

**DR. BRR GOVERNMENT DEGREE COLLEGE,
JADCHERLA, MAHABUBNAGAR DIST.
DEPARTMENT OF ECONOMICS**

Student Study Project

on

**The rise of rural women through self-help
groups a study of SHGS in Mahabubnagar
district of Telangana state**

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CERTIFICATE

This is to certify that the present work titled "**The rise of rural women through self-help groups a study of SHGS in Mahabubnagar district of Telangana state**" is the bonafide work of Nerate Sai Baba, Sampangi Anjaneyulu, Singaramoni Manjula, Vallabhudas Anil Kumar Goud, Tappeta Kishore, under the supervision of R.Nagaraju, Lecturer in Economics, Dr. BRR Government Degree College, Jadcherla. No part of this work has been submitted to any other University for the award of any Degree.

Date: 17-5-22



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DECLARATION

We hereby declare that the investigation results incorporated in the present project titled "**The rise of rural women through self-help groups a study of SHGS in Mahabubnagar district of Telangana state**" were originally carried out by us under the supervision of R.Nagaraju, Lecturer in Economics, Dr. BRR Government College Jadcharla. No part of this work has been submitted to any other university for the award of Degree.

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INTRODUCTION AND DESIGN OF THE STUDY

Introduction

India is predominantly an agrarian country. More than seventy per cent of India's population lives in villages. The people living in rural areas are having different life styles. Obviously, development of rural India is the development of India. The present study is carried out to focus on the impact of self- help groups on the overall development of rural women, which, in turn, contribute for the development of rural areas. In rural areas, women are generally not perceived to have any meaningful income generating capacity, and hence, they are relegated to household duties and cheap labour. If they do not work and earn a good income, their voices are silenced. Even in matters of sex and child bearing, women often do not have the ability to oppose the wishes of their men. Rural women need to be viewed as active participants in the process of development and change. Women should play a predominant role in society. Wale, V. S., & Deshmukh, has discussed that discrimination against women in the form of male- female differentiation constitutes the core of the gender biased system. Hillary Rodham Clinton, (2014)² has stated in the World Bank Report (2012), which has focussed on several areas related to women empowerment, i.e., freedom from violence, control over sexual and reproductive health and rights, ownership and control of land and housing and voice in collective action. It has also explored the power of social norms in dictating how men and women have to behave. According to the World Bank information stated in "World Bank and Gender Equality, 2010-08-10" underinvestment in women restricts economic growth and poverty reduction. Empirical evidence shows a positive correlation

between women's earnings, their productivity and poverty alleviation. The World Bank has suggested that empowerment of women should be a key aspect of development programmes and also stated that the political empowerment of women will not succeed without economic empowerment. The 2009 World Survey on the Role of Women in Development (UNDESA, 2009; V) verifies that there are positive multiplier effects for overall social and economic development when, women, to the same extent as men, access economic and financial resources. Goverdhan Naidu, S.,(2013)³ has stated that the women empowerment is achieved through establishing self- help groups in Deebaguntla village, Gospadu Mandal, Nandyal Taluka, Andhra Pradesh. The author examined the usefulness of micro finance in poverty alleviation. Self-help group is an innovative idea in the development of rural India. It has proven as the best measure to eradicate poverty and enhance the standard of living and empower women. Fred Luthans (1998)⁴ has stated that empowerment is recognizing and releasing into the organisation the power that people already have in their wealth of useful knowledge and internal motivation.

