with other caste people and well exposure and knowledge about the society.

Conclusions

Micro finance is powerful tool for eradicating poverty in rural poor. According the objectives of micro finance, the SHGs were effectively functioning in rural people especially women dimensions. The SHGs were generating income through various income generating activities. Hence, the government will initiate and provide huge micro finance to the rural poor; ultimately they will empowered in all the dimensions.

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