

# Impact of Self-Help Groups on Women Empowerment in Telangana

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## **ABSTRACT**

SEWA (Self Employed Women Association) was formed by Ela Bhatt with the objective of enhancing their incomes. Therefore, NABARD in 1992 formed the SHG (Self Help Group) Bank linkage project, which is today the world's largest micro finance project. In India with 1.38 billion people, the majority of population (70% roughly) is engaged in Agricultural activities where people coming from rural areas often find difficulties to save and do not have the access to credit and other finances. Women often faced difficulties in their daily lives, where there is an absolute necessity for them to adopt certain measures to step forward for their finances. This concept was well known as Self Help Group or in short women SHGs which is regarded as the unique notion in this direction. The SHGBLP (Self Help Group Bank Linkage Programme) had a modest beginning in 1992-93 with 255 credit-linked groups and a loan amount of Rs. 29 lakhs. India's Self Help Group (SHG) movement has emerged as the world's largest and most successful network of Community Based Organizations (CBOs). The main foresight for joining the SHG is not simply to get just credit but it is an empowerment process having with motivational attributes encouraging women to join the job. An attempt has been made to analyze such motivational, influential factors which encouraged women to join the SHGs and main motives for them to carry on in the groups for long periods. Therefore, the present paper discusses the major roles of working women in the present era of Self-Help Groups in Telangana. Since women empowerment plays a key role in socio economic development. It mainly throws light on women who are now entrepreneurs and are playing vital roles through SHG. It also focuses on the women contribution to the nation and various established parameters through SHG (Self Help Group).

**Key Words** - SEWA (Self-employed women association), Self-help Groups (SHGs), Community based organizations (CBO), BPL (Below poverty line), SHGBLP (Self-help group Bank linkage programme).

## **1. INTRODUCTION**

Empowering women has always been a novel concept in the last few decades. Where women have always played a tremendous role in various fields. In the 21st century, the world is progressing and uplifting the women to take part in the contribution of society and economy of the world. Empowering women is the key to boost their participation in the decision - making which is the most important aspect to socio-economic development. There are few agents which play a vital role in strengthening the women to step forward in this developmental society. Education plays the most important role in this very aspect, where once the Napoleon quoted, "Give me a few educated mothers, I shall give you a good nation." Education of women is helpful in eradicating many social evils which women had to go through from past few decades like dowry system, Child marriage and unemployment problems. There were few schemes which were initiated by Government to uplift women into the society and there was one novel concept which expanded in all over India was SHG (Self Help Group) or women SHG's.

The origin began with the Bangladesh in the field of micro finance, the project (Grameen Bank) which was initiated by Mehmud Yunus, Professor of Economics in Chitgaon University of Bangladesh. The project started in 1976 and was legally recognized as the bank which was issued formally by the government in 1983. Grameen Bank was all about providing loans to landless poor people, particularly women, to promote employment majorly Self-employment. Bangladesh Rural Advancement Committee (BRAC), Association for Social Advancement (ASA) and PROSHIKA, were the other Micro credit Finance Institutions (MFIs). India adopted the Bangladesh model and emerged powerful instruments in the field of Indian economy. The Self Employment Women Association in short SEWA was first formed by Ela Bhatt, therefore NABARD in 1992 formed the SHG (Self-help group) it all began with tiny amount of 25 paise, the group of women in the account of eradicating poverty and unemployment. Self-help group bank linkage programme with 255 credit linked groups and a loan amount of Rs.29 lakhs. The SHG, which further was a successful network of Community Based Organizations (CBOs).

The study report has assessed the SHG's in Telangana growing rapidly with women empowerment into various established parameters. With the 39.64 million population in Telangana, female consisting half population reports the recent statistics on women owning houses where most of the women in the population owning land or houses, respectively 66.6%, aged 15-49 years. The reports also show that Telangana takes the lead, with 45.1% women aged 15-49 years involved in paid work. In 2014-15 financial year, Rs 703.05 crore loans were extended to 3.36 lakh Self Help Group (SHG) women under Stree Nidhi programme. In 2021-22 financial year, Rs.3074.02 crore loans were extended to over 5 lakh SHG women under the programme. This paper will further throw light on relevant spheres of empowering women in Telangana through Self Help Groups (SHG's).

## **2. REVIEW OF LITERATURE**

Sarah and Uma Jyothi (2018), took the study in 3 regions of Telangana state, including 4 districts (Medak, Nalgonda, Karimnagar and Ranga Reddy) to study the dynamics of women in SHGs, contributions to sustainability and in agriculture and allied sectors. This study has proved that there was no single SHG which was discontinued. People before joining the SHG they would be given enough time to know the scheme and understand well. Every thing was done in a right mode when joining the SHG like participation, regular meetings, regular transactions for lending and saving.

