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FUNCTIONING OF SHGs: COMBATTING RURAL WOMEN'S POVERTY AND EMPOWERMENT ISSUES IN TELANGANA STATE

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ABSTRACT----------
SHG-Bank Linkage Programme is a powerfull intermediation in microfinance to reach the bottom of pyramid. A proven policy initially perceived for increasing the outreach of banking services amongst the rural poor it has since initiated to a programme for upliftment of standard of living and reduce poverty. The Self-Help Group (SHG) process is a distinct strategy used by developing countries to mobilize women's labour via a collective approach, supported by microfinance, to launch income-generating activities and maintain interventions aimed at women's development. Among the regions, percentage of groups having highest credit linkage was in Southern India. In this context Telangana state has selected for the study to assess the impact on SHG bank likage programme on Rural women's Poverty and empowerment levels after joining in SHGs. This study is based on primary data, analysis has made with adopting poverty eradiction index and empowerment index methods. The results has shown that eventhough SHGs made a significant impact on combatting poverty and uplifting women's empowerment in the study area still poverty persists among the sample rural women in Telangana State.
KEYWORDS: *PEI, WEI, Women Empowerment and Poverty.*----------

INTRODUCTION

Women's empowerment encompasses several dimensions, including economic independence, self-reliance, active participation in political processes, awareness of social and legal issues, development of self-confidence and cultivation of a positive mentality among women. Women's empowerment enables them to effectively traverse a wide range of conditions and actively participate in the developmental endeavors of the country. The Government of India has implemented various programs to quicken women's empowerment and advancement. One of the executed projects is the development of women's empowerment via establishing Self-Help Groups (SHGs). The Self-Help Group (SHG) process is a distinct strategy used by developing countries to mobilize women's labour via a collective approach, supported by microfinance, to launch income-generating activities and maintain interventions aimed at women's development. SHG-Bank Linkage Programme is a powerfull intermediation in microfinance to reach the bottom of pyramid (Dr. S.E.V.Subrahmanyam). A proven policy initially perceived for increasing the outreach of banking services amongst the rural poor it has since initiated to a programme for upliftment of standard of living and reduce poverty. Among the regions, percentage of groups having highest credit linkage was in South (71.7 per cent).

The Southern Region maintained its prominent position in terms of the percentage of bank loan outstanding. It accounted for over half (54.4 percent) of the Self-Help Groups (SHGs) with credit linkage, as well as three-fourths of the loan outstanding to SHGs in the nation as of March 31, 2016. The Southern Region had a little rise in both the quantity of Self-Help Groups (SHGs) that were credit related and the overall amount of outstanding credit. As on 31st March 2017 among the major states, the percentage of Self Help Groups having credit linkage was highest in Telangana state (96 percent), followed by Andhra Pradesh (89 percent). In different regions during 2014 to 2017, the states of Andhra Pradesh, Telangana, and Tamil Nadu were the most significant contributors to the growth in number of SHGs having bank loan, credit disbursed by banks and in average credit disbursement. In Andhra Pradesh and Telangana, the Society for the Elimination of Rural Poverty (SERP) implements Indira Kranthi Pathakam.

SHG Bank Linkage in Telangana

SHG Bank Linkage Programme is working under the scheme of Indira Kranthi Patham (IKP) in Telangana State, the event was coordinated by the Society for Elimination of Rural Poverty (SERP). There are 439599 SHGs (cumulative) covered 542 blocks and 32 districts benefited under these SHG Bank Linkage Programme in Telangana. it can be seen that the proportion of loan amount disbursed in Telangana, namely in the Southern Region, saw a decline in the years 2018-2020. This decline is evident in several aspects, including the percentage share of Telangana in the total loans granted to self-help groups (SHGs), the total amount of loans disbursed, and

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the average loan amount disbursed per SHG. Moreover, the proportion of loans issued to self-help groups (SHGs) in Telangana, India, accounted for 12.59 percent and 17.10 percent of the total disbursed amount in 2017-18 and 11.54 percent and 14.93 percent in 2019-20, respectively. Similarly, it may be noted that the proportionate allocation of loans outstanding in Telangana, India, has seen a minor decline from 18.20 percent in 2017-18 to 17.44 percent in 2019-20. Between 2018 and 2020, there was a marginal decline in Telangana, India's percentage share in terms of outstanding loans. This article, an attempt has made to assess the SHG bank linkage programme impact on rural women's combatting with poverty and empowerment issues after joining in SHGs.