The "rural development" term is used in a wider connotation and implies the integrated development of rural areas. India's development lies in rural development. Rural development means overall development of rural areas to improve the quality of life of rural populace—men, women and children. In India rural development is the buzz word today. Gandhiji, M.K., (1959)⁵ wanted total transformation of villages by developing them, from within, into viable units. As per Gandhiji, the core objectives of rural development are: food for hungry people, language for their ideas, and education to all—women, men and children. Hence it becomes important that proportionate amount of attention and funds be spent for betterment of the rural folk. In India, since independence, there has been concerted effort to reconstruct the rural India and the rural sector of the economy. Till the late 1970s, India was a 'developing state', which believed in taking up

a proactive role in shaping the path of its development. The decades of the 1980s and 1990s emerged as a period which defined a minimalist role of the state. Here the emerging focus is the human which strikes a harmonious balance between the individual, the community and the country and which carries the planning to the grass-root level into the hands of rural people, beneficiaries, who can meaningfully contribute to its formulation and implementation. Development alone cannot bring prosperity unless social justice and gender equality are ensured. One of the most essential features of development is the transformation of society, which embraces the movement from traditional relations, social norms, and traditional ways of health care, education and traditional methods of production to more modern ones. The changes associated with development provide societies as well as the individuals more control and influence over their own destiny. Development enriches the lives of individuals by widening horizons of the choices and freedom and at the same time by reducing their sense of isolation. Hence, the development strategy must be aimed at facilitating the transformation of society in identifying the potential catalysts and barriers to change.

Rural development is an integrated process, which includes social, economic, political and spiritual development of the poorer sections of the society. In all rural development programmes, human beings are the causes and consequences. Good governance is not possible without participation and development of rural downtrodden women. Rural development emphasizes development of agriculture and allied activities, village and cottage industries and handicrafts, socio-economic infrastructure which includes setting up of co-operatives, school, etc. community services and facilities i.e. drinking water, electricity, rural roads and transportation, human resources mobilization. Women development is a global issue, which has gained momentum in recent decades. As the United Nations' Human Development report of 2012 makes clear that massive

investments in human capital and development of managerial and technological skills are needed in developing countries if they are to improve their peoples' living standards. According to the United Nations informative report, (UNDP)⁶ the imperfect nature of wealth as a gauge of human development, the HDI (Human Development Index) offers a powerful alternative to GDP (Gross Domestic Product) and GNI (Gross Net Income) for measuring the relative socio-economic progress at national and sub-national levels.

Women Development Indicators

Female Literacy: Education is the first step to progress and development of an individual and the nation as a whole. Women are a part of the society and they too have the right to receive education. However there has been a remarkable growth in the overall literacy rate. The female literacy rate also has seen an escalation. It is 10.10 per cent in 1961, 15.50 per cent in 1971, 21.70 per cent in 1981, 46.58 per cent in 2001, and 58.75 per cent in 2011. Literacy is extremely important for empowering women in India. However the growth is positive and is in the rising trend. Education is the best way to empower women as they became aware of their rights. It has been observed that there has been a noteworthy improvement in the literacy rate of women in India; nevertheless, it has not reached to the maximum in comparison to the other nations. It has gone up to 74.04 per cent in 2013 which is worth noting. Females are not getting the proper education as they should get. Literacy in rural areas is worse than in urban India.

Sex Ratio: In most populations of the world, the overall Sex Ratio is favourable to females; while in India, it is averse to women. Sex Ratio is defined as number of females per 1000 males. Sex Ratio was 972 in 1901, came down to 941 in 1961 and further declined to 933 in 2001 and 932 in 2013. This is due to female infanticides, induced abortions, differentials in child mortality, the neglect of females not only in the

childhood, but also at all most all ages I spite of their pivotal role in national development.

Age at marriage: Age at marriage is one of the factors, which shows the empowerment and autonomy of women. The expansion of work opportunities outside of agriculture, especially for women has substantially increased the individuals' economic independence from parents, thereby helping the girls to determine their own marriage matters. Mean age at marriage was 13.1 years in 1901, raised to 15.8 in 1961 and increased to 20.0 year in 2001 and 20.5 in 2013. Indian mean age at marriage for females has gradually showed an upward movement. These also due to the prevalence of nuclear families' type, weaken of the kinship ties, diversity of economic activities outside the homes.

Life Expectancy: Life expectancy is the “average numbers which a person of that age may expect to live”. Demographers consider it as one of the best indicator for countries level of development and the overall health status of its population. Life expectancy was 24.0 year in 1901, increased to 32.0 by 1951, 50.0 years by 1981, reached to 66.1 years by 2001, increased 66.91 years by 2013. Thus female life expectancy has been increasing fast in recent decades. This is due to general improvement in the health care services and utilization.