Dr. Sunil Ujagare & Ashwini Bhagwat (2017), this study showcases the maturity achieved by SHGs, where the group members work smoothly together and are capable of solving problems in the critical situations. SHGs hold certain principals after joining in the group where each member is believed to work together and come forward with strong leadership. Group members should be capable of having smooth communications and decision-making process includes each member from the group. Ujagare & Bhagwat, (2017).

Dr. D. Suresh (2020) in his paper of "Self-help groups: Impact on scheduled tribe women empowerment – A study on Telangana State. Focuses on the development of tribal women empowerment through Self help groups. The study so far covered the Lambada followed by koya, Toti and Kolam tribes have been in the participation of SHG. Study has revealed various success stories of tribal women playing the role of entrepreneurship throwing the light on family support, self-satisfaction accessibility to credit.

Das (2012) has reported various motivational factors such as a desire to work independently, time spending, Self-dependent, opportunity to get training for skill enhancement which ensures prolonged membership with the group varied from 3 years to 8 years accelerate their employment. These skills which have motivated various factors for the women to move forward and play the role of leadership in self help groups.

Poonam and Chhaya Shukla, (2013), All the members reported to attend the meetings of self-help groups regularly. Meetings of the SHG generally held monthly as reported by half of the members (50%). In more than one fourth (27.77%) cases meetings held once in a week. The meetings held in SHGs were an important factor to help people in credit facilities.

### 3. NEED AND SIGNIFICANCE OF THE STUDY

This paper aims to study on the empowerment of women in the late 21<sup>st</sup> century through SHGs where many of the rural women don't indulge themselves into the development of society but on contrary with the initiation of Self-help groups. Where decades ago, a small group of women started helping with just 25 paise, today the loan has crossed millions to help these women in different organizations. In Telangana, women joining and empowering from various groups has shown how much SHGs have been growing in the recent world. Telangana has the highest women working population in India shown by National Family Health Survey(NFHS-5). 39% of the women from Telangana are employed. Women have been indulged in women empowerment and autonomy, including menstrual hygiene, employment and earnings, decision making, ownership of assets and gender role. The Streenidhi is one of the evidential scheme working with 5.01 lakh in which 88% are in rural and 12% remaining under urban. With the total savings of Rs. 20,291 lakhs with this scheme where 62% of SHGs were credit linked with streenidhi. (Sadhikaratha Foundation, 2018-19).

### 4. OBJECTIVES OF THE STUDY

1. To know the forms of women Empowerment through SHGs
2. To promote women's self-worth, ability to determine their own choices.
3. To focus on upcoming factors of women entrepreneurship in SHGs.
4. To eradicate certain issues like poverty, dowry, child marriage in present.
5. To ensure equality of women in Rural regions through SHGs.

### 5. METHODOLOGY OF THE STUDY

In this present paper secondary data was gathered. Both qualitative and quantitative methodologies were used to accumulate information for SHGs on women empowerment in Telangana. The data for this paper was collected from different sources like books, journals, magazines, newspapers, various government organizations and websites etc. The field level information was also obtained from SHGs members, SERP staff and bank branch managers. Semi-structured interviews were conducted with the members to presented various established parameters. Details of data collection are given below:

<u>Units</u>	<u>Tools</u>	<u>Aspects Covered</u>
• Member	Interview Schedule	Socio-economic profile, community-based organizations, household economic activities, support from group members.
• SHG	Interview Schedule and FDG	Functioning of SHGs, role of SHGs in addressing social issues and implementations of government programmes.

- **FDGs** Checklist for focus group discussions Problems, Issues and challenges in sustaining SHGs and their federations, problems in accessing loans from credit agencies.
- **Branch Manager** Semi-structured Interview Details of SHGs savings and loans; details of repayment rate, overdues and NPA, reasons for loan defaulting & loan recovery strategies, role of Bank Mitra.
- **Assistant project Managers** Semi-structured Interview Issues and challenges in functioning of SHGs with regard to older SHGs; details of repayment rate, overdues and NPA, suggestions for better SHG functioning.

This field level collected draft data was then pre tested in Jadcherla mandal of Mahabubnagar district. Appropriate changes were made in this draft tool based on pilot experience. Five-member study team was formed with those who have 5 to 10 years of experience to assist the investigation in finalizing the study design. The reviewing of secondary literature, developing data collection tools, supervising field team and report writing. The report was shared with NABARD Regional office, Telangana. The Semi-structured interview covered the aspects of SHGs into various aspects which highlights the issues and challenges, functioning of SHGs and details of repayment rate, loans from credit agencies.