OBJECTIVES

1. To review the genesis, formation and development of microfinance and SHG's in State of Telangana.
2. To study the effect of SHGs on social and economic status of the rural women in Telangana.
3. To examine the impact of micro finance on poverty eradication and women empowerment.

RESEARCH METHODOLOGY

The research used a stratified multi-stage random sampling procedure. In the first step, two underdeveloped districts were picked from each state based on a multi-dimensional poverty rating. In the State of Telangana, Adilabad and Khammam districts have chosen as sample backward districts for the study. From Adilabad district Utnoor, Jainath and Ichoda are chosen as sample mandals. From each mandal, two villages are selected for the study. From Utnoor mandal Narsapur and Danthanapally are chosen as sample villages, followed by Jamini and Karinji villages has from Jainath mandal and Madapur and Sirikonda village has chosen from Ichoda Mandal. From Khammam district Kallur, Sathupalle and Wyra are chosen as sample mandals. From each mandal, two villages are selected for the purpose of the study. From Kallur mandal Chennuru and Mucharam are chosen as sample villages, followed by Cherukupalle and Kakarlapalle village has from Sathupalle mandal and Garikapadu and Gollapudi village has chosen from Wyra Mandal. The total of 300 rural SHG women respondents have chosen as sample members from 60 SHGs in Telangana State. Both before and after joining of the SHGs information has taken for the estimate the impact of micro finance by employing a well-structured questionnaire through schedule method. Sample design has shown in the above table.1.

Table-1 Sample Design of the Study

Number of Districts	Number of Mandals	Number of Villages	Number of SHGs	Number members selected from each SHG	Total Number of Respondents
Adilabad	Utnoor	Narsapur	5	5	25
		Dantanpally	5	5	25
	Jainath	Jamini	5	5	25
		Karanji	5	5	25
	Ichoda	Madapur	5	5	25
		Sirikonda	5	5	25
Khammam	Kallur	Chennuru	5	5	25
		Muchram	5	5	25
	Sattupalle	Cherukupalle	5	5	25
		Kakarlapalle	5	5	25
	Wyra	Garikapadu	5	5	25
		Gollapudi	5	5	25

Analytical techniques

Poverty Eradication index (PEI) and Women empowerment index (WEI) has conducted to estimate the impact of SHGs on rural women living standards.

I. PEI Index

As a result, to avoid calculating the general improvements in the life styles of the respondents the study considered only the gainful employment and gainful income and put cut-off of 50 per cent in the cases of consumption pattern, knowledge and health care variables to measure the accurate improvement in their standard of living conditions and to estimate the actual eradication of poverty in their life (Arjun Y Panagannavar). Hence each variable index is constructed by using the following index number formula.

$$I = \frac{a_1 - a_0}{s - a_0} \times W$$

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Where:

I = Index Number
a_0 = Number of respondents before joining SHG
a_1 = Number of respondents after joining SHG
s = Total respondents
w = Points Assigned to each variable (20 points)

100 point scale has been considered and assigned 20 points to each variable to find-out Poverty Eradication Index. If PEI is equal to 1, it indicates that 100 per cent poverty is eradicated or if PEI is zero, it indicates that the poverty eradication is zero. If the value of PEI is greater than zero, it indicates that the definite percentage of people is lifted up the poverty line through joining in SHG programme.

II. WEI method

In this research, the threshold for determining empowerment is set at a medium level of influence, specifically denoted as a scale value of '2'. This implies that those who have achieved an empowerment score of at least 50 percent or have scored over the scale value of '2' are classified as empowered. Subsequently, using this predetermined threshold, the average value of each empowerment variable is computed, and the summation of these mean values, divided by the entire number of thirty-nine variables, is regarded as the empowerment index. Finally, an estimate is made for the women's empowerment index, one of the five indices. The overall women empowerment index is estimated for each State and the South India Region as a whole, based on five empowerment indicators.

