



Empowerment of Weaker Sections and role of SHGs (Strategies for the upliftment through Inclusive Policies)

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Abstract: Our study has clearly brought to the fore that the SHG experiment has reduced the intensity of poverty among sample households. It is further observed that as compared to N-SHG households, those who covered under SHG fared better in respect of socio-economic empowerment and nutritional development. The growth of SHGs in the country demonstrates the willingness of the poor to pay for the credit and other financial services rendered by NGO's and credit institutions without depending on any kind of subsidy from the Government agency. In a market-oriented economy, this is a healthy attitude. There is an apprehension that the launching of various Government programmes, under which the SHGs are to be promoted as well as subsidized by DRDA, may hamper the development of micro-credit system as it promotes a subsidy culture, which goes against the philosophy of micro-credit. This aspect needs to be examined in the light of the feed back obtained and if warranted the modalities may have to be redefined as to provide a conducive environment for the growth of SHG-Bank Linkage Programme in India. There is a need to have a broad based and inclusive growth to benefit all sections of the society. It is more challenging for the state to achieve inclusive growth than getting 8 to 9 per cent growth in GSDP (Gross State Domestic Product).

Keywords: SHG-Bank Linkage, NABARD, Socio –Economic Empowerment, Poverty Gap Ratio.

Introduction:

Poverty being an outcome of multiple deprivations, empowerment of the poor is considered a critical factor in accelerating poverty reduction. In contemporary development economics, people's participation is the central theme for poverty reduction initiatives. This paradigm shift calls for considerable efforts to mobilize human energies and building up community based economic leadership at grass roots. In this context, Self Help Group methodology has been found very effective to realize the goal of comprehensive empowerment of low-income households. Accordingly, NABARD initiated

a project to link Self Help Groups with banks in the year 1992. Experimentation with Self Help Group has shown positive signs gaining satisfaction of all concerned. Andhra Pradesh has the largest formation of Self Help Groups in the country and more than 4,00,000 groups are functioning in the state. The State has also been in the forefront under SHG-Bank Linkage Programme by effecting linkage for 2,00,000 groups. Both, Governmental and Non-Governmental Agencies have played an active role providing synergy in group formation and bank linkage. (NABARD, 2002).

Puhazhendi V and K.J.S Satyasai (2000), Pallavi Chavan and Ramakumar R (2002), Ramakrishna R, (2001,2004,2005,2008) and Susil Sirivardana (2001) in their studies have systematically analysed empowerment of weaker sections. The present study endeavors to examine the incidence of poverty among sample households. An attempt is also made to study inclusive growth in Andhra Pradesh through SHG Bank Linkage Programme that aimed at poverty reduction.

Objectives

1. To analyse the effect of SHG-Bank Linkage Programme on incidence of poverty among sample households.
2. To study the impact of SHG-Bank Linkage Programme on socio-economic empowerment and nutritional development among households.
3. To suggest strategies for sustainability of Self Help Groups for upliftment of weaker sections.

Methodology

Multistage sampling technique is used in the selection of units in the study area. Accordingly, at the first stage, Visakhapatnam district one of the backward districts in the north coastal Andhra Pradesh is selected purposively. In the second stage of sampling, out of the 42 mandals, Subbavaram mandalam was selected for the study. Selection of the mandal was done keeping in the view that it should satisfy the two criteria viz, a) cover the maximum number of poor households and b) cover the maximum coverage of SHG households. The third stage of sampling covered the selection of villages.

The fourth stage of sampling involved the selection of households. In all 300 households were selected for the study by using random sampling technique. While 200 of these households are the members of SHGs, (SHG) the remaining 100 are out of the converge of Self Help Groups (NSHG). These two groups of sample households have been chosen keeping in view the probability proportion to their actual number in the total number of poor households in the study area. A survey is conducted during the period from 1st Nov. 2011 to 31th Dec. 2012.