Couple protection Rate: The couple protection rate has shown an increase where females are better in their socio-economic and cultural aspects. In demography it is a best indicator of women status. Though, couple protection rate includes male sterilization, it is marginal compared to female methods. It defined as couples effectively protected from child birth. The couple protection rate was 11.0 per cent in 1970 which increased to 45.4 per cent in 1994; 47.1 per cent in 2003; 47.0 per cent in 2005 and 59.0 per cent by 2013. Therefore the couple protection rate has been increasing over the decades.

Total Fertility Rate: In demography sense, it is one of the indicators of women's status. Total fertility rate is measured as total number of children born per women in her reproductive period. It was 5.2 in 1971, which were come down to 4.5, 3.5, 2.9 and 2.7 in 1983, 1993, 2005 and 2013 respectively.

Work Participation Rate: Work participation rate of women is one of the indicators of women status. It was drastically decline in several decades and recorded 25.7 per cent in 2001. Thus, the female work participation rate has varied greatly over the decades. Labour force declined 33.7% (2004-05) to 26.1% (2009-10) in rural areas. According to ILO Global Employment trends 2013 Report, India is placed at 120th of 131 countries in women's labour force participation.

Need / Significance / Concept of Self-Help Groups

The self-help concept is one of the most fascinating and dynamic process of development of women.

Rural people have different kinds of needs like, life cycle or day to day needs, emergency needs and investment needs. To meet these needs rural people depend on various ways. The lack of knowledge, lack of money, higher interest rate and family constraints are main problems of rural women. The main reason for lack of funds is unstable income. SHG is emerging as a powerful instrument for rural women development and poverty alleviation. SHG is a small village based group and economically similar groups of rural poor, voluntarily formed to save and mutually contribute to a common fund to be lent to its members as per the group members' decision. Self Help Groups (SHGs) are usually informal groups whose members have a common perception of need and importance towards collective action. SHG as a group of 10 to 20 people form a homogeneous class who are willing to come together for addressing their common problems. These groups

promote regular savings among members and use the pooled resources to meet the emergent needs of their members, including the consumption needs. Within the groups there should be true democratic culture in which all the members participate actively in the decision making process by taking part in the debate or discussion. The groups meet regularly at one of the members' place-it may be once in a month or fortnight or week. The process helps them to imbibe the essentials of financial intermediation including prioritization of needs, setting self-determined terms for repayment, keeping books records. It builds financial discipline and credit history that then encourages banks to them in certain multiples of their own savings and without any demand for collateral security. Stability of self- help groups depends on their members' loyalty to it and the adequacy of SHG to meet growing needs of the members. It is obvious that collective work, leadership with fixed tenure, mutual trust and cooperative philosophy would be the driving force for the self- help groups. There has been greater outreach of financial services to the poor through SHGs. In addition to the financial analysis of SHGs, the non-financial areas such as social security and gender dynamics are also affected by the SHG movement. SHGs are necessary to overcome exploitation, create confidence for the economic self-reliance of the rural poor, particularly among women who are mostly invisible in the social structure. As women's SHGs have been promoted by a wide range of government and non-governmental agencies, they now make up 90% of all SHGs. This study focuses on psychological, Economic and Social development of rural women SHGs.

Features of SHGs

- ❖ Homogeneity: The members of self-help group may comprise from comparable socio-economic back ground.
- ❖ Democratic in nature: All members in the group have freedom to participate in the

decision making process.

