



IMPACT OF MICRO FINANCE ON SHG'S WOMEN IN ANANTAPURAMU DISTRICT

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Abstract

Empowerment is intricately linked to the development of human resources and the enhancement of human capital, which involves increasing the capabilities of individuals within society. In India, women make up approximately 48% of the population, representing about one-sixth of the total demographic. However, their involvement in economic activities stands at only 34%. Analysis of women's workforce participation indicates that over 10% are engaged in the unorganized sector. A fundamental challenge hindering women from fully participating in nation-building is their lack of economic independence. Consequently, planners and policymakers have been actively seeking viable alternatives. In this regard, Self Help Groups (SHGs) are recognized as one of the most effective mechanisms for fostering women's participatory approach towards economic empowerment. Among this, micro finance concept is cent per cent suitable to the development of women in developing countries like India. The Government of Andhra Pradesh has prioritized women's empowerment as a key agenda item to address rural poverty and socio-economic challenges. This paper enlighten that the role of role of microfinance on development SHGs women in Anantapuramu district of Andhra Pradesh state.

Keywords: *Micro Finance, Self Help Groups, Development.*

Introduction

In India, various Five-Year Plans have placed significant emphasis on employment and income activities for women, aiming ultimately to achieve economic independence and self-reliance for them. However, despite government efforts, the needs of women continue to be increasingly marginalized in their pursuit of existence and excellence. The formal banking system fails to meet the credit requirements of poor women, relegating them to the roles of recipients, beneficiaries, and consumers, despite their potential as givers, benefactors, and producers. This context has led to the emergence of the micro-credit concept.

Micro-credit plays a vital role in poverty reduction strategies across many nations. According to Weber, micro-credit "differs significantly from other targeted poverty reduction strategies in that it operates within a commercial framework" and reinforces norms related to repayment in commercial transactions and contracts. Today, micro-credit is recognized as a promising intervention for alleviating poverty and empowering women.

Self-help groups have been established to support the development of poor rural women through the provision of micro-credit from the banking sector. The Reserve Bank of India has initiated a program to link self-help groups with lending institutions, such as commercial banks, ensuring that the needs of these groups are adequately addressed by the banks. Additionally, non-governmental organizations play a crucial role in facilitating access to micro-credit for the rural poor.

Review of literature

Financial inclusion encompasses initiatives aimed at making financial products and services both accessible and affordable for all individuals and businesses (Investopedia, 2022). It empowers marginalized and impoverished groups, including women, with the goal of fostering self-sufficiency



and enhancing their ability to make informed financial choices (Singh et. al., 2015). Consequently, the objectives of microfinance involve promoting greater financial inclusion while simultaneously enhancing the social and economic well-being of the poor, contributing to the inclusive growth of the nation.

Microfinance typically refers to a wide range of financial services, including microcredit, microinsurance, and savings and deposits, provided in small amounts to those at the lower end of the economic spectrum (Sarkar, 2001). Inclusive growth signifies the provision of fair opportunities for all to access resources, thereby benefiting society as a whole. Therefore, microfinance and inclusive growth should ideally work together to ensure economic and financial advancement by closing the gap between formal financial institutions and the rural impoverished segments of society, leading to balanced, democratically sustainable, and optimal growth (Hamsa, 2019).

Subsequently, the National Bank for Agriculture and Rural Development (NABARD) embraced this concept in India. One of the innovative initiatives introduced by NABARD in the rural delivery system is the connection of self-help groups (SHGs) of the underprivileged with banks and bulk lending facilitated by NGOs. NABARD offers policy guidelines, technical assistance, and promotional support primarily aimed at enhancing the capacity of NGOs and SHGs, as well as providing exposure training to banks and NGOs with potential, while also promoting SHGs (Christabell, 2009).