Socio- Economic profile of the Respondents

The socio-economic profile of the sample households shows that a majority of the heads of households of the SHG households are in the age group 20-30. For a majority of the SHG households the family size is four and below. In the literacy levels of the heads of the households, the SHG households have more literates than the NSHG households. The percentage of earners to the total family members in the SHG households is higher than that in the NSHG households and the dependency ratio is lower in the SHG households than in the NSHG households. These differences may be due to empowerment of the poor through SHG – Bank linkage programme. (See tables 1-4)

Incidence of poverty among Rural Poor

The studies on poverty conducted by individual researchers tried to estimate poverty by using different methods. The planning Commission takes into consideration the monthly per capita expenditure norm to estimate the poverty. Having wide methodological differences in the methodology used for fixing the norm to identify the poverty line, all the estimates showed that the incidence of poverty is on a

decline in India. In this study also monthly per capita expenditure as a measure of standard of living is used for the analysis of poverty. The official poverty line is adjusted to the year 2000-2001 by using the Consumer Price Index for Rural Labourers. Accordingly the estimated poverty line of Rs. 264.36/- is taken for the rural areas in this study. The three measures of poverty Head Count Ratio, Poverty Gap Ratio and Modified Sen's Index of poverty were used to estimate poverty for the two groups of households.

Head Count Ratio:

For the SHGs as whole, about 41.5 percent of total households are found to be below the poverty line, while this picture is accounted for by 67 percent in case of the NSHG. Based on the above facts, it can be concluded that the incidence of poverty among the NSHG households is comparatively higher than the SHG households (see table-5).

The Poverty Gap Ratio:

From the table-5, the estimates of Sen's poverty gap ratio clearly indicate the poverty, as a fraction of total expenditure needed to support every one in the population at the poverty line. Thus, the larger the estimate, the larger is the requirement of resources to guarantee the entire population an expenditure equivalent to the poverty line. Moreover, its smaller empirical results, when analyzed, helped us in deriving the following inferences. The results of this poverty measure show that, the poverty gap ratio was found to be higher in the NSHG households.

Modified Sen's Index of Poverty:

As said earlier, Sen's modified poverty measure overcomes the limitation of his earlier measure, viz.,

poverty gap ratio. The later measure suffers from the limitation of being insensitive redistribution of income among poor. The modified Sen's Index of Poverty overcomes this drawback modified measure of poverty lie between zero and unity. It assumes zero value when every one's income is above the poverty line and becomes unity when everyone has zero income. Thereby we may infer that the lower the value of this measure, the closer is the distribution of the poor to the poverty line and vice versa. The measure of Sen's Index of Poverty assumed value close to 0 in both the SHG and the NSHG groups (0.0044 for the SHG and 0.0118 for the NSHG) (see table-5) .This indicates that the distribution of the poor is closer to the poverty line.

The empirical results show that the incidence of poverty is less in the SHG households compared to NSHG households. A lower poverty Gap Ratio was found in the SHG households compared to the NSHG households. The Modified Sen's Index of poverty indicated that the distribution of the poor is closer to the poverty line in both the groups of households. To sum up, according to all the three measures of poverty, SHG households are in a better position than the NSHG households.

Socio-Economic Empowerment and Nutritional Development of the Respondents

Strengthening of people's institutions like the Panchayat Raj Institutions (PRIs) Village Organizations (VOs) and Community Based Organisations (CBOs); enhancing the quality of governance through decentralization of development process, and earmarking larger allocations for social development have been the key elements of the strategy for achieving the Plan objective of growth with social justice. These institutions are expected to

improve the quality of delivery of development goods and in the process make governments more responsive and responsible. The Ninth Five Year Plan has made a qualitative shift in its approach from 'welfare' to 'empowerment' for ensuring the well-being of the disadvantaged. Economic independence and self-reliance through employment and income generating activities and group action have been the main planks. Therefore, it can be inferred that the ingredients essential for the social mobilization process for empowerment and poverty reduction, viz., creation of an enabling environment, building up the capacities of facilitating agencies, creation of opportunities for social and economic development and social protection measures, are well articulated in the Plan documents.