(i) Each variable empowerment index = Mean/N

Where:

Mean = Average score of the empowerment variable
N = Total number of sub variables coming under all empowerment aspects (39)

(ii) Women empowerment Index = (H+Ed+S+E+P) / T

Where:

H = Empowerment of Health
Ed = Empowermentof Education
S = Empowerment ofSocial
E = Empowermentof Economic
P = Empowermentof Political
T = Total number of empowerment aspects (5).

RESULTS OF THE STUDY

1. Social Group

The influence of caste and social position remains a significant factor contributing to poverty and inequality in India. The Backward Class is the most represented category in Telangana, equivalent to 45.0 per cent of the total. Followed by Scheduled Caste respondents, making up 28.3 per cent, while Scheduled Tribe respondents accounting for 25.0 per cent. The Open Category in Telangana has the fewest respondents with 5 individuals representing 1.7 per cent of the total respondents.

2. Literacy

The development of women's literacy skills can potentially reorganize and optimize the underutilized developmental resources within a family unit. In Telangana the literate category has the highest representation, accounting for 39.0 per cent of the total respondents from this state. Followed by, the illiterate category is the second most numerous in Telangana, making up 31.3 per cent. primary educational level, comprising 22.3 per cent and the 10th pass and plus two category, accounting for 5.3 per cent. The middle and high educational level has the second lowest representation in Telangana, with making up 2.0 per cent. Finally, the graduate and above category has no representation in Telangana, indicating 0.0 per cent.

Table -2
Distribution of the Respondents by Caste Category

Age Range	Total Number of Respondents	Percentage to total
Open Category	5	1.7
Backward Class	135	45.0
Scheduled Caste	85	28.3
Scheduled Tribe	75	25.0
Total	300	100.0

Source: Primary data

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3. Experience as Group Member

The experience as group member is an important factor to measure the effectiveness of the SHG. With the increase in the experience of group it becomes convenient to consolidate the activities of SHG and facilitate the members to understand the group dynamics of the SHGs. In Telangana, 5 to 10 years age range, Telangana has the highest number of SHG respondents, making up 71.7 per cent of the total SHG members in the state.Followed by,the 10 to 15 years age range, accounting for 25.0 per cent and in Above 15 age range, has lowest SHG respondents representing 3.3 per cent of the total in Telangana.

Table-3
Distribution of Educational level of the Respondents

Educational Status	Total Number of Respondents	Percentage to total
Illerate	94	31.3
Literate	117	39.0
Primary	67	22.3
Middle/High	6	2.0
10th pass/Plus 2	16	5.3
Graduate and above	0	0.0
Total	**300**	100.0

Source: Primary data.

4. SHG-Bank Linkage

Under SHG Bank Linkage Programme SHGs usually acquire the first linkage between six months to one year. As the the SHG experience increases, the number of linkages also increases. In the above table 5 in Telangana, 5 Bank Linkage holds the highest respondents accounting for a total of 45.7 per cent respondents. Followed by, 4 Bank Linkage making up 38.7 per cent and lastly, 6 bank Linkages making up 15.7 per cent across the state.

5. Amount of Bank Loan

This table 6 provides information on the range of current bank loan amounts held by respondents. It consists of three main data attributes, Range of Current Bank Loan Amount in Rupees categorizes respondents based on the amount of their current bank loans. In Telangana, the Rs.30000 to 45000 range has the most respondents, with 49.3 per cent, making it the largest group.The Rs.15000 to 30000 range follows with 36.0 per cent respondents The below Rs.15000 category includes 13.7 per cent respondents. Lastly, Above Rs.45000 has the lowest respondents 1.0 per cent have loans across the state.

Table-5.
Distribution of the Sample Respondents by Bank Linkage Pattern

Bank Linkage	Total Number of Respondents	Percentage to total
4.00	116	38.7
5.00	137	45.7
6.00	47	15.7
Total	300	100.0

Source: Primary Data.

Table-6
Distribution of Amount to the Sample Respondentsby Bank Linkage

Range of Current Bank Loan Amount in Rupees	Total Number of Respondents	Percentage to total
below Rs.15000	41	13.7
Rs.15000 to 30000	108	36.0
Rs.30000 to 45000	148	49.3
Above Rs.45000	3	1.0
Total	300	100.0

Source: Primary Data.

6. Economic Activity

The distribution of the respondents by their economic activity is presented in table 7.