Objectives of the present study

1. To study the concept of micro finance.
2. To analyse the economic empowerment of SHG SC women.

Research Design

Ananthapuramu district is recognized as one of the underdeveloped districts in the Rayalaseema Region of Andhra Pradesh. It comprises five revenue divisions: Dharmavaram, Penukonda, Kadiri, Anantapuramu, and Kalyandurg. In the initial phase, three revenue divisions (Kadiri, Dharmavaram, and Anantapuramu) were chosen, followed by the selection of two mandals from each division, with 50 sample respondents chosen from each mandal. In total, the study involved three revenue divisions, six mandals, and 300 sample respondents from Ananthapuramu district in Andhra Pradesh. The research utilized both primary and secondary data. Primary data were gathered from sample respondents of SHG women in Anantapuramu district, Rayalaseema region of Andhra Pradesh, through a structured interview schedule. Secondary data were sourced from newspapers, journals, books, statistical reports, DWAMA, DRDA, published and unpublished theses/dissertations, various university libraries, government institutions, and official websites.

Results and Discussions

Table 1: Details of Income Level of Shgs Households before and After Joining SHGS

S. No	Income	Before	After
1	LessthanRs. 1000	168 (56.00)	30 (10.00)
2	Rs.1000-Rs.2000	90 (30.00)	54(18.00)
3	Rs.2000-Rs.3000	42(14.00)	138(46.00)
4	Rs. 3000-Rs.4000	00(0.00)	48(16.00)
5	Rs.4000 and above	00 (0.00)	30 (10.00)
	Total	300 (100)	300 (100)

Source: Field survey



Before joining SHGs, the majority of households (56.00%) earned less than Rs. 1,000 per month, indicating widespread poverty and limited income-generating opportunities. Another 30.00% of households earned between Rs. 1,000 and Rs. 2,000, while only 14.00% earned between Rs. 2,000 and Rs. 3,000. Notably, none of the respondents earned more than Rs. 3,000 per month, reflecting the poor economic condition of the sample households prior to SHG participation. After joining SHGs, the income distribution changed substantially. The proportion of households earning less than Rs. 1,000 declined sharply from 56.00% to 10.00%, representing a reduction of 46 percentage points. Similarly, households in the Rs. 1,000–Rs. 2,000 income group decreased from 30.00% to 18.00%.

At the same time, the proportion of households earning Rs. 2,000–Rs. 3,000 increased dramatically from 14.00% to 46.00%, making it the largest income category after SHG participation. Furthermore, 16.00% of respondents moved into the Rs. 3,000–Rs. 4,000 income group, while 10.00% achieved a monthly income of Rs. 4,000 and above, categories that had no respondents before joining SHGs.

Table-2: Durable Goods of Selected SHG Women

S. No	Goods	Before SHG	After SHG
1	Television	168 (56.00)	30 (10.00)
2	Refrigerator	90 (30.00)	54 (18.00)
3	Gas	42 (14.00)	138 (46.00)
4	Motor Cycle	00 (0.00)	48 (16.00)
	Total	300 (100)	300 (100)

Source: Field survey

The table indicates a noticeable change in the ownership pattern of household goods among households after joining SHGs. Before joining SHGs, 56.00% of the respondents reported owning a television, 30.00% possessed a refrigerator, and only 14.00% had an LPG gas connection. None of the respondents owned a motorcycle, reflecting the limited purchasing capacity of the households.

After joining SHGs, the distribution of household goods shifted considerably. The proportion of households reporting gas connections increased substantially from 14.00% to 46.00%, making it the most commonly reported household asset after SHG participation. In addition, 16.00% of the respondents acquired motorcycles, indicating improved mobility and economic status. Ownership of refrigerators accounted for 18.00%, while 10.00% of respondents reported owning televisions. Overall, the findings suggest that participation in SHGs enabled many households to invest in productive and welfare-enhancing assets, particularly LPG gas connections and motorcycles, which contribute to better living conditions, improved health, and greater accessibility to employment and markets.

Table-3: Before and After Decision Making By the SHGS Women

S.No	Issue	Before			After		
		Men	Women	Both	Men	Women	Both
1	Decision making with regard to the schooling of children	75 (25.00)	39 (13.00)	186 (62.00)	45 (15.00)	39 (13.00)	216 (72.00)
2	Decision making on medical treatment for family members	150 (50.00)	24 (08.00)	126 (42.00)	105 (35.00)	60 (20.00)	135 (45.00)
3	Gender differentiation regarding caring of children	21 (07.00)	219 (73.00)	60 (20.00)	33 (11.00)	150 (50.00)	117 (39.00)

Source: Field survey



The findings indicate that participation in SHGs has positively influenced the decision-making process within households by encouraging greater participation of women and promoting joint decision-making between spouses.