Social Empowerment

Education

Women's education is the most important indicator for social empowerment. Women need education in order to improve their knowledge in various fields such as political, economic, social and others. If a woman is educated in the family, then she will be able to play a successful role in her family. Above all, education is the means, which would improve the status and position of women in general. The details of households regarding female literacy is presented in the tables 6 A, B & C. The data presented in the Table-6A revealed that majority (66 percent) of the households are literates in SHG than in N-SHG households. It was observed that almost half of the women are illiterates in N-SHG households (47 percent) may be due to lack of empowerment. The Table-6B shows that majority (55 percent) of the SHG households are in the literacy level of 6th to 10th standard than in N-SHG. (50 percent). The Table-6C

shows that almost all the female members in N-SHG group are studying in government schools. Whereas in SHG group around 15 percent of the members are studying in private schools.

Economic Empowerment

Savings

Savings supplements family income and improve their standard of living. The distributions of households by monthly savings are presented in Table-7. The data shows that majority (85 percent) of households are in the monthly savings range of Rs. 50-100 in SHG households. However, no single household was reported savings in N-SHG households. The distribution of households by utilization of additional income generated in their family is presented in Table-8. It shows that majority of households (33 percent) used their income for better health care and education for their children, followed by 20 percent towards loan repayment and 17 percent for social functions.

Decision-making:

Our main concerns are to examine women's empowerment and to identify the factors associated with variation in the indicators of women's empowerment in the household. Under what conditions do women feel more empowered and under what conditions do women feel less empowered? It is examined and presented in the Table-9. The results shows that wife appears to be the most important decision-maker in SHG and husband in N-SHG with regard to their children's schooling and other issues also.

Nutritional Empowerment

Health Status:

The national statistics on Health shows that majority of family members suffer from malnutrition resulting in health problems. The Table-10 shows the health problems of family members in the study area. More than 50 percent of the family members suffer from health problems in NSHG households. Whereas in the case of SHG, only 33 percent of the members suffering with health problems. Among the health problems, the family members reporting improper eyesight are high (14 percent) followed by 'Fatigue', 'growth failure' and 'oedema' in both the households.

Nutritional Status:

Among the various indicators, nutritional status of family members acquires greater importance. The Table-11A shows that the children suffering with nutritional deficiency is more in NSHG households (60 percent) than in SHG (53 percent). And the data from table 11B shows that the adults suffering with nutritional deficiency is relatively more in NSHG households (55 percent) than in SHG (43 percent).

Member's views on Social, Economic and Nutritional Empowerment:

It is observed from the Table-12 that as compared to NSHG households, those covered under SHG fared better in respect of socio-economic empowerment and nutritional development. If the SHGs are allowed to develop links with bank branches; the access to credit for the poor would improve.

Application of ICT Devices for Sustainability of SHGs

Through the application of modern information technology the sustainability of SHGs is possible individually and collectively. ICT (Information, Communication and Technology) will facilitate the articulation of women at the grassroots of their experiences, concerns, perceptions. It provides necessary information and insight to transform them into active conscious and confident participants in the sustainability of SHGs. Several methodologies like one-way audio, teleconferencing network, video conferencing with cameras at two or three locations, multimedia using-text, sound, images, animations and video utilized (to inform or entertain) from the village level to the district level will be effective in the management of SHGs. Implementation of ICT devices at group level, bank level and NGO level would contribute to a healthy growth of women in the rural areas.(See table-13)

Summary and Recommendations

Our study has clearly brought to the fore that the SHG experiment has reduced the intensity of poverty among sample households. It is further observed that as compared to N-SHG households, those who covered under SHG fared better in respect of socio-economic empowerment and nutritional development. The growth of SHGs in the country demonstrates the willingness of the poor to pay for the credit and other financial services rendered by NGO's and credit institutions without depending on any kind of subsidy from the Government agency. In a market-oriented economy, this is a healthy attitude. There is an apprehension that the launching of various Government programmes, under which the SHGs are to be promoted as well as subsidized by DRDA, may hamper the development of micro-credit system as it promotes a subsidy culture, which goes

against the philosophy of micro-credit. This aspect needs to be examined in the light of the feed back obtained and if warranted the modalities may have to be redefined as to provide a conducive environment for the growth of SHG-Bank Linkage Programme in India. There is a need to have a broad based and inclusive growth to benefit all sections of the society. It is more challenging for the state to achieve inclusive growth than getting 8 to 9 per cent growth in GSDP (Gross State Domestic Product).