## **6. IMPLICATIONS OF THE STUDY**

The study sample was basically held with 60 SHGs from 3 districts. Sample is too small in some of the categories, there is a possibility of over projection. SHGs weren't up-to date and there was incomplete information regarding certain parameters like SHG loans. The further implications were also noted down like communication gap and there was only moderate member attendance. The study team had shared a list of sample SHGs with field staff to avoid delay. There were certain issues which weren't taken into an account but neither were solved. The problems often faced by a lot of SHGs were Problems related with Raw materials, Inadequate training facilities, implications with social issues.

## **7. DATA ANALYSIS AND FINDINGS**

**Sampling design:** The sampling design was gathered from more than 10 years old SHGs where this study aims to understand the dynamics of SHGs in Telangana. This sample unit includes regions, districts, mandals, villages and SHG members.

**State:** The study was requested from NABARD for the study of SHGs in Hyderabad conducted in the state of Telangana.

**Regions:** It is divided into three regions – South, Central and North.

**Districts:** In this study the districts of Telangana which were selected were Adilabad from Northern region, Mahabubnagar from Southern Region and Warangal from Central region. It was based on the number of SHGs, SHGs credit linked to banks and presence of SHPIs with implementation of District poverty initiative Programme. Each sample of the district focuses on the location, DPIP mandals.

**Villages:** Three villages were selected which was i) Mandal headquarter ii) a roadside village which is 5 to 10 kms away from Mandal headquarters having large number of old SHGs.

**SHGs:** 3 to 4 SHGs were selected randomly based on their availability that are more than 10 years old. 4 from Mandal head-quarters, 3 from roadside village.

**SERP Staff:** Semi structured interview was scheduled with Assistant project Managers (PMs) at Mandal level and District project Managers (DPMS) of district level to understand the perspective of promoters of old SHGs.

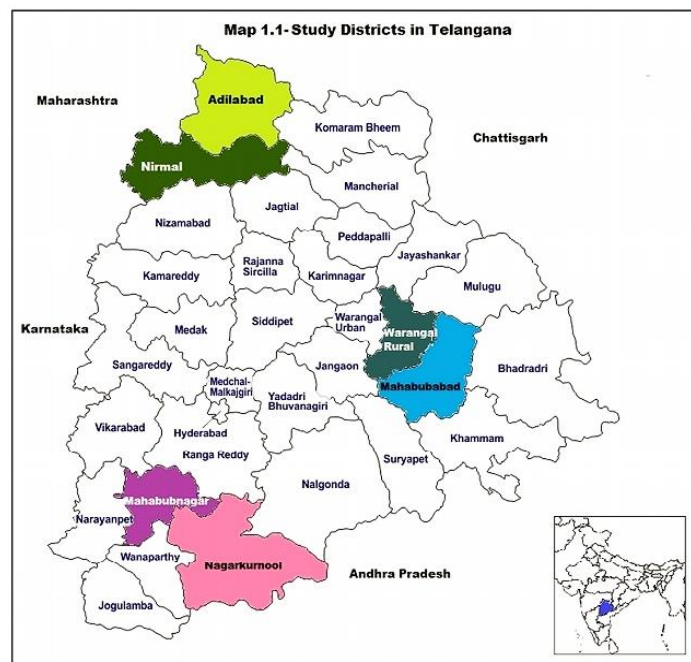
**SHG Members:** In a SHG, two members- one leader and one member were selected randomly based on their availability, where as the other members overall were selected on the basis of certain rules which everyone together can follow till the end.

**Streenidhi Operations:** Streenidhi Credit Cooperative Federation Limited which is the flagship program and Rural Development Department of the Telangana Government. It is promoted by the Mandal Samakhya and the state government in order to supplement the flow of the credit from the sector of banking and to provide affordable credit facilities to the poor SHG members. Telangana consists of 5.81 SHGs and streenidhi is one of the organizations working with 5.01 Lakh SHGs in which 88% is from rural and the remaining 12% urban. With Streenidhi the total savings of SHGs is Rs.20.291 lakhs in which 98.6% is of rural and remaining 1.4% is the contribution of urban. 62% of SHGs are credit linked with Streenidhi. The highest is from the rural which is 62% than the urban which is 49%.

**Mandals:** One Mandal from each district which has the highest of SHGs has been selected from Adilabad district, Sarangapur from Nirmal, Jadcherla from Mahabubnagar, Bijnepalli from Nagar Kurnool, Kesamudram from Mahabubabad and Rayaparthi from Warangal-Rural.