Regarding decision-making on the schooling of children, before joining SHGs, 62.00% of households reported that both husband and wife made decisions jointly, while 25.00% reported that men made the decisions independently and only 13.00% indicated that women decided independently. After joining SHGs, joint decision-making increased to 72.00%, whereas men's exclusive role declined to 15.00%. Women's independent participation remained at 13.00%. This suggests that SHGs have strengthened cooperation between spouses in matters relating to children's education.

In the case of medical treatment for family members, before SHG participation, 50.00% of decisions were taken solely by men, 8.00% by women, and 42.00% jointly. After joining SHGs, the proportion of decisions made exclusively by men declined to 35.00%, while women's independent participation increased significantly to 20.00%. Joint decision-making also rose slightly to 45.00%, indicating that women gained greater influence over important family health decisions.

With respect to caring for children, before joining SHGs, childcare responsibilities were predominantly undertaken by women (73.00%), while only 7.00% were handled by men and 20.00% jointly. After SHG participation, women's exclusive responsibility declined to 50.00%, while joint participation increased substantially to 39.00% and men's involvement rose to 11.00%. This reflects a gradual shift toward more shared family responsibilities and reduced gender-based division of childcare.

Table -4: Opinion of Sample Respondents on Different Issues in the Study Area

S. No	Issue	Before SHG	After SHG
1	Actively participated in community organization	18 (06.00)	30(10.00)
2	Member in any community development organization	21 (07.00)	60(20.00)
3	Actively participated in local government/ nominated/elected in local institutions	15 (05.00)	24 (08.00)
4	There is no involved	246(82.00)	186(62.00)
	Total	300(100)	300(100)

Source: Field survey

The table reveals that participation in SHGs has enhanced the social and community involvement of households. Before joining SHGs, the majority of respondents (82.00%) reported that they had no involvement in community or local development activities. Only 6.00% actively participated in community organizations, 7.00% were members of community development organizations, and 5.00% participated in local government or held positions in local institutions.

After joining SHGs, a noticeable improvement was observed in all aspects of community participation. The proportion of respondents actively participating in community organizations increased from 6.00% to 10.00%, while membership in community development organizations rose substantially from 7.00% to 20.00%, representing the highest increase among all indicators. Similarly, participation in local government and local institutions increased from 5.00% to 8.00%, indicating greater civic engagement and leadership among SHG members. Most importantly, the proportion of respondents reporting no involvement in community activities declined significantly from 82.00% to 62.00%, a



reduction of 20 percentage points. This suggests that SHGs have encouraged members to become more socially active and participate in collective development initiatives.

Findings

1. The study found that participation in Self-Help Groups (SHGs) significantly improved the income levels of the selected women in the backward district of Anantapuramu, Andhra Pradesh. A considerable proportion of women moved from lower-income categories to higher-income groups after joining SHGs, indicating that SHGs have contributed to enhancing their economic well-being and financial stability.
2. The study revealed a positive change in household decision-making regarding children's education after women joined SHGs. Before joining SHGs, decisions related to children's schooling were predominantly influenced by male members. However, after SHG participation, exclusive male decision-making declined, while joint decision-making between husbands and wives increased substantially. This reflects greater participation of women in family decisions and improved gender equality within the household.
3. The study also highlighted an improvement in the political and social participation of women after joining SHGs. The proportion of women participating in or being nominated/elected to local governance and political institutions increased from 5 percent to 8 percent. Although the increase is modest, it indicates that SHGs have enhanced women's awareness, confidence, leadership abilities, and participation in local governance and community development activities.

Conclusion

Micro-Finance serves as a vital tool in the fight against poverty in rural regions. It enhances the socio-economic status of rural women and plays a significant role in their empowerment. The government has been offering various facilities and executing welfare programs aimed at the development of rural women. However, these initiatives often fail to reach the intended beneficiaries due to factors such as lack of education, awareness, and gender discrimination. Therefore, both the Government and NGOs will organize awareness programs to inform rural communities about the various developmental schemes introduced and implemented by the Government, financial institutions, and NGOs to empower women in the targeted areas.

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