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Table-1
Distribution of Heads of households by Age Composition

Groups of Households	Age Composition (Years)					Total
	Below 20	20-30	30-40	40-50	Above 50	
SHG	5.50	35.50	31.00	19.00	9.00	100.00 (200)
NSHG	2.00	28.00	39.00	22.00	9.00	100.00 (100)

Note: Figures are in percentages.

Note* SHG households – 200; N-SHG households-100

Table-2
Distribution of households by size of the family

Groups of Households	Family Size			Total
	4 and below	5 & 6	7 & above	
SHG	61.50	34.50	7.00	100.00 (200)
NSHG	52.00	40.00	8.00	100.00 (100)

Note: Figures are in percentages.

Table-3
Distribution of Heads of households by Literacy Level

Groups of Households	Literacy Level				Total
	Illiterates	Primary	Secondary	Higher	
SHG	45.50	18.50	28.50	7.50	100.00 (200)

NSHG	49.00	27.00	21.00	3.00	100.00 (100)
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Note: Figures are in percentages.

Table-4
Distribution of the family members by Earning Status

Groups of Households	Earners				Non-Earners				Total	Dependancy Ratio
	Male	Female	Children	Total	Male	Female	Children	Total		
SHG	28.28	17.42	0.79	46.49	14.59	11.31	27.60	53.51	100.00 (884)	1.15
NSHG	28.73	14.25	1.11	44.10	20.27	12.92	22.72	55.90	100.00 (449)	1.27

Note: Figures are in percentages

Table-5
Group-wise Estimates of three Poverty Measures

Groups of Households	Head Count Ratio	Poverty Gap Ratio	Modified Sen's Index of Poverty
SHG	41.5	11.80	0.0044
NSHG	67	15.72	0.0118

Note: Head Count Ratio and Poverty Gap Ratio are expressed as percentages

Table-6A
Female Literates in the Households

Literacy Status	SHG	N-SHG
Illiterates	33.69	47.13
Literates	66.31	52.87
Total	100.00 (377)	100.00 (174)

Note: Figures are in percentages

Table-6B
Female Literacy Level

Literacy Status	SHG	N-SHG
Upto 5	32.4	38.04
6-10	55.6	50.00
11 and above	11.6	11.95
Total	100.0 (250)	100.00 (92)

Note: Figures are in percentages

Table-6C
Place of Schooling among Females

Place of School	SHG				N-SHG			
	Upto 5	6-10	11 and above	All	Upto 5	6-10	11 and above	All
Balwadi	1.21	-	-	1	-	-	-	-
Government School	80.49	88.48	75.86	211	94.28	93.47	100.0	87
Private School	18.29	11.51	24.13	38	5.71	6.52	-	5
Total	100.00 (82)	100.0 (139)	100.0 (29)	250	100.0 (35)	100.0 (46)	100.0 (11)	92

Note: Figures are in percentages

Table-7
Distribution of Households by Monthly Savings

Monthly Savings (in rupees)	SHG	N- SHG
Nil	-	100.0
Less than 50	5.0	-
50-100	85.0	-
100-150	10.0	-
150& above	-	-
Total	100.0 (200)	100.0 (100)

Note: Figures are in percentages

Table-8

Distribution of the Households by utilization of additional income generated

Items	SHG
Nutritious food for the family	6.8
Purchase of household durables	4.0
Towards loan repayment	20.0
Minor repairs to house	4.4
Better health care	18.0
Better clothing	4.0
Better education for the children	15.2
Social functions	17.2
Purchase of household durables + purchase of house site	10.4
Total	100

Table-9

Who makes Decisions in the Households

Decision making	SHG				N-SHG			
	Wife	Husband	Both	Elderly people	Wife	Husband	Both	Elderly people
Whether the boy should go to school	60.5	12.5	6.5	41 (20.5)	47 (47.0)	51 (51.0)	-	2 (2.0)
Whether the girl should go to school	44.5	29.5	7.5	37 (18.5)	19 (19.0)	34 (34.0)	9 (9.0)	38 (38.0)
Whether the female member should work	36.5	34.5	18.5	21 (10.5)	15 (15.0)	39 (39.0)	5 (5.0)	41 (41.0)
Regarding Loans	18.0	25.5	48.4	17 (8.5)	10 (10.0)	44 (44.0)	34 (34.0)	12 (12.0)
Regarding Purchase of Household items	30.0	13.5	49.0	15 (7.5)	32 (32.0)	39 (39.0)	29 (29.0)	-