According to SERP, 4.02 lakh SHGs consisting of 42.64 lakh members in rural Telangana. The samples of these districts were elaborated with sampling data.

Source: NABARD 2020



**I. SAMPLE DISTRICTS:** The district Adilabad comprises of 2 revenue divisions, 1 municipality, 18 mandals and 508 villages. The scheduled caste population in the district is 14.02% and Scheduled Tribes population is 31.68% with compromising the literacy rate of 63.46%. Another district has 2 revenue divisions – Nirmal and Bhainsa, 19 mandals. District includes 3,845 square kilometers. The district also comprises the literacy is 57.77%. 10,589 SHGs consisting of 1.18 lakh members. Yet Mahabubnagar another district includes 3 municipalities, 15 mandals, 316



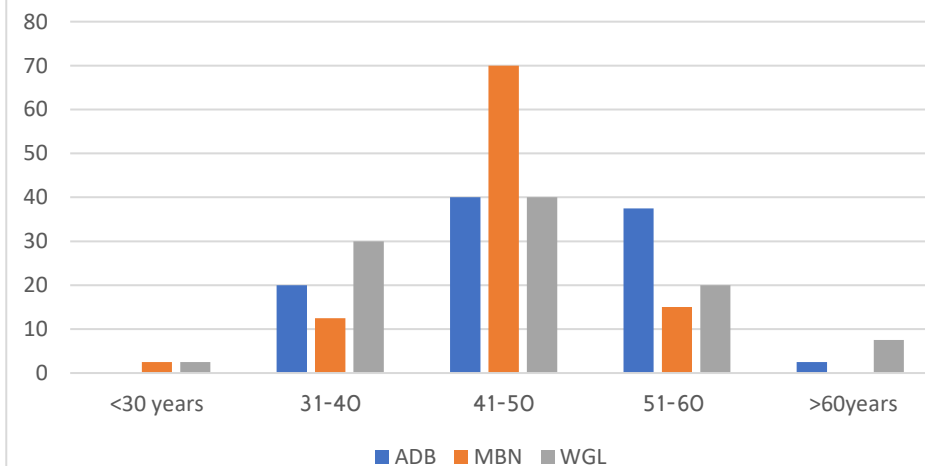
villages, and 468 Gram panchayats consisting 3.06 lakh households with a population of 14.85 lakhs contributing 50.45% literacy rate of female and 58.62% males. With Nagar Kurnool 20 mandals, 349 villages, 301 Gram panchayats estimating the 49.18% of female literacy.

**Age Levels Sample of SHG Members (in %)**

Districts	<30 years	31-40	41-50	51-60	>60years
ADB	0	20.0	40.0	37.5	2.5
MBN	2.5	12.5	70.0	15.0	0
WGL	2.5	30.0	40.0	20.0	7.5
Total	1.7	20.8	50.0	24.2	3.3

Source: NABARD (2020)

**Age Levels Sample of SHG Members (in %)**



The above data is the secondary data gathered from the report of NABARD (2020). Here the table and graph show the age levels of SHG Members who join the group. Here the majority members are in 41-50years (50%), 51-60 (24%), 31-40 (21%) and 60 plus (3%) whereas less than 30 years (2%). According to the districts the members in 41-50 years very high in Mahabubnagar than Warangal (40%) and Adilabad (40%). Here the age of SHG members in Adilabad (ADB) is more than Warangal (WGL) and Mahabubnagar (MBN).