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Table-7 Distribution of the Sample Respondents by Economic Activity

Type of Economic Activity	PRE-SHG	POST-SHG
Agriculture	14 4.7	7 2.3
Dairying	14 4.7	39 13.0
Petty Business	15 5.0	28 9.3
Artisan	27 9.0	33 11.0
Total Respondents Engaged in Economic Activity	70 23.3	107 35.7
No Economic Activity	230 76.7	193 64.3
Total	300 100.0	300 100.0

Source: Primary Data.

In the above table 7 provides information on the economic activity of respondents before Pre-SHG and after Post-SHG joining Self-Help Groups SHGs. Total Respondents Engaged in Economic Activity: This row presents the total count of respondents who are engaged in any economic activity, both before and after joining SHGs. No Economic Activity provides the count of respondents who are not engaged in any economic activity, both before and after joining SHGs, in each state. In Telangana, Pre-SHGs No economic activity holds the highest representation, accounting for 76.7 per cent, Total Respondents Engaged in Economic Activity has the second highest representation making up 23.3 per cent. Followed by, Artisans making up of 9 per cent. Petty business making up of 5 per cent. Lastly, Agriculture and Dairying across the state has the lowest representation accounting for 4.7 per cent across the state. In Telangana, Post-SHGs No economic activity holds the highest representation, accounting for 64.3 per cent, Total Respondents Engaged in Economic Activity has the second highest representation making up 35.7 per cent. Followed by, Dairying accounting for 13 per cent. Artisans making up of 11 per cent. Petty business making up of 9.3 per cent. Lastly, Agriculture across the state has the lowest representation accounting for 2.3 per cent across the state.

7. Employment Generation

Distribution of the sample respondents by their employment days is given in the table 8. In Telangana, Pre-SHGs, the majority of respondents 76.7 per cent in Telangana reported No Employment Days, indicating a lack of regular employment. Followed by,182 to 273 days of employment, accounting for 11 per cent. 273 to 365 employment days respondents making up 6 per cent. Below 91 employment days, making up 4 per cent respondents. Full Employment accounting for 1.7 per cent.

Table-8 Distribution of the Sample Respondents by Employment Days

Employment Days in Ranges	Total Number of Respondents	
	Pre-SHG	Post-SHG
Below 91 Days	12 4.0	12 4.0
91 to 182 Days	2 0.7	0 0.0
182 to 273 Days	33 11.0	45 15.0
273 to 365 Days	18 6.0	23 7.7
Full Employment	5 1.7	27 9.0
No Employment Days	230 76.7	193 64.3
Total	300 100.0	300 100.0

Source: Primary Data.

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Lastly 91 to 182 Days of employment has the lowest representation accounting for 0.7 per cent respondents across the state. In Telangana, Post-SHGs, the majority of respondents 64.3 per cent in Telangana reported No Employment Days, indicating a lack of regular employment. Followed by,182 to 273 days of employment, accounting for 15 per cent. Full Employment accounting for 9 per cent. 273 to 365 employment days respondents making up 7.7 per cent. Below 91 employment days, making up 4 per cent respondents. Lastly 91 to 182 Days of employment has the lowest representation accounting for 0 per cent respondents across the state

8. Income Generation

The SHG bank connection plan, which aims to enhance loan accessibility, is anticipated to generate heightened revenue for SHG members. Table 9 displays the distribution of the respondents according to their average monthly income level. In, Telangana, Pre-SHGs, a significant portion of respondents 76.7 per cent reported No income, indicating a lack of regular income. Followed by, Rs.1000 to 2500 range making up 12 per cent respondents. Below Rs.1000 range accounting for 7.7 per cent respondents. Rs.2500 to 5000 range making up 2 per cent.

Table-9 Distribution of the Sample Respondents by the Level of Monthly Income

Monthly Income in Ranges	PRE-SHG	POSt-SHG
Below Rs.1000	23 7.7	6 2.0
Rs.1000 to 2500	36 12.0	38 12.7
Rs.2500 to 5000	6 2.0	47 15.7
Above Rs. 5000	5 1.7	16 5.3
No income	230 76.7	193 64.3
Total	300 100.0	300 100.0

Source: Primary Data.