Note: Figures are in percentages

Table- 10

Distribution of the Family Members suffering With Health problems

Nature of Health Problem	SHG	N-SHG
Oedema	4.52	8.68
Growth failure	2.82	8.46
Fatigue	12.44	18.93
Improper eye sight	13.34	14.25

Nil	66.85	49.66
Total	100.0 (884)	100.0 (449)

Note: Figures are in percentages

Table-11A
Distribution of the children suffering with Nutritional deficiency

Nutritional deficiency	SHG	N-SHG
Anemia	24.30	21.49
B-complex deficiency	14.34	17.75
Vitamin-A deficiency	13.94	20.56
Nil	41.03	40.18
Total	100.0 (251)	100.0 (107)

Figures are in percentages

Table 11. B
Distribution of the Adults suffering with Nutritional deficiency

Nutritional deficiency	SHG	N-SHG
Anemia	15.08	17.25
B-complex deficiency	14.17	15.20
Vitamin-A deficiency	13.72	21.63
Nil	57.01	45.90
Total	100.0 (633)	100.0 342

Note: Figures are in percentages

Table 12
Distribution of Member's Views on Socio-Economic and Nutritional Empowerment

Items	SHG	N-SHG
Adoption of small family norm	84.0	64.0
Access to information about Govt. programmes	86.8	48.8
Improvement in children's education	94.8	62.4
Education of girl child improved	72.8	53.6
Improvement in sanitation	76.4	52.0
Discontinuation of child labour employment	63.2	29.6
Access to markets	87.2	40.0
Increase in bargaining power	84.8	38.4
Increase in self confidence	65.2	28.8
Increase in self employment potential	78.0	37.6

Increase in marketing & communication skills	80.4	36.0
Improvement in decision making	86.8	72.8
Early marriage discontinued	84.4	60.8
Nutritional status improved	84.0	64.0
Able to sign	85.2	36.8
Banking habits improved	85.2	38.4
Improvement in credit worthiness	69.2	26.4
Better productive skills	82.0	53.6
Mobility	74.8	51.2
Better awareness of health	84.0	73.6

Note* SHG households – 200; N-SHG households-100
Figures are in percentages

Table-13
Application of ICT devices for Sustainability of Self Help Groups

Interventions for improving SHGs	Strategies for Sustainability of SHGs through ICT Devices
1. Tackling gender bias	Organizing gender training and sensitization in the banking system
2. Specific policies for women's requirements	Live interactive sessions with the expert panel and participants at community level
3. Long term plans on the credit flow to women entrepreneurs	Online networking with groups, bankers, experts etc.
4. Loans on liberal terms at a low rate of interest	Loan availability at door step without obstacles
5. Simplification of procedures for project proposals and project reports	Interactive session with the bankers
6. Bank's initiative for reaching out to women for their credit requirements	Teleconferencing with groups and bankers
7. Expansion of Mahila rural co-operative bank in remote villages	Bankers and experts discussions and interviews for the expansion of bank services
8. Separate branches/counters for women for credit disbursement	On line and ATM disbursement for speedy credit
9. Entrepreneurship development programme/training facilities for women for acquiring skills	Teleconferencing, multi-media using text between groups and management experts
10. Free technical training for the needy	Face to face training and capacity building
11. Marketing facilities	Improved methods and techniques on marketing skills by expert panel.
12. Separate women's cells for counseling on self-employment opportunities	On line net working with the SHG's by the experts through teleconference.
13. Free counseling and reconciliation for economic empowerment	Interactive and participatory sessions with SHGs members and experts on tele counseling – face to face training
14. Publicity campaign/awareness programmes	Online regional level networking, exchange of views, etc.,
15. Strong data base	Getting information through separate web sites useful for development policy
16. Role of NGOs and SHG's	Common platforms to NGO's and other agencies for net working and sharing knowledge and experience
17. Mobilisation of masses for effective involvement in group activity	Exhibitions relating to role plays on women' agitations and interactive and participatory sessions