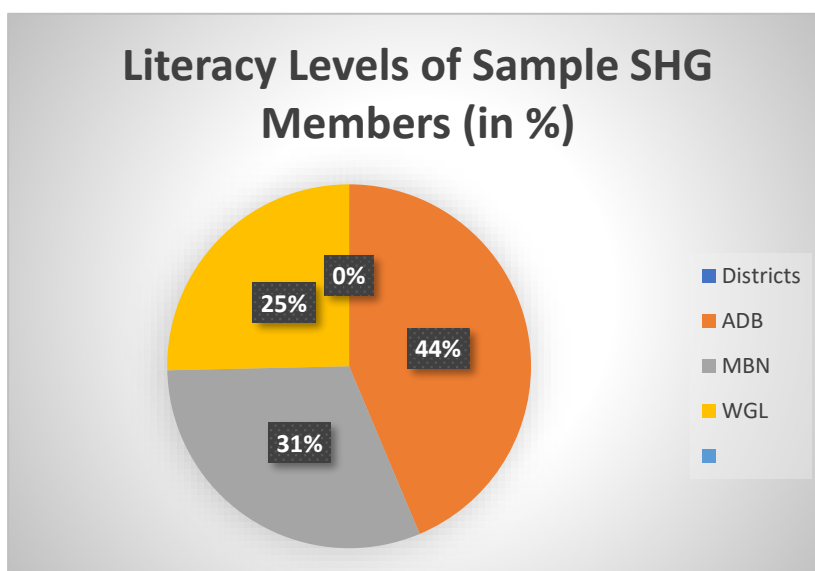
## II. LITERACY RATE

**Literacy Levels of Sample SHG Members (in %)**

Districts	Illiterate	Primary	Secondary	College
ADB	77.5	12.5	10.0	0
MBN	55.0	15.0	25.0	5.0
WGL	45.0	32.5	20.0	2.5
TOTAL	59.2	20.0	18.3	2.5

Source: NABARD (2020)

The quantitative data above collected from secondary sources are the samples of Literacy rate in the three districts of Telangana which is Adilabad (ADB), Mahabubnagar (MBN), Warangal (WGL). Here the literacy level shows that the majority people are illiterate with (59%) followed by literate (41 %). The literacy rate is followed by two sources which is Primary and Secondary sources adding one more source which is College. According to the districts given in the table and shown below in pie chart, the samples showcase that the literacy level of members is low (23%) in Adilabad compared to Mahabubnagar (45%) and Warangal (55%). With the more concentration on Tribal population Warangal consist the highest literates. The literacy rate of SHG women is lower than the female (59.15%) and male consists of (74.88%) in Telangana.



### III. DECISION MAKING

Role of the Women in Household Decision (% of Members)						
	Solely	Major	Equal	Minor	No role	NA
Purchase of land or housing	10.8	10.0	15.8	19.2	4.2	40.0
Promotion of family savings	15.0	25.0	50.0	10.0	0.0	0.0
Children's education	14.2	13.3	55.0	13.3	0.8	3.3
Children's marriage	12.5	15.0	54.2	7.5	0.0	10.8
Taking up of new activity	14.2	18.3	40.2	9.2	6.7	2.5
Purchase of gold/silver/Cattle	21.7	29.2	44.2	3.3	1.7	0.0

Source: NABARD (2020)

The above data shows the Household Decisions of women in various establishments which are divided into purchasing of land or housing, family savings, children's education, children's marriage, purchasing of gold, silver and cattle which is discussed by the four-point scales which is i) To decide solely, ii) Major role, iii) Equal role and iv) Minor role. It was decades ago when women faced tremendous discrimination in the case of equality with men where they were unable to take a single decision without males. Now when the circumstances have changed to a whole level where women aren't seen discriminated but encouraged to take part in the society by doing so, they are

playing a vital role in this developing country. In this data the women in Telangana have the equal rights literally in every aspect. Whether its purchasing gold or silver or if it is children's education or marriage. But some women are there in some parts of the districts where women play minor or no role in the decision making. The majority women have played 'equal' role followed by 'major' and 'decided solely in decision making across the districts. However, female headed households many members have 'decided solely' followed by 'major' role and 'equal' role in making decisions.

## 8. CONCLUSIONS

The investigation of this paper on “*Impact of Self-help groups on women empowerment in Telangana*” has proved empowerment of women on various aspects through self help groups. The women have an equal role and major abilities of decision making. They are not only uplifted in the case of decision making but also in family savings, taking up new economic activity and indulging themselves into group discussions. There were many successful stories of women entrepreneurship through SHGs where women with many organizations started working independently by taking up a small amount of loans and earning a large amount of money. SHGs – Self-help groups have expanded not only in India but also in Telangana in a massive extent. The exceedings in SHGs has led a lot of women to participate into these Self-help groups. There were recent initiations made with Flipkart to enable the market access for Farmer Producer Organizations (FPOs) and Self-Help Groups (SHGs) in the state of Telangana, Flipkart aims to empower local farming communities and SHGs of Telangana by providing pan India market access to more than 400 million customers on its platform. Women are not only empowered but have also own the equal rights in various establishments and now they are able to sell their products to a pan India consumer base for an improved livelihood and gaining more visibility. These recent initiations for the women of self-help groups have put a successful impression on women empowerment which not only encourages educated women but also the uneducated to get out of their homes and work in their society. These self-help groups have also been a major cause in the Indian society as they develop major factors through this. The revolutionary momentum that SHGs have created has given women an important sense of self-assurance in their journey to become aatmanirbhar or self-reliant. Foundations globally have designed SHG led programmes to help women achieve economic empowerment. Initiatives such as the UdaymStree campaign by EdelGive foundation. This has taken focus on women entrepreneurs.

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