- ❖ Mutual support: All members support to each other in all issues.
- ❖ High achievement motivation: To achieve their goals SHG women are making collective efforts.
- ❖ Small size: Size of group is normally restricted to 15-20 members to facilitate participatory processes. In a smaller group, members get opportunity to speak openly and freely.
- ❖ All for All: SHG is a voluntary agency and works for their members and community benefit and its principle is for the group, by the group and of the group.
- ❖ Sharing & caring: SHG members share pains and gains.
- ❖ Social integrity: The composition of SHGs is mixed groups. SHG maintains equality and integrity among different social groups.
- ❖ Awareness: SHG got great potential in creating awareness on day-to-day activities, and they learn from each other. It provides awareness to its members on their rights and government development programmes.
- ❖ Social & Economic empowerment: SHG works as a vehicle of social and economic empowerment of poor women.
- ❖ No discrimination: The SHG members do not have discrimination with respect to caste, creed, religion or political affiliations.
- ❖ Transparency: There exists transparency in functioning of SHGs.
- ❖ Thrift: The habit of thrift (small saving) is fundamental to the SHG and helps in building up a strong common fund.

Some other benefits are observed by Dasgupta (2001)²⁴ ; in his paper entitled, “Informal Journey Through Self-Help Groups”, stated that SHGs facilitate women to build

confidence in themselves as decision makers, and to work in a democratic manner. Based

on the above, the major benefits of Self-Help groups can be listed on below:

Benefits of Self-Help Groups

- Creating economic self-reliance of rural poor in meeting consumption and production credit needs as and when they arise. This will prevent exploitation of the poorer sections from non- institutional credit sources.
- Development of group's dynamics, building leadership quality to realise their potential and self-belief.
- Assisting the members to complete the formalities and documentation required to obtain credit from bank.
- Helping banks in recovery of credit by motivating members for prompt repayment of loans.
- Procurement of high cost inputs that could not be bought individually.
- Training members in the use of extension services and government support.
- Building common infrastructure for the benefit of its members.
- Inculcate the habit of saving.
- Building trust & confidence between rural women and bankers.
- Access to various promotional assistance
- Development of managerial skills & abilities to facilitate a group meeting
- Management of enterprises supports by credit
- Access to health care
- Self-sufficiency & empowerment
- Quality of life

Importance of SHGs

The SHG purpose is to make the people self-sufficient and self- reliant. The self-help

groups are important to overcome exploitation, create confidence for the economic self-reliance of rural people. The purported influences of SHGs are multifarious.

Political: Political engagement includes active involvement by SHGs in government including local assemblies, Lok Sabha or Panchayat Raj Institutions. The role of SHGs is both as an inspiration and as a financier. SHG sometimes finances the campaign of its members that stand for election. SHGs not only empower its members but also wield a powerful political role as a group as well. At local village meetings the leaders of SHGs are often invited to attend and speak. Impoverished women develop greater language and financial skills through the SHG which provides the building blocks for higher levels of confidence to engage the world.

Social Harmony: SHGs typically consist of following social groups. Schedule Caste, Schedule Tribe, minorities, backward caste and others. The compositions of SHGs are sometimes exclusively one particular social group or a mix. The impact of SHGs on social harmony has also been mixed.

Social Justice: Social justice is the presence of moral and ethical conduct in areas that are historically typified with backward and abusive customs. There have been several occurrences of SHGs resolving disputes between members and the community at large.

Community: Being a group based organization of members of similar caste and geography, the community resources that are shared by are affected by the SHG. There have been few instances of significant contributions from SHGs to education, family planning, eradication of child labour, bigamy, dowry death etc. this demonstrates that given the opportunity, SHGs assuming they have the capacity, can act as a director of community development.

Lively Hoods: Lively hood, meaning a person's economic activity, is an area that is

vitaly important to SHGs. The loans that SHG members receive are intended to improve their livelihoods so that they can receive greater and steadier cash flow. In rural areas livelihoods range from agriculture farming, animal husbandry, dairy and various other goods and services activities. Experience has shown that SHGs have had improved livelihoods to the extent of providing the leveraging needed to start an enterprise.

Mutual Support: SHG provides needed support, as well as practical information, education and sometimes advocacy. SHGs derive their energy from members helping one another without forms or fees. So SHG provide mutual support and that group be composed of peers, people who share a common experience that the group is primarily run by and for its members, who therefore have a sense of ownership for the group. Women perceived changes in their identity towards working collectively to influence for change at the village and Panchayat levels. SHG women are engaged in community and social action programs at the local and beyond the local level.