Lastly, Above Rs. 5000 has the lowest representation accounting for 1.7 per cent respondents across the state. In, Telangana, Post-SHGs, a significant portion of respondents 64.3 per cent reported No income, indicating a lack of regular income. Followed by, Rs.2500 to 5000 range making up 15.7 per cent. Rs.1000 to 2500 range making up 12.7 per cent respondents. Above Rs. 5000 range accounting for 5.3 per cent respondents. Lastly, Below Rs.1000 range has the lowest representation accounting for 2 per cent respondents across the state.

9. PEI in Telangana State

Before going to estimate the PEI of the respondents of Telangana State each variable index is constructed based on the primary data. On the basis of the before and after joining SHG information of each variable, the index number of each variable is measured and based on variable index the PEI is estimated. Impact of SHG on selected five variables in Telangana is presented in Table 10. Table10 shows that in Telangana out of 300 women respondents only 56 respondents have gainful employment before joining SHG but their number is increased to 95 respondents after joining SHG. In income generation only 12 respondents are crossed poverty line before joining SHG but it is increased from 12 to 99 respondents are crossed the poverty line after joining in SHG. The number of respondents who have improved in their consumption pattern or standard of living is increased from zero to 157 women respondents after joining SHG. The number of respondents who gained skills and knowledge is increased from 11 to 128 after joining SHG. The number of respondents who have conscious about improvement in their health care increased from 10 to 251 after joining SHG.

Further, it observed that 16.62 per cent of poverty has been eradicated by health care measurement in the total PEI. Income eradicates the poverty only 6.04 per cent. Gainful employment eradicates 3.2 per cent poverty and consumption pattern constitutes 10.47 per cent in poverty eradication. Finally, the knowledge variable eradicates 8.1 per cent of poverty in Telangana out of 44.4 per cent poverty eradication. The PEI value of Telangana is 0.444 which indicates that 44.4 per cent of the poverty has been eradicated through joining in SHG programme in rural women of Telangana. It reveals that about to half of the women respondents lifted up their lives from below the poverty line after joining SHG.

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Table-10
Impact of SHGs on Poverty Eradication in Telangana State

Variable Name	Before Joining SHG (a_0)	After Joining SHG (a_1)	*Variable Index [(a_1)- (a_0) / s- (a_0) x w]*
Employment (E)	56	95	*3.20*
Income (Y)	12	99	*6.04*
Consumption (C)	0	157	*10.47*
Skill and Knowledge (K)	11	128	*8.10*
Health Care (H)	10	251	*16.62*
Poverty Eradication Index Value	-	-	*0.444*

Note: **(i) 's'** indicates total respondents (300) and 'w**'** indicates points (20)assigned to each variable.
(ii) W = Sum of total points (100)of all the five variables.
Source: Primary Data.

10. WEI in Telangana State

The estimated women empowerment index through SHG programme in Telangana State is presented in table 11. It reveals that among the five variable indices, 73.3 per cent of respondents improved their position in the case of economic aspects after joining SHG. Followed by, 52 per cent of sample respondents increased their empowerment level in social aspects. 38.7 per cent of women empowered in political aspects. 33.1 per cent has increased their awareness about health aspect through the SHG programme. Finally, only 21.7 per cent of respondents increased their empowerment level in education aspect. Based on the five empowerment variable indices, on an average total number of women empowered due to joining in the SHG programme in Telangana State is 43.7 per cent. That is about 131 sample women respondents have empowered through the SHG programme in Telangana State.

Table - 11
Women Empowerment Index of Telangana State

EmpowermentVariables	Mean Values	Variable Index (Average Score / Total Number of Variables (Mean/N))
Health Variables (H)	12.91	0.331
Educational Variables (Ed)	8.45	0.217
Social Variables (S)	20.26	0.520
Economic Variables (E)	28.59	0.733
Political Variables (P)	15.09	0.387
WEI= Sum of Total Variables Indices / Number of Main Empowerment Variables (H+Ed+S+E+P)/T	-	0.437

Source: Primary data.

Findings and Conclusions

1. About to 65 per cent of women got employment and income after joining in SHGs.
2. Gainful employment and income range also increase to overcome poverty line after joining in SHGs.
3. Rural women's consumption and health care pesrpectives has uplifted thorugh joining in SHGs.
4. About to 45 percent of rural women has uplifted their poverty level and improved their empowerment capacity through joining in SHGs.

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