Decision Making of SHG Women

An empowered SHG woman can take wide decisions, regarding: -

-To start a own business; To go & learn any new courses or adult learning programme; To influence local politics and participate in the community-level decision making like village infrastructure; To attend the other SHG meetings and political activities and interaction with banks and other NGOs etc; To cast vote and contest in parliamentary and state elections and panchayat elections; To take decision for the welfare of the family; To take decision on schooling, paid work, and birth of children; to take decision on Marriage and setting up of separate household, and Marriage of children, Divorce & widowhood etc.

Women Empowerment through Self-Help Groups

Empowerment: Empowerment is an autonomy or power to powerless people.

Empowerment is a freedom of a person in social, political and economic matters.

Economic empowerment

- Self- help movement through savings has been taken up as a mass movement by women- a path chosen by them to shape their destiny for better.
 - SHGs are recognized as useful tool to help the poor and as an alternative mechanism to meet the urgent credit, needs of poor women, through thrift.
 - They are effective in providing mutual support and are good resources for finding needed information.
 - SHGS enable women to grow their saving and to access the credit which banks are increasingly willing to lend.
 - SHG is a tool to remove poverty and improve the rural development.
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- Local women recruits and SHG field workers are more likely to become effective community leaders.
 - Women in the rural areas are the catalyst for change and that is why the whole programme is supported to keep women progressive.
 - Membership of SHGs aided the women to move from an inactive state of being dynamic agent and work for their own change.

Objectives of the Study

The study is confined to the Patancheru Mandal in Medak District, State of Telangana, and a state which faces the conundrum of rapid economic growth juxtaposed with poor social indicators. The study looks at various dimensions of development of rural women- material, cognitive, perceptual and relational. SHG can help in expansion of material base

of women by enabling them to start and expand small businesses, often accompanied by market access; experience of 'power within': feelings of freedom, strength, self-identity and increase the levels of confidence and self-esteem. However, gender discrimination is most deeply entrenched in the family, evident in attitudes towards daughters in law, daughters, the gender based division of work, roles and responsibilities as well as the mind-set towards domestic violence and issues of ownership and inheritance of land. At the social level, an encouraging trend is that women have been able to challenge the norm of *pardah*. Besides, involvement in SHGs has enabled women to have a voice in the community affairs and they have been able to tackle problems such as a lack of drinking water and electricity, access to health services and children's education. Though women face handicaps to their involvement in politics, their participation in SHGs has altered them, and these women can be prospective leaders in the local political field. Nonetheless various constraints like discriminatory practices in labour, a low level of skills etc., operate to contract a woman's potential for empowerment. It may be comparatively easier to ensure material change than to cause a change in power structures and the ideologies and attitudes which accompany them. However, no milieu is static, and some of the recommendations for away forward include providing a convergence of inputs, ensuring a proactive involvement of women in the program, changing social norms and perceptions and anchoring with wider movements of social change. Women constitute nearly 50% in the society. They play very important role for the socio-economic development of the country. Unless a proper care has been taken, a portion of the society will be neglected, and it will curtail the economic development of the women. After globalization various agencies came forward for their upliftment. Bringing rural women into mainstream of development is the major concern for the government of India.

The following are the specific objectives of the study:

1. To study the socio-economic background of sample women members of SHGs in terms of age, education, occupation etc.
2. To study the quality of life before and after joining in SHGs.
3. To evaluate the performance of SHG members from financial perspective.
4. To find out the obstacles for development of rural women through SHGs.
5. To examine the extent to which SHGs contribute for empowerment of rural women
6. To recommend measures for effective functioning of the SHG programme for the cause of human resource development.

Conclusion

Thus the present chapter has dealt extensively about various related theoretical concepts, objectives; hypothesis and methodology are discussed under various heads. The next chapter is related to survey of the